PTS, Inc.

CONSOLIDATED FINANCIAL STATEMENTS
REPORT

FOR YEARS ENDED DECEMBER 31, 2021 AND 2020

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PTS, INC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ --	$ --
Receivables	--	--
Note receivable	--	---
Prepaid		
Total current assets	--	--
Investments	2,000,000	2,000,000
Other asset	1,516,667	1,516,667
Total assets	3,516,667	3,516,667
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 37,400	$ 10,000
Total current liabilities		10,000
Total liabilities	37,400	10,000
Stockholders' Equity:		
Preferred stock, $0.001 par value 10,000,000 authorized: none issued or outstanding	--	--
Common stock, $0.001 par value 200,000,000 authorized 1,945,258 and 1,945,258 issued and outstanding, respectively	1,945	1,945
Additional paid in capital	5,918,055	5,918,055
Accumulated deficit	(2,440,733)	(2,413,333)
Total stockholders' equity	3,479,267	3,506,667
Total liabilities and stockholders' equity	$ 3,516,667	$ 3,516,337

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PTS, INC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR YEARS ENDED DECEMBER 31,
(Unaudited)

	2021	2020
Expenses		
Operating expenses:		
General and administrative expense	$27,400	$ 10,000
Impairment of note receivable	--	--
Income (loss) from operations	(27,400)	(10,000)
Other income(expense)		
Write down of assets		--
Net income (loss)	$ (27,400)	$ (10,000)
Net loss per share, basic and diluted	$ (0.01)	$ (0.00)
Weighted average number of shares outstanding	1,945,258	1,945,258

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PTS, INC
STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31,
(Unaudited)

Description	Common stock $0.001 par value				
	Shares	Amount	Additional Paid in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at December 31, 2019	1,945,258	1,945	$5,918,055	$ (2,403,333)	$3,516,667
Net loss	--	--	--	(10,000)	(10,000)
Balance at December 31, 2020	1,945,258	1,945	5,918,055	(2,413,333)	3,506,667
Net loss	--	--	--	(27,400)	(27,400)
Balance at December 31, 2021	1,945,258	$ 1,945	$ 5,918,055	$(2,440,733)	$ 3,479,267

PTS, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(Unaudited)

		2021		2020
Cash flows from operating activities:				
Net income(loss)	$	(27,400)	$	(10,00)0
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Impairment of note receivable		--		-
Changes in operating assets and liabilities:				
Accounts receivable		--		--
Accounts payable		27,400		10,000
Prepaid		--		--
Net cash provided by(used in) operating activities		--		--
Net increase (decrease) in cash		--		--
Cash – beginning of year		--		--
Cash – end of period	$	--	$	--
SUPPLEMENT DISCLOSURES:				
Interest paid		--		--
Income taxes paid		--		--

The accompanying notes are an integral part of these unaudited consolidated financial statements.

PTS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

The Company, PTS, Inc., was incorporated in the state of Nevada on November 5, 1996.

On March 14, 2014 the Company amended its articles of incorporation increasing the authorized shares to 4,000,000,000 consisting of common stock of 3,800,000,000 and preferred stock of 200,000,000. On May 27, 2014, the Company further amended its articles of incorporation increasing the authorized shares to 5,000,000,000 consisting of common stock of 4,800,000,000 and preferred stock of 200,000,000.

On March 21, 2014, AVC Venture Capital Group, Inc. ("AVC") entered into a share exchange agreement with PTS, Inc. ("the Company"), a public shell company. Pursuant to the agreement, the Company acquired all of the outstanding shares of common stock of AVC, a Nevada corporation incorporated on December 10, 2013, by issuing 3,067,998,226 shares of its common stock to AVC in exchange for all of the AVC issued and outstanding shares. The transaction was accounted for as a reverse recapitalization transaction, as the Company qualified as a non-operating public shell company. Prior to the share exchange, the Company had 685,276,558 common shares, 3,937,500 shares of Series A preferred stock and 15,000,000 shares of Series D preferred stock outstanding. An aggregate of 489,446,884 common shares were returned to the Company and cancelled concurrent with the share exchange. After the share exchange, the Company had an aggregate of 3,263,827,900 common shares, 3,937,500 shares of Series A preferred stock and 15,000,000 shares of Series D preferred stock outstanding.

