UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________________ to ____________________

Commission File Number: 000-56025

Quanta, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**81-2749032**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
632 S Glenwood Pl, Burbank, CA	**91506**
(Address of principal executive offices)	(Zip Code)

(818) 659-8052
Registrant's telephone number, including area code

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock, par value $0.001

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of March 31, 2022, the registrant had 406,590,858 shares of Common Stock outstanding.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1.Financial Information.

QUANTA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)
ASSETS		
Current assets:		
Cash	$ 7,786	$ 23,442
Accounts receivable	211	85
Inventories	73,288	98,160
Prepaid production cost	300,000	300,000
Total current assets	381,285	421,687
Equipment, net	143,447	169,477
Operating lease right-of-use asset, net	258,315	279,502
Deposits	16,883	16,883
Total assets	$ 799,930	$ 887,549
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 715,124	$ 666,971
Advances	111,000	111,000
Notes payable (net of deferred finance charge of $39,567 and $46,617 at March 31, 2022 and December 31, 2021, respectively)	545,403	422,408
Convertible note payable (net of discount of $87,484 and $539,282 at March 31, 2022 and December 31, 2021, respectively)	1,675,436	1,891,920
Deferred revenue, license agreement	-	3,554
Operating lease liabilities, short-term	108,569	106,988
Settlement Reserve	235,759	235,759
Total current liabilities	3,391,291	3,435,600
Long term liabilities		
Notes payable, long term	160,000	160,000
Operating lease liabilities, long-term	186,185	208,932
Total liabilities	3,737,476	3,807,532
Commitments and contingencies:		
Mezzanine equity:		
Series B preferred stock, $0.00001 par value, 9,000 shares authorized, 9,000 and -0- issued and outstanding at March 31, 2021 and December 31, 2021, respectively	1,522,198	1,522,198
Series C preferred stock, $0.00001 par value, 1,000 shares authorized, 598 and 1,000 issued and outstanding at March 31, 2021 and December 31, 2021, respectively	100,793	169,133
Total Mezzanine equity	1,622,991	1,691,331
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value; 25,000,000 shares authorized; 2,500,000 issued and outstanding	2,500	2,500
Common stock, $0.001 par value; 3,000,000,000 shares authorized; 406,590,858 and 278,589,471 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	378,837	272,235
Shares to be issued (4,875,000 and 4,875,000 as of March 31, 2022 and December 31, 2021, respectively)	4,233,000	4,128,706
Additional paid-in capital	16,108,978	15,319,943
Accumulated deficit	(24,427,122)	(23,551,010)
Total Quanta, Inc. stockholders deficit	(3,703,807)	(3,827,626)
Noncontrolling interest in consolidated subsidiary	(856,730)	(783,688)
Total stockholders' deficit	(4,560,537)	(4,611,314)
Total liabilities and stockholders' deficit	$ 799,930	$ 887,549

See notes to condensed consolidated financial statements

QUANTA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended March 31, 2022		Three months ended March 31, 2021	
	(Unaudited)		(Unaudited)	
Sales, net (includes sales to related party of $198,800 for the three months ended March 31, 2021)	$	63,233	$	318,807
License revenue		3,554		7,816
Total revenue		66,787		326,623
Cost of goods sold		24,871		34,984
Gross profit		41,916		291,639
Operating expenses:				
Employee compensation and contractors		6,394		129,422
Selling, general, and administrative (includes royalty of $105,000 and $105,000 to related party for the three months ended March 31, 2022 and 2021, respectively)		747,797		3,016,277
Research and development		105,000		130,825
Total operating expenses		859,189		3,276,524
Loss from operations		(817,273)		(2,984,885)
Other income (expense):				
Interest expense		(44,551)		(67,817)
Discount amortization		(87,330)		(31,945)
Other income and expense, net		(131,881)		(99,762)
Net loss		(949,154)		(3,084,647)
Net loss attributable to noncontrolling interest		73,042		136,161
Net loss	$	(876,112)	$	(2,948,486)
Net loss per share, basic and diluted	$	(0.003)	$	(0.05)
Weighted average common shares outstanding – basic and diluted		325,626,146		63,300,000

See notes to condensed consolidated financial statements

QUANTA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

Three months ended March 31, 2022 (Unaudited)

	Series A Preferred Stock, par value $0.001		Common Stock par value $0.001		Additional Paid-in	Shares To be	Accumulated	Non Controlling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Issued	Deficit	Interest	Deficit
Balance December 31, 2021	2,500,000	$ 2,500	272,229,952	$ 272,235	$ 15,316,943	$ 4,128,706	$ (23,551,010)	$ (783,688)	$ (4,611,314)
Fair value of shares issued for services	-	-	39,621,756	39,622	338,120	-	-	-	377,742
Fair value of vested restricted shares	-	-	-	-	-	104,294	-	-	104,294
Shares issued for conversion of convertible notes	-	-	66,979,631	66,980	450,915	-	-	-	517,895
Net loss	-	-	-	-	-	-	(876,112)	(73,042)	(949,154)
Balance March 31, 2022	2,500,000	$ 2,500	378,831,339	$ 378,837	$ 16,108,978	$ 4,233,000	$ (24,427,122)	$ (856,730)	$ (4,560,537)

Three months ended March 31, 2021 (Unaudited)

	Series A Preferred Stock, par value $0.001		Common Stock par value $0.001		Additional Paid-in	Shares To be	Accumulated	Non Controlling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Issued	Deficit	Interest	Deficit
Balance December 31, 2020	2,500,000	$ 2,500	46,756,970	$ 46,757	$ 10,102,805	$ 3,641,868	$ (16,402,176)	$ -	$ (2,608,246)
Adjustment for adoption of ASU 2020-6	-	-	-	-	(2,557,812)	-	2,054,759	-	(503,053)
Shares issued for cash	-	-	32,475,000	32,475	981,525	-	-	-	1,014,000
Fair value of vested options	-	-	-	-	70,954	-	-	-	70,954
Fair value of shares issued to employees and officers	-	-	6,000,000	6,000	512,950	-	-	-	518,950
Fair value of restricted shares	-	-	-	-	-	160,179	-	-	396,458
Shares issued for conversion of convertible notes	-	-	14,665,778	14,668	381,790	-	-	-	396,458
Net loss	-	-	-	-	-	-	(2,948,486)	(136,161)	(3,084,647)
Balance March 31, 2021	2,500,000	$ 2,500	99,897,748	$ 99,900	$ 9,492,252	$ 3,802,047	$ (17,295,903)	$ (136,161)	$ (4,035,365)

QUANTA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2022 (Unaudited)	Three Months Ended March 31, 2021 (Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	$ (876,112)	$ (2,948,486)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	26,030	17,584
Fair value of shares issued for services	377,742	688,083
Fair value of vested options	-	70,994
Fair value of vested restricted shares	104,294	160,179
Fair value of Series B preferred shares issued to officer	-	1,522,198
Amortization of convertible note discount	80,280	24,360
Amortization of note payable discount	7,050	7,050
Amortization of right-of-use asset	21,187	20,383
Fees paid through conversion of convertible notes	-	12,983
Net loss attributable to noncontrolling interest	(73,042)	(136,161)
Changes in operating assets and liabilities:		
Accounts receivable	(126)	685
Accounts receivable, related party	-	(198,800)
Allowance for doubtful accounts	-	49,700
Deferred expenses, related party	-	134,704
Inventories	24,872	(24,789)
Prepaid production costs	-	(100,000)
Accounts payable and accrued liabilities	83,046	(55,300)
Deferred revenue	(3,554)	(7,816)
Operating lease liabilities	(21,166)	(19,667)
Net cash used in operating activities	(249,499)	(782,116)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(12,980)
Net cash used in investment activities	-	(12,980)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from convertibles notes payable	177,000	175,000
Proceeds from notes payable	159,500	10,000
Principal payments on convertible notes payable	(46,860)	(96,649)
Principal payments on notes payable	(55,797)	-
Proceeds from shares issued for cash	-	1,014,000
Net cash provided by financing activities	233,843	1,102,351
Increase (decrease) in cash	(15,656)	307,255
Cash and cash equivalents, beginning of period	23,442	6,270
Cash and cash equivalents, end of period	$ 7,786	$ 313,525
Supplemental Disclosures of Cash Flow Information:		
Cash paid for taxes	-	-
Cash paid for interest	-	-
Non-cash investing and financing activities		
Adjustment for adoption of ASU 2020-06	-	503,053
Common shares issued for conversion of convertible notes	-	396,458

See notes to condensed consolidated financial statements

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Quanta, Inc. (the "Company") is an applied science company focused on a range of pharmaceutical, nutraceutical, topical relief and cosmetic products utilizing patented polarization technology. The Company's operations are based in Burbank, California. On April 28, 2016, the Company was incorporated as Freight Solution, Inc. in the State of Nevada. Effective June 6, 2018, the Company (then known as Bioanomaly Inc.) was acquired by Freight Solution in a transaction accounted for as a reverse merger transaction. On July 11, 2018, the Company changed its name to Quanta, Inc.

On December 21, 2020, the Company entered into a Securities Exchange Agreement with Medolife Rx, Inc., a Wyoming corporation, ("Medolife Rx") pursuant to which, the Company agreed to acquire 51% of Medolife Rx in exchange for 9,000 shares of newly created Series B Convertible Preferred Stock. On January 14, 2021, we completed the acquisition of 51% of Medolife, which has nominal assets, liabilities, and operations. (see Notes 12 and 13).

