

NURISH.ME, INC. AND SUBSIDIARY

(F/K/A ALTAVOZ ENTERTAINMENT, INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Nurish.Me Inc. (formerly known as
Altavoz Entertainment, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Nurish.Me Inc. (formerly known as Altavoz Entertainment, Inc.) and its subsidiary (the “Company”) as of December 31, 2018 and 2017 and the related consolidated statements of operations, stockholders’ deficit and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018 and 2017, and the results of its consolidated operations and its consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations since inception and expects to continue to generate operating losses and negative cash flows for the foreseeable future. These conditions raise substantial doubt about its ability to continue as a going concern. Management’s plans in regards to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Turner, Stone & Company, L.L.P.
Accountants and Consultants

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INTERNATIONAL ASSOCIATION OF ACCOUNTANTS AND AUDITORS

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Turner, Stone & Company, L.L.P

Dallas, Texas
December 6, 2019

We have served as the Company's auditor since 2016.

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current assets		
Cash	\$ 95,595	\$ 74,637
Inventory	75,693	-
Advances - related party	-	352,956
Accounts receivable, trade	2,815	-
Prepaid marketing	44,652	-
Total current assets	<u>218,755</u>	<u>427,593</u>
Intellectual property	250,000	250,000
Fixed assets, net of accumulated depreciation of \$1,152 and \$288, respectively	<u>1,840</u>	<u>2,704</u>
Total assets	<u>\$ 470,595</u>	<u>\$ 680,297</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 130,764	\$ -
Payable to officer for intellectual property	188,933	250,000
Payable to officer for signing bonus	50,000	50,000
Advances from officers	69,167	61,726
Loan payable to officer	20,000	-
Notes payable	1,000,000	555,556
Total current liabilities	<u>1,458,865</u>	<u>917,282</u>
Total liabilities	<u>1,458,865</u>	<u>917,282</u>
Commitments and contingencies (Note 13)		
Stockholders' deficit		
Preferred Shares, 100,000,000 authorized of which the following have been designated:		
Series B Convertible Preferred Stock, 15,000,000 authorized, none issued and outstanding	-	-
Series C Convertible Preferred Stock, 70,000,000 authorized, 68,821,946 issued and outstanding	68,822	68,822
Common stock, par value \$0.001 per share; 750,000,000 shares authorized; 364,756,314 issued and outstanding at December 31, 2018 and 0 issued and outstanding at December 31, 2017	364,756	-
Additional paid-in capital	26,459	174,242
Accumulated deficit	<u>(1,448,308)</u>	<u>(480,049)</u>
Total stockholders' deficit	<u>(988,271)</u>	<u>(236,985)</u>
Total liabilities and stockholders' deficit	<u>\$ 470,595</u>	<u>\$ 680,297</u>

The accompanying footnotes are in integral part of these consolidated financial statements.

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Years Ended	
	December 31, 2018	December 31, 2017
Revenue, net of discounts of \$96,947 and \$0, respectively	\$ 72,516	\$ -
Cost of sales	42,024	-
Gross profit	<u>30,492</u>	<u>-</u>
Operating expenses:		
Advertising and marketing	182,686	2,530
Selling, general and administrative	199,192	352,280
Consulting	198,000	103,000
Stock Compensation	198,050	3,064
Professional services	172,328	19,170
Total operating expenses	<u>950,256</u>	<u>480,044</u>
Operating loss before other income (expense)	<u>(919,765)</u>	<u>(480,044)</u>
Other income (expense):		
Interest expense	(48,494)	(5)
Total other expense	<u>(48,494)</u>	<u>(5)</u>
Loss before income taxes	(968,259)	(480,049)
Provision for income taxes	-	-
Net loss	<u>\$ (968,259)</u>	<u>\$ (480,049)</u>
Loss per share - Basic and diluted	<u>\$ (0.07)</u>	<u>\$ -</u>
Weighted average shares outstanding - Basic and diluted	<u>13,027,011</u>	<u>-</u>

The accompanying footnotes are in integral part of these consolidated financial statements.

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders'
	Shares	Amount	Shares	Amount			Deficit
Balance January 1, 2017	-	\$ -	68,821,946	\$ 68,822	\$ 171,178	\$ -	\$ 240,000
Issuance of warrants to an investor	-	-	-	-	2,979	-	2,979
Stock-based compensation - options	-	-	-	-	85	-	85
Net loss	-	-	-	-	-	(480,049)	(480,049)
Balance December 31, 2017	-	-	68,821,946	68,822	174,242	(480,049)	(236,985)
Issuance of warrants to an investor	-	-	-	-	190,320	-	190,320
Stock-based compensation - options	-	-	-	-	7,730	-	7,730
Recapitalization under reverse merger on December 18, 2018	364,756,314	364,756	-	-	(345,833)	-	18,923
Net loss	-	-	-	-	-	(968,259)	(968,259)
Balance December 31, 2018	<u>364,756,314</u>	<u>\$ 364,756</u>	<u>68,821,946</u>	<u>\$ 68,822</u>	<u>26,459</u>	<u>\$ (1,448,308)</u>	<u>\$ (988,271)</u>

The accompanying footnotes are in integral part of these consolidated financial statements.

