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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

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)

(Registrant's telephone number, including area code): (424) 261-2568

Securities registered pursuant to Section 12(b) of the Act: None

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 [X] 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 [X] 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 [X]
	Emerging growth company [X]

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 [X]

May 22, 2021, the registrant had 176,458,527 shares of Common Stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Information.

QUANTA, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2021	December 31, 2020
	(Unaudited)	
ASSETS		
Current assets:		
Cash	$ 313,525	$ 6,270
Accounts receivable	-	685
Accounts receivable (net of reserve of $49,700) – related party	149,100	-
Deferred charges – related party	-	134,704
Inventories	44,009	19,220
Prepaid production cost	100,000	-
Total current assets	606,634	160,879
Equipment, net	195,919	200,523
Operating lease right-of-use asset, net	341,844	362,227
Deposits	16,883	16,883
Total assets	$ 1,161,280	$ 740,512
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 618,195	$ 673,494
Notes payable (net of deferred finance charges of $38,171 and $42,261 at March 31, 2021 and December 31, 2020, respectively)	400,165	482,724
Convertible note payable (net of discount of $29,369 and $539,282 at March 31, 2021 and December 31, 2020, respectively)	1,393,752	1,074,814
Deferred revenue, license agreement	27,002	34,818
Operating lease liabilities, short-term	102,400	100,901
Settlement Reserve	235,759	235,759
Total current liabilities	2,777,272	2,602,510
Long term liabilities		
Notes payable, long term	454,327	451,368
Operating lease liabilities, long-term	273,714	294,880
Total liabilities	3,505,314	3,348,758
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, 2020, respectively	1,522,198	-
Series C preferred stock, $0.00001 par value, 1,000 shares authorized, 1,000 and -0- issued and outstanding at March 31, 2021 and December 31, 2020, respectively	169,133	-
Total Mezzanine equity	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; 500,000,000 shares authorized; 99,897,748 and 46,756,970 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	99,900	46,757
Shares to be issued (4,875,000 and 4,875,000 as of March 31, 2021 and December 31, 2020, respectively)	3,802,047	3,641,868
Additional paid-in capital	9,492,252	10,102,805
Accumulated deficit	(17,295,903)	(16,402,176)
Total Quanta, Inc. stockholders deficit	(3,899,204)	(2,608,246)
Noncontrolling interest in consolidated subsidiary	(136,161)	-
Total stockholders' deficit	(4,035,365)	(2,608,246)
Total liabilities and stockholders' deficit	$ 1,161,280	$ 740,512

See notes to condensed consolidated financial statements

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

	Three months ended March 31, 2021	Three months ended March 31, 2020
	(Unaudited)	(Unaudited)
Sales, net (includes sales to related party of $198,800 for the three months ended March 31, 2021)	$ 318,807	$ 350,349
License revenue	7,816	6,455
Total revenue	326,623	356,804
Cost of goods sold	34,984	28,365
Gross profit	291,639	328,439
Operating expenses:		
Employee compensation and contractors	129,422	382,071
Selling, general, and administrative (includes royalty of $105,000 and $75,000 to related party for the three months ended March 31, 2021 and 2020, respectively)	3,016,277	912,240
Research and development	130,825	77,876
Total operating expenses	3,276,524	1,372,187
Loss from operations	(2,984,885)	(1,043,748)
Other income (expense):		
Interest expense	(67,817)	(188,637)
Discount amortization	(31,945)	-
Private placement	-	(262,000)
Change in fair value derivative	-	135,139
Other income and expense, net	(99,762)	(315,498)
Net loss	(3,084,647)	(1,359,246)
Net loss attributable to noncontrolling interest	136,161	-
Net loss attributable to Quanta, Inc.	$ (2,948,486)	$ (1,359,246)
Net loss per share, basic and diluted	$ (0.05)	$ (0.02)
Weighted average common shares outstanding – basic and diluted	63,300,000	39,200,090

See notes to condensed consolidated financial statements

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

Three months ended March 31, 2021 (Unaudited)