On May 29, 2014 the Company formed a subsidiary Matchedje Motor Holdings Inc. On September29, 2014 the subsidiary completed an acquisition of Matchedje Motor Ltd, a BVI entity which resulted in the Company maintaining a 2% ownership in the merged companies.

On December 8, 2014 the Company formed a wholly owned subsidiary PTS Resource, INC

On December 17, 2014 the Company formed a wholly owned subsidiary Sleepaid Holdings Inc.

On April 13, 2015 the Company filed an amended article of Incorporation terminating all the classes of preferred share and reversing the common shares 2000 to one. The number of authorized shares was 210,000,000 of which 10,000,000 are preferred and 200,000,000 are common shares.

On April 13, 2015 the Company filed a certificate of termination, terminating all the outstanding preferred shares of the Company.

Basis of Presentation

The financial information set forth herein is unaudited. This financial information, in the opinion of management, includes all adjustments consisting of normal recurring entries necessary for the fair presentation of such data. The fiscal year end of the Company is December 31.

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of six months or less to be cash equivalents. As of September 30, 2021, the Company had no cash equivalents.

Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for income taxes under the provisions of Financial Accounting Standards Board Accounting Standards Codification 740, *Accounting for Income Taxes*. It prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result, the Company has applied a more-likely-than-not recognition threshold for all tax uncertainties. The guidance only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the various taxing authorities.

Basic and Diluted Net Loss per Share

Basic and diluted net loss per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. Diluted loss per share calculations includes the dilutive effect of common stock. Basic and diluted net loss per share is the same due to the absence of common stock equivalents.

Fair Value of Financial Instruments

The Company's financial instruments including cash approximate their fair value due to their short term maturities.

Recent Accounting Pronouncements

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on its financial position, results of operations or cash flows.

NOTE 3 – EQUITY

On April 13, 2015 the Company filed an amended article of Incorporation terminating all the classes of preferred share and reversing the common shares 2000 to 1. The number of authorized shares was set at 210,000,000 of which 10,000,000 are preferred and 200,000,000 are common shares.

NOTE 4– NOTES RECEIVABLE

On September 17, 2014 the Company issued a $1,000,000 note through Matchedje Motor Holding Inc to Matchedje Motor Ltd. a BVI entity. The note bears interest at 25% with the interest and principal payable within one year from date of issuance. The Company has accrued interest of $516,667 for a total amount due of $1,516,667 as of December 31, 2017. The Company has not accrued interest during the year ended December 31, 2021, as the note is in default.

On April 17, 2015 the Company issued a Senior Promissory note to Mariposa Health Inc. (Maker) for $500,000. The note bears interest of 10% per annum unless at default of the note it accelerates to 15% and matures on October 15, 2015. Under the terms of the note the Maker may draw down $410,000 as a result of a commission paid of $40,000 and previous payment to the maker by the broker of $50,000. The Company as part of this transaction receives a warrant to purchase up to 400,000 shares of the makers at $0.001 per share within 5 years of day of the note. As of September 30, 2017, the Company elected to impair the note due to the unknown ability of the debtor to repay the note and its interest. (See Note 7-Litigation)

NOTE 5 – INVESTMENTS

On August 23, 2016 the Company entered into an agreement with EMR Technology Solutions, Inc whereby the Company invested $2,000,000 in EMR for 3,700,000 shares of common stock ($0.54054 per share) of EMR. Under the terms of the agreement, the Company escrowed the $2,000,000 the fund which were distributed to EMR on the agreed upon acquisitions as follows:

1. $355,000 at closing
2. $1,550,000 for the following three acquisitions
3. $40,000 for working capital

As of December 31, 2021, the outstanding balance is $2,000,000.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

On October 20, 2015 the Company signed a term sheet with Matchedje Motors Lda whereby the Company will advance Matchedje $400,000 with an interest rate of 20% and maturity of one year. In addition, the Company will convert the principal and interest of its outstanding note of $1,516,667 to common stock based on the audit report's Actual Investment Value which as of yearend 2014 was stated as $16,500,000. Of the funds being advanced $120,000 will be used to complete a current audit and help Matchedje raise additional working capital. As of December 31, 2021, the note is in default.

