

---

# **REVOLUTION MD, INC**

## **FINANCIAL STATEMENTS** **YEAR ENDED DECEMBER 31, 2021 AND 2020** *(Unaudited)*

---

## INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

---

	Page
INDEPENDENT ACCOUNTANT’S REVIEW REPORT .....	1
FINANCIAL STATEMENTS:	
Balance Sheet .....	2
Statement of Operations .....	3
Statement of Changes in Stockholders’ Equity .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6

---

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Revolution MD, Inc  
Knoxville, Tennessee

We have reviewed the accompanying financial statements of Revolution MD, Inc (the "Company,"), which comprise the balance sheet as of December 31, 2021 and December 31, 2020, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the year ending December 31, 2021 and December 31, 2020 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 control 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 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 conformity with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 10, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Set Apart FS

April 15, 2022  
Los Angeles, California

**Revolution MD Inc**  
**BALANCE SHEET**  
**(UNAUDITED)**

<b>As of December 31,</b>	<b>2021</b>	<b>2020</b>
(USD \$ in Dollars)		
<b>ASSETS</b>		
Current Assets:		
Cash & cash equivalents	\$ 12,260	\$ 3,693
Prepays and other current assets	2,064	1,324
<b>Total current assets</b>	<b>14,324</b>	<b>5,017</b>
<b>Total assets</b>	<b>\$ 14,324</b>	<b>\$ 5,017</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current Portion of Loan	2,552	-
<b>Total Current Liabilities</b>	<b>2,552</b>	<b>-</b>
Loan Payable	10,208	-
<b>Total liabilities</b>	<b>12,760</b>	<b>-</b>
<b>STOCKHOLDERS EQUITY</b>		
Common Stock	129	125
Additional Paid In Capital	393,556	307,760
Retained earnings/(Accumulated Deficit)	(392,121)	(302,868)
<b>Total stockholders' equity</b>	<b>1,564</b>	<b>5,017</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 14,324</b>	<b>\$ 5,017</b>

*See accompanying notes to financial statements.*

**REVOLUTION MD INC**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

---

For Fiscal Year Ended December 31,	2021	2020
(USD \$ in Dollars)		
Net revenue	\$ -	\$ -
Cost of goods sold	-	-
Gross profit	-	-
Operating expenses		
General and administrative	88,292	101,399
Sales and marketing	961	213
Total operating expenses	89,253	101,611
Operating income/(loss)	(89,253)	(101,611)
Interest expense	-	-
Other Loss/(Income)	-	-
Income/(Loss) before provision for income taxes	(89,253)	(101,611)
Provision/(Benefit) for income taxes	-	-
<b>Net income/(Net Loss)</b>	<b>\$ (89,253)</b>	<b>\$ (101,611)</b>

*See accompanying notes to financial statements.*

**REVOLUTION MD INC**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

(in , \$US)	Common Stock		Additional Paid In Capital	Retained earnings/ (Accumulated Deficit)	Total Shareholder Equity
	Shares	Amount			
<b>Balance—December 31, 2019</b>	<b>12,937,500</b>	<b>\$ 129</b>	<b>\$ 249,871</b>	<b>\$ (201,257)</b>	<b>\$ 48,743</b>
Capital contribution			57,889		57,889
Share repurchase	(437,500)	\$ (4)			\$ (4)
Net income/(loss)				(101,611)	(101,611)
<b>Balance—December 31, 2020</b>	<b>12,500,000</b>	<b>125</b>	<b>307,760</b>	<b>\$ (302,868)</b>	<b>\$ 5,017</b>
Issuance of Stock	356,250	4	85,796		85,800
Net income/(loss)				(89,253)	(89,253)
<b>Balance—December 31, 2021</b>	<b>12,856,250</b>	<b>\$ 129</b>	<b>\$ 393,556</b>	<b>\$ (392,121)</b>	<b>\$ 1,564</b>