	Mezzanine Equity - Series B Preferred Stock, par value $0.00001		Mezzanine Equity - Series C Preferred Stock, par value $0.00001		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**	**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)
Issuance of shares													
Shares issued for cash	-	-	-	-	-	-	32,475,000	32,475	981,525	-	-	-	1,014,000
Fair value of shares for services	-	-	1,000	169,133	-	-	6,000,000	6,000	512,950	-	-	-	518,950
Fair value of shares issued to employess and officer	9,000	1,522,198	-	-	-	-	-	-	-	-	-	-	-
Fair value of vested options	-	-	-	-	-	-	-	-	70,994		-	-	70,994
Fair value of restricted shares	-	-	-	-	-	-	-	-	-	160,179	-	-	160,179
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	9,000	$ 1,522,198	1,000	$ 169,133	2,500,000	$ 2,500	99,897,748	$ 99,900	$ 9,492,252	$ 3,802,047	$ (17,295,903)	$ (136,161)	$ (4,035,365)

Three months ended March 31, 2020 (Unaudited)

	Common Stock, par value $0.001		Additional			
	Number of shares	Amount	paid-in capital	Shares to be issued	Accumulated deficit	Total
Balance, December 31, 2019	49,087,255	$ 49,087	$ 5,619,733	$ 2,847,868	$ (8,237,747)	$ 278,941
Issuance of shares	5,000,000	5,000	495,000	(500,000))	-	-
Shares issued for cash	111,111	1,111	28,889	-	-	30,000
Fair value of vested options	-	-	79,995	-	-	79,995
Fair value of shares for services	-	-	-	426,000	-	426,000
Net loss	-	-		-	(1,359,245)	(1,359,245)
Balance, March 31, 2020 (Unaudited)	54,198,366	$ 55,198	$ 6,223,617	$ 2,773,868	$ (9,596,992)	$ (544,309))

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

		Three Months Ended March 31, 2021		Three Months Ended March 31, 2020
		(Unaudited)		(Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES:				
Net loss	$	(3,084,647)	$	(1,359,245)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		17,584		51,729
Fair value of shares issued for services		688,083		426,409
Fair value of vested options		70,994		79,995
Fair value of vested restricted shares		160,179		-
Fair value of Series B preferred shares issued to officer		1,522,198		-
Amortization of convertible note discount		24,360		178,660
Amortization of note payable discount		7,050		
Change in fair value of derivative		-		(135,139)
Private placement costs		-		262,000
Amortization of right-of-use asset		20,383		41,208
Fees paid through conversion of convertible notes		12,983		-
Changes in operating assets and liabilities:				
Accounts receivable		685		9,104
Accounts receivable, related party		(198,800)		
Allowance for doubtful accounts		49,700		-
Deferred expenses, related party		134,704		-
Inventories		(24,789)		(20,975)
Prepaid production costs		(100,000)		7,500
Accounts payable and accrued liabilities		(55,300)		54,169
Deferred revenue		(7,816)		(7,808)
Operating lease liabilities		(19,667)		(38,751)
Net cash used in operating activities		(782,116)		(451,145)
CASH FLOW FROM INVESTING ACTIVITIES:				
Deposits		-		(30,000)
Purchase of equipment		(12,980)		(80,272)
Net cash used in investment activities		(12,980)		(110,272)
CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from convertibles notes payable		175,000		153,000
Proceeds from notes payable		10,000		-
Principal payments of notes payable		(96,649)		(7,500)
Proceeds from shares issued for cash		1,014,000		30,000
Net cash provided by financing activities		1,102,351		175,500
Increase (decrease) in cash		307,255		(385,917)
Cash and cash equivalents, beginning of period		6,270		433,133
Cash and cash equivalents, end of period	$	313,525	$	47,226
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		-
Derivative liabilities allocated to convertible note discount		-		153,000
Recognition of operating lease right-of-use asset and operating lease liabilities	$	-	$	431,402

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 increasing energy levels in plant matter to increase performance within the human body. The Company's operations are based in Burbank, California.