Basis of presentation-Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods have been included. The results of operations for the three months ended March 31, 2022, are not necessarily indicative of the results of operations to be expected for the full fiscal year ending December 31, 2022. These financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2021 and notes thereto contained in the Annual Report on Form 10-K of the Company as filed with the SEC on April 15, 2022.

The consolidated financial statements include the accounts of Quanta Inc, and its 51% owned subsidiary, Medolife Rx, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, for the quarter ended March 31, 2022, the Company incurred a net loss of $949,154 and used cash in operating activities of $249,499, and at March 31, 2022, the Company had a stockholders' deficit of $4,560,537. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year of the date that the financial statements are issued. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

At March 31, 2022, the Company had cash on hand in the amount of $7,786. Management estimates that the current funds on hand will be sufficient to continue operations through the next six months. The Company's ability to continue as a going concern is dependent upon improving its profitability and the continuing financial support from its shareholders. Management believes the existing shareholders or external financing will provide the additional cash to meet the Company's obligations as they become due. No assurance can be given that any future financing, if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, if needed, it may contain undue restrictions on its operations, in the case of debt financing, or cause substantial dilution for its stockholders, in the case of equity financing

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include certain assumptions related to, among others, allowance for doubtful accounts receivable, impairment analysis of long-term assets, valuation allowance on deferred income taxes, assumptions used in valuing stock instruments issued for services, assumptions made in valuing derivative liabilities, and the accrual of potential liabilities. Actual results may differ from these estimates.

Revenue recognition

The Company follows the guidance of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers.* ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Product Sales—Substantially all of the Company's revenue is derived from product sales. Product revenue and costs of sales are recognized when control of the products transfers to our customer, which generally occurs upon shipment from our facilities. The Company's performance obligations are satisfied at that time. The Company does not have any significant contracts with customers requiring performance beyond delivery, and contracts with customers contain no incentives or discounts that could cause revenue to be allocated or adjusted over time.

License revenue— Revenue from symbolic IP is recognized over the access period to the Company's IP (see Note 2).

Cost of goods sold includes direct costs and fees related to the sale of our products.

Convertible Notes with Fixed Rate Conversion Options

The Company may enter into convertible notes, some of which contain, predominantly, fixed rate conversion features, whereby the outstanding principal and accrued interest may be converted by the holder, into common shares at a fixed discount to the market price of the common stock at the time of conversion. This results in a fair value of the convertible note being equal to a fixed monetary amount. The Company records the convertible note liability at its fixed monetary amount by measuring and recording a premium, as applicable, on the Note date with a charge to interest expense in accordance with ASC 480 - “Distinguishing Liabilities from Equity”.

Stock-based compensation

The Company periodically issues stock options, warrants, shares of common stock, and restricted stock unit awards, as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, *Compensation – Stock Compensation* (Topic 718). Stock-based compensation cost for employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services.

The fair value of the Company’s stock options is estimated using the Black-Scholes-Merton Option Pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the stock options or restricted stock, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes-Merton Option Pricing model and based on actual experience. The assumptions used in the Black-Scholes-Merton Option Pricing model could materially affect compensation expense recorded in future periods.

Prepaid production costs

In February 2021, the Company’s subsidiary Medolife Rx entered into a collaboration and joint development agreement with a company (the “Agent) for Medolife to produce some of its products in the Agent’s facility. Medolife Rx agreed to pay the Agent $300,000 for the right to use the Agents production facility for a term of five years. Medolife Rx will also pay a production fee, ad defined, to the Agent for any production. The Company determined that there is no distinct asset that it is purchasing from the Agent and will record amortization of the prepaid fee ratably over the life of the contract.

Advertising costs

Advertising costs are expensed as incurred. During the quarters ended March 31, 2022 and March 31, 2021, advertising costs totaled $5,000 and $57,959, respectively.

Research and Development Costs

Costs incurred for research and development are expensed as incurred. During the quarters ended March 31, 2022 and March 31, 2021, research and development costs totaled $105,000 and $130,825, respectively and include salaries, benefits, and overhead costs of personnel conducting research and development of the Company’s products.

Net Loss per Share

Basic net loss per share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Shares used in the calculation of basic net loss per common share include vested but unissued shares underlying awards of restricted common stock. Diluted loss per share reflects the potential dilution, using the treasury stock method that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the loss of the Company. In computing diluted loss per share, the treasury stock method assumes that outstanding warrants and convertible notes are exercised and the proceeds are used to purchase common stock at the average market price during the period. Warrants and convertible notes may have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options and warrants.

For the three months ended March 31, 2022 and 2021, the dilutive impact of common stock equivalents, e.g. stock options, warrants and convertible notes payable have been excluded from calculation of weighted average shares because their impact on the loss per share is anti-dilutive.

As of March 31, 2022, 1,325,000 options were outstanding of which 975,814 were exercisable, and convertible debt and accrued interest totaling $1,840,877 was convertible into 102,103,193 shares of common stock. It should be noted that contractually the limitations on the third-party notes (and the related warrant) limit the number of shares converted to either 4.99% or 9.99% of the then outstanding shares. As of March 31, 2022, and 2021 potentially dilutive securities consisted of the following:

	March 31, 2022	March 31, 2021
Stock options	1,325,000	1,325,000
Unvested restricted shares	750,000	2,625,000
Convertible notes payable	102,103,193	97,064,539
Total	104,178,193	101,014,539

Fair Value of Financial Instruments

The Company follows the authoritative guidance issued by the Financial Accounting Standards Board ("FASB") for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy was established, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.
Level 2—Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
Level 3—Unobservable inputs based on the Company's assumptions.

The Company is required to use of observable market data if such data is available without undue cost and effort.

The Company believes the carrying amount reported in the balance sheet for cash, accounts receivable, accounts payable and accrued liabilities, and notes payable, approximate their fair values because of the short-term nature of these financial instruments.

As of March 31, 2022 and December 31, 2021, the Company did not have any Level 2 liabilities comprised of the fair value of embedded derivative liabilities.

Concentrations of risks

For the three months ended March 31, 2022, no customer accounted for 10% or more of revenue. For the three months ended March 31, 2021, one customer accounted for 61% of revenue. As of December 31, 2021, one customer accounted for 100% of accounts receivable. No other customer accounted for 10% or more of accounts receivable.

As of March 31, 2022, two vendors accounted for 75% of accounts payable and no other vendor accounted for 10% or more of accounts payable. As of December 31, 2021, two vendors accounted for 63% of accounts payable.

The Company maintains the majority of its cash balances with one financial institution, in the form of demand deposits that are insured by the Federal Deposit Insurance Corporation, or FDIC. At times, deposits held may exceed the amount of insurance provided by the FDIC. The Company has not experienced any losses in its cash and believes it is not exposed to any significant credit risk.

Segments

The Company operates in one segment for the development and distribution of our CBD products. In accordance with the "*Segment Reporting*" Topic of the ASC, the Company's chief operating decision maker has been identified as the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in economic characteristics; nature of products and services; and procurement, manufacturing and distribution processes. Since the Company operates in one segment, all financial information required by "Segment Reporting" can be found in the accompanying financial statements.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06 ("ASU 2020-06") "*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*." ASU 2020-06 reduces the number of accounting models for convertible debt instruments by eliminating the cash conversion and beneficial conversion accounting models. As a result, the Company's convertible debt instruments will be accounted for as a single liability measured at its amortized cost as long as no other features require bifurcation and recognition as derivatives. For contracts in an entity's own equity, the type of contracts primarily affected by this update are freestanding and embedded features that are accounted for as derivatives under the current guidance due to a failure to meet the settlement conditions of the derivative scope exception. The Company early adopted ASU No. 2020-06 effective January 1, 2021 using the modified retrospective approach. Upon adoption, the following changes resulted: (i) the intrinsic value of the beneficial conversion feature recorded in 2020 was reversed as of the effective date of adoption, thereby resulting in an increase in the convertible debentures with an offsetting adjustment to additional paid in capital and (ii) interest expense recorded in 2020 that was related to the amortization of the discount related to the beneficial conversion feature was reversed against opening accumulated deficit. Accordingly, the adoption of ASU 2020-06 resulted in a decrease to accumulated deficit of $2,054,759, a decrease in addition paid in capital of $2,557,812, and an increase in convertible notes payable of $503,053 on January 1, 2021.

In June 2016, the FASB issued ASU No. 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments ("ASC 326"). The standard significantly changes how entities will measure credit losses for most financial assets, including accounts and notes receivables. The standard will replace today's "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The standard is effective for interim and annual reporting periods beginning after December 15, 2022. The Company is currently assessing the impact of adopting this standard on the Company's financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

Accounts Receivable

Accounts receivable are recorded net of an allowance for any uncollectible accounts if deemed necessary, and payments are generally due within thirty to forty-five days of invoicing. Management reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical collection trends and aging of receivables. Management also periodically evaluates individual customer's financial condition, credit history, and the current economic conditions to make adjustments in the allowance when it is considered necessary. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. At December 31, 2021 and December 31, 2020, the Company did not record any allowance for uncollectible accounts.

