PHORMED, INC

FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Phormed, Inc.
Beverly Hills, CA

FRUCI & ASSOCIATES II
A Professional Limited Liability Company

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Opinion

We have audited the accompanying financial statements of Phormed, Inc. (a Nevada corporation), which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of operations, changes in shareholder' equity, and cash flows for the period from May 15, 2019 (inception) to December 31, 2019 and the year ended December 31, 2020, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Phormed, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Phormed, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 12 to the financial statements, the Company has suffered recurring losses from operations, does not have adequate cash reserves for future operations, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Phormed, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

FRUCI & ASSOCIATES II
A Professional Limited Liability Company

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Phormed, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Fruci & Associates II, PLLC

Spokane, Washington
May 5, 2021

PhorMed, Inc.
BALANCE SHEETS

As of December 31,	2020	2019
(USD $ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 109,844	$ 350
Prepaids and other current assets	11,415	-
Crowdfunding receivable	173,749	-
Total current assets	**295,008**	**350**
Property and equipment, net	2,196	-
Intangible assets, net	43,718	-
Total assets	**$ 340,922**	**$ 350**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 225,800	$ 23,000
Notes payable	37,494	11,083
Other current liabilities	100,000	-
Total current liabilities	**363,294**	**34,083**
Total liabilities	**363,294**	**34,083**
STOCKHOLDERS' EQUITY		
Common stock, par value $0.001; 100,000,000 shares authorized, 39,999,989 and 38,966,075 outstanding at December 31, 2020 and 2019, respectively	40,000	38,966
Subscription Receivable	-	-
Additional Paid in Capital	958,488	-
Accumulated Deficit	(1,020,860)	(72,700)
Total stockholders' equity	**(22,372)**	**(33,734)**
Total liabilities and stockholders' equity	**$ 340,922**	**$ 350**
	-	-

See accompanying notes to financial statements.

For Fiscal Year Ended December 31, 2020 and period from May 19, 2019 (inception) to December 31, 2019

	2020	2019
(USD $ in Dollars)		
Net revenue	$ -	$ -
Cost of goods sold	-	-
Gross profit	-	-
Operating expenses		
Consulting expense	339,953	63,966
Research and development	275,759	-
Salaries and payroll expense	122,500	-
Sales and marketing	83,665	2,639
General and administrative	79,908	5,761
Rent expense	40,464	-
Total operating expenses	942,249	72,367
Operating income/(loss)	(942,249)	(72,367)
Interest expense	5,911	333
Other Loss/(Income)	-	-
Income/(Loss) before provision for income taxes	(948,160)	(72,700)
Provision/(Benefit) for income taxes	-	-
Net Loss	**$ (948,160)**	**$ (72,700)**
Loss per share - basic and diluted	**$ (0.02)**	**$ (0.00)**
Weighted average number of shares outstanding - basic and fully diluted	**39,465,796**	**24,670,986**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For Fiscal Year Ended December 31, 2020 and period from May 19, 2019 (inception) to December 31, 2019

	Common Stock				
(in thousands, $US)	**Shares**	**Amount**	**Paid in Capital**	**Accumulated Deficit**	**Total Stockholders' Equity**
Balance—May 15, 2019 (inception)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares	38,966,075	38,966	-	-	38,966
Net income/(loss)	-	-	-	(72,700)	**$ (72,700)**
Balance—December 31, 2019	**$ 38,966,075**	**$ 38,966**	**$ -**	**$ (72,700)**	**(33,734)**
Issuance of common shares	1,033,914	1,034	958,488	-	959,522
Net income/(loss)	-	-	-	(948,160)	(948,160)
Balance—December 31, 2020	**39,999,989**	**$ 40,000**	**$ 958,488**	**$ (1,020,860)**	**$ (22,372)**