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, the Company completed the acquisition of 51% of Medolife, which had nominal assets, liabilities, and operations. (see Notes 12 and 13).

Quanta, Inc. is a biotechnology company actively involved in both the pharmaceutical and nutraceutical industries. It mostly operates through its majority-owned subsidiary Medolife which is focused on the research and development of therapeutics for multiple medical indications, including viral infections such as the SARS-CoV-2 virus and multiple forms of cancer.

Medolife was founded by Dr. Arthur Mikaelian who pioneered the polarization technology that the company uses in all of its products which has been shown to increase the potency of synthetic and organic compounds.

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, 2021, are not necessarily indicative of the results of operations to be expected for the full fiscal year ending December 31, 2021. These financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2020 and notes thereto contained in the Annual Report on Form 10-K of the Company as filed with the SEC on April 15, 2021.

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, 2021, the Company incurred a net loss of $2,948,486 and used cash in operating activities of $782,116, and at March 31, 2021, the Company had a stockholders' deficit of $4,035,365. 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. In addition, the Company's independent registered public accounting firm, in its report on the Company's December 31, 2020 financial statements, raised substantial doubt about the Company's ability to continue as a going concern. 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, 2021, the Company had cash on hand in the amount of $313,525. Subsequent to March 31, 2021, the Company received $1,231,000 for subscriptions to purchase 73,895,644 shares of common stock. 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, as 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. As of March 31, 2021, the Company had paid the Agent $100,000 of the fee.

Advertising costs

Advertising costs are expensed as incurred. During the quarters ended March 31, 2021 and March 31, 2020, advertising costs totaled $57,959 and $33,682, respectively.

Research and Development Costs

Costs incurred for research and development are expensed as incurred. During the quarters ended March 31, 2021 and March 31, 2020, research and development costs totaled $130,825 and $77,876, 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, 2021 and 2020, 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, 2021, 1,325,000 options were outstanding of which 975,814 were exercisable, and convertible debt and accrued interest totaling $1,499,879 was convertible into 97,064,539 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, 2021, and2020 potentially dilutive securities consisted of the following:

	March 31, 2021	March 31, 2020
Stock options	1,325,000	3,290,000
Unvested restricted shares	2,625,000	5,125,000
Convertible notes payable	97,064,539	889,469
Total	101,014,539	9,304,469

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, 2021 and December 31, 2020, 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, 2021, one customer accounted for 61% of revenue. For the three months ended March 31, 2020, no customer accounted for 10% or more of revenue. As of March 31, 2021 and March 31, 2020, one customer accounted for 100% and 35% of accounts receivable. No other customer accounted for 10% or more of accounts receivable.

As of March 31, 2021, two vendors accounted for 61% and 63% of accounts payable and no other vendor accounted for 10% or more of accounts payable. As of December 31, 2020, 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.

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, 2021	December 31, 2020
Raw materials and packaging	$ 22,170	$ 3,144
Finished goods	21,839	16,076
	$ 44,009	$ 19,220

The Company has recorded a reserve for slow moving and potentially obsolete inventory. The reserve at March 31, 2021 and December 31, 2020 was $9,125 and $9,125, respectively.

NOTE 3 - EQUIPMENT

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

	March 31, 2021	December 31, 2020
Machinery-technology equipment	$ 704,772	$ 704,772
Machinery-technology equipment under construction	48,949	35,969
	753,721	740,741
Less accumulated depreciation	(557,802)	(540,218)
	$ 195,919	$ 200,523

Depreciation expense for the three months ended March 31, 2021 and 2020 was $17,584 and $54,989, respectively. As of March 31, 2021, the equipment under construction is approximately 50% complete, and is expected to be completed and placed into service during the year ended December 31, 2021.

NOTE 4 - OPERATING LEASE

At March 31, 2021, 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 $341,844 and $376,114, respectively. At March 31, 2021, 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, 2021.