Inventories

Inventories are stated at the lower of cost or net realizable value with cost determined on a first-in, first-out ("FIFO") basis. We regularly review our inventory quantities on hand and record a provision for excess and obsolete inventory based primarily on our estimated forecast of product demand and our ability to sell the product(s) concerned. Demand for our products can fluctuate significantly. Additionally, our management's estimates of future product demand may be inaccurate, which could result in an understated or overstated provision required for excess and obsolete inventory. A reserve for raw materials, product obsolescence and packaging for products that may no longer be viable of $13,125 and $9,125 has been established for the years ended December 31, 2021 and 2020, respectively.

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the equipment, which is three years, using the straight-line method. Expenditures for major additions and improvements are capitalized and minor repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period.

Management assesses the carrying value of equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. For the years ended December 31, 2021 and 2020, the Company determined there were no indicators of impairment of its property and equipment.

Impairment of Long-lived Assets

The Company reviews its equipment, right-of-use assets, and other long-lived assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. For the years ended December 31, 2021 and 2020, the Company had no impairment of long-lived assets.

Leases

The Company accounts for its leases in accordance with the guidance of ASC 842, Leases. The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments The Company adopted ASC 842 on January 1, 2019. There was no cumulative-effect adjustment to accumulated deficit (see Note 5).

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses a probability weighted average Black-Scholes-Merton model to value the derivative instruments at inception and on subsequent valuation dates through the December 31, 2021, reporting date. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Income taxes

The Company accounts for income taxes using an asset and liability approach which allows for the recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

NOTE 2 – INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out) or net realizable value, and net of reserves, consisted of the following:

	March 31, 2022	December 31, 2021
Raw materials and packaging	$ 60,163	$ 60,109
Finished goods	29,734	38,051
	$ 73,288	$ 98,160

The Company has recorded a reserve for slow moving and potentially obsolete inventory. The reserve at March 31, 2022 and December 31, 2021 was $13,125 and $13,125, respectively.

NOTE 3 - EQUIPMENT

Equipment, stated at cost, less accumulated depreciation consisted of the following:

	March 31, 2022	December 31, 2021
Machinery-technology equipment	$ 704,772	$ 704,772
Machinery-technology equipment under construction	75,259	75,259
	780,031	780,031
Less accumulated depreciation	(636,584)	(610,554)
	$ 143,447	$ 169,477

Depreciation expense for the three months ended March 31, 2022 and 2021 was $26,030 and $17,584, respectively. As of March 31, 2022, the equipment under construction is approximately 75% complete, and is expected to be completed and placed into service during the year ended December 31, 2021. At March 31, 2022 and December 31, 2021, machinery-technology equipment included machinery acquired from Arthur G. Mikaelian, Ph.D initially costing $592,500, with a net book value of $5,355 and $25,772, respectively.

NOTE 4 - OPERATING LEASE

At March 31, 2022, the Company has one operating lease for its headquarters office space in Burbank. The lease commenced on January 1, 2020, and has a term for 5 years, with annual fixed rental payments ranging from $90,000 to $101,296. At March 31, 2021, the balance of the lease's right of use asset and corresponding lease liability were $258,315 and $294,754, respectively. At March 31, 2022, the Company is also obligated under a lease that was abandoned in December 2020. The total due to the lessor for the abandoned lease space is $235,759 and is recorded as lease settlement obligation at March 31, 2022.

The components of lease expense and supplemental cash flow information related to leases for the period are as follows:

	Three months ended March 31, 2022
Lease Cost	
Operating lease cost (included in selling, general, and administrative expense in the Company's statement of operations)	$ 32,921
Other Information	
Cash paid for amounts included in the measurement of lease liabilities for 2021	$ 23,891
Weighted average remaining lease term – operating leases (in years)	2.75
Average discount rate – operating leases	4%

	At March 31, 2022
Operating leases	
Long-term right-of-use assets	$ 258,315
Short-term operating lease liabilities	$ 108,569
Long-term operating lease liabilities	186,185
Total operating lease liabilities	$ 294,754

Maturities of the Company's lease liabilities are as follows:

Year Ending	**Operating Leases**
2022 (remainder of year)	82,981
2023	98,345
2024	118,266
Total lease payments	299,592
Less: Imputed interest	4,838
Present value of lease liabilities	294,754
Less current portion	(108,569)
Operating lease liabilities, long-term	$ 186,185

Lease expense were $32,921 and $26,897 during the three months ended March 31, 2022 and 2022, respectively.

NOTE 5 – NOTES PAYABLE

	March 31, 2022		December 31, 2021	
(a) Notes payable secured by equipment (net of deferred finance charge of $39,567 and $46,617 as of March 31, 2022 and December 31, 2021, respectively)	$	184,108	$	166,258
(b) Note payable, secured by assets-in default		13,350		13,350
(c) Note payable, Payroll Protection Loan		-		-
(d) Note payable, Economic Injury Disaster Loan		160,000		160,000
(e) Revenue sharing agreement		242,000		242,800
(f) Global merchant financing		68,330		-
(g) Business funding financing		37,615		-
Total notes payable outstanding		705,403		582,408
Current portion		545,403		422,408
Long term portion	$	160,000	$	160,000

(a) In April 2020 and May 2020, the Company entered into two financing agreements aggregating $505,646. The notes have a stated interest rate of 10.9%. The notes were issued at a discount including fees for underwriting, legal and administrative costs along with deferred financing costs. The deferred financing costs are being amortized over the terms of the notes. The notes are secured by the Company's equipment, and require monthly payments of principal and interest of $21,000, and mature in April 2022 and May 2022. At December 31, 2021, the balance due on these notes was $212,875. During the quarter ended March 31, 2022, the Company did not make any payments and at March 31, 2021, the balance due on these notes was $212,875, plus accrued interest.

(b) Note payable, interest at 8.3% per annum, secured by all the assets of the Company. The note was due January 13, 2019 and on April 24, 2020, the note holder waived the default through December 31, 2020, and it is currently in default. During the three months ended March 31, 2021, the company made principal payments of $20,000. The note is in default and the Company is in discussion with the note holder.

(c) On May 7, 2020, the Company was granted a loan (the "PPP loan") from Bank of America in the aggregate amount of $134,125, pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act. The PPP loan agreement is dated May 4, 2020, matures on May 4, 2022, bears interest at a rate of 1% per annum, with the first six months of interest deferred, is payable monthly commencing on November 2020, and is unsecured and guaranteed by the U.S. Small Business Administration ("SBA"). The loan term may be extended to April 20, 2025, if mutually agreed to by the Company and lender. We applied ASC 470, *Debt*, to account for the PPP loan. The PPP loan may be prepaid at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may only be used for qualifying expenses as described in the CARES Act, including qualifying payroll costs, qualifying group health care benefits, qualifying rent and debt obligations, and qualifying utilities. The Company intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses. The Company intends to apply for forgiveness of the PPP loan with respect to these qualifying expenses, however, we cannot assure that such forgiveness of any portion of the PPP loan will occur. As for the loan forgiveness, the PPP loan was wholly forgiven and a legal release received, the liability was reduced by the amount forgiven and a gain on extinguishment was recorded. The terms of the PPP loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The Company was in compliance with the terms of the PPP loan as of March 31, 2022.

(d) On September 5, 2020, the Company received a $160,000 loan (the "EID Loan") from the SBA under the SBA's Economic Injury Disaster Loan program. The EID Loan has a thirty-year term and bears interest at a rate of 3.75% per annum. Monthly principal and interest payments of $0.7 per month are deferred for twelve months, and commence in June 2021. The EID Loan may be prepaid at any time prior to maturity with no prepayment penalties. The proceeds from the EID Loan must be used for working capital. The Loan contains customary events of default and other provisions customary for a loan of this type. The Company was in compliance with the terms of the EID loan as of March 31, 2022.

(e) Between July 7, 2020, and July 29, 2020, the Company issued notes payable to third-party investors totaling $250,000. Under the terms of the note, the Company is to pay 50% of the net revenues beginning on August 21, 2020, for a product to be designed and produced by the Company. The product has not been produced and therefore no payments have been made. The Company has received a notice of default and demand for payment from three note holders (owed approximately $146,000). The Company has retained counsel who is in discussion with the note holders.

(f) On January 10, 2022, the Company received a merchant loan in the total amount of $102,000 and is required to make forty (40) weekly payments of $2,628.46 to satisfy the obligation. The Company is in compliance with the terms of the loan as of March 31, 2022.

(g) On February 15, 2022, the Company received a short term loan in the total amount of $57,000 and is required to make nineteen () weekly payments of $3,230.76 to satisfy the obligation. The Company is in compliance with the terms of the loan as of March 31, 2022.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

Convertible notes payable consisted of the following:

		March 31, 2022		December 31, 2021
Unsecured				
(a) Convertible notes with fixed discount percentage conversion prices	$	357,920	$	315,140
Put premiums on stock settled debt		-		165,794
(b) Convertible notes with fixed conversion prices		1,405,000		1,550,000
Default penalty principal added		-		-
Total convertible notes principal outstanding		1,762,920		2,030,934
Debt discount		(87,484)		(139,014)
Convertible notes, net of discount and premium	$	1,675,436	$	1,891,920
Current portion		1,675,436		1,891,920
Long-term portion	$	-	$	-

(a) At December 31, 2021, the balance due on convertible notes with fixed discount percentage conversion prices was $315,140, with related put premium of $165,794. At December 31, 2020, the balance due on convertible notes with fixed discount percentage conversion prices was $180,200, with related put premium of $117,866. During the year ended December 31, 2021, the Company issued five convertible notes with fixed discount percentage conversion prices aggregating $362,000 and made repayments aggregating $46,860. At the option of the holders, the notes were convertible into shares of the Company's common stock at a price per share discount of 25% to 35% of the lowest bid price of the Company's common stock within twenty-five days prior to conversion. The notes were treated as stock settled debt under ASC 480-Distinguishing Liabilities from Equity, and a put premium of $165,794 was recognized and charged to interest expense when the notes were recorded in 2021. Also during the year ended December 31, 2021, note holders converted $113,000 principal into 7,533,333 shares of the Company's common stock. Upon conversion the related put premiums of $127,866 associated with these notes were reclassified to additional paid-in capital. As of December 31, 2021, the balance due on convertible notes with fixed discount percentage conversion prices was $315,140, and the related put premium was $165,794.