For Fiscal Year Ended December 31, 2020 and period from May 19, 2019 (inception) to December 31, 2019		2020		2019
(USD $ in Dollars)				
CASH FLOW FROM OPERATING ACTIVITIES				
Net income/(loss)		(948,160)	$	(72,700)
Adjustments to reconcile net income to net cash provided/(used) by operating activities:				
Depreciation of property		439		-
Amortization of intangibles		1,457		-
Issuance of shares as stock based compensation		-		38,966
Changes in operating assets and liabilities:				
Prepaids and other current assets		(11,415)		-
Accounts Payable		202,800		23,000
Accrued Interest		5,911		333
Crowdfunding receivable		(173,749)		-
Other current liabilities		100,000		-
Net cash provided/(used) by operating activities		**(822,717)**		**(10,400)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of property and equipment		(2,636)		-
Purchases of Intangibles		(45,175)		-
Net cash provided/(used) in investing activities		**(47,811)**		**-**
CASH FLOW FROM FINANCING ACTIVITIES				
Shares issued for cash		959,522		-
Proceeds from motes payable		20,500		10,750
Net cash provided/(used) by financing activities		**980,022**		**10,750**
Change in cash		109,494		350
Cash—beginning of year		350		-
Cash—end of year	**$**	**109,844**	**$**	**350**
Non Cash Investing and Financing Activities				
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid during the year for interest	$	-	$	-
Cash paid during the year for income taxes	$	-	$	-
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES				
Purchase of property and equipment not yet paid for	$	-	$	-
Conversion of debt into equity	$	-	$	-

1. NATURE OF OPERATIONS

PhorMed, Inc., was formed on May 15, 2019 in the state of Nevada. The financial statements of PhorMed, 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 Beverly Hills, CA.

PhorMed, a biotech company, primary function is R&D in drug development and clinical research. It is focus is on developing treatments in cancer and neurology and the primary indications in the pipeline are AML, Hodgkin's Lymphoma and Parkinson's disease. The company's proprietary drug is a platform technology and a gene repair therapy/immunotherapy. The company's mission is to treat unmet medical needs by treating the cause rather than the symptom.

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.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of December 31, 2020, and 2019, the Company determined that no reserve was necessary.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Category	Useful Life
Computers	3 years

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

PhorMed is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

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.

Intangible Assets

The Company capitalizes its patent and filing fees and legal patent and prosecution fees in connection with internally developed pending patents. When pending patents are issued, patents will be amortized over the expected period to be benefitted, not to exceed the patent lives, which may be as long as 17 years. Legal costs associated with patent filings are being amortized over the expected useful life upon filing, and will be immediately expensed if denied.

Other intangibles include trademark filing and related attorney fees. Trademark costs are indefinite lived and evaluated for impairment on an at-least annual basis.

Revenue Recognition

The Company recognizes revenues in accordance with FASB ASC 606, Revenue from Contracts with Customers, when delivery of goods as delivery is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the item has shipped and has fulfilled their sole performance obligation.

Income is principally comprised of revenues earned by the Company as part of the sale of its medical products. The Company has not had any revenues for fiscal years 2020 and 2019.

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the years ended December 31, 2020 and December 31, 2019 amounted to $83,665 and $2,639, which is included in sales and marketing expense.

Research and Development Costs

Costs incurred in the research and development of the Company's products are expensed as incurred. Research and Development costs for the year ended December 31, 2020 amounted to $275,759 compared to no expense during the prior year.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments).

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The standard implementation did not have a material impact.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. The standard implementation did not have a material impact.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, 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.

3. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Account receivables consist primarily of trade receivables, accounts payable consist primarily of trade payables. Prepaids and other current assets consist of the following items:

As of Year Ended December 31,	**2020**	**2019**
Prepaid Expenses and Other Current Assets consist of:		
Prepaids	11,415	-
Total Prepaids Expenses and Other Current Assets	**$ 11,415**	**$ -**

Other current liabilities consist of the following items:

As of Year Ended December 31,	**2020**	**2019**
Other Current Liabilities consist of:		
Accrued Expenses	100,000	-
Total Other Current Liabilities	**$ 100,000**	**$ -**

4. PROPERTY AND EQUIPMENT

As of December 31, 2020, and December 31, 2019, property and equipment consists of:

As of Year Ended December 31,	2020	2019
Computer Equipment	2,636	-
Property and Equipment, at Cost	**2,636**	**-**
Accumulated depreciation	(439)	-
Property and Equipment, Net	**$ 2,196**	**$ -**

Depreciation expense for property and equipment for the fiscal year ended December 31, 2020 and 2019 was in the amount of $439 and $0 respectively.

5. INTANGIBLE ASSETS

As of December 31, 2020, and December 31, 2019, intangible asset consists of:

As of Year Ended December 31,	2020	2019
Patents	$ 45,175	$ -
Intangible assets	**45,175**	**-**
Accumulated amortization	(1,457)	-
Intangible assets, Net	**$ 43,718**	**$ -**

Entire intangible assets have been amortized. Amortization expense for trademarks and patents for the fiscal year ended December 31, 2020 and 2019 was in the amount of $1,457 and $0 respectively.

6. CAPITALIZATION AND EQUITY TRANSACTIONS

Preferred Stock

The total number of shares of Preferred Stock that the Corporation shall have authority to issue is ten million (10,000,000) shares. The Preferred Stock may be issued in one or more series, each series to be appropriately designated by a distinguishing letter or title, prior to the issuance of any shares thereof. The voting powers, designations, preferences, limitations, restrictions and relative participating optional and other rights and the qualifications, limitations, or restrictions thereof, of the Preferred Stock shall hereinafter be prescribed by resolution of the board of directors.

Common Stock

The Company is authorized to issue 100,000,000 shares of common shares with the par value of $0.001. As of December 31, 2020, and December 31, 2019, 39,999,989 and 38,966,075 shares of common stock have been issued and outstanding respectively. During the year ended December 31, 2019, the Company issued an aggregate 38,965,000 shares to its founding shareholders for services, and 1,075 shares were issued in conjunction with convertible notes. During the year ended December 31, 2020, and additional 2,050 shares were issued in conjunction with convertible notes.

Crowdfunding

During the year ended December 31, 2019, the Company began an equity raise under Regulation CF. As of December 31, 2020 the Company had $173,349 held in escrow for funds yet to be released to the Company. Total shares issued under this arrangement as of December 31, 2020 was 1,031,864. The Company raised gross proceeds of $1,066,673 and after fees and holdbacks the Company received cash proceeds of $785,767 during the year ended December 31. 2020. As of December 31, 2020, the Company was due a total of $173,349 of escrowed funds from the raise. There was a holdback of $53,684 included in the escrowed funds that will be released December 7, 2021, however the remaining $119,665 was paid to the Company during the first quarter 2021.

7. DEBT

Promissory Notes & Loans

During 2019, the Company has entered into two promissory notes in the aggregate amount of $10,750. During 2020, the Company entered into two additional promissory notes totaling $20,500. The notes are convertible at a price equal to 20% discount on the price of common shares sold during the Company's Crowdfunding offering, which were sold at $1.00/share. As of December 31, 2020, the Company would be required to issue roughly 47,000 shares upon full conversion of principal and interest. The details of the notes, the terms and outstanding balances are as follows:

					For the Year Ended December 2020					For the Year Ended December 2019				
Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
Chiropractic Care Center	$ 10,000	20.00%	11/5/19	11/5/20	$ 333	$ 1,667	$ 11,667	$ -	$ 11,667	$ 333	$ 333	$ 11,083	$ -	$ 11,083
Peter Karlan Antiques	$ 750	20.00%	12/13/19	12/12/20	$ 150	$ 150	$ 900	$ -	$ 900	$ -	$ -	$ -	$ -	$ -
Rezaul Karin	$ 20,000	20.00%	1/30/20	1/30/21	$ 5,327	$ 4,327	$ 24,327	$ -	$ 24,327	$ -	$ -	$ -	$ -	$ -
John Fenner	$ 500	20.00%	1/17/20	1/17/21	$ 100	$ 100	$ 600	$ -	$ 600	$ -	$ -	$ -	$ -	$ -
Total	$ 31,250				**$ 5,911**	**$ 6,244**	**$ 37,494**	**$ -**	**$ 37,494**	**$ 333**	**$ 333**	**$ 11,083**	**$ -**	**$ 11,083**