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

	Three months ended March 31, 2021
Lease Cost	
Operating lease cost (included in selling, general, and administrative expense in the Company's statement of operations)	$ 44,274
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, 2021
Operating leases	
Long-term right-of-use assets	$ 341,844
Short-term operating lease liabilities	$ 102,400
Long-term operating lease liabilities	273,714
Total operating lease liabilities	$ 376,114

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

Year Ending	**Operating Leases**
2021(remainder of year)	68,809
2022	95,481
2023	98,345
2024	118,266
Total lease payments	380,901
Less: Imputed interest	4,787
Present value of lease liabilities	376,114
Less current portion	(102,400)
Operating lease liabilities, long-term	$ 273,714

Lease expense were $23,891 and $26,897 during the three months ended March 31, 2021 and 2020, respectively.

NOTE 5 – NOTES PAYABLE

	March 31, 2021		December 31, 2020	
(a) Notes payable secured by equipment (net of deferred finance charge of $67,767 and $74,817)	$	304,218	$	363,817
(b) Note payable, secured by assets-in default		13,350		33,350
(c) Note payable, Payroll Protection Loan		134,125		134,125
(d) Note payable, Economic Injury Disaster Loan		160,000		160,000
(e) Revenue sharing agreement		242,800		242,800
Total notes payable outstanding		854,492		934,092
Current portion		400,165		482,724
Long term portion	$	454,327	$	451,368

(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, 2020, the balance due on these notes was $438,634. During the quarter ended March 31, 2021, the Company made payments of $66,649 and at March 31, 2021, the balance due on these notes was $371,985.

(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 potential loan forgiveness, once the PPP loan is, in part or wholly, forgiven and a legal release is received, the liability would be reduced by the amount forgiven and a gain on extinguishment would be 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 March 31, 2021.

(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, 2021.

(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. See Note 13.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

Convertible notes payable consisted of the following:

	March 31, 2021		**December 31, 2020**	
Unsecured				
(a) Convertible notes with fixed discount percentage conversion prices	$	30,000	$	180,200
Put premiums on stock settled debt		30,000		127,866
(b) Convertible notes with fixed conversion prices		1,363,752		936,944
Default penalty principal added		-		369,086
Total convertible notes principal outstanding		1,423,121		1,614,096
Debt discount		(29,369)		(539,282)
Convertible notes, net of discount and premium	$	1,393,752	$	1,074,814
Current portion		1,393,752		1,074,814
Long-term portion	$	-	$	-

(a) At December 31, 2020, there was a $180,200 convertible notes with fixed discount percentage conversion prices outstanding. During the three months ended March 31, 2021, the two note holders fully converted principal and accrued interest into common stock. Upon conversion put premiums associated with these notes were reclassified to additional paid in capital. At the option of the holder, the two notes are convertible into shares of the Company's common stock at a price per share discount of 50% of the lowest bid price of the Company's common stock within twenty-five days prior to conversion. The Company determined that the conversion options of the convertible notes were not considered derivatives and qualify as stock settled debt under ASC 480 – "Distinguishing Liabilities from Equity".

(b) As of December 31, 2020, the Company issued convertible notes with fixed conversion prices aggregating $1,306,030 (including default penalties of $369,086). 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. Beneficial Conversion Features totaling $2,557,812 were recognized with charges to debt discount or other expenses with an offset credit to additional paid in capital. The adoption of ASU 2020-06 (see note 2) using the modified approach yielded a charge of $2,557,812 to additional paid in capital with credits to the remaining Beneficial Conversion Feature debt discounts and retained earnings. The remaining other 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 three months ended March 31, 2021, the Company issued two convertible notes with fixed conversion prices aggregating $193,000. The notes are unsecured, bear interest at 10% per annum, and mature through August 31, 2021. The notes are convertible into shares of the Company's common stock at a fixed conversion price of $0.015 per share. The Company recorded debt discounts and expenses of $18,000 to account for loan fees and original issue discounts ($18,000). 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.

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 features 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.