(b) As of December 31, 2020, the balance due on convertible notes with fixed conversion prices was $1,550,000. For the year ended December 31, 2021, the Company issued eleven convertible notes with fixed conversion prices aggregating $1,722,500. In addition, convertible notes with fixed conversion prices totaling $1,482,845 of principal and $75,576 of accrued interest (total of $1,558,421) were converted into 124,384,253 shares of the Company's common stock. At December 31, 2021, the balance of the due on convertible notes with fixed conversion prices was $1,550,000. The notes are unsecured, convertible into common stock at prices ranging from $0.015 per share to $0.04 per share, bear interest at 4% to 10% per annum, and mature through November 11, 2022.

At December 31, 2021, the net unamortized balance of debt discounts was $139,014, consisting of debt discount related to fees and original issue discounts (OID). The Company early adopted ASU No. 2020-06 (See Note 1) effective January 1, 2021 using the modified retrospective approach. The adoption of ASU 2020-06 on January 1, 2021, resulted in a decrease in addition paid in capital of $823,655, a decrease to accumulated deficit of $320,602, and an increase in total stockholders' deficit of $503,053.

The debt discounts related to fees and OID are amortized over the life of the related notes or are amortized in full upon the conversion of the corresponding note to common stock. For the year ended December 31, 2021, debt discounts of $303,100 were added related to the eleven convertible notes issued above, and amortization of $164,086 was recorded. At December 31, 2021, the net unamortized balance of other debt discounts was $139,014.

On May 4, 2021 ("Effective Date"), the Company entered into a securities purchase agreement (the "SPA") with Clifton Royale Apartments, LLC (the "Investor") pursuant to which the Company issued a 4% unsecured convertible promissory note (the "Note") in the principal amount of $80,000. On this date, the Company received proceeds of $80,000.

The maturity date of the Note was November 4, 2021. The Note bears interest at a rate of four percent (4%) per annum, which interest shall be paid by the Company to the Investor in Common Stock at any time the Investor sends a notice of conversion to the Company. The Investor is entitled to, at its option, convert all or any amount of the principal amount and any accrued but unpaid interest of the Investor Note into Common Stock, at any time, at a fixed conversion price for each share of Common Stock equal to $0.01 (as defined in the Note) of the Common Stock as reported on the OTC Marketplace exchange upon which the Company's shares are traded during the twenty (20) consecutive Trading Day period immediately preceding (i) the applicable Effective Date; or (ii) the conversion date. The Company also issued a common stock purchase warrant for 15,000,000 shares (the "Warrant").

On September 2, 2020, the Company issued a convertible note (see paragraph a above) having a conversion price less than $0.05 which triggered a term common to all notes in paragraph b, which changed the conversion terms to be the lower of $0.05 or 61% of the lowest traded price during the 15 days prior to the conversion. This event is also considered a default for which a penalty is charged equal to 150% of the accrued interest, default interest and principal, totaling $314,441. At December 31, 2020 the new principal totaled $811,385.

On December 9, 2020, the Company executed amendments to these notes effective September 30, 2020, which extended the maturity dates and fixed the conversion price at $0.015. The Company determined that the change in the note terms resulted in old and new debt instruments that were substantially different, with the old debt being extinguished. Due to the change in conversion terms the notes also require the recognition of the beneficial conversion feature of the increased principal ($314,441 default principal) and lowering of the conversion price resulting in recognition of additional charges. Loss on debt extinguishment was charged $757,293 and debt discounts were charged $314,441 with a credit to additional paid in capital for the debt discounts. In addition $243,285 related to the unamortized discounts as originally recorded was also charged to loss on debt extinguishment for the unamortized balance of debt discounts. In addition, loss on debt extinguishment was charged $229,712 for other costs related of the extinguishment.

During the three months ended December 31, 2020, the Company issued nine convertible notes with fixed conversion prices aggregating $440,000. The notes are unsecured, bear interest at 10% per annum, and mature through June 30, 2021. The notes are convertible into common stock at $0.015 per share. The Company recorded debt discounts of $43,000. On December 2, 2020 default penalties of $54,645 were declared by the note holders. The principal balance of these notes totals $494,645 at December 31, 2020. Beneficial conversion features having a value of $451,646 were also recognized with a charge to debt discount offset with a credit to additional paid in capital. The debt discounts are amortized over the life of the notes or are amortized in full upon the conversion of the corresponding notes to common stock.

During the year ended December 31, 2020, debt discount of $2,556,602 was recorded, debt discount amortization of $775,538 was recorded, discount of $381,084 was recorded as private placement costs, and $1,085,698 was removed upon debt extinguishment. At December 31, 2020, the balance of the unamortized discount was $539,282.

Note 7 – DERIVATIVE LIABILITIES AND FINANCIAL INSTRUMENTS

The Company did not derivative liabilities at March 31, 2022 or December 31, 2021.

NOTE 8 – MEZZANINE EQUITY

The Company has determined that its shares of the Series B and Series C convertible preferred stock are conditionally redeemable upon the occurrence of certain events that are not solely within the control of the issuer, and upon such event, the shares would become redeemable at the option of the holders; accordingly the Series B and Series C convertible preferred stock are classified as "mezzanine equity" (temporary equity), between liabilities and stockholders' deficit. The purpose of this classification is to convey that such a security may not be permanently part of equity and could result in a demand for cash, securities or other assets of the entity in the future. The shares as valued have been classified as mezzanine equity and presented as such on the consolidated balance sheet at March 31, 2022 as single line items due to the immaterial par value. The mezzanine equity value is not included in shareholders' deficit.

Series B Convertible Preferred Stock

The terms of the Certificate of Designation of the Series B Convertible Preferred Stock, which was filed with the State of Nevada on January 12, 2021, state that the shares of Series B Convertible Preferred Stock are convertible into fifty-four percent (54%) of the issued and outstanding shares of the Company's common stock on a fully converted basis. Each share of Series B Preferred Stock shall be convertible into 6,750 shares of Common Stock ("Conversion Ratio"), at the option of a Holder, at any time and from time to time, from and after the issuance of the Series B Preferred Stock. Anti-dilution terms of the preferred may change the conversion ratio. Each holder of the Series B Preferred Stock shall have the right to vote on any matter that may from time to time be submitted to the Company's shareholders for a vote, on an as converted basis, either by written consent or by proxy. Additionally, the shareholders are entitled to liquidation benefits including a cash payout, the liquidation terms include sales and mergers affection a change in control.

On December 21, 2020, the Company entered into a Securities Exchange Agreement with Medolife Rx, Inc., a Wyoming corporation, ("Medolife Rx") pursuant to which, the Company agreed to acquire 51% of Medolife Rx in exchange for 9,000 shares of newly created Series B Convertible Preferred Stock, which, were issued to Dr. Arthur Mikaelian upon closing on January 14, 2021. The shares issued to Dr. Mikaelian on January 14, 2021 were valued based on the conversion number of common shares at the market price on the date of issuance. Due fact that there Medolife Rx, Inc. was a start-up venture with no net asset value the value associated with the shares of $1,522,198 was charged to compensation expense during the three months ended March 31, 2021.

Series C Convertible Preferred Stock

The terms of the Certificate of Designation of the Series C Convertible Preferred Stock, which was filed with the State of Nevada on January 12, 2021, state that such Series C Convertible shares have a par value of $0.00001 per share and a stated value of $100 per share (the "Stated Value") and each Series C Preferred Share shall be convertible into 6,750 shares of Common Stock ("Conversion Ratio"), at the option of a Holder, at any time and from time to time, from and after the issuance of the Series C Preferred Stock. Anti-dilution terms of the preferred may change the conversion ratio. Each holder of the Series C Preferred Stock shall have the right to vote on any matter that may from time to time be submitted to the Company's shareholders for a vote, on an as converted basis, either by written consent or by proxy. Additionally, the shareholders are entitled to liquidation benefits including a cash payout, the liquidation terms include sales and mergers affection a change in control.

On January 14, 2021, the Board of Directors of the Company approved the issuance of all 1,000 authorized shares of Series C Convertible Preferred Stock to the following Medolife Rx Designees:

Trillium Partners LP	500 Shares of Series C Preferred Stock
Sagittarii Holdings, Inc.	500 Shares of Series C Preferred Stock

The stock will be valued on the basis of the greater of the value of the services received or the fair value of the Series C convertible preferred shares issued.

The shares issued to Trillium and Sagittarii were valued based on the conversion number of common shares at the market price on the date of issuance. The shares were valued at $169,133 and were charged to expense for services during the three months ended March 31, 2021.

NOTE 9 – STOCKHOLDERS' DEFICIT

Common Stock

Common stock issued for cash

During the three months ended March 31, 2022, the Company did not issue any shares of common stock.