The summary of the future principal maturities is as follows:

As of Year Ended December 31, 2020	
2021	$ 31,250
2022	-
2023	-
2024	
2025	
Thereafter	
Total	**$ 31,250**

8. INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities at December 31, 2020, and December 31, 2019 are as follows, based on an estimated blended federal and state tax rate of roughly 30%:

As of Year Ended December 31,	**2020**	**2019**
Deferred Tax Asset - NOLs	$ 304,625	$ 21,694
Valuation Allowance	(304,625)	(21,694)
Total Deferred Tax Asset	$ -	$ -

No income tax provision has been recognized, given the Company has no tax liability or expects tax liability in the near future. 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, 2020 and December 31, 2019. 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.

For the fiscal year ending December 31, 2020, the Company had federal cumulative net operating loss (“NOL”) carryforwards of approximately $1,020,000, and the Company had state net operating loss (“NOL”) carryforwards of approximately $1,020,000. 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, 2020, and December 31, 2019, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2020, and December 31, 2019, the Company had no accrued interest and penalties related to uncertain tax positions.

9. RELATED PARTY

On May 15, 2020, RLC Holdings LLC (wholly owned by Richard L. Chang, father of CEO Ben Chang and Chief Science Officer of the Company) and the Company entered into a consulting agreement . RLC Holdings LLC was offered and did purchase 28,610,000 common shares at par value ($28,610) as a founder of the Company. Under the consulting agreement, RCL Holdings LLC, will be paid as to be paid $240,000 annually. As of December 31, 2020, $150,000 was recorded as an outstanding liability as reflected on the Company’s balance sheet included in accounts payable.

On May 15, 2020, Imagic LLC (wholly owned by Ben Chang, Chief Executive Officer and Chairman of the Board of Directors of the Company) and the Company entered into a consulting agreement . Imagic LLC was offered and did purchase 2,500,000 common shares at par value ($2,500) as a founder of the Company. Under the consulting agreement, Imagic LLC , will be paid as to be paid $276,000 annually. As of December 31, 2020, $52,800 was recorded as an outstanding liability as reflected on the Company’s balance sheet included in accounts payable.

On May 15, 2019, Dr. McCoy Moretz, Chief Operating Officer and Director entered into a consulting agreement. Dr. Moretz was offered and he purchased 2,500,000 common shares at par value ($2,500) as a founder of the Company. Under the consulting agreement, Dr. Moretz was to be paid $120,000 annually. As of December 31, 2020, $100,000 was unpaid and accrued.

10. COMMITMENTS AND CONTINGENCIES

Operating Leases

During 2020, the company entered a month-to-month rental contract with a certain landlord for shared workplace. As of December 31, 2020, and 2019, rent expenses were in the amount of $40,465 and $0 respectively.

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.

The Company is contingently liable to issue 10,000,000 shares upon clinical trial approval milestone to RCH LLC, which is expected to occur during fiscal year ending December 31, 2021.

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, 2020, 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.

11. 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. The Company has evaluated subsequent events for the period from December 31, 2020 through May 5, 2021 the date the financial statements were available to be issued.

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

12. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has cumulative net operating losses of $1,020,000, an operating cash flow deficit of $822,717 and liquid assets in cash of $109,844, which less than a year worth of cash reserves as of December 31, 2020. The Company's situation raises a substantial doubt on whether the entity can continue as a going concern in the next twelve months.

The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results.

Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.