Note 7 – DERIVATIVE LIABILITIES AND FINANCIAL INSTRUMENTS

The Company had not derivative liabilities at March 31, 2021 or December 31, 2020. For the three months ended March 31, 2020, a roll-forward of the level 2 valuation financial instruments is as follows:

		Derivative Liabilities
Balance at December 31, 2019	$	400,139
Recognition of derivative liabilities upon initial valuation		415,000
Change in fair value of derivative liabilities during the three months ended March 31, 2020		(135,139)
Balance at March 31, 2020	$	680,000

NOTE 8 – MEZZANINE EQUITY

The preferred shares below have been determined by the Company to be 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, they are classified as 'mezzanine equity' (temporary equity). 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 and statement of shareholders deficit at March 31, 2021 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 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 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 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

On November 20, 2020, the Board of Directors approved an increase in the Company's authorized shares of Common Stock from 100,000,000 to 500,000,000 shares by Unanimous Written Consent. The Secretary of State of Nevada approved the share increase.

The Company has 500,000,000 shares of par value $0.001 common stock authorized and 99,897,748 and 46,756,970 shares were outstanding as of March 31, 2021 and December 31, 2020, respectively.

Common stock issued for cash

During the year Marcher 31, 2021, the Company issued 32,475,000 shares of common stock mostly under the S1 then in effect at $0.04. In total $1,014,000 in cash was received.

Common stock issued for cash

During the three months ended March 31, 2021, the Company issued 32,475,000 shares of common stock for total proceeds of $1,014,000. The shares were primarily issued under a Form S-1 registration in effect at $0.04 per share.

Common stock issued for services

During the three months ended December 31, 2021, the Company issued 5,000,000 shares of common stock to service vendors with a fair value of $449,000, and 1,000,000 shares of common stock to employees and officers of the Company with a fair value of $69,950. The 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.

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, 2021 and 2020, total share-based expense recognized related to vested restricted shares totaled $160,179 and $425,768, respectively. At March 31, 2021, there was $271,232 of unvested compensation related to these awards that will be amortized over a remaining vesting period of 1.1 years.

The following table summarizes restricted common stock activity for the three months ended March 31, 2021:

	Number of shares	Fair value of shares
Non-vested shares, December 31, 2020	3,250,000	431,411
Granted	-	-
Vested	(625,000)	(160,179)
Forfeited	-	-
Non-vested shares, March 31, 2021	2,625,000	$ 271,232

As of March 31, 2021, 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

The Company issued 14,665,778 shares of common stock to holders of convertible notes valued at $396,458, which includes reclassification of put premiums associated with stock settled debt of $97,866.

Stock Options

During the three months ended March 31, 2021, the Company did not issue any options. The Company used the Black-Scholes-Merton option pricing model to estimate the fair value of the option granted. That value is accreted over the vesting period.

During the three months ended March 31, 2021 and 2020, the Company recognized $70,994 and $80,404, respectively, of compensation expense relating to vested stock options. As of March 31, 2021, the amount of unvested compensation related to stock options was approximately $230,000 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, 2020	4,130,000	0.10	6.0
Granted	-	0.11	10.0
Exercised	-	-	-
Forfeited	(2,805,000)	-	-
Options Outstanding as of March 31, 2021	1,325000	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 January 14, 2021, the Company completed the acquisition of 51% of Medolife Rx, a company controlled by Arthur Mikaelian (see Note 8). Prior to the acquisition, Mr. Mikaelian was a consultant and shareholder in the Company. In connection with the acquisition of 51% of Medolife Rx, Mr. 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 Mr. Mikaelian assumed on January 14, 2021.

The Company has an agreement with Mr. Mikaelian in consideration of the Company's exclusive use of patented technology developed by Mr. 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. During the three months ended March 31, 2021 and 2020, the Company recognized royalty expenses of $105,000 and $75,000, respectively.