*See accompanying notes to financial statements.*

**REVOLUTION MD INC**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

For Fiscal Year Ended December 31,	2021	2020
(USD \$ in Dollars)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ (89,253)	\$ (101,611)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(739)	(1,324)
<b>Net cash provided/(used) by operating activities</b>	<b>(89,993)</b>	<b>(102,935)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	-
<b>Net cash provided/(used) in investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing on Loan Payable	12,760	
Capital contribution	85,800	57,889
Share repurchase	-	(4)
<b>Net cash provided/(used) by financing activities</b>	<b>98,560</b>	<b>57,885</b>
Change in cash	8,567	(45,051)
Cash—beginning of year	3,693	48,743
<b>Cash—end of year</b>	<b>\$ 12,260</b>	<b>\$ 3,693</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
<b>OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES</b>		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Issuance of equity in return for note	-	
Issuance of equity in return for accrued payroll and other liabilities		

*See accompanying notes to financial statements.*

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

**1. NATURE OF OPERATIONS**

Revolution MD Inc was incorporated on October 1, 2018, in the state of Nevada. The financial statements of Revolution MD Inc (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in Knoxville, Tennessee.

Revolution MD Corporation (RevMD) is a Bio-Tech company focused on providing an alternate delivery system for prescription medications. We use a high transaction blockchain network to control dispensing the medication to the prescribed user through a biometrically controlled device. Our initial focus uses our technology to address the opioid crisis that claims the lives of over 47,000 people in the United States each year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis of reporting.

**Use of Estimates**

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2021 and December 31, 2020, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are carried at their estimated collectible amounts and are periodically evaluated for collectability based on past credit history with customers and other factors. Provisions for losses on accounts receivable are determined based on loss experience, known and inherent risk in the account balance and current economic conditions. As of December 31, 2021 and 2020, there were no accounts receivable requiring collection.

**Prepaid Expenses**

Prepaid expenses include rent paid in advance, prepaid payroll, service fees, and subscription fees for the periods subsequent to December 31, 2021, and 2020.

**Property and Equipment**

As of December 31, 2021 and 2020, there was no property and equipment.



**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

**Impairment of Long Lived Assets**

The management continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the management assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the management recognizes an impairment loss based on the excess of the carrying amount over the fair value of the Company's long-lived assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. For the year ending December 31, 2021 the Company disposed property and equipment with carrying amount of \$0 and recognized no loss on disposals of property and equipment in the statements of operations.

**Income Taxes**

The Company uses the liability method of accounting for income taxes as set forth in ASC 740, Income Taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is unlikely that the deferred tax assets will be realized.

The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, our policy is to record the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements. The Company has determined that there are no material uncertain tax positions.

The Company accounts for income taxes with the recognition of estimated income taxes payable or refundable on income tax returns for the current period and for the estimated future tax effect attributable to temporary differences and carryforwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized in the immediate future.

**Concentration of Credit Risk**

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

**Revenue Recognition**

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- 1) Identify the contract with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to performance obligations in the contract
- 5) Recognize revenue as the performance obligation is satisfied. No adjustments to revenue recognition were required from the adoption of ASC 606, which was adopted on January 1, 2019, and retroactively applied to the periods presented. As of December 31, 2021, deferred revenue pertaining to revenue collected but not yet earned amounted to \$0 and are recognized as current liabilities in the balance sheets.

**Advertising and Promotion**

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2021, and December 31, 2020, amounted to \$961 and \$213, which is included in sales and marketing expenses.

**Fair Value of Financial Instruments**

The Company's financial instruments consist primarily of cash in bank, accounts receivable, accounts payable, accrued expenses, convertible notes payable, term loan and SAFE liabilities. Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of December 31, 2021, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

**Subsequent Events**

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through April 15, 2022, which is the date the financial statements were issued.

**Recently Issued and Adopted Accounting Pronouncements**

In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement", which changes the fair value measurement disclosure requirements of ASC 820. This update is effective for fiscal years beginning after December 15, 2019, and for interim periods within those fiscal years. Management does not expect the adoption of ASU 2018-13 to have a material impact on the Company's financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the Company's financial statements. As the new accounting pronouncements become effective, the Company will adopt those that are applicable under the circumstances.