Common stock issued for services

During the three months ended March 31, 2022, the Company issued 39,621,756 shares of common stock to service vendors with a fair value of $377,742. Fair value of the shares was determined based on the closing price of the Company's common stock on the date shares were granted, and recorded as stock compensation in selling, general and administrative expense.

Preferred Stock

Series A Preferred Stock

On April 14, 2020, the Company filed a Certificate of Designation for the Company's Series A Preferred Stock ("Series A") with the Secretary of State of Nevada designating 2,500,000 shares of its authorized preferred stock as Series A Preferred Stock, par value of $0.001 per share. The Series A Preferred Stock is not entitled to receive any dividends or liquidation preference and are not convertible into shares of the Company's common stock. The holders of the Series A Preferred Stock, in the aggregate, have voting power equal to 51% of the total votes of all of the outstanding common and preferred stock of the Company entitled to vote. Accordingly, each share of Series A Preferred Stock shall have voting rights equal to one and one-tenth (1.1) times a fraction, the numerator of which is the shares of outstanding common stock and undesignated preferred stock of the Company and the denominator of which is number of shares of outstanding Series A Preferred Stock. With respect to all matters upon which stockholders are entitled to vote or give consent, the holders of the outstanding shares of Series A Preferred Stock shall vote with the holders of the common stock and any outstanding preferred stock without regard to class, except as to those matters on which separate class voting is required by applicable law or the Company's Articles of Incorporation.

On April 14, 2020, The Company issued 2,500,000 shares of the Series A to the Company's Chief Executive Officer in a private placement transaction. The fair value of the stock was determined to be $465,000 as determined by a third party valuation expert, and was recorded as stock compensation.

On November 16, 2020, the Company entered into a Control Block Transfer Agreement with Eric Rice and Phillip Sands, pursuant to which, Mr. Rice agreed to transfer the 2,500,000 shares of the Series A to Mr. Sands. Mr. Rice agreed to transfer the Control Block to Phillip Sands in order to consummate the Company's transition into a holding company, without requiring the Company to further dilute its stock through the issuance of new shares.

Phil Sands resigned as an officer and director of the Company on May 10, 2021. Simultaneously therewith, the Company executed a Control Block Transfer Agreement with Phil Sands and Arthur Mikaelian, pursuant to which, effective Mr. Sands agreed to transfer 2,500,000 shares of the Company's Series A Super Voting Preferred Stock to Dr. Mikaelian, representing a transfer of majority voting control over the Company because the holder of such 2,500,000 shares of our Series A Super Voting Preferred Stock automatically carries a vote equal to 51% on all matters submitted to a vote of the holders of our Common Stock and Preferred Stock.

Series B Preferred Stock

On December 21, 2020, the Company entered into a Securities Exchange Agreement with Medolife Rx, Inc., a Wyoming corporation, ("Medolife Rx") pursuant to which, the Company agreed to acquire 51% of Medolife Rx in exchange for 9,000 shares of newly created Series B Convertible Preferred Stock, which, were issued to Dr. Arthur Mikaelian upon closing on January 14, 2021. Dr. Mikaelian's 9,000 shares of Series B Convertible Preferred Stock are convertible into fifty-four percent (54%) of the issued and outstanding shares of the Company's common stock on a fully converted basis.

Series C Convertible Preferred Stock - Description

The terms of the Certificate of Designation of the Series C Convertible Preferred Stock, which was filed with the State of Nevada on January 12, 2021, state that such Series C Convertible shares have a par value of $0.00001 per share and a stated value of $100 per share (the "Stated Value") and each Series C Preferred Share shall be convertible into 6,750 shares of Common Stock ("Conversion Ratio"), at the option of a Holder, at any time and from time to time, from and after the issuance of the Series C Preferred Stock; provided that, for a period of twenty for (24) months from the Issuance Date, if the Company issues shares of common stock, including common stock as the result of the purchase, exercise or conversion of outstanding derivative or convertible securities (or securities, including any derivative securities, containing the right to purchase, exercise or convert into shares of common stock) (the "Dilution Shares") such that the outstanding number of shares of common stock on a fully diluted basis shall be greater than one hundred twelve million five hundred thousand (112,500,000) shares (inclusive of conversions of Series C Preferred Stock at the Conversion Ratio immediately above), then the Conversion Ratio for the Series C Preferred Stock then outstanding and unconverted as of the date the Dilution Shares are issued shall be adjusted to equal the Conversion Ratio multiplied by a fraction, the numerator of which shall be the number of shares outstanding on a fully diluted basis after the issuance of the Dilution Shares, and the denominator shall be one hundred twelve million five hundred thousand (112,500,000). Subject to the beneficial ownership limitations of 9.99%, set forth in Section 5 (b) of the attached Series C Convertible Preferred Stock Certificate of Designation, each holder of the Series C Preferred Stock shall have the right to vote on any matter that may from time to time be submitted to the Company's shareholders for a vote, on an as converted basis, either by written consent or by proxy.

On January 14, 2021, the Board of Directors of the Company approved the issuance of all 1,000 authorized shares of Series C Convertible Preferred Stock to the following Medolife Rx Designees:

Trillium Partners LP	500 Shares of Series C Preferred Stock
Sagittarii Holdings, Inc.	500 Shares of Series C Preferred Stock

The stock will be valued on the basis of the greater of the value of the services received or the fair value of the Series C convertible preferred shares issued.

Restricted common stock

In 2019, the Company agreed to issue 8,000,000 shares of the Company's common stock with vesting terms to Arthur Mikaelian. 1,000,000 shares vested immediately, and the balance of 7,000,000 shares vest 625,000 shares per quarter over 2.8 years. The Company accounts for the share awards using a graded vesting attribution method over the requisite service period, as if each tranche were a separate award. During the three months ended March 31, 2022 and 2021, total share-based expense recognized related to vested restricted shares totaled $-0- and $382,544, respectively. At March 31, 2022, there was $48,867 of unvested compensation related to these awards that will be amortized over a remaining vesting period of approximately six months thru March 2022.

The following table summarizes restricted common stock activity for the three months ended March 31, 2022:

	Number of shares	Fair value of shares
Non-vested shares, December 31, 2021	1,375,000	48,867
Granted	-	-
Vested	(625,000)	(48,867)
Forfeited	-	-
Non-vested shares, March 31, 2022	750,000	$ -

As of March 31, 2022, no shares have been issued and 5,375,000 vested shares are included in shares to be issued on the accompanying financial statements

Common stock issued in conversion of convertible notes payable

During the three months ended March 31, 2022, the Company issued 66,979,631 shares of common stock to holders of convertible notes upon the conversion of convertible notes payable and accrued interest valued at $517,895.During the three months ended March 31, 2021, the Company issued 14,665,778 shares of common stock to holders of convertible notes upon the conversion of convertible notes payable and accrued interest valued at $396,458.

Stock Options

During the three months ended March 31, 2022 and 2021, the Company did not recognize any compensation expense relating to vested stock options.

During the three months ended March 31, 2022, the Company did not issue any options. In April 2020, the Company issued options exercisable into 300,000 shares of common stock which vested immediately. The options have an exercise price of $0.14 per share, and expire in 10 years. The total fair value of these options at grant date was approximately $30,000, which was determined using the Black-Scholes-Merton option pricing model with the following average assumption: stock price $0.14 per share, expected term ranging from five years, volatility 236%, dividend rate of 0% and risk-fee interest rate of 0.17%.

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of measurement corresponding with the expected term of the share option award; the expected term represents the weighted-average period of time that share option awards granted are expected to be outstanding giving consideration to vesting schedules and historical participant exercise behavior; the expected volatility is based upon historical volatility of the Company's common stock; and the expected dividend yield is based on the fact that the Company has not paid dividends in the past and does not expect to pay dividends in the future.

As of March 31, 2022, the amount of unvested compensation related to stock options was approximately $22,000 which will be recorded as an expense in future periods as the options vest.

A summary of stock option activity during the three months ended March 31, 2021:

	Number of options	Weighted Average Exercise Price	Contractual Life in Years
Options Outstanding as of December 31, 2021	775,000	0.10	6.0
Granted	-	0.11	10.0
Exercised	-	-	-
Forfeited	-	-	-
Options Outstanding as of March 31, 2022	775,000	0.11	6.5
Options Exercisable as of March 31, 2021	975,814	$ 0.10	5.5

At March 31, 2021, the options outstanding had no intrinsic value.

NOTE 10 – RELATED PARTY TRANSACTIONS

On December 21, 2020, the Company entered into a Securities Exchange Agreement with Medolife Rx, Inc., a Wyoming corporation, ("Medolife Rx") pursuant to which, the Company agreed to acquire 51% of Medolife Rx from entities controlled by Arthur G. Mikaelian, Ph.D. in exchange for 9,000 shares of newly created Series B Convertible Preferred Stock. Prior to this transaction, Dr. Mikaelian was a consultant and shareholder in the Company (See Notes 4 and 10). On January 14, 2021, the Company completed the acquisition of 51% of Medolife. At December 31, 2020 and through January 14, 2021, Medolife Rx had nominal assets, liabilities, and operations. During December 2021, the Company advanced $235,000 to Medolife Rx in anticipation of the closing of the acquisition transaction. The funds were used to pay certain expenses on behalf of the Company. At December 31, 2020, the balance of the advance was $134,704 and presented as deferred charges-related party. In connection with the acquisition of 51% of Medolife Rx, Dr. Mikaelian was appointed as a member of the Board of Directors of the Company, and also appointed to serve as the Company's Chief Executive Officer, a role which Dr. Mikaelian assumed on January 14, 2021.