During the three months ended March 31, 2021, the Company recorded revenue of $198,800, or 61% of total revenue for the period, from a company controlled by a family member of the Company's CEO. At March 31, 2021, the net amount due from the related party was $149,100 and represents 100% of the Company's accounts receivable at that date

NOTE 11 – COMMITMENTS AND CONTINGENCIES

COVID-19

During the period ended March 31, 2021, 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, 2021.

NOTE 12 – SUBSEQUENT EVENTS

Common Stock Issued

Between April 1, 2021 and May 21, 2021, the Company issued 24,275,000 shares of common stock under Form S-1 offering (made effective on February 12, 2021). The Company received cash proceeds of $971,000.

Between April 1, 2021 and May 21, 2021, the Company issued 6,610,507 shares of common stock (restricted) under privative placements at prices from $0.015 to $0.0256. The Company received cash proceeds of $161,408.

Between April 1, 2021 and May 21, 2021, the Company issued a total of 4,982,635 shares of its common stock to individuals as compensation for services, valued at the fair value of the shares of the Company's stock on the dates issued, totaling $282,750.

Between April 1, 2021 and May 21, 2021, a total of 40,510,137 of common shares were issued to convertible note holders in exchange for principal of $589,415 and interest of $18,238 the notes held. The conversions partially liquidated the principal and accrued interest of various convertible notes issued during the year ended December 31, 2020, which were held by Trillium, Alpha, NY Farms and an individual investor from various convertible notes payable issued on April 27, 2020.

Between April 1, 2021 and May 21, 2021, the Company issued a total of 182,500 shares of its common stock to employees as compensation, valued at the fair value of the shares of the Company's stock on the dates issued, totaling $13,888.

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

Quanta is an applied science company focused on increasing energy levels in plant matter to increase performance within the human body. Our proprietary technology uses quantum mechanics to increase bio-activity of targeted molecules to enhance the desired effects. We specialize in potentiating rare naturally occurring elements to create impactful and sustainable healing solutions that we believe will one day be as powerful and predictable as pharmaceutical drugs.

We offer our technology as a platform, making it accessible to existing high-quality product makers with existing distribution channels, as well as consumer products. Our mission is to power as many impactful, high-performing and wholly organic solutions as possible through product lines and a series of licensing and distribution partnerships.

Bioanomaly Inc. was founded in 2016 by a group of technology and industry entrepreneurs and provides licensed technology solutions to natural product companies in multiple verticals. Our headquarters is located in Burbank, California.

Quanta Basics

Quanta, Inc. ("Quanta") is a cutting-edge technology platform whose patented, proprietary technology harnesses advances in quantum biology to increase the potency of active ingredients. Currently, Quanta supports product formulations in pain management, anti-inflammation, skincare, agriculture, nutritional supplements, and plant-based consumables. Ultimately, Quanta'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 Quanta's polarization process has many potential applications. From potentiating bio-ingredients to produce more-effective carbon-trapping plants to transformative anti-aging solutions Quanta'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 Quanta's technology.

Our proof of concept, Quanta'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. Quanta believes this natural solution has nearly limitless applications in the world of plant-based consumer products.

Quanta 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, Quanta is dedicated to bringing tomorrow's health and wellness solutions to the billions in need today.

Proof of Concept

Creating, producing and selling consumer products was never our primary focus; Quanta's Muscle Rub was simply a means to an end - proof of concept and a revenue driver in a small emerging market as our business model took shape. Fundamentally, Quanta will be a licensing concern designed to collaborate with large brands to improve product quality and the profit margins of existing and new products. But the market needed proof and we chose to start in the under-developed category of CBD because of its speed to market.

Understandably, we met the same initial hurdles every start-up encounters. In addition to simply explaining quantum mechanics, we had no track record of success from a business standpoint. The immediate goal was to prove our model was defensible. Hence, we chose CBD as a launch category. This market provided protection from industry titans that may have felt threatened by such a powerful technology while allowing us to drive profits during R&D.

Over the last two years, we have developed and sold products largely to the medical industry, along with some consumer retail. This effort was designed to drive revenue and to prove the concept of our model: that polarizing a single ingredient can produce a demonstrably superior product that consumers find safe and effective (establish consumer appetite).

