



CB SCIENTIFIC, INC.

**Quarterly Financial and Disclosure Statement
(UNAUDITED)**

For the 9 Months Ended December 31, 2020

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines
CB SCIENTIFIC, INC.

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Escondido, CA 92029
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Website(s): www.cbscientificinc.com
SIC Code: 8071

Quarterly Report
For the Period Ending: December 31, 2020
(the "Reporting Period")

As of the filing date of this report, the number of shares outstanding of our Common Stock is: 81,563,706

As of current reporting date of December 31, 2020, the number of shares outstanding of our Common Stock was: 79,821,106

As of prior reporting date of September 30, 2020, the number of shares outstanding of our Common Stock was: 79,391,106

As of prior reporting date of June 30, 2020, the number of shares outstanding of our Common Stock was: 128,394,257

As of most recent completed fiscal year end of March 31, 2020, the number of shares outstanding of our Common Stock was: 58,593,479

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ **No: ☒**

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ **No: ☒**

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: **No: ☒**

Name of the issuer and its predecessors (if any)

CB SCIENTIFIC, INC.

The Company was originally incorporated in the State of Oregon as WESTAQ NETWORK, INC. in June of 1987. In June of 1996 its name was changed to NET:X AMERICA INC. On 12-14-2015 it changed its name to CB SCIENTIFIC, INC., and is in good standing with the State of Oregon.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years? Yes: ☐ **No: ☒**

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below: **N/A**

Security Information

Trading Symbol: **CBSC**

Exact title and class of securities outstanding:

CUSIP: 640930202

Par or Stated Value: 0.001

Total shares authorized: 150,000,000 as of: 12/31/2020

Total shares outstanding: 79,821,106 as of: 12/31/2020

Number of shares in the

Public Float: 2,761,062 as of: 12/31/2020

Total number of shareholders of record: 194 as of: 2/12/2021

Additional class of securities (if necessary):

Trading Symbol: None

Exact title and class of securities outstanding: Series A

Preferred CUSIP: 640930202

Par or Stated Value: \$0.001

Total shares authorized: 10,000,000 as of: 12/31/2020

Total shares outstanding: 1,000,000 as of: 12/31/2020

Transfer Agent: ClearTrust, LLC

16540 Pointe Village Dr. Suite 206

Lutz, FL 33558

P: 813.235.4490 | F: 813.388.4549

Is the Transfer Agent registered under the Exchange Act?² Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

During the quarter ended 6/30/2020, the Company acquired assets, as further described in 'Issuance History' below, which involved the issuance of 69,800,778 restricted shares of common stock. Subsequent to the end of the quarter, 49,895,901 shares of then-outstanding restricted common stock were returned to the treasury for cancellation.

During the quarter ended 12/31/2020, the Company announced that it had entered into a definitive purchase agreement to acquire Datrix, LLC, a global ambulatory device manufacturer based in Escondido, California. Datrix, LLC brings to CBSC a diversely experienced team of highly qualified individuals with extensive knowledge of design and engineering related to medical devices utilized in this ever-expanding market. This acquisition further strengthens the Company's digital offering with the addition of an existing commercially available product line which includes wireless Mobile Cardiac Telemetry, Cardiac Event, Extended and Standard Holter monitoring through the Datrix Sirona and VX3 devices. This acquisition is expected to provide CBSC and its subsidiary, My-Cardia (USA) Inc. the ability to enhance and improve our current proprietary My-Cam device and to expand into other cardiac arrhythmia testing offerings quickly. This also will open new avenues into the existing Remote Cardiac Ambulatory ECG market which would include possible expansion into future alternative markets. Related

to this acquisition will be on-going efforts by CBSC to expand My-Cardia's service capabilities leveraging business relationships and exploring additional acquisitions.

Issuance History

The Company issued an initial issuance of common stock with the name change and recapitalization based on the asset purchase agreement by CB Scientific, Inc. of Oregon (NET:X America Inc.) of CB Scientific Inc. of Colorado from its shareholders including FutureWorld Corp. The following common shares were issued as restricted securities and were issued in private issuances in 2017, and did not require a registration and based on Rule 144 exemptions.

Talari Industries, LLC. *	46,255,263	Restricted
Zbigniew Lambo	1,000,000	Restricted
Zbigniew Lambo	1,849,552	Restricted

* Sam Talari is/was the sole director of Talari Industries, LLC.

During the quarter ended 6/30/20, the Company issued a total of 69,800,778 shares of restricted common stock to certain secured investors and controlling shareholders of Prevent Health Care International Corporation (PHCIC), a private British Columbia, Canada corporation involved in the development, sale and service of an innovative arrhythmia diagnostic and heart-monitoring intellectual property and related products. Under the agreement CBSC acquired all of the ownership interests in all of the assets of PCHIC, including its medical technology products developed to date, its intellectual property, manufacturing know-how, any patents and all related information and knowledge necessary to promote, market and sell its product line in the global markets, excluding Australia. During the quarter ended 9/30/20, 49,895,901 shares of then-outstanding restricted common stock were returned to the treasury for cancellation by Zig Lambo.