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Year Ended	
	December 31, 2018	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (968,259)	\$ (480,049)
Adjustments to reconcile net income/(loss) to net cash used in operating activities:		
Depreciation and amortization	864	288
Stock-based compensation	198,050	3,064
Changes in net assets and liabilities:		
(Increase) decrease in accounts receivable	(2,815)	-
(Increase) decrease in inventory	(75,693)	-
(Increase) decrease in prepaid expenses	(44,652)	-
Increase (decrease) in accounts payable	69,688	-
Increase (decrease) in related party receivables	125,456	95,100
Increase (decrease) in cash advances from officers	(3,625)	111,726
CASH USED IN OPERATING ACTIVITIES	<u>(700,986)</u>	<u>(269,871)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(2,992)
Proceeds from related party advances	227,500	-
CASH USED IN INVESTING ACTIVITIES	<u>227,500</u>	<u>(2,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on promissory note	1,000,000	107,500
Proceeds from partner capital contributions	80,000	240,000
Proceeds from cash advance from officer	20,000	-
Payments on note payable	(555,556)	-
Payments to officer	(50,000)	-
CASH PROVIDED BY FINANCING ACTIVITIES	<u>494,444</u>	<u>347,500</u>
NET CHANGE IN CASH	20,958	74,637
CASH AT BEGINNING OF YEAR	74,637	-
CASH AT END OF YEAR	<u>\$ 95,595</u>	<u>\$ 74,637</u>
Supplemental disclosure of cash flow information:		
Interest expense paid	<u>\$ 48,494</u>	<u>\$ -</u>
Non-cash Investment and Financing Activities:		
Note payable proceeds deposited in related party loan account	<u>\$ -</u>	<u>\$ 555,556</u>
Liabilities assumed as a result of the merger	<u>\$ 56,048</u>	<u>\$ -</u>
Acquisition of intellectual property in exchange for payable to officer	<u>\$ -</u>	<u>\$ 250,000</u>
Loan repaid through offsetting of expenses	<u>\$ 170,456</u>	<u>\$ -</u>

The accompanying footnotes are in integral part of these consolidated financial statements.

**NURISH.ME, INC. AND SUBSIDIARY
(F/K/A ALTAVOZ ENTERTAINMENT, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Nurish.Me, Inc. (f/k/a Altavoz Entertainment, Inc.) and its subsidiary (the “Parent”), a Nevada corporation, conducts business activities principally through its wholly-owned subsidiary, Nurish.Me LLC, a Nevada limited liability company (“Nurish.Me”) (collectively, the “Company”)

On March 3, 2000, Altavoz Entertainment, Inc. (“AEI”) was originally formed as Saveyoutime.com, Inc. under the laws of Nevada. Subsequently, on April 10, 2003, the Company filed a certificate of Merger with the Nevada Secretary of State reporting our merger with Hesperia Holding Corp. AEI then changed its name to Hesperia Holding, Inc. During 2005, AEI discontinued the operations of two subsidiaries and began pursuing acquisitions related to the film and media industries.

In April 2009, AEI entered into an agreement (the “HWP Acquisition”) to acquire one hundred percent (100%) ownership of Hot Web Properties, Inc. (“HWP”). Under the terms of the HWP Acquisition AEI agreed to issue the HWP shareholders 60,000,000 post-split common shares and the preferred shareholders seven million five hundred thousand (7,500,000) preferred shares. The preferred shares entitled the holders to ten (10) for one (1) voting rights in the Company.

On June 5, 2009, the Board of Directors executed a resolution to reverse split AEI’s common stock by a ratio of one (1) share for each two hundred (200) shares issued and outstanding.

In July 2009, AEI amended its Articles of Incorporation to change its name to Max Media Group, Inc. and AEI was listed with the National Quotation Bureau under the trading symbol “MXMI.” In July 2009 AEI also amended its Articles of Incorporation to put the reverse split of AEI’s common stock, by a ratio of one (1) share for each two hundred (200) shares issued and outstanding, into effect.

On April 12, 2012, a stock purchase agreement was executed by and between James E. Grady, AEI and BB2 Labs, Inc. During April 2012, Mr. Manocchio was appointed as a Director, President, Principal Executive Officer and Principal Accounting Officer of AEI. Subsequently, AEI was revoked in the State of Nevada due to a failure to pay taxes and fees and for failing to adhere to filing requirements.

On August 1, 2012 AEI acquired two hundred and fifty thousand (250,000) shares of common stock and five million five hundred thousand (5,500,000) shares of Class “B” Convertible Preferred Shares from James E. Grady. The Class “B” Convertible Preferred Shares included one hundred (100) votes per share and may be convertible into ten (10) shares of common stock.

On October 9, 2012 the Board of Directors executed a resolution to reverse split AEI’s common stock by a ratio of one (1) share for each four hundred (400) shares issued and outstanding.

In February 2016, AEI was reinstated in the state of Nevada by the new principal shareholder of AEI, Avoz, LLC, through its General Manager Nelson Jacobsen.

On May 18, 2016, AEI entered into a Share Exchange Agreement (“Exchange Agreement”), by and among AEI, Altavoz, Inc. (“Altavoz”), a Maryland corporation and the Stockholders of Altavoz. Altavoz had a total of 1 stockholder as of the date of the Exchange Agreement.

Under the terms and conditions of the Exchange Agreement, AEI offered and sold One Million (1,000,000) newly issued shares of AEI Common Stock in consideration for all the issued and outstanding shares of Altavoz capital stock. The effect of the issuance was that, upon closing of the Exchange Agreement transaction, former Altavoz stockholders held approximately 25.1% of the issued and outstanding shares of AEI Common Stock.

As a result of the Exchange Agreement transactions described above, the Altavoz stockholders acquired as of the date the transaction closed, in the aggregate, approximately 25.1% of the issued and outstanding capital stock of AEI on a fully-diluted basis, and Altavoz became a wholly owned subsidiary of AEI. The transaction was treated as a reverse acquisition, with AEI as the accounting acquirer for financial reporting purposes. Under the Exchange Agreement, Nelson Jacobsen was appointed as the President, Chief Executive Officer, Chief Financial Officer and Nancy Jacobsen was appointed as Secretary of the Company, and Mr. Jacobsen, Ms. Jacobsen, and Mr. Ken Balog were appointed to serve as directors of AEI.