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. Our technology's 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.

Our ability to increase ingredient efficacy by up to 500% means we are in a rare position to truly disrupt many areas of material science.

Quanta's technology renders products superior to any on the market today. A 30% re-purchase rate (on one SKU alone) illustrates consumer appetite for the product.

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.

Our mission has never been to create the best novel products on the planet. Our mission has always been to revolutionize the way formulations are developed and how products perform. We seek to work with the best product makers in the world to positively impact as many industries as possible.

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 for new projects without massive dilution.

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 will 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 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, 2021 compared to the three months ended March 31, 2020

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, 2021, the Company recognized $318,807 in net sales. For the three months ended March 31, 2020, the Company recognized $350,349 in net sales.

Expenses

Operating expenses for the three months ended March 31, 2021 was $3,276,524. The Company incurred $129,422 in compensation and benefit costs, $130,825 in research and development costs, and $3,016,277 in administrative and other costs associated with operations, including legal and professional fees of $101,760.

Operating expenses for the three months ended March 31, 2020 was $1,372,187. The Company incurred $382,071 in compensation and benefit costs, $77,876 in research and development costs, and $912,240 in administrative and other costs associated with operations, including legal and professional fees.

Other Income (Expense)

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

For the three months ended March 31, 2020, the Company recognized $(315,498) of net other expenses.

Net Loss

Net loss for the three months ended March 31, 2021 was $2,948,486. Net loss for the three months ended March 31, 2021 was $1,359,246. We recorded no provision for federal income taxes for either period.

Liquidity

We have yet to establish any history of profitable operations. For the three months ended March 31, 2021, the Company incurred a net loss of $2,948,486 and used cash in operating activities of $782,116, and at March 31, 2021, the Company had a working capital deficiency of $1,892,759. 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. In addition, the Company's independent registered public accounting firm, in its report on the Company's December 31, 2020 financial statements, raised substantial doubt about the Company's ability to continue as a going concern. 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, 2021, the Company had cash on hand in the amount of $313,525. Subsequent to March 31, 2021, the Company received $1,231,000 for subscriptions to purchase shares of common stock. 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 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

The Company recognizes revenue when risk of loss transfers to our customers and collection of the receivable is reasonably assured, typically upon delivery of products. The Company historically has offered no discounts, rebates, rights of return, or other allowances to clients which would result in the establishment of reserves against revenue.

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.

Stock Compensation

The Company periodically issues stock options and restricted stock awards to employees and non-employees in non-capital raising transactions for services and financing costs. The Company accounts for such grants issued and vesting based on ASC 718, whereby the value of the award is measured on the date of grant and recognized as compensation expense on the straight-line basis over the vesting period. The Company recognizes the fair value of stock-based compensation within its Statements of Operations with classification depending on the nature of the services rendered.

The fair value of the Company's stock options is estimated using a 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.

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, 2021 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, 2021, 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. As of the date of this report, 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, 2021, that are not disclosed in footnote 12 of the financial statements included in this filing.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Item 6. Exhibits.

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

Exhibit Number	Description
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.SCH	XBRL Taxonomy Extension Schema 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 25, 2021

By: */s/ Arthur Mikaelian*

Arthur Mikaelian
Chairman, Chief Executive Officer (Principal Executive Officer and Principal Accounting Officer)

Exhibit 31.1

Rule 13a-14(a) Certification of the Chief Executive Officer and Chief Accounting 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 25, 2021

By: */s/ Arthur Mikaelian*
Arthur Mikaelian
Chief Executive Officer
(Principal Executive Officer and Principal Accounting 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 Chief Executive Officer and Chief Accounting Officer of Quanta, Inc. (the "Company"), certifies that, to his knowledge:

1. The report of the Company for the quarter ended March 31, 2021 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 25, 2021	By: */s/ Arthur Mikaelian*
	Arthur Mikaelian
	Chief Executive Officer
	(Principal Executive Officer and Principal Accounting Officer)