During the quarter ended 9/30/20, the Company issued a total of 892,750 shares of restricted common stock to certain employees and a director.

During the quarter ended 12/31/20, the Company issued 180,000 shares of restricted common stock to Datrix LLC as a deposit in connection with the proposed acquisition of that company by CB Scientific, Inc. and 250,000 shares of restricted common stock to Educational Group, LLC as compensation for consulting services to be rendered over a period of one year.

Subsequent to the quarter ended 12/31/20, the Company issued a total of 442,600 shares of restricted common stock to certain employees, 300,000 shares of restricted common stock to Datrix LLC as a deposit in connection with the proposed acquisition of that company by CB Scientific, Inc. and 1,000,000 shares of restricted common stock to John Lee as compensation for consulting services.

Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date 3/31/19 Common: 58,593,479 Preferred: 10,000,000			*Right-click the rows below and select "Insert" to add rows as needed.						
Transaction Date	Transaction type	Number of Shares Issued	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance?	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
6/22/2020	New	465,000	Common	\$0.25	Yes	ROBERT ACHTYMICHUK	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	40,000	Common	\$0.25	Yes	PATRICIA ASHLEY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	100,000	Common	\$0.25	Yes	MICHELLE BEREZAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	175,000	Common	\$0.25	Yes	RALPH BEREZAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	631,461	Common	\$0.25	Yes	DAVID BONDIETTI	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	125,000	Common	\$0.25	Yes	GRANT BREWSTER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	37,500	Common	\$0.25	Yes	DANA BROWN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	610,000	Common	\$0.25	Yes	DON BROWN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	209,000	Common	\$0.25	Yes	BRIAN BUCKLEY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	700,000	Common	\$0.25	Yes	JOE KWONG ON CHAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	834,000	Common	\$0.25	Yes	KANEUNGKIT CHAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	63,000	Common	\$0.25	Yes	SHIU PING CHAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	250,000	Common	\$0.25	Yes	ROGER CHANNON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	40,000	Common	\$0.25	Yes	YANG CHEN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	125,000	Common	\$0.25	Yes	TEDDY CHIU	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	9,760,000	Common	\$0.25	Yes	MONG YUEN CHONG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	642,000	Common	\$0.25	Yes	PADI KWOK KWAN CHOW	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	205,000	Common	\$0.25	Yes	DOCERE CONSULTING LTD. Margaret Whelpdale	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	MARTIN ELLIS	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	100,000	Common	\$0.25	Yes	RYAN ELLIS	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	700,000	Common	\$0.25	Yes	FORTUNA MINERALS CORP. Rob O'Lenic	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	145,000	Common	\$0.25	Yes	GEORGE FUKUSHIMA	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	5,804,000	Common	\$0.25	Yes	FU KAE FUNG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	2,159,000	Common	\$0.25	Yes	MARVIN GLASER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	572,475	Common	\$0.25	Yes	TIMOTHY GRACE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	150,000	Common	\$0.25	Yes	DAVID HEIGHINGTON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	135,000	Common	\$0.25	Yes	RONALD HELIN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	409,000	Common	\$0.25	Yes	GLYNN HENDRY & LORNA HENDRY JT TEN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	585,824	Common	\$0.25	Yes	STEVEN HENNEMEIER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	209,000	Common	\$0.25	Yes	FOOI SHAR HO	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	125,000	Common	\$0.25	Yes	MATT HOUSEMAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	140,000	Common	\$0.25	Yes	DARREN JOHNSON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	125,000	Common	\$0.25	Yes	ELMER JOHNSON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,000,000	Common	\$0.25	Yes	ROBERT KELLEY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	2,317,000	Common	\$0.25	Yes	KIN YU LAM	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	300,000	Common	\$0.25	Yes	ZBIGNIEW LAMBO	Acquisition of assets	Restricted	4(a)(2)