On December 18, 2018, Altavoz entered into an Agreement and Plan of Merger (“Merger Agreement”) with a newly-formed, wholly-owned Nevada limited liability company subsidiary (“Merger Sub”) and Nurish.Me. Upon closing, Nurish.Me merged into and with Merger Sub, with Nurish.Me continuing as the surviving entity and the wholly-owned subsidiary of Altavoz (the “Merger”) (See Note 4).

Immediately following the Merger, Altavoz had 364,756,314 shares of common stock and 68,821,946 shares of Series C Preferred Shares issued and outstanding. The pre-Merger stockholders of Altavoz retained an aggregate of 364,756,314 shares of common stock of Altavoz, representing approximately 5% ownership of the post-Merger company. Therefore, upon consummation of the Merger, there was a change in control of Altavoz, with the former owners of Nurish.Me effectively acquiring control of Altavoz. The Merger was treated as a reverse recapitalization effected by a share exchange for financial accounting and reporting purposes since Altavoz was deemed to be a shell corporation with nominal operations and no assets at the time of the Merger. Nurish.Me is considered the acquirer for accounting purposes, and Altavoz’s historical financial statements before the Merger has been replaced with the historical financial statements of Nurish.Me before the Merger in the financial statements.

Business Overview

The Company is an evidenced-based, science-driven, and consumer-focused company founded by entrepreneurs, innovators, and scientists on a mission to improve people’s health with effective dietary supplements.

NOTE 2 – GOING CONCERN AND LIQUIDITY

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. At December 31, 2018, the Company had an accumulated deficit of approximately \$1.5 million and working capital deficit of approximately \$1.2 million. For the fiscal year ended December 31, 2018, we had a loss from operations of approximately \$968,000 and negative cash flows from operations of approximately \$700,000. The Company’s operating activities consume the majority of its cash resources. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management expects to incur additional losses in the foreseeable future and recognizes the need to raise capital to remain viable. In addition, the Company has had and expects to have negative cash flows from operations, at least into the near future. The accompanying consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

The Company’s plan, through potential acquisitions and the continued promotion of its products to existing and potential customers, is to generate sufficient revenues to cover its anticipated expenses. The Company is currently exploring several options to meet its short-term cash requirements, including issuances of equity securities or equity-linked securities from third parties.

Although no assurances can be given as to the Company’s ability to deliver on its revenue plans or that unforeseen expenses may arise, management believes that the revenue to be generated from operations together with potential equity and debt financing or other potential financing will provide the necessary funding for the Company to continue as a going concern, management cannot guarantee any potential debt or equity financing will be available on favorable terms. As such, these matters raise substantial doubt about the Company’s ability to continue as a going concern for a period of twelve months from the issue date of this report. If adequate funds are not available on acceptable terms, or at all, the Company will need to curtail operations, or cease operations completely.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The summary of significant accounting policies presented below is designed to assist in understanding the Company’s consolidated financial statements. Such consolidated financial statements and accompanying notes are the representations of Company’s management, who is responsible for their integrity and objectivity.

Principles of Consolidation

The consolidated financial statements include the accounts of Altavoz and its wholly-owned subsidiary, Nurish.Me. Intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity-based transactions and disclosure of contingent liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of the financial statements. Significant estimates include the valuation of inventory, the useful life of plant and equipment, valuation of intangible assets for impairment, deferred tax asset and valuation allowance, and assumptions used in Black-Scholes-Merton, or BSM, valuation methods, such as expected volatility, risk-free interest rate, and expected dividend rate.

Revenue

The Company accounts for revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers, which the Company adopted beginning on January 1, 2018, utilizing the modified retrospective method. This approach was applied to contracts that were in process as of January 1, 2018. The adoption of ASC Topic 606 did not have an impact on the Company’s reported revenue or contracts in process at January 1, 2018. The reported results for the fiscal year 2018 reflect the application of ASC Topic 606, while the reported results for fiscal year 2017 are not adjusted and continue to be reported under ASC Topic 605.

The Company recognizes revenues from product sales when the customer orders an item through its website via the electronic shopping cart, funds are collected from the customer and the item is shipped from one of the Company’s third-party fulfillment centers and delivered to the carrier. Revenue is recognized on a gross basis as the Company is (i) the primary entity responsible for fulfilling the promise to provide the specified products in the arrangement with the customer and provides the primary customer service for all products sold on the Company’s website, (ii) has inventory risk before the products have been transferred to a customer and maintains inventory risk upon accepting returns, and (iii) has discretion in establishing the price for the specified products sold on its website.

The Company generates net sales from sales of its CogniNurish® and CoreCumin® suite of products and related shipping fees. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. To encourage customers to purchase its products, the Company periodically provides incentive offers. Generally, these promotions include current discount offers, such as percentage discounts off current purchases and other similar offers. These offers, when accepted by customers, are treated as a reduction to the transaction price. Revenue typically consists of the consideration received from the customer when the order is executed less a refund allowance, which is estimated using historical experience.

Taxes collected from customers for remittance to governmental authorities are excluded from net sales.

Cash

The Company considers investments in highly liquid instruments with a maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2018 or 2017.

Property and Equipment

Property and equipment consists of computer equipment and are recorded at cost. Depreciation is computed using straight-line method over the estimated useful lives of the related assets, which is three to five years. Expenditures that enhance the useful lives of the assets are capitalized and depreciated.

Inventory

Inventory, consisting of finished goods and raw materials related to our products is stated at the lower of cost or net realizable value utilizing the weighted average method.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then these assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. For the years ended December 31, 2018 and 2017, there were no impairment losses recognized for long-lived assets.

Intangible Assets

The Company records its intangible assets at cost in accordance with ASC 350, Intangibles – Goodwill and Other. Definite lived intangible assets are amortized over the estimated life using the straight-line method, which is determined by identifying the period over which the cash flows from the asset are expected to be generated.