The Company has an agreement with Dr. Mikaelian in consideration of the Company's exclusive use of patented technology developed by Dr. Mikaelian. Pursuant to the agreement, as amended, the Company shall pay a royalty of 25% of all the net income from the sale of licensed products, as defined with a minimum royalty of $35,000 per month payable in cash or common stock of the Company. In addition, the Company agreed to issue 8,000,000 shares of the Company's common stock with vesting terms to the individual (see Note 10). During the year ended December 31, 2020 and 2019, the Company recognized royalty expenses of $420,000 and $343,300, respectively.

On November 15, 2020, the Company entered into an interim compensation agreement with Mr. Phillip Sands providing for monthly compensation of $8,000 commencing December 1, 2020 until March 1, 2021.

On November 16, 2020, the Company entered into a Control Block Transfer Agreement with Eric Rice and Phillip Sands, pursuant to which, Mr. Rice agreed to transfer 2,500,000 shares of the Company's Series A Super Voting Preferred Stock to Mr. Sands, representing a transfer of majority voting control over the Company because the holder of such 2,500,000 shares of our Series A Super Voting Preferred Stock automatically carries a vote equal to 51% on all matters submitted to a vote of the holders of our Common Stock and Preferred Stock. Mr. Rice agreed to transfer the Control Block to Phillip Sands in order to consummate the Company's transition into a holding company (transition phase), without requiring the Company to further dilute its stock through the issuance of new shares.

For the three months ended March 31, 2021, the Company recorded revenue of $198,800 from a company controlled by a family member of the Company's CEO. During the year ended, the related accounts receivable balance was zero, with $69,500 having been collected and the remaining balance of $129,300 written off to bad debts.

During the three months ended March 31, 2022, the Company recorded administrative expenses of $86,683 to a company controlled by Mr. Mikaelian.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

COVID-19

During the period ended March 31, 2022, the COVID-19 pandemic has impacted our operating results and the Company anticipates a continued impact for the balance of the year. In addition, the pandemic may cause reduced demand for our products if, for example, the pandemic results in a recessionary economic environment which negatively effects the consumers who purchase our products. The Company monitors guidance from federal, state, and local public health authorities, and has implemented health and safety precautions and protocols in response to these guidelines. The extent of the impact of the COVID-19 pandemic has had and will continue to have on the Company's business is highly uncertain and difficult to predict and quantify at this time.

Contingencies include obligations for lease agreements, including an abandoned lease space discussed at Note 5, along with the Company current lease for its headquarters office, also discussed in Note 5.

It is management's opinion that there are no material contingent liabilities that are not disclosed in the financial statements and footnote disclosures as of March 31, 2022.

NOTE 12 – SUBSEQUENT EVENTS

Common Stock Issued

Between January 1, 2022 and May 19, 2022, the Company issued the 8,000,000 shares to Dr. Arthur Mikaelian.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose any statements contained in this Form 10-Q that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate" or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control. These factors include by are not limited to economic conditions generally and in the industries in which we may participate; competition within our chosen industry, including competition from much larger competitors; technological advances and failure to successfully develop business relationships.

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

Medolife Rx, Inc. is a global biotechnology company with operations in clinical research, manufacturing, and consumer products. Medolife Rx was created through the merger of Medolife, a private company founded by Dr. Arthur Mikaelian, who pioneered the unlaying polarization technology, and Quanta, Inc., a direct-to-consumer wellness product portfolio company. The Company's lead clinical development programs include Escozine®, a proprietary formulation consisting of small molecule peptides derived from Rhopalurus princeps scorpions, which is amplified by the Company's polarization technology and is being researched as a treatment of various indications, including COVID-19 and cancer. The Company intends to pursue product registration and drug approval in multiple countries.

With its line of AELIA brand products, Medolife manufactures and distributes consumer wellness products in areas such as pain relief, beauty, and general wellness. AELIA products are designed using Dr. Mikaelian's polarization technology, which applies advances in quantum biology to increase the potency of active ingredients. Ultimately, Medolife's mission is to deliver better, more effective ingredients to elevate product efficacy, reduce waste, and facilitate healthier, more sustainable consumption.

Beyond its own clinical and consumer applications, the polarization technology used by Medolife and its subsidiaries has many potential applications. From potentiating bio-ingredients, to producing more-effective carbon-trapping plants, to transformative anti-aging solutions, Medolife could have the opportunity to upend how commercial and pharmaceutical products are made and increase their benefits, while decreasing their chemical concentration.

Our Company History

The company was founded in Nevada as Freight Solution, Inc. in 2016.

On June 5, 2018, we underwent a change of control. In connection with the change of control, our board of directors and officers was reconstituted through the resignation of Shane Ludington as Chairman, Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer of the Registrant and the appointment of Mr. Eric Rice as Chairman, Chief Executive Officer and Chief Financial Officer and Mr. Jeffrey Doiron as President and Chief Operations Officer.

On June 6, 2018 we formed a wholly owned subsidiary, Quanta Acquisition Corp. in the state of California, and executed an Agreement of Merger and Plan of Reorganization, with Bioanomaly, Inc., a California corporation, d/b/a Quanta and Quanta Acquisition Corp., a California corporation and our wholly-owned subsidiary. Pursuant to the terms of the Merger Agreement, Quanta Acquisition Corp. merged with and into Quanta in a statutory reverse triangular merger with Quanta surviving as a wholly owned subsidiary. Following the merger, we adopted our business plan.

On June 6, 2018, we cancelled 15,000,000 shares of common stock acquired through the change in control transaction. As consideration for the merger, we agreed to issue the shareholders of Quanta an aggregate of 21,908,810 shares of our common stock, par value $0.001 per share. Freight Solution shareholders retained 6,500,000 shares of common stock, which represented 23% of our issued and outstanding stock following the merger.

Simultaneously with the merger, we accepted subscriptions for 6,500,000 shares of common stock in a private placement offering at a purchase price of $0.20 per share for an aggregate offering amount of $1,300,000. We also issued two non-affiliated investors warrants to purchase 3,000,000 shares of our common stock at an exercise price of $0.30 per share expiring in four years.

Following the consummation of the merger, Quanta shareholders beneficially owned approximately 63% of our issued and outstanding common stock.

On July 11, 2018 the State of Nevada approved our name change from Freight Solution, Inc. to Quanta, Inc.

On April 14, 2020, we issued to Eric Rice, our former Chairman, Chief Executive Officer and Chief Financial Officer, 2,500,000 shares of a newly created class of preferred stock, Series A Preferred Stock.

On November 16, 2020, the Company entered into a Control Block Transfer Agreement with Eric Rice and Phil Sands, pursuant to which, Mr. Rice agreed to transfer 2,500,000 shares of the Company's Series A Super Voting Preferred Stock to Mr. Sands, representing a transfer of majority voting control over the Company because the holder of such 2,500,000 shares of our Series A Super Voting Preferred Stock automatically carries a vote equal to 51% on all matters submitted to a vote of the holders of our Common Stock and Preferred Stock. On November 16, 2020, the Company entered into a Share Cancellation Agreement with Eric Rice, holder of 18,030,032 shares of QNTA Common Stock, pursuant to which Mr. Rice agreed to cancel 17,030,032 shares (16,951,432 shares were cancelled December 29, 2020), and to retain ownership of 1,000,000 shares of Common Stock.

On December 21, 2020, the Company entered into a Securities Exchange Agreement with Medolife Rx, Inc., a Wyoming corporation, ("Medolife") pursuant to which, the Company agreed to acquire 51% of Medolife in exchange for 9,000 shares of newly created Series B Convertible Preferred Stock. On January 14, 2021, we completed our acquisition of 51% of Medolife and Medolife's founder, Arthur Mikaelian, PhD, a member of our Board of Directors, officially replaced Phil Sands as our Chief Executive Officer. Phil Sands resigned as an officer and director of the Company on May 10, 2021. Simultaneously therewith, the Company executed a Control Block Transfer Agreement with Phil Sands and Arthur Mikaelian, pursuant to which, effective Mr. Sands agreed to transfer 2,500,000 shares of the Company's Series A Super Voting Preferred Stock to Dr. Mikaelian, representing a transfer of majority voting control over the Company because the holder of such 2,500,000 shares of our Series A Super Voting Preferred Stock automatically carries a vote equal to 51% on all matters submitted to a vote of the holders of our Common Stock and Preferred Stock. Mr. Sands agreed to transfer the Control Block to Arthur Mikaelian in exchange for 3,000,000 shares of the Company's Common Stock, and for the payment of $22,500 in accrued salary, as well as the payment of health insurance benefits through January of 2022.

Medolife provides contract research services. The Company focuses on research, development, and production of pharmaceutical-grade products, as well as clinical evidence-based nutraceuticals utilizing patented polarization technology. Medolife Rx serves clients in the United States.

In 2007, Medolife began its venom-to-drug research and development concept. In 2008, Medolife identified the Rhopalurus princeps scorpion species, which are endemic to the Dominican Republic, as a possible candidate. The company entered into an agreement with the local Ministry of Environment and Natural Resources to investigate the anticancer properties of scorpion venom peptides. The Company's research confirmed the anticancer properties of the peptide. That same year, Medolife registered its product, Escozine, in the Dominican Republic due to the prime material and preliminary studies originating from Dominican Republic. Escozine was registered under Sanitary Registry Number PN2010-0244 as an anti-tumoral alternative medicine in the Dominican Republic, which allowed the company to perform clinical studies and observations in the country.