6/22/2020	New	209,000	Common	\$0.25	Yes	DALE LANIUK	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	784,000	Common	\$0.25	Yes	WING HING LAU	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	617,000	Common	\$0.25	Yes	VERMONT SIU-PING LEE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	300,000	Common	\$0.25	Yes	L.E.J.C. SOCIEDAD ANONIMA Mike Spencer	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	300,000	Common	\$0.25	Yes	NGAI LEONG CHONG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	300,000	Common	\$0.25	Yes	STEPHEN T.Y. LEUNG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,617,000	Common	\$0.25	Yes	CHAN MA QIONG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	3,801,518	Common	\$0.25	Yes	CHARLES MARTIN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	270,000	Common	\$0.25	Yes	JOHN W. MATHIAS	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	200,000	Common	\$0.25	Yes	CARRIE MCGLONE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	BRIAN MCKAY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	63,000	Common	\$0.25	Yes	1787551 ALBERTA LTD. Peter Mercier	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	2,300,000	Common	\$0.25	Yes	MONDIAL HOLDINGS LLC Robert Kelley	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	42,000	Common	\$0.25	Yes	DARCY NICKEL	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,687,500	Common	\$0.25	Yes	NOBLE INVESTMENT CORP. Dan Patience	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	135,000	Common	\$0.25	Yes	JAMES E OTT	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	RICH PAL	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	209,000	Common	\$0.25	Yes	DAVID PARRY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	37,500	Common	\$0.25	Yes	BLAKE PATIENCE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	37,500	Common	\$0.25	Yes	CONNOR PATIENCE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	40,000	Common	\$0.25	Yes	DARREL PITTS	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	100,000	Common	\$0.25	Yes	DAVID PATIENCE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	60,000	Common	\$0.25	Yes	DAVID RUBIN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	RON SCOTT	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	417,000	Common	\$0.25	Yes	ALFRED SHURN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	400,000	Common	\$0.25	Yes	ERIC SIT	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	4,294,000	Common	\$0.25	Yes	WINNIE YUEN CHING SIT	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	722,000	Common	\$0.25	Yes	ANDREAS STILLINGER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,084,000	Common	\$0.25	Yes	STRYKER 11 INC. Robert Achtmichuk	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	993,000	Common	\$0.25	Yes	TAI KANG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,917,000	Common	\$0.25	Yes	GWOWEI TAN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	350,000	Common	\$0.25	Yes	ALEXANDER THEODORE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	7,000,000	Common	\$0.25	Yes	LOK TOH WENG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	687,500	Common	\$0.25	Yes	TORO NEGRO INVESTMENTS S.A. Andy Beers	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	164,000	Common	\$0.25	Yes	BERNIE TROITSKY	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	209,000	Common	\$0.25	Yes	PETER VAN SEGGELEN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	200,000	Common	\$0.25	Yes	NICHOLAS VOLOSIN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,400,000	Common	\$0.25	Yes	THIAN SEONG BENEDICT VOON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	CURB DESIGN INC. David Walkington	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	300,000	Common	\$0.25	Yes	RICHARD C. WEINER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	114,000	Common	\$0.25	Yes	ROBERT DALE WEIR	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	75,000	Common	\$0.25	Yes	KELLY WEISNER	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	165,000	Common	\$0.25	Yes	BRIAN WHITESTONE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	1,834,000	Common	\$0.25	Yes	AH HENG WONG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	63,000	Common	\$0.25	Yes	JOHNNY GARFIELD WONG	Acquisition of assets	Restricted	4(a)(2)

6/22/2020	New	1,500,000	Common	\$0.25	Yes	XIAN HOR WONG	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	400,000	Common	\$0.25	Yes	TAI XHIA WOON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	100,000	Common	\$0.25	Yes	THIN LIANG WOON	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	125,000	Common	\$0.25	Yes	GEORGE KWOK HING YAU	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	334,000	Common	\$0.25	Yes	SHU KWONG YUEN	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	145,000	Common	\$0.25	Yes	ZENITH APPRAISAL & LAND CONSULTING LTD - Dave Wood	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	834,000	Common	\$0.25	Yes	BIAO ZHOU JIE	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	417,000	Common	\$0.25	Yes	PING ZHU MEI	Acquisition of assets	Restricted	4(a)(2)
6/22/2020	New	84,000	Common	\$0.25	Yes	TONY ZICCARDI	Acquisition of assets	Restricted	4(a)(2)
7/21/2020	Cancellation	49,895,901	Common	N/A	N/A	ZBIGNIEW LAMBO	N/A	Restricted	4(a)(2)
8/21/20	New	30,000	Common	\$0.25	Yes	DAVID BONDIETTI	Compensation agreement	Restricted	4(a)(2)
8/21/20	New	145,934	Common	\$0.25	Yes	TIMOTHY GRACE	Compensation agreement	Restricted	4(a)(2)
8/21/20	New	148,750	Common	\$0.25	Yes	STEVEN HENNEMEIER	Compensation agreement	Restricted	4(a)(2)
8/21/20	New	266,500	Common	\$0.25	Yes	CHARLES MARTIN	Compensation agreement	Restricted	4(a)(2)
8/21/20	New	300,000	Common	\$0.25	Yes	JAMES OTT	Compensation agreement	Restricted	4(a)(2)
8/21/20	New	1,566	Common	\$0.25	Yes	TIMOTHY GRACE	Compensation agreement	Restricted	4(a)(2)
10/28/20	New	180,000	Common	\$1.00	Yes	DATRIX LLC – Jon Barron	Deposit on acquisition	Restricted	4(a)(2)
10/28/20	New	250,000	Common	\$0.50	Yes	EDUCATIONAL GROUP, LLC Theresa Haynes	Consulting agreement	Restricted	4(a)(2)
01/20/21	New	300,000	Common	\$1.00	Yes	DATRIX LLC – Jon Barron	Deposit on acquisition	Restricted	4(a)(2)
01/20/21	New	87,300	Common	\$0.25	Yes	STEVEN HENNEMEIER	Compensation agreement	Restricted	4(a)(2)
01/20/21	New	87,300	Common	\$0.25	Yes	TIMOTHY GRACE	Compensation agreement	Restricted	4(a)(2)
01/20/21	New	18,000	Common	\$0.25	Yes	DAVID BONDIETTI	Compensation agreement	Restricted	4(a)(2)
01/20/21	New	250,000	Common	\$0.25	Yes	DAVID TRUMBULL	Compensation agreement	Restricted	4(a)(2)
01/20/21	New	1,000,000	Common	\$0.25	Yes	JOHN LEE	Compensation agreement	Restricted	4(a)(2)
Shares Outstanding on Filing Date of This Report:									
Ending Balance:									
Date 02/12/21 Common: 81,563,706									
Preferred: 10,000,000									

All shares listed above were issued as described in the 'Issuance History' above.

Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
8/3/2020	\$ 50,000	\$ 50,000	\$1,321.92	8/3/2021	50,000 x 2 + 10,000 x 2 = 120,000 shares	James E. Ott	Loan
8/3/2020	\$ 50,000	\$ 50,000	\$ 1,321.92	8/3/2021	50,000 x 2 + 10,000 x 2 = 120,000 shares	Spring Creek Partners – John Hanahan	Loan
8/20/2020	\$ 30,000	\$ 30,000	\$ 723.29	8/20/2021	30,000 x 2 + 6,000 x 2 = 72,000 shares	Bradley Joseph Mann	Loan
8/27/2020	\$ 25,000	\$ 25,000	\$ 578.77	8/27/2021	25,000 x 2 + 5,000 x 2 = 60,000 shares	Karen M May	Loan
9/3/2020	\$ 5,000	\$ 5,000	\$ 110.96	9/3/2021	5,000 x 2, + 1,000 x 2 = 12,000 shares	Owen Dave Smith	Loan
09/15/20	\$ 20,000	\$ 20,000	\$ 410.96	09/15/21	20,000 x 2, 4,000 x 2 = 48,000 shares	Larry Miller - Matrix Equities, Inc.	Loan
09/15/20	\$ 105,000	\$ 105,000	\$ 5,178.08	09/15/21	105,000 x 2, = 210,000 shares	Greentree Financial Group, Inc.,	Loan
09/22/20	\$ 15,000	\$ 15,000	\$ 293.84	09/22/21	15,000 x 2, 3,000 x 2 = 36,000 shares	Steven Lusthaus	Loan
09/23/20	\$ 10,000	\$ 10,000	\$ 194.52	09/23/21	10,000 x 2 + = 20,000 shares	Michael Dyer	Loan
10/07/20	\$ 50,000	\$ 50,000	\$ 876.71	10/07/21	50,000 x 2 + 10,000 x 2 = 120,000 shares	Patrick Schneider	Loan
10/07/20	\$ 50,000	\$ 50,000	\$ 876.71	10/07/21	50,000 x 2 + 10,000 x 2 = 120,000 shares	Carran Schneider	Loan
12/10/20	\$ 10,000	\$ 10,000	\$ 87.67	12/10/21	10,000 x 2, + 2,000 x 2 = 24,000 shares	Roger Channon	Loan
12/14/20	\$ 6,000	\$ 6,000	\$ 49.32	12/14/21	6,000 x 2, + 1,200 x 2 = 14,400 shares	Steve Christifulli	Loan
12/14/20	\$ 5,000	\$ 5,000	\$ 41.10	12/14/21	5,000 x 2, + 1,000 x 2 = 12,000 shares	Catanga International SA - Attn: Robert Seeley	Loan
12/14/20	\$ 10,000	\$ 10,000	\$ 82.19	12/14/21	10,000 x 2, + 2,000 x 2 = 24,000 shares	Catanga International SA - Attn: Robert Seeley	Loan
12/18/20	\$ 100,000	\$ 100,000	\$ 767.12	12/18/21	100,000 x 2, + 40,000 x 2 = 280,000 shares	Berezan Investments Inc. Attn: Ralph Berezan	Loan

01/14/21	\$ 12,000	\$ 12,000	\$ 47.67	01/14/22	12,000 x 2 = 24,000 shares	Kelvin Isert	Loan
01/14/21	\$ 10,000	\$ 10,000	\$ 39.73	01/14/22	10,000 x 2 = 20,000 shares	Carl Miller	Loan
01/16/21	\$ 7,500	\$ 7,500	\$ 27.74	01/16/22	7,500 x 2 = 15,000 shares	Gary Edge	Loan
01/21/21	\$ 10,000	\$ 10,000	\$ 30.14	01/21/22	10,000 x 2 = 20,000 shares	Oscar and Lorraine Isert	Loan
01/22/21	\$ 7,500	\$ 7,500	\$ 21.58	01/22/22	7,500 x 2 = 15,000 shares	Sound Emergency Planning Corp. - Rick Hopkins	Loan
02/04/21	\$ 50,000	\$ 50,000	\$ 54.79	02/04/22	50,000 x 2 + 10,000 x 2 = 120,000 shares	Noble Investment Corp. - Dan Patence	Loan

Financial Statements

The following financial statements were prepared in accordance with:

☒ **U.S. GAAP**

☐ IFRS

The financial statements for this reporting period were prepared by (name of individual)³:

Name: **William G. Thomas, III / A-Frame Accounting & Advisory, Inc.**

Title: Accountant

Relationship to Issuer: Outside Accountant

Provide the financial statements described below for the most recent fiscal year or quarter.

³ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

FOR THE NINE MONTHS ENDED DECEMBER 31, 2020

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CB SCIENTIFIC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2020	March 31, 2020
	Unaudited	Unaudited
ASSETS		
Current assets		
Cash	\$ 21,987	\$ 4,582
Accounts receivable	4,584	-
Inventory	153,178	-
Deposits	355,500	500
Total current assets	535,249	5,082
Property and equipment, net	1,195	-
Intangible assets	96,497	-
Goodwill	17,420,071	-
Total assets	<u>\$ 18,053,012</u>	<u>\$ 5,082</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,547	\$ -
Accrued liabilities	239,648	-
Convertible notes payable, net of discount	133,680	-
Total current liabilities	377,875	-
Note payable, long-term	90,845	-
Total Liabilities	468,720	-
Commitments and contingencies (Note 12)		
Stockholder's deficit		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized; 10,000 shares issued and outstanding	10,000	10,000
Common stock, \$0.001 par value; 150,000,000 shares authorized 79,821,106 and 58,593,479 issued and outstanding at December 31, 2020 and March 31, 2020	79,821	58,594
Additional paid in capital	20,262,240	435,764
Accumulated deficit	(2,767,769)	(499,276)
Total stockholders' equity	17,584,292	5,082
Total liabilities and stockholders' equity	<u>\$ 18,053,012</u>	<u>\$ 5,082</u>

The accompanying notes are an integral part of these financial statements

CB SCIENTIFIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended December 31,		For the nine months ended December 31,	
	2020	2019	2020	2019
Revenues				
Merchandise sales	\$ 3,331	5,866	\$ 21,867	9,096
Cost of goods sold	-	(4,687)	(6,088)	(7,239)
Total revenues	3,331	1,179	15,779	1,857
Operating expenses				
Personnel expenses	36,850	-	68,103	-
Professional fees	-	700	5,000	1,200
General and administrative	362,144	412	2,041,946	2,062
Depreciation and amortization	21,969	-	25,688	-
Total operating expenses	420,963	1,112	2,140,737	3,262
Net operating loss	(417,632)	(1,112)	(2,124,958)	(1,405)
Other income (expenses):				
Interest expense	(8,839)	-	(11,839)	-
Amortization of debt discount	(133,690)	-	(133,690)	-
Gain on disposal of assets	1,994	-	1,994	-
Total other expenses	(140,535)	-	(143,535)	469,902
Net income (loss)	(558,167)	(1,112)	(2,268,493)	468,497
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ 0.01</u>
Weighted average number of shares outstanding, basic and diluted	<u>79,391,106</u>	<u>4,308,553,195</u>	<u>79,821,106</u>	<u>58,593,479</u>

The accompanying notes are an integral part of these financial statements

CB SCIENTIFIC, INC. AND SUBSIDIARIES
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020 (UNAUDITED)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Series B		Shares	Amount			
	Shares	Amount					
Balance, March 31, 2020	10,000,000	\$ 10,000	58,593,479	\$ 58,594	\$ 435,764	\$ (499,276)	\$ 5,082
Common stock issued for asset purchase	-	-	69,800,778	69,800	17,380,394	-	17,450,194
Stock issued for services	-	-	892,750	893	1,560,245	-	1,561,138
Cancellation of common stock	-	-	(49,895,901)	(49,896)	50,267	-	371
Net loss	-	-	-	-	-	(4,574)	(4,574)
Balance, June 30, 2020	10,000,000	\$ 10,000	79,391,106	\$ 79,391	\$ 19,426,670	\$ (503,850)	\$ 19,012,211
Net loss	-	-	-	-	-	(1,705,752)	(1,705,752)
Balance, September 30, 2020	10,000,000	\$ 10,000	79,391,106	\$ 79,391	\$ 19,426,670	\$ (2,209,602)	\$ 17,306,459
Shares issued for a deposit on a future acquisition	-	-	180,000	180	179,820	-	180,000
Stock issued for services	-	-	250,000	250	124,750	-	125,000
Fair value of equity kicker issued with convertible notes	-	-	-	-	93,143	-	93,143
Fair value of beneficial conversion feature	-	-	-	-	437,857	-	437,857
Net income	-	-	-	-	-	(558,167)	(558,167)
Balance, December 31, 2020	10,000,000	\$ 10,000	79,821,106	\$ 79,821	\$ 20,262,240	\$ (2,767,769)	\$ 17,584,292