Advertising and Marketing Costs and Deferred Finance Charges

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were \$182,686 and \$2,530 for the years ended December 31, 2018 and 2017, respectively.

Shipping and Handling

Shipping and handling costs charged to customers have been included in net revenue. Shipping and handling costs incurred by the Company have been included in cost of goods sold.

Research & Development Costs

In accordance with ASC 730-10-25, research and development costs are charged to expense when incurred. Total research and development costs were \$26,956 and \$15,533 for the years ended December 31, 2018 and 2017, respectively.

Fair Value Measurements

As defined in ASC 820, "Fair Value Measurements and Disclosures," fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820

establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.
- Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

Fair Value of Financial Instruments

The carrying value of cash, and accounts payable and accrued expenses approximate their fair values based on the short-term maturity of these instruments. The carrying amounts of notes payable approximate the estimated fair value for these financial instruments as management believes that such notes constitute substantially all of the Company’s debt and interest payable on the notes approximates the Company’s incremental borrowing rate.

Net Loss Per Common Share (“EPS”)

Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding. Diluted EPS includes the effect from potential issuance of common stock, such as stock issuable pursuant to the exercise of stock options and warrants and the assumed conversion of convertible notes. Dilutive EPS is computed by dividing net income (loss) by the sum of the weighted average number of common stock outstanding, and the dilutive shares,

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was antidilutive due to the Company’s net loss position even though the exercise price could be less than the average market price of the common shares:

	Year ended December 31,	
	2018	2017
Stock options	426,800	1,800
Warrants	1,233,333	133,333
Potentially dilutive securities	<u>1,660,133</u>	<u>135,133</u>

Stock-based Compensation

The Company applies the provisions of ASC 718, Compensation – Stock Compensation, which requires the measurement and recognition of compensation expense for all stock-based awards made to employees, including employee stock options, in the statement of operations.

For stock options issued to employees and members of the board of directors for their services, the Company estimates the grant date fair value of each option using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the Common Stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the Common Stock. For awards subject to service-based vesting conditions, including those with a graded vesting schedule, the company recognizes stock-based compensation expense equal to the grant date fair value of the stock options on a straight-line basis over the requisite service period, which is generally the vesting term. Forfeitures are recorded as they are incurred as opposed to being estimated at the time of grant and revised.

Pursuant to Accounting Standards Update 2018-07 (“ASU”) Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, the Company accounts for stock options issued to non-employees for their services in accordance with ASC 718. The Company uses valuation methods and assumptions to value the stock options that are in line with the process for valuing employee stock options noted above.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, 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 utilizes ASC 740, “Income Taxes,” which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited condensed consolidated financial statements or tax returns. The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. A valuation allowance is recorded when it is “more likely-than-not” that a deferred tax asset will not be realized.

For uncertain tax positions that meet a “more likely than not” threshold, the Company recognizes the benefit of uncertain tax positions in the unaudited condensed consolidated financial statements. The Company’s practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the unaudited condensed consolidated statements of operations.

Recently Adopted Accounting Pronouncements

On May 10, 2017, the FASB issued ASU 2017-09 “Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting”, which provides guidance to clarify when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The guidance is effective prospectively for all companies for annual periods beginning on or after December 15, 2017. Early adoption is permitted. The adoption of ASU 2017-09 did not have any impact on the Company’s consolidated financial statements and related disclosures.

In January 2017, FASB issued ASU 2017-01, “Business Combinations (Topic 805) Clarifying the Definition of a Business”. The amendments in this Update is to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals)

of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those periods. The Company is currently evaluating the impact of adopting this guidance.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments”. The new guidance is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. ASU 2016-15 is effective for the Company beginning in the first quarter of fiscal 2019. Early adoption is permitted, provided that all of the amendments are adopted in the same period. The guidance requires application using a retrospective transition method. The adoption of ASU 2016-15 did not have any impact on the Company's consolidated financial statements and related disclosures.

On February 25, 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new guidance establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company estimates the adoption of this guidance will not have a significant impact on the Company's consolidated financial statements and related disclosures.

All other newly issued but not yet effective accounting pronouncements have been deemed to be not applicable or immaterial to the Company.

NOTE 4 - RECAPITLIZATION

Merger Agreement with Nurish.Me, LLC

Effective December 18, 2018, Altavoz consummated the Merger pursuant to its Merger Agreement with Merger Sub and Nurish.Me. Pursuant to the terms of the Merger Agreement, Nurish.Me merged with and into Merger Sub. Nurish.Me was the surviving corporation and, as a result of the Merger, became a wholly-owned subsidiary of Altavoz.

Pursuant to the Merger Agreement at the effective time of the Merger:

- Nurish.Me's outstanding 18,220,897 common equity units were exchanged for an aggregate of 68,821,921 shares of Altavoz's Series C Preferred Shares representing 6,882,194,604 shares of common stock upon conversion;
- Warrants to purchase 1,100,000 common equity units of Nurish.Me were exchanged for Warrants to purchase an aggregate of 4,155,557 shares of Altavoz's Series C Preferred Shares representing 415,555,782 shares of common stock upon conversion;
- Warrants to purchase 133,333 common equity units of Nurish.Me were exchanged for Warrants to purchase an aggregate of 561,832 shares of Altavoz's Series C Preferred Shares representing 561,832 shares of common stock upon issuance.

The Warrants are exercisable for a period of two years from the date the original warrants to purchase common equity units of Nurish.Me were issued to the holders. The Warrants provide for the purchase of shares of Altavoz's Series C Preferred Shares at exercise prices of \$0.82 and \$1.00 per share. The Warrants are exercisable for cash only. The number of shares of Series C Preferred Shares to be deliverable upon exercise of the Warrants is subject to adjustment for subdivision or consolidation of shares and other standard dilutive events.