NOTE 7 – LITIGATION

On March 23, 2017 the Company filed a complaint for Damages in the Superior Court of the State of California, San Diego County (Case No. 37-2017-00010537-CU-BC-CTL against Mariposa Health Inc, a Delaware Corporation and Mariposa Health Limited, an Australian Corporation for the unpaid principal and interest due the Company. The total amount claimed by the Company is $441,806 consisting of a principal amount of $350,000 and interest due of $91,806. The Company received a default judgment and is in communication with Mariposa in determining a settlement.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand future prospects and make informed investment decisions. This report contains these types of statements. Words such as "may," "expect," "believe," "anticipate," "estimate," "project," or "continue" or comparable terminology used in connection with any discussion of future operating results or financial performance identify forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. All forward-looking statements reflect our present expectation of future events and are subject to a number of important factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS

The Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for PTS, Inc ("PTSI" or the "Company") is intended to supplement and complement the accompanying unaudited financial statements and notes thereto for the nine months period ended September 30, 2018. PTS's management has prepared these financial statements in accordance with generally accepted accounting principles. There has not been an independent review of the financial statements.

Except for historical information, this MD&A may contain forward-looking statements. These statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, and performance to differ from any future levels of activity, results and performance implied by these forward-looking statements. Although PTS believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties outlined elsewhere in this MD&A, actual events may differ materially from current expectations. PTS disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

The Company reports the results of operations, assets and liabilities in U.S. dollars unless otherwise stated.

Results from Operations

The Company recorded no revenue during the years ended December 31, 0202 and 2020.

During the years ended December 31, 2021, and 2020, the Company incurred net loss of $27,400 and $10,000, respectively. The lower net loss during 2020 was due lower no activity during that period.

Liquidity and Capital Resources

As of December 31, 2021, the Company had no current assets. Current liabilities were $37,400. Stockholders' deficit as of September 30, 2021 was $2,440,733.

Net cash used in operations for the year ended December 31, 2021 was zero compared to net cash used in operations of zero during the same period in 2020.

Management

The Company currently has a small executive management group, which is sufficient for its present stage of development. The Company has relied, and will continue to rely, upon a number of consultants and others for operating expertise. The Company's development to date has largely depended and in the future, will continue to depend upon the efforts of current executive management. The loss of a member of this group could have a material adverse effect on the Company.

Evaluation of Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures(as defined in Rule 13a-15e under the Securities Exchange Act of 1934 the "Exchange Act"), our principal executive officer and principal financial officer have concluded that as of the end of the period covered by this report such disclosure controls and procedures were not effective due to the lack of segregation of duties and lack of a formal review process that includes multiple levels of review to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms because of the identification of a material weakness in our internal control over financial reporting which we view as an integral part of our disclosure controls and procedures. The material weakness relates to the lack of segregation of duties in financial reporting, as our financial reporting and all accounting functions are performed by an external consultant with no oversight by a professional with accounting expertise. Our CEO /CFO do not possess accounting expertise and our company does not have an audit committee. This weakness is due to the company's lack of working capital to hire additional staff. To remedy this material weakness, we intend to engage another accountant to assist with financial reporting as soon as our finances will allow.

Changes in Internal Control over Financial Reporting

Except as noted above, there have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our first quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS.

On March 23, 2017 the Company filed a complaint for Damages in the Superior Court of the State of California, San Diego County (Case No. 37-2017-00010537-CU-BC-CTL against Mariposa Health Inc, a Delaware Corporation and Mariposa Health Limited, an Australian Corporation for the unpaid principal and interest due the Company. The total amount claimed by the Company is $441,806 consisting of a principal amount of $350,000 and interest due of $91,806. The Company received a default judgment and is in communication with Mariposa in determining a settlement.

ITEM 1A: RISK FACTORS

There have been no material changes to the risk factors as previously disclosed.

ITEM 2: SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4: MINE SAFETY INFORMATION

Not Applicable

ITEM 5: OTHER INFORMATION

None