The accompanying notes are an integral part of these financial statements

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CB SCIENTIFIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the nine months ended December 31,	
	2020	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (2,268,493)	\$ 468,497
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	25,688	1,183
Stock issued for services	1,686,138	-
Amortization of debt discount	133,360	-
Gain on disposal of assets	(1,994)	-
Changes in working capital requirements:		
Accounts receivable	(4,584)	15,049
Inventory	(153,178)	4,787
Accounts payable	5,417	(91,760)
Accrued expenses	135,954	-
Related party advances	(70,057)	(399,768)
Net cash used in operating activities	(408,595)	(2,012)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	-	-
Cash receipts from issuance of convertible notes payable	426,000	-
Net cash provided by financing activities	426,000	-
NET INCREASE IN CASH	17,405	(2,012)
CASH, BEGINNING OF PERIOD	4,582	4,824
CASH, END OF PERIOD	<u>\$ 21,987</u>	<u>\$ 2,812</u>
Supplemental disclosure of cash flow information		
Cash paid for interest expense	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CB SCIENTIFIC, INC.
NOTES TO CONSOLIDATED
FINANCIAL TATEMENTS
(UNAUDITED)

1. Nature of operations

CB Scientific, Inc., through its US and international subsidiaries, provides innovative products and services in the ambulatory non-invasive cardiac monitoring space. Our FDA and CE cleared EKG devices, interactive cloud-based acquisition software, and smartphone apps for both iOS and Android platforms, provide improved compliance for patients at risk of abnormal heart rhythms as well as more accurate information for physicians.

2. Summary of significant accounting policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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. The most significant assumptions and estimates relate to the valuation of equity issued for services, valuation of equity associated with convertible debt, the valuation of derivative liabilities, and the valuation of deferred tax assets. Actual results could differ from these estimates.

Fair Value Measurements and Fair Value of Financial Instruments

The Company adopted ASC Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The estimated fair value of certain financial instruments, including all current liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instrument

Derivative Liability

We evaluate convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging." The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date.

Deferred Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers highly liquid investments with an original maturity of six months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

The Company monitors outstanding receivables based on factors surrounding the credit risk of specific customers, historical trends, and other information. The allowance for doubtful accounts is estimated based on an assessment of the Company's ability to collect on customer accounts receivable. There is judgment involved with estimating the allowance for doubtful accounts and if the financial condition of the Company's customers were to deteriorate, resulting in their inability to make the required payments, the Company may be required to record additional allowances or charges against revenues. The Company writes-off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues its collection. As of December 31, 2020, and March 31, 2020 based upon the review of the outstanding accounts receivable, the Company has determined that an allowance for doubtful accounts is not material. The allowance for doubtful accounts is created by forming a credit balance which is deducted from the total receivables balance in the balance sheet.

As of December 31, 2020 and March 31, 2020, the Company had \$4,584 and \$0 in trade receivables, respectively.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 7 years.

Goodwill

Under U.S. Generally Accepted Accounting Principles (GAAP), public companies that report goodwill on their balance sheet can't amortize it. Instead, goodwill must be tested at least annually for impairment. When impairment occurs, the company must write down the reported value of goodwill will be amortized over the period. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

Stock Based Compensation Expense

We expect to account any share-based compensation pursuant to SFAS No. 123 (revised 2004) Share-Based Payment, or SFAS No. 123R. SFAS No. 123R requires measurement of all employee share-based payments awards using a fair-value method. When a grant date for fair value is determined we will use the Black-Scholes-Merton pricing model. The Black-Scholes-Merton valuation calculation requires us to make key assumptions such as future stock price volatility, expected terms, risk-free rates and dividend yield. The weighted-average expected term for stock options granted was calculated using the simplified method in accordance with the provisions of Staff Accounting Bulletin No. 107, Share-Based Payment. The simplified method defines the expected term as the average of the contractual term and the vesting period of the stock option. We will estimate the volatility rates used as inputs to the model based on an analysis of the most similar public companies for which CB Scientific has data. We will use judgment in selecting these companies, as well as in evaluating the available historical volatility data for these companies.

SFAS No. 123R requires us to develop an estimate of the number of share-based awards which will be forfeited due to employee turnover. Annual changes in the estimated forfeiture rate may have a significant effect on share-based payments expense, as the effect of adjusting the rate for all expense amortization after January 1, 2006 is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment is made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in the financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment is made to decrease the estimated forfeiture rate, which will result in an increase to the expense recognized in the financial statements. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. We have never paid cash dividends, and do not currently intend to pay cash dividends, and thus have assumed a 0% dividend yield.

CB Scientific will continue to use its best judgment in evaluating the expected term, volatility and forfeiture rate related to its stock-based awards on a prospective basis, and in incorporating these factors into the model. If our actual experience differs significantly from the assumptions used to compute its stock-based compensation cost, or if different assumptions had been used, we may record too much or too little share-based compensation cost.

During the nine months ended December 31, 2020, the Company recorded \$1,686,138 in stock based compensation expense.

Revenue Recognition

Revenue includes product sales. The Company recognizes revenue from product sales in accordance with Topic 605 "Revenue Recognition in Financial Statements" which considers revenue realized or realizable and earned when all of the following criteria are met:

- (i) persuasive evidence of an arrangement exists,
- (ii) the services have been rendered and all required milestones achieved,
- (iii) the sales price is fixed or determinable, and
- (iv) Collectability is reasonably assured.