Immediately following the Merger, Altavoz had 364,756,314 shares of common stock issued and outstanding. As of the date of this report shares of Series C Preferred Shares to be issued to the holders of Nurish.Me common equity unit holders as part of the Merger had yet to be issued. On December 6, 2019, the instructions to issue these shares have been given to the stock transfer agent. The pre-Merger stockholders of Altavoz retained an aggregate of 364,756,314 shares of common stock of Altavoz, representing approximately 5% ownership of the post-Merger company. Therefore, upon consummation of the Merger, there was a change in control of Altavoz, with the former owners of Nurish.Me effectively acquiring control of Altavoz. The Merger was treated as a reverse recapitalization

effected by a share exchange for financial accounting and reporting purposes since Altavoz was deemed to be a shell corporation with nominal operations and no assets at the time of the Merger. Nurish.Me is considered the acquirer for accounting purposes, and Altavoz's historical financial statements before the Merger has been replaced with the historical financial statements of Nurish.Me before the Merger in the financial statements.

The Company accounted for the Merger as a reverse recapitalization which is outside the scope of ASC 805 – Business Combinations. Under reverse capitalization accounting, Nurish.Me is considered the acquirer for accounting and financial reporting purposes and acquired the assets and assumed liabilities of Altavoz. The assets acquired and liabilities assumed are reported at their historical cost. The annual consolidated financial statements of the Company reflect the operations of the acquirer for accounting purposes together with a deemed issuance of shares, equivalent to the shares held by the former stockholders of the legal acquirer and a recapitalization of the equity of the accounting acquirer. The annual consolidated financial statements include the amounts of Altavoz since the effective date of the Merger and the accounts of Nurish.Me since inception.

The following table summarizes the liabilities assumed at the date of the Merger:

	December 31, 2018
Accounts payable	\$ 24,575
Accrued expenses	31,473
Total assumed liabilities	<u>\$ (56,048)</u>

NOTE 5 – INVENTORY

Inventory consists of:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Finished goods	\$ 64,779	\$ -
Raw materials	10,914	-
Total inventory	<u>\$ 75,693</u>	<u>\$ -</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Computer equipment	\$ 2,992	\$ 2,992
	2,992	2,992
Less: accumulated depreciation	(1,152)	(288)
Property and equipment, net	<u>\$ 1,840</u>	<u>\$ 2,704</u>

Total depreciation expense for the years ended December 31, 2018 and 2017 was \$864 and \$288, respectively.

NOTE 7 - INTANGIBLE ASSETS

The below table summarizes the identifiable intangible assets as of December 31, 2018 and 2017:

	<u>Useful life</u>	<u>2018</u>	<u>2017</u>
Intellectual property (Note 9)	Indefinite lived	\$ 250,000	\$ 250,000
Total		<u>\$ 250,000</u>	<u>\$ 250,000</u>

As part of the Company's employment agreement with Michal Heger, Chief Formulation Officer, the Company acquired intellectual property (the "IP") from Mr. Heger. This IP consists of the right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks or trade secrets, whether or not patentable or registrable under copyright or similar laws, related to a proprietary preparation method and proprietary ingredient combination to yield a micelle formulation for oral delivery. The Company believes the IP, as long as Mr. Heger is employed by the Company, has an indefinite life due to Mr. Heger's proprietary knowledge and ability to modify the preparation methods and ingredients for the micelle formulation for foreseeable future.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following amounts:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Accounts payable	\$ 130,703	\$ -
Accrued expenses	61	-
	<u>\$ 130,764</u>	<u>\$ -</u>

NOTE 9 – NOTES PAYABLE

As of December 31, 2018 and 2017, notes payable, consist of the following amounts:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
8% Secured promissory note payable, due October 31, 2018	\$ -	\$ 555,556
6% Secured promissory note payable, due December 3, 2019	1,000,000	-
	<u>\$ 1,000,000</u>	<u>\$ 555,556</u>

Total expense related to interest for the above notes was \$46,210 and \$0 for the years ended December 31, 2018 and 2017.

Assumed Notes Payable

As part of the Merger (Note 4) the following notes payable were assumed by the Company:

On November 1, 2017, Nurish.Me entered into a secured promissory note payable for \$555,556 with interest at 8% per annum, due on October 31, 2018. The promissory note is secured by the Company's assets. This note shall become immediately due and payable upon the happening of a full or partial triggering event. Upon the happening of a partial triggering event the Company shall pay 27.75% of the consideration received for each transaction constituting a partial triggering event. On December 5, 2018, the Company made a payment of \$601,766, which satisfied the principal and accrued interest to date, to the note holder.

On December 5, 2018, Nurish.Me entered into a secured promissory note payable for \$1,000,000 with an interest rate at 6% per annum, due on December 3, 2019. The promissory note is secured by the Company's assets.

NOTE 10 - RELATED PARTY TRANSACTIONS

Isaac Management

Isaac Management is a private investment firm located in California. The Company's Chief Executive Officer, David Perez, is a principal with Isaac Management, Inc.

Lease

On May 1, 2017, Nurish.Me entered into a month-to-month lease agreement with Isaac Management, Inc. for the Company's headquarters. The lease calls for a monthly rent of \$2,000. Total rent expense for this property was \$24,000 and \$16,000 for the years ended December 31, 2018 and 2017, respectively.

Management Fees

During the years ended December 31, 2018 and 2017, Nurish.Me made payments of \$132,000 and \$88,000, respectively, to Isaac Management for the services provided by Mr. Perez as Chief Executive Officer.

Receivable, Related Party

On November 1, 2017, Nurish.Me entered into a secured promissory note payable for \$555,556 with interest at 8% per annum, due on October 31, 2018 (See Note 9). The \$555,556 in principal was deposited into an account owned by Isaac Management, Inc. at closing. Isaac Management dispersed the principal amount to Nurish.Me on an as needed basis. As of December 31, 2018 and 2017, the outstanding balance of the receivable was \$0 and \$352,955, respectively. The promissory note was personally guaranteed by Mr. Perez, with a cross corporate guarantee by Isaac Management, Inc.