**3. DETAILS OF CERTAIN ASSETS AND LIABILITIES**

Prepays and other current assets consist of the following items:

<b>As of Year Ended December 31,</b>	<b>2021</b>	<b>2020</b>
Prepayments	2,064	1,324
<b>Total Prepays Expenses and other Current Assts</b>	<b>\$ 2,064</b>	<b>\$ 1,324</b>

**4. CAPITALIZATION AND EQUITY TRANSACTIONS**

**Common Stock**

The Company is authorized to issue 10,000,000 shares of Common Shares with a par value of \$0.00001. As of December 31, 2021, and December 31, 2020, 12,856,250 shares and 12,500,000 shares have been issued and are outstanding, respectively.

**Stock warrants**

As of December 31, 2020 and 2019, the Company did not issue any stock warrants.

**Stock Options**

As of December 31, 2020 and 2019, the Company did not issue any stock options.

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**5. DEBT**

On April 8, 2021, the company received a PPP loan in the amount of \$12,760. The details of the loan and the terms are as follows:

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 2021				
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
PPP loan	\$ 12,760	1.00%	4/8/2021	4/8/2026	\$ 128	\$ 128	\$ 2,552	\$ 10,208	\$ 12,760
<b>Total</b>					<b>\$ 128</b>	<b>\$ 128</b>	<b>\$ 2,552</b>	<b>\$ 10,208</b>	<b>\$ 12,760</b>

The summary of the future maturities is as follows:

As of Year Ended December 31, 2021	
2022	\$ 2,552
2023	2,552
2024	2,552
2025	2,552
2026	2,552
Thereafter	-
<b>Total</b>	<b>\$ 12,760</b>

**6. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2021, and December 31, 2020 consists of the following:

As of Year Ended December 31,	2021	2020
Net Operating Loss	\$ (24,991)	\$ (28,451)
Valuation Allowance	24,991	28,451
<b>Net Provision for income tax</b>	<b>\$ -</b>	<b>\$ -</b>

Significant components of the Company's deferred tax assets and liabilities at December 31, 2021, and December 31, 2020 are as follows:

As of Year Ended December 31,	2021	2020
Net Operating Loss	\$ (109,794)	\$ (84,803)
Valuation Allowance	109,794	84,803
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>	<b>\$ -</b>

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2021 and December 31, 2020. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

For the fiscal year ending December 31, 2021, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$392,121, and the Company had state net operating loss ("NOL") carryforwards of approximately \$392,121. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2021, and December 31, 2020, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expenses. As of December 31, 2021, and December 31, 2020, the Company had no accrued interest and penalties related to uncertain tax positions.

## **7. RELATED PARTY**

There are no related party transactions.

## **8. COMMITMENTS AND CONTINGENCIES**

### **Lease Commitments**

As of December 31, 2021 and 2020, the Company did not have any lease commitments.

### **Contingencies**

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

### **Litigation and Claims**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

## **9. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events for the period from December 31, 2021 through April 15, 2022, which is the date the financial statements were available to be issued.

There have been no events or transactions during this time which would have a material effect on these financial statements.

**REVOLUTION MD INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

---

**10. GOING CONCERN**

The Company sustained net losses amounting to \$89,323 for the year ended December 31, 2021, and has an accumulated deficit of \$392,190 as of December 31, 2021, and has current assets of \$14,324, and liabilities of \$12,760. The Company has not yet generated revenues and incurred operating expenses of \$89,323 for the year ending December 31, 2021. This resulted to negative cash flows from operating activities of \$89,993. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans to mitigate the conditions and events that raise substantial doubt about the Company's ability to continue as a going concern include plans to raise additional funds to meet obligations through various capital fund-raising efforts. The Company's ability to meet its obligations as they become due is dependent upon its ability to generate sufficient cash flows from operations to meet its obligations, and/or to obtain additional external capital financing. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as going concern.