Recent Accounting Pronouncements

Since the year ended March 31, 2020 and through December 31, 2020, there were several new accounting pronouncements issued by the FASB. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's financial statements.

Convertible Debentures

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "Debt with Conversion and Other Options." In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to interest expense, over the life of the debt.

Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

During the nine months ended December 31, 2020 the Company recorded a beneficial conversion feature in the amount of \$332,857.

Advertising, Marketing and Public Relations

The Company follows the policy of charging the costs of advertising, marketing, and public relations to expense as incurred.

Offering Costs

Costs incurred in connection with raising capital by the issuance of common stock are recorded as contra equity and deducted from the capital raised.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss, capital loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from

differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Net Income (loss) Per Common Share

The Company computes loss per common share, in accordance with FASB ASC Topic 260, *Earnings Per Share*, which requires dual presentation of basic and diluted earnings per share. Basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, that could result from the exercise of outstanding stock options and warrants.

Recent Accounting Pronouncements

ASU 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements". ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to-date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company evaluated and adopted ASU 2014-10 during the year ended December 31, 2015.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements—Going Concern." The provisions of ASU No. 2014-15 require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

Other accounting standards are not expected to have a material impact on the Company's consolidated financial position or results of operations.

3. Property and equipment

Property and equipment of its former business, net, consisted of the following at December 31, 2020 and March 31, 2020:

	As of December 31, 2020	As of March 31, 2020
Computer equipment	\$ 6,592	\$ -
	6,592	-
Less: accumulated depreciation	(5,397)	-
	<u>\$ 1,195</u>	<u>\$ -</u>

Depreciation expense was \$3,522 for the nine months ended December 31, 2020.

4. Intangible assets

Intangible Net assets consisted of the following at December 31, 2020 and March 31, 2020:

	As of December 31, 2020	As of March 31, 2020
Computer software	\$ 12,767	\$ -
Intellectual property - Prevent Healthcare	113,650	-
	126,417	-
Less: accumulated amortization	(29,920)	-
	<u>\$ 96,497</u>	<u>\$ -</u>

Amortization expense was \$22,166 for the nine months ended December 31, 2020.

5. Business acquisition

Prevent Health Care International Corporation

On June 22, 2020, the Company completed an acquisition of the assets of Prevent Health Care International Corporation (“PHCIC”), a private British Columbia, Canada corporation involved in the development, sale and service of an innovative arrhythmia diagnostic and heart-monitoring intellectual property, and related products for consideration of \$17,450,194 in the Company’s common stock.

The Company analyzed the acquisition under applicable guidance and determined that the acquisition should be accounted for as a business combination. The fair value of the net identifiable assets consisted of intellectual property of PHCIC along with the assets and liabilities of PHCIC’s subsidiary, My-Cardia USA, Inc. The Company assigned a fair value of \$113,650 in intangible assets. The intangible assets are being amortized over their estimated life, currently expected to be three years. The Company recorded goodwill in the amount of \$17,420,071.

Datrix, LLC

On October 26, 2020, the Company entered into an agreement to purchase the assets of Datrix, LLC (“Datrix”), a global ambulatory device manufacturer based in Escondido, California for \$1,500,000 and 480,000 shares of the Company’s common stock. Upon signing the agreement, the Company is required to make an initial deposit of \$75,000 and \$50,000 per month until the earlier of the closing date or termination of the agreement. The Company is required to issue 180,000 shares as a deposit upon the signing of the agreement and the remaining 300,000 shares on the later of the closing date or January 1, 2021.

The Company paid the initial deposit of \$75,000 on October 27, 2020. The Company has accrued the \$50,000 payment due for November and \$50,000 payment due for December. On October 28, 2020, the Company issued 180,000 shares to Datrix as part of the agreement.

6. Convertible notes payable

Between August 4, 2020 and December 22, 2020, the Company issued convertible notes payable with an aggregate face value of \$426,000 with a coupon rate of 5%. The notes have a maturity date of one year. The agreements provided the holder has the option to convert the principal balance and any accrued interest to common stock of the Company at a conversion price of \$.50 per share.

On September 15, 2020, the Company entered into an agreement with a financial advisory firm. The agreement provided for the payment of \$105,000 for the services in the form of a convertible note with a coupon rate of 12% and a maturity date of one year. The agreements provided the holder has the option to convert the principal balance and any accrued interest to common stock of the Company at a conversion price of \$.50 per share.

The Company evaluated the agreement under ASC 815 Derivatives and Hedging (“ASC 815”). ASC 815 generally requires the analysis embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. None of the embedded terms required bifurcation and liability classification.

In connection with the notes, the Company has committed to issue an aggregate 246,400 shares as an equity kicker upon conversion of the note or at the maturity date. The equity kicker units were recorded in additional paid-in capital under their aggregate relative fair value of \$93,143.

The Company was required to determine if the debt contained a beneficial conversion feature (“BCF”), which is based on the intrinsic value on the date of issuance. After the allocation of \$93,143 to the equity kicker, the remaining \$437,857 in proceeds resulted in a beneficial conversion feature recorded in additional paid-in capital. Both the BCF and equity kicker resulted in a debt discount and are amortized over the life of the note.