Cash Transactions

During the years ended December 31, 2018 and 2017, Isaac Management advanced Nurish.Me \$227,500 and \$107,500, respectively. A portion of these advances were a result of Isaac Management dispersing principal amounts of the above mentioned \$555,556 promissory note payable and interest payments of \$46,209. The disbursements amounted to \$220,000 and \$100,000 for the years ended December 31, 2018 and 2017, respectively.

During the years ended December 31, 2018 and 2017, the Company made cash payments of \$646,765 and \$8,900, respectively. The payments were comprised of \$601,765 and \$0 to settle the outstanding principal and accrued interest for 8% secured promissory note for the years ended December 31, 2018 and 2017, respectively, and \$45,000 and \$8,900 for management fees for the years ended December 31, 2018 and 2017, respectively.

Miscellaneous

During the year ended December 31, 2018, the Company has accounts payable totaling \$14,456 to Isaac Management for expenses paid on behalf of Nurish.Me.

Purchase of Intellectual Property

On July 6, 2017, in connection with his employment (See Note 13), Michal Heger, Chief Formulation Officer, transferred to Nurish.Me all his right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements, designs, discoveries, ideas, trademarks or trade secrets, whether or not patentable or registrable under copyright or similar laws, related to a proprietary preparation method and proprietary ingredient combination to yield a micelle formulation for oral delivery for \$250,000. The Company issued a payable

to Mr. Heger for \$250,000. As of December 31, 2018 and 2017, \$188,933 and \$250,000, respectively, remained outstanding.

Per the employment agreement with Mr. Heger, the Company had accrued salary of \$0 and \$50,000 at December 31, 2018 and 2017, respectively. Pursuant to Mr. Heger's employment agreement the Company was to pay \$250,000 to Mr. Heger upon execution of the employment agreement. The upfront payment is not related to the purchase of intellectual property from Mr. Heger, as noted above. As of December 31, 2018 and 2017, \$50,000 and \$50,000, respectively, remained outstanding.

Payables - Officer

During the years ended December 31, 2018 and 2017, David Perez, Chief Executive Officer, and John Lewis, Chief Scientific Officer, paid for their business related travel expenses on behalf of the Company. As of December 31, 2018 and 2017, \$69,167 and \$61,726, respectively, remained outstanding.

Loan Payable - Officer

On June 28, 2018, Dr. John Lewis, Chief Scientific Officer, made a loan to Nurish.Me \$20,000 for operational expenses. The advance is non-interest bearing and is due on demand. As of December 31, 2018, \$20,000 remained outstanding. The Company paid the advance in full on March 5, 2019.

NOTE 11 - STOCKHOLDERS' EQUITY

Series C Preferred Shares

On January 4, 2018, the Company's Board of Directors approved the designation of 75,000,000 shares of Series C Preferred Shares with a par value of \$0.001. Pursuant to the Merger Agreement 68,821,946 shares of the Series C Preferred Shares were issued to the members of Nurish.Me as consideration. Each share of the Series C Preferred Shares is equivalent to the voting rights of 100 common shares.

As of the date of this report the Company does not have enough authorized common shares to satisfy the potential conversion of the Series C Preferred Shares.

NOTE 12 – STOCK-BASED COMPENSATION

The Company accounted for its stock-based compensation in accordance with the fair value recognition provisions of FASB ASC Topic 718, "Compensation – Stock Compensation."

Options

On May 18, 2017, Nurish.Me granted options to purchase 1,800 member units to an intern at an exercise price of \$1.00 per unit. The options vest immediately on the date of grant. The options issued were valued using the Black-Scholes option pricing model under the following assumptions: stock price - \$0.37; strike price \$1.00; expected volatility – 55%; risk-free interest rate – 2.47%; dividend rate – 0%; and expected term – 3 years.

On October 26, 2018, Nurish.Me granted options to purchase 250,000 member units to two members of its advisory board at an exercise price of \$1.00 per unit. The options have a one-year cliff from date of grant and then vest monthly over 4 years. The options issued were valued using the Black-Scholes option pricing model under the following assumptions; stock price - \$0.37; strike price - \$1.00; expected volatility – 54%; risk-free interest rate – 2.91%; dividend rate – 0%; and expected term – 3.69 years.

On December 1, 2018, Nurish.Me granted options to purchase 25,000 member units to a consultant at an exercise price of \$1.00 per share. The options vest immediately on the date of grant. The options issued were valued using the Black-Scholes option pricing model under the following assumptions; stock price - \$0.75; strike price - \$1.00; expected volatility – 54%; risk-free interest rate – 2.84%; dividend rate – 0%; and expected term – 3.75 years.

On December 1, 2018, Nurish.Me granted options to purchase 100,000 member units to a member of the Company's advisory board at an exercise price of \$1.00 per share. The options vest monthly over a four-year period beginning on the one-year anniversary of the date of grant. The options issued were valued using the Black-Scholes option pricing model under the following assumptions; stock price - \$0.75; strike price - \$1.00; expected volatility - 54%; risk-free interest rate - 2.84%; dividend rate - 0%; and expected term - 3.75 years. These options were canceled on October 21, 2019 due to the member not staying on the board for one year.

On December 1, 2018, Nurish.Me granted options to purchase 50,000 member units to a consultant at an exercise price of \$1.00 per share. The options vest monthly over a four-year period beginning on the one-year anniversary of the date of grant. The options issued were valued using the Black-Scholes option pricing model under the following assumptions; stock price - \$0.75; strike price - \$1.00; expected volatility - 54%; risk-free interest rate - 2.84%; dividend rate - 0%; and expected term - 3.75 years.