Quanta, which entered the CBD pain-relief rub market ("Muscle Rub"), is the first in a series of products to emerge from our labs. At the heart of its well-documented effectiveness is our proprietary "polarization" process, which uses electromagnetic force to markedly enhance bioactivity at the molecular level—a polarized ingredient creates stronger bonds with the body's receptors providing higher bioavailability. The company believes this natural solution has nearly limitless applications in the world of plant-based consumer products.

In early 2020, the company was preparing to apply to the FDA to initiate the approval process for Escozine as an orphan drug for pancreatic cancer. The Weinberg Group was hired as our regulatory compliance consultants for the FDA application and guidelines.

As the COVID-19 pandemic spread during the Spring of 2020, Medolife studied the scorpion venom peptide as a potential COVID-19 drug treatment and began confirming its antiviral properties. The company applied to the FDA as a Pre-Investigational New Drug (PIND), which opened PIND #150335. For PIND Submission and Clinical Trial Strategy in the United States and the Dominican Republic, Medolife has contracted Affinity Bio Partners as a consulting firm on FDA regulatory matters.

In August of 2020, Medolife initiated clinical studies at the Cruz Jiminian Clinic (Clinica Cruz Jiminian) in Santo Domingo, Dominican Republic, which is a clinic with a license allowing them to treat COVID-19 patients. The study included 450 COVID-19 patients. The observation contained more female than male patients, with 252 female and 198 male participants. Out of 450 participants, there was an even spread among the age groups, with a higher number in the 41-to-50-year-old group.

EFFICACY STUDY.

Escozine was used as a 3-pillar treatment: a Therapeutic, a Palliative, and a Preventative.

Therapeutic

- Escozine was used as a monotherapy
- All therapeutic participants were tested COVID-19 positive prior to observation.
- 100% of patients were discharged with a negative COVID-19 test result within 7 to 10 days of treatment with Escozine.

Conclusion: Within 4-5 days, all COVID-19 patients using Escozine tested negative for the virus, indicating Escozine eliminated the COVID-19 virus or accelerated recovery.

Palliative

- COVID-19 positive patients report a dramatic decrease of symptoms within 2-4 days of Escozine treatments. The World Health Organization Quality of Life ("WHOQOL") Bref quality of life questionnaire by the World Health Organization (WHO) was used since July 2020 to evaluating symptoms in patients, including:
  - Shortness of breath
  - Pain
  - Fatigue
  - Headache
  - Loss of taste
  - Fever
  - Loss of smell (anosmia)

Conclusion: All participants reported significant improvement on all their COVID-19-related symptoms within 5 days, indicating that Escozine can be used to treat the symptoms of COVID-19.

Preventative

- Transmission of virus to treating physicians and nurses of COVID-19 patients is inhibited upon administering Escozine.
- Substantial reduction in infectability and spread of the SARS-CoV-2 virus.

Conclusion: All hospital workers remained healthy during the clinical observation while taking Escozine, indicating that Escozine can be used as a preventative measure for COVID-19. The preventative capabilities require additional study.

SAFETY STUDY.

To verify the safety of using Escozine, patients were tested before and after treatment for:

- Hematology
- Clinical chemistry (Kidney and Liver function tests, Enzymes, Glucose, Calcium and Phosphorus)
- Urine
- CD4/CD8

Conclusion: No toxic response was observed in 100% of patients and no side-effects were reported, indicating that Escozine is safe to use for COVID-19 patients.

ADDITIONAL FINDINGS.

During the clinical study, Medolife observed that Escozine prevents Acute Kidney Injury (AKI) caused by COVID-19:

- During the clinical study, no deaths occurred.
- 40% of the monitored COVID-19 patients who were administered Escozine, had serum creatinine that was higher than normal, indicating AKI before Escozine administration.
- After Escozine administration, most of the patient's creatinine concentrations dropped or did not change.
- Overall, the frequency of patients that developed normal creatinine levels after Escozine administration was statistically significant ($p<0.05$).
- Medolife has received a new reply from the FDA on their latest submission of requested data. In the reply, the FDA:
- Stated that they acknowledge the Company's clinical trial as an informal proof-of-concept study
- Laid out very specific guidelines for the next steps required by the regulatory body in order to garner approval for Escozine as a treatment for COVID-19, in which the FDA requested:
  - Pharmacokinetic (PK) study, which Medolife has initiated in the United Kingdom.
  - DNA toxicology study, for which Medolife is negotiating with a GLP certified laboratory in the United States.
  - Additional Chemistry, Manufacturing and Controls (CMC) data from Medolife's contract manufacturer, CURE Pharmaceutical Corporation.

R&D Expenses related to Escozine.

Over the last 24 months, the company has spent more than $533,000 on research and development related to Escozine as both a treatment of cancer and for COVID-19.

Quanta Basics

Quanta and its subsidiary Medolife are cutting-edge technology platform whose patented, proprietary technology harnesses advances in quantum biology to increase the potency of active ingredients. Currently, the company supports product formulations in cancer and COVID-19 treatments, as well as pain management, anti-inflammation, skincare, agriculture, nutritional supplements, and plant-based consumables. Ultimately, the company's mission is to deliver better, more effective ingredients to elevate product efficacy, reduce waste and facilitate healthier, more sustainable consumption.

The established resonance theory behind the company's polarization process has many potential applications. From potentiating bio-ingredients to produce more-effective carbon-trapping plants to transformative anti-aging solutions the company's technology has the opportunity to upend how commercial products are made and the benefits from them. Already we see multi-trillion-dollar global industries benefiting from the company's technology.

Our proof of concept, the company's market-leading CBD pain-relief rub ("Muscle Rub"), is only the first in a series of paradigm shift products to emerge from our labs. At the heart of its well-documented effectiveness is our proprietary "polarization" process, which uses electromagnetic force to markedly enhance bioactivity at the molecular level—a polarized active ingredient is more soluble and creates stronger bonds with the body's receptors. This allows us to enhance ingredients so they work faster and more powerfully without the use of chemical by-products or cellular penetration. the company believes this natural solution has nearly limitless applications in the world of plant-based consumer products.

The company is involved in ambitious projects that we believe will reshape the next wave of climate science, sustainability, nutrition, and more. Having harnessed the technology of the future, the company is dedicated to bringing tomorrow's health and wellness solutions to the billions in need today.

Discovery Synopsys

Using our product development process and business-to-business and direct-to-consumer sales approaches as a benchmark for future business, we developed the Quanta business model. The company believes that its technology unique ability to strengthen ingredients renders them more potent without added chemicals or penetrating cells means Quanta is in a first-of-its-kind position in the market. As the world's first company focused on Quantum Biology we sit in a strong, but unique position in the market.

Upcoming products and ventures will be designed to achieve or surpass this level of consumer benefit and uptake.

Quanta Business Model in 3 P's: Potentiation, Partners, and Profits

After two years we believe the best possible model for the long-term success of the company is collaborating with best-in-class partners through joint ventures for new verticals, products, and research. These joint ventures may involve a jointly owned special purpose entity or they may be entirely based on contractual obligations.

The unique ability to increase the ingredient and product performance opens the doors for major opportunities. Higher performing ingredients mean less is needed to make a strong impact (increased margins, increase overall efficacy). We proved this with our Muscle Rub, which uses approximately 1/3 the CBD of competing products with demonstrably improved results.

The level of potentiation delivered by Quanta allows our partners the unique ability to provide higher-performing products, lower material costs, more competitive pricing and increased profit margins. In short, our partners will be able to make better performing, more affordable products with a higher repeat purchase. This is true disruption and consumer utopia.

We aim to work with groups that specialize in manufacturing, marketing, selling and distributing existing product lines that utilize ingredients we can potentiate. Partners like this facilitate efficient market delivery of joint innovations.

We believe this strategy provides greater shareholder value, enhances revenue potential, defrays upfront expenses and affords us the ability to raise capital.

Ultimately, these ventures would result in licensing out our technology to other reputable brands and companies to create co-branded products whereas the term "Powered by Quanta" becomes as recognized as "Intel Inside."

We believe this type of partnership will afford a company Quanta partners with:

- Development of emerging products with cutting edge ingredients.
- A product line with a true point of differentiation.
- New SKUs with an increased margin.
- Decreased cost of goods sold.

Simultaneously these partnerships can allow Quanta:

- Greater brand recognition.
- Increased revenue and in turn profitability.
- Quicker timeline to more licensing opportunities because of a track record of success.
- Brand to become synonymous with improving the performance of ingredients within products.

Manufacturing Partnerships -

Quanta is currently focused on partnering with large-scale manufacturers and distributors able to produce products that meet the requirements of applicable regulations IE: Good Manufacturing Practices to fulfill orders of our own product line. This type of partnership is crucial because it will afford:

- New product development that meets certification requirements
- Much larger production scale
- Speed to market
- Increased distribution and profitability

With our licensing capabilities, Quanta believes this technology can render better, more efficacious products that cost less to create but command a higher purchase value because of polarized ingredients. This, in turn, allows companies to diversify their catalog of products while simultaneously providing them with a distinguished advantage. More efficacious ingredients.