Amortization of debt discount

For the nine months ended December 31, 2020, the Company recorded \$133,690 in amortization of debt discount related to the notes. For the nine months ended December 31, 2020, the Company recorded \$8,839 in interest expense related to the notes.

7. Related-party transactions

During the nine months ended December 31, 2020, Zig Lambo, the President and sole Director of the Company, at the time, concluded the PHCIC agreement described above, which also involved the subsequent return to the Company’s treasury and cancellation of 49,895,801 shares of common stock which he previously acquired from Sam Talari and another minority shareholder.

8. Concentration of credit risks

The Company maintains accounts with financial institutions. All cash in checking accounts is non-interest bearing and is fully insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash balances in money market accounts may exceed the maximum coverage provided by the FDIC on insured depositor accounts. The Company believes it mitigates its risk by depositing its cash and cash equivalents with major financial institutions. There were no cash deposits in excess of FDIC insurance at December 31, 2020.

9. Going Concern

The following discussion relates to the previous business and management of the Company; and any forward-looking statements are subject to change as they may relate to the future operations of the Company and its new business direction.

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At December 31, 2020 and March 31, 2020, the Company had \$21,987 and \$4,582 in cash, and \$157,374 and \$5,082 in working capital, respectively. For the nine months ended December 31, 2020 and 2019, the Company had a net loss of \$2,268,493 and net income of \$468,497, respectively. Continued losses may adversely affect the liquidity of the Company in the future. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern. Management devoted considerable effort during the years ended March 30, 2020 and 2019 toward (i) obtaining additional equity capital (ii) controlling salaries and general and administrative expenses, (iii) management of accounts payable, (iv) evaluation of its distribution and marketing methods, and (v) increasing marketing and sales. In order to control general and administrative expenses, the Company has established internal financial controls in all areas, specifically in hiring and overhead cost. The Company has also established a hiring policy under which the Company will refrain from hiring additional employees unless approved by the Chief Executive Officer and Chief Financial Officer. Accounts payable are reviewed and approved or challenged on a daily basis. Senior management reviews the annual budget to ascertain and question any variance from plan, on a quarterly basis, and to anticipate and make adjustments as may be feasible. The accompanying financial statements have been prepared assuming that the entity will continue as a going concern.

10. Equity

Common Stock

During the nine months ended December 31, 2020, the Company entered into an agreement under which it issued a total of 69,800,778 shares of common stock to certain secured investors and controlling shareholders of Prevent Health Care International Corporation (PHCIC), a private British Columbia, Canada corporation involved in the development, sale and service of an innovative arrhythmia diagnostic and heart-monitoring intellectual property, and related products. Under the terms of the agreement CBSC acquired all of the ownership interests in all of the assets of PCHIC, including its medical technology products developed to date, its intellectual property, manufacturing know-how, any patents and all related information and knowledge necessary to promote, market and sell its product line in the global markets, excluding Australia. The assets acquired consist of inventory and equipment.

During the nine months ended December 31, 2020, the company issued a total of 892,750 shares to employees as part of compensation plans, valued at \$1,561,138.

During the nine months ended December 31, 2020, the company issued 180,000 shares as a deposit towards the acquisition of Datrix, valued at \$180,000.

During the nine months ended December 31, 2020, the company issued 250,000 shares for services, valued at \$125,000.

Preferred Stock

On March 10, 2016, the Company issued 10,000,000 shares of Preferred Series A Stock, with a par value of \$.001, to the founder, President, CEO and sole Director, at that time, Sam Talari. These shares were transferred to Zig Lambo during the quarter ended June 30, 2020.

11. Subsequent events

Common stock

Subsequent to the quarter ended 12/31/20, the Company issued a total of 442,600 shares of restricted common stock to certain employees, 300,000 shares of restricted common stock to Datrix LLC as satisfaction of \$100,000 in accrued liabilities related to the deposit in connection with the proposed acquisition of that company by CB Scientific, Inc. and 1,000,000 shares of restricted common stock to John Lee as compensation for consulting services.

Convertible notes

Between January 14, 2021 and February 4, 2021, the Company issued convertible notes payable with an aggregate face value of \$97,000 with a coupon rate of 5%. The notes have a maturity date of one year. The agreements provided the holder has the option to convert the principal balance and any accrued interest to common stock of the Company at a conversion price of \$.50 per share.

Collaborative partnership agreement

On February 10, 2021, the Company entered into a collaborative partnership agreement with Shenzhen Semacare Medical Technology Co., Ltd, a China based company. Under the terms of the CPA, the two companies will provide mutual assistance pursuing regulatory approvals for their individual products. CBSC will endeavor to consult and assist Semacare in their efforts towards regulatory approval of the MetaCor monitoring device for CE and US FDA 510(k) registration.

Brand development agreement

On February 5, 2021, the Company entered into an agreement with a business advisor to provide brand development services for \$200,000.