Compensation based stock option activity for qualified and unqualified stock options are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2016	-	\$ -
Granted	1,800	1.00
Exercised	-	-
Expired or cancelled	-	-
Outstanding at December 31, 2017	1,800	1.00
Granted	425,000	1.00
Exercised	-	-
Expired or cancelled	-	-
Outstanding at December 31, 2018	426,800	\$ 1.00

The following table summarizes information about options to purchase shares of the Company's common stock outstanding and exercisable at December 31, 2018:

Range of exercise prices	Outstanding Options	Weighted- Average Remaining Life In Years	Weighted- Average Exercise Price	Number Exercisable
\$ 1.00	426,800	4.89	\$ 1.00	29,925
	426,800	4.85	\$ 1.00	29,925

The compensation expense attributed to the issuance of the options is recognized as they are vested.

The employee stock option plan stock options are exercisable for five years from the grant date and vest over various terms from the grant date to two years.

The aggregate intrinsic value totaled \$0 and was based on the Company's closing stock price of \$0.039 as of December 31, 2018, which would have been received by the option holders had all option holders exercised their options as of that date.

The compensation expense related to the options was \$7,741 and \$85 during the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018, there was future compensation cost of \$35,503 related to non-vested stock options with a recognition period from 2019 through 2023.

Warrants

The issuance of warrants to purchase shares of the Company, including those attributed to debt issuances, are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2016	-	\$ -
Granted	133,333	1.00
Exercised	-	-
Expired or cancelled	-	-
Outstanding at December 31, 2017	133,333	1.00
Granted	1,100,000	0.82
Exercised	-	-
Expired or cancelled	-	-
Outstanding at December 31, 2018	1,233,000	\$ 0.84

The following table summarizes information about warrants outstanding and exercisable at August 31, 2019:

Range of Exercise Prices	Outstanding and exercisable			
	Number Outstanding	Weighted- Average Remaining Life in Years	Weighted- Average Exercise Price	Number Exercisable
\$ 0.82	1,100,000	1.93	\$ 0.82	1,100,000
1.00	133,333	0.84	1.00	133,333
	1,233,333	1.81	\$ 0.84	1,233,333

The expense attributed to the issuances of the warrants was recognized as they vested/earned. These warrants are exercisable for two from the grant date. All are currently exercisable.

Issuances of warrants to purchase shares of the Company's Series C Preferred Shares were as follows:

During the year ended December 31, 2017, Nurish.Me issued a warrant to purchase 133,333 member units with an exercise price of \$1.00 per share. This warrant was issued to a note holder. As a result of the issuance of this warrant, the Company recognized \$2,979 of stock compensation expense for the year ended December 31, 2017.

During the year ended December 31, 2018, Nurish.Me issued a warrant to purchase 1,100,000 member units with an exercise price of \$0.82 per share. This warrant was issued to a note holder. As a result of the issuance of this warrant, the Company recognized \$190,320 of stock compensation expense for the year ended December 31, 2018.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Compensatory Arrangements of Certain Officers

On July 6, 2017, Nurish.Me entered into a one-year Employment Agreement with Michal Heger (the “Heger Employment Agreement”), pursuant to which he will serve as Nurish.Me’s Chief Formulation Officer. The term will automatically renew for periods of one year unless either party gives written notice to the other party that the agreement shall not be further extended.

Pursuant to and upon the execution of the Heger Employment Agreement, the Company shall pay Mr. Heger \$50,000 and an additional \$200,000 upon receiving investments totaling \$4 million in increments of \$50,000 for every \$1 million in funding received. Mr. Heger will earn a base salary of \$10,416 per month beginning upon the successful raise of a minimum of \$4 million funding. This base salary will shall be increased to \$20,833 per month upon the successful raise of a minimum of \$10 million funding. Mr. Heger is entitled to receive a monthly performance bonus of amount equal to 4% times the net sales of the Company's liquid division arising from the sale of ML Products and Lipsomal Formulations. Mr. Heger will also be eligible to participate in any bonus compensation plan applicable to the Company's executive employees. Mr. Heger will also be eligible to participate in any long-term equity incentive programs established by the Company for its senior level executives generally, and benefits under any benefit plan or arrangement that may be in effect from time to time and made available to similarly situated executives of the Company.

Consulting Agreement

On May 19, 2017, Nurish.Me entered into a consultant services agreement (the "Consulting Agreement") with SuperGover, LLC. ("SuperGrover"). Pursuant to the Consulting Agreement SuperGrover will provide advisory services to the Company regarding IT infrastructure, strategic planning and fund raising. The Company paid SuperGrover \$75,00 per month from December 1, 2017 through June 24, 2018. On June 24, 2018, the board of directors approved the termination of the Consulting Agreement.

Lease of Lab Space

The Company leases lab space from a third-party in Miami, Florida. The lease is month-to-month with rental payments of \$1,079. Total rental expense related to the lab space totaled \$12,942 and \$6,500 for the years ended December 31, 2018 and 2017, respectively.

Distribution Agreement

On August 1, 2018, the Nurish.Me entered into an exclusive distribution agreement (the "Distribution Agreement") with Daiwa Health Development, Inc. ("Daiwa"). The Distribution Agreement automatically expires at the ten (10) year anniversary of the Distribution Agreement, on August 1, 2028. Pursuant to the Distribution Agreement Nurish.Me has the right purchase Rice Bran Arabinoxylan Compound ("RBAC") and Bacillopeptidase F Proprietary Blend ("BFPB") from Daiwa and manufacture its end product(s) in the form of a Liposome or Micelle for the purpose of being integrated into a formulation being marketed exclusively by Nurish.Me within North America.

Legal Claims

From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. The Company is not presently a party to any legal proceedings that it currently believes, if determined adversely to the Company, would individually or taken together have a material adverse effect on the Company's business, operating results, financial condition or cash flows.