Government Regulation

We believe we are in compliance with applicable federal, state and other regulations and that we have compliance programs in place to ensure compliance going forward. There are no regulatory notifications or actions pending.

RESULTS OF OPERATIONS

Summary of Key Results

Results of Operations for three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Revenue

Net sales are comprised of wholesale sales to our retail partners and sales through our direct-to-consumer channel. Net sales in both channels reflect the impact of product returns as well as discounts for certain sales programs or promotions.

For the three months ended March 31, 2022, the Company recognized $63,233 in net sales. For the three months ended March 31. 2022, the Company recognized $318,807 in net sales.

Expenses

Operating expenses for the three months ended March 31, 2022 was $859,189, including $105,000 in research and development costs, and $747,797 in selling, administrative, and $6,394 in employee compensation and benefits and other costs associated with operations.

Operating expenses for the three months ended March 31, 2021 was $3,276,524, including $130,825 in research and development costs, and $3,016,277 in selling, administrative, and $129,422 in employee compensation and benefits and other costs associated with operations.

Other Income (Expense)

For the three months ended March 31, 2022, the Company recognized $(124,831) of net other expenses.

For the three months ended March 31, 2021, the Company recognized $(99,762) of net other expenses.

Net Loss

Net loss for the three months ended March 31, 2022 was $942,104. Net loss for the three months ended March 31, 2021 was $2,948,486. No provision for income taxes for either period was recorded.

Going Concern

We have yet to establish any history of profitable operations. For the three months ended March 31, 2022, the Company incurred a net loss of $949,154 and used cash in operating activities of $249,499, and at March 31, 2022, the Company had a working capital deficiency of $4,560,737. These factors raise substantial doubt about our ability to continue as a going concern within one year after the date the financial statements are issued. The going concern opinion could materially limit our ability to raise additional funds through the issuance of new debt or equity securities, and future reports on our financial statements may also include an explanatory paragraph with respect to our ability to continue as a going concern.

At March 31, 2022, the Company had cash on hand in the amount of $7,786. The Company's ability to continue as a going concern is dependent upon improving its profitability and the continuing financial support from its shareholders. Management believes the existing shareholders or external financing will provide additional cash to meet the Company's obligations as they become due. No assurance can be given that any future financing if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company can obtain additional financing, if needed, it may contain undue restrictions on its operations, in the case of debt financing, or cause substantial dilution for its stockholders, in the case of equity financing

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. GAAP requires us to make estimates and assumptions that affect the reported amounts in our financial statements including various allowances and reserves for accounts receivable and inventories, the estimated lives of long-lived assets and trademarks and trademark licenses, as well as claims and contingencies arising out of litigation or other transactions that occur in the normal course of business. The following summarizes our most significant accounting and reporting policies and practices:

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates include certain assumptions related to, among others, impairment analysis of long-term assets, valuation allowance on deferred income taxes, assumptions used in valuing stock instruments issued for services, assumptions made in valuing derivative liabilities, and the accrual of potential liabilities. Actual results may differ from these estimates.

Revenue Recognition

Product Sales—Substantially all of the Company's revenue is derived from product sales. Product revenue and costs of sales are recognized when control of the products transfers to our customer, which generally occurs upon shipment from our facilities. The Company's performance obligations are satisfied at that time. The Company does not have any significant contracts with customers requiring performance beyond delivery, and contracts with customers contain no incentives or discounts that could cause revenue to be allocated or adjusted over time.

License revenue— Revenue from symbolic IP is recognized over the access period to the Company's IP (see Note 2).

Cost of goods sold includes direct costs and fees related to the sale of our products.

Stock Compensation

The Company periodically issues stock options, warrants, shares of common stock, and restricted stock unit awards, as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation in accordance with FASB ASC 718, Compensation – Stock Compensation (Topic 718). Stock-based compensation cost for employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services.

Recently Issued Accounting Pronouncements

See Note 1 to the Condensed Consolidated Financial Statements

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term "disclosure controls and procedures", as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended ("Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of March 31, 2022 that our disclosure controls and procedures were not effective.

We identified material weaknesses in our internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The matters involving internal controls and procedures that our management considered to be material weaknesses were: (i) we had an insufficient number of personnel appropriately qualified to perform control design, execution and monitoring activities; (ii) we did not have written documentation of our internal control policies and procedures, including written policies and procedures to ensure the correct application of accounting and financial reporting with respect to the current requirements of U.S. GAAP and SEC disclosure requirements; (iii) we had ineffective controls over our financial statement close and reporting process and did not provide reasonable assurance that accounts were complete and accurate and agreed to detailed support and that reconciliations of accounts were properly performed, reviewed and approved, (iv) we did not maintain effective controls over the recording and approval of recurring and non-recurring journal entries and (v) we had inadequate segregation of duties consistent with control objectives.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2022, 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.

From time to time, we are a party to, or otherwise involved in, legal proceedings arising in the normal and ordinary course of business.

On April 30, 2021, the Company was served with an Entry of Default pursuant to two Product Loan Agreements executed between the Company and individuals Jason Brooks and Bruce Hofert, respectively, on July 9, 2020.

On June 30, 2021, the Company has been summoned by the Iowa District Court for Sioux County, pursuant to a Product Loan Agreement executed between the Company and B&L Investments, LLC, on July 7, 2020.

On August 5, 2021, the Company received notice the Securities and Exchange Commission had commenced an investigation related to the Company and affiliated persons and entities. The Company is cooperating with the Commission.

We are not aware of any other proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position.

Item 1A. Risk Factors.

The recent global coronavirus outbreak could harm our business and results of operations.

The global outbreak of COVID-19 has negatively affected the U.S. and global economies, and has negatively impacted businesses, workforces, customers, and created significant volatility of financial markets. It has also disrupted the normal operations of many businesses, including ours. The extent of the impact of the pandemic on our business and financial results will depend largely on future developments, including the duration and severity of the outbreak, the length of restrictions and business closures, and the impact on capital and financial markets, all of which are highly uncertain and cannot be predicted. This outbreak could decrease spending, adversely affect demand for our products and harm our business and results of operations. In the quarter ended September 30, 2020, we believe the COVID-19 pandemic did impact our operating results as shipments to customers in the second quarter were down 13% from the first quarter of the year. However, we have not observed any material impairments of our assets or a significant change in the fair value of our assets due to the COVID-19 pandemic. While it is not possible at this time to estimate the full impact that COVID-19 will have on our business, restrictions resulting from COVID-19 on general economic conditions could, among other things, impair our ability to raise capital when needed. This situation is changing rapidly, and additional impacts may arise that we are not aware of currently.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

No unregistered sales of equity securities subsequent to March 31, 2022.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Exhibits.

The following exhibits are incorporated into this Form 10-Q Quarterly Report:

Exhibit Number	Description
3.4	Certificate of Designation of Series A Preferred Stock (incorporated by reference to Exhibit 3.4 to the Registrant's Current Report on Form 8-K filed with the Commission on April 14, 2020)
10.13	Equity Purchase Agreement, dated as of April 9, 2020, by and between Quanta, Inc. and Oscaleta Partners LLC (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 filed with the Commission on April 10, 2020)
10.14	Registration Rights Agreement, dated as of April 9, 2020, by and between Quanta, Inc. and Oscaleta Partners LLC (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1 filed with the Commission on April 10, 2020)
10.15	Promissory Note, dated as of April 9, 2020, issued by Quanta, Inc. in favor of Oscaleta Partners LLC (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1 filed with the Commission on April 10, 2020)
10.16	Brokerage Agreement, dated as of March 26, 2020, by and between Quanta, Inc. and Hanson Faso Sales & Marketing, Inc. (incorporated by reference to Exhibit 10.16 to the Registrant's Current Report on Form 8-K filed with the Commission on April 10, 2020)
10.17	Form of Securities Purchase Agreement, dated as of April 27, 2020, by and between Quanta, Inc. and the Purchasers Signatory Thereto (incorporated by reference to Exhibit 10.17 to the Registrant's Current Report on Form 8-K filed with the Commission on May 1, 2020)
10.18	Form of Note dated as of April 27, 2020, issued by Quanta, Inc. in favor of the Holders Thereof (incorporated by reference to Exhibit 10.18 to the Registrant's Current Report on Form 8-K filed with the Commission on May 1, 2020)
31.1*	Rule 13a-14(a) Certification of the Chief Executive and Financial Officer
32.1*	Section 1350 Certification of Chief Executive and Financial Officer
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed along with this document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUANTA, INC

Dated: May 23, 2022	By: */s/ Arthur Mikaelian*
	Arthur Mikaelian
	President, Chairman, Director and Chief Executive Officer
	(Principal Executive Officer and Interim Principal Financial Officer)

Exhibit 31.1

Rule 13a-14(a) Certification of the Interim Principal Financial Officer

I, Arthur Mikaelian, certify that:

1. I have reviewed this report on Form 10-Q of Quanta, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 23, 2022

By: */s/ Arthur Mikaelian*
Arthur Mikaelian
President, Chairman, Director and Chief Executive Officer
(Principal Executive Officer and Interim Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the President, Chairman, Director and Chief Executive Officer of Quanta, Inc. (the "Company"), certifies that, to his knowledge:

1. The report of the Company for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on this date (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 23, 2022

By: */s/ Arthur Mikaelian*
Arthur Mikaelian
President, Chairman, Director and Chief Executive Officer
(Principal Executive Officer and Interim Principal Financial Officer)