NOTE 14 - CONCENTRATIONS OF CREDIT RISK

Cash Deposits

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2018 and 2017, the Company had no balances in excess of the FDIC insured limit.

Accounts Payable

One vendor accounted for 76% of the accounts payable as of December 31, 2018.

There were no concentrations of accounts payable as of the year ended December 31, 2017.

Revenues

One customer accounted for 31% of the gross revenues as of December 31, 2018.

There were no concentrations of revenue as of the year ended December 31, 2017.

NOTE 15 – INCOME TAXES

The Company identified their federal and California state tax returns as our “major” tax jurisdictions. The period our income tax returns are subject to examination for these jurisdictions is 2018. The Company believes our income tax filing positions and deductions will be sustained on audit, and we do not anticipate any adjustments that would result in a material change to our financial position. Therefore, no liabilities for uncertain tax positions have been recorded.

At December 31, 2018, we had no available net operating loss carry-forwards for federal income tax reporting purposes and had no available tax credit carry-forwards for federal tax reporting purposes.

Our net deferred tax assets, liabilities and valuation allowance as of December 31, 2018 and 2017 are summarized as follows:

	Year Ended December 31,	
	2018	2017
Deferred tax assets:		
Net operating loss carryforwards	\$ 46,500	\$ -
Changes in prior year estimates	-	-
Total deferred tax assets	46,500	-
Valuation allowance	(46,500)	-
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

We recorded a valuation allowance in the full amount of our net deferred tax assets since realization of such tax benefits has been determined by our management to be less likely than not. The valuation allowance increased \$46,500 during the fiscal year ended December 31, 2018. There was no valuation allowance during the year ended December 31, 2017.

A reconciliation of the statutory federal income tax benefit to actual tax benefit for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Federal statutory blended income tax rates	(21)%	(28)%
State statutory income tax rate, net of federal benefit	(7)	(7)
Change in effective federal tax rate	-	-
Permanent differences – equity rights	-	-
Incentive stock options	-	-
Non-deductible amortization of debt discount	-	-
Change in valuation allowance	6	-
Other	22	35
Effective tax rate	<u>-%</u>	<u>-%</u>

As of the date of the filing, the Company has not filed its 2017 or 2018 federal and state corporate income tax returns. The Company expects to file these documents as soon as practicable.

The Act was enacted on December 22, 2017. The Act reduces the US federal corporate tax rate from 35% to 21% and will require the Company to re-measure certain deferred tax assets and liabilities based on the rates at which

they are anticipated to reverse in the future, which is generally 21%. The Company adopted the new rate as it relates to the calculations of deferred tax amounts as of December 31, 2018.

NOTE 16 – SUBSEQUENT EVENTS

On January 4, 2019, the Company filed an amendment to its Articles of Incorporation to change its name to Nurish.Me, Inc.

On January 4, 2019, the board of directors authorized the issuance of options to purchase 1,000,000 shares of the Company's Common Stock to a consultant for services at an exercise price of \$0.03 per share.

On March 15, 2019, the Company entered into a promissory note with a third-party. The promissory note has a principal balance of \$100,000 and debt issuance costs of \$2,000, resulting in net proceeds of \$98,000, with a maturity date of June 14, 2019 and an interest rate of 4% per annum. As of the date of this report the Company has yet to repay the note and the note is in default. As a result of the default (i) the note bears an interest rate of 18% per annum and (ii) the Company shall issue a default warrant for each 90-day period from the date of the note until all outstanding obligations due under the note are paid in full. The default warrant is a cashless warrant to purchase 10% of the principal amount divided by the average closing price of the Company's common stock for the prior five days of the grant date (the "Current Share Price"). The default warrants have an exercise price of 110% of the Current Share Price and have an expiration date on the earlier of (i) the two-year anniversary of the date of the note and (ii) an event of early termination based on the merger, consolidation or liquidation of the Company.

On April 8, 2019, the board of directors authorized the issuance of 11,200,000 shares of the Company's Common Stock pursuant to debt conversion agreements with Altavoz prior to the Merger.

On April 8, 2019, the board of directors authorized the issuance of 4,000,000 shares of the Company's Common Stock to an investor per a January 8, 2018, board resolution.

On April 8, 2019, the board of directors authorized the issuance of 180,000 shares of the Company's Common Stock to a member of the board per a December 16, 2018, board resolution.

On April 8, 2019, the board of directors authorized the issuance of 2,500 shares of the Company's Common Stock for the conversion of 2012 Series B Preferred Shares.

On April 12, 2019, the Company entered into a promissory note with a third-party. The promissory note has a principal balance of \$200,000 and debt issuance costs of \$4,000, resulting in net proceeds of \$196,000, with a maturity date of July 11, 2019 and an interest rate of 4% per annum. As of the date of this report the Company has yet to repay the note and the note is in default. As a result of the default (i) the note bears an interest rate of 18% per annum and (ii) the Company shall issue a default warrant for each 90-day period from the date of the note until all outstanding obligations due under the note are paid in full. The default warrant is a cashless warrant to purchase 10% of the principal amount divided by the average closing price of the Company's common stock for the prior five days of the grant date (the "Current Share Price"). The default warrants have an exercise price of 110% of the Current Share Price and have an expiration date on the earlier of (i) the two-year anniversary of the date of the note and (ii) an event of early termination based on the merger, consolidation or liquidation of the Company.

On May 20, 2019, the Company entered into an employment agreement with David Perez (the "Employment Agreement"). Pursuant to the Employment Agreement the Mr. Perez will serve as the Company's Chief Executive Officer and Executive. The Employment Agreement will renew for one-year periods beginning on the first anniversary of the Employment Agreement unless Mr. Perez receives such termination notice or provides written notice of his rejection of such extension. The Company shall pay Mr. Perez a base monthly salary of \$20,833. Mr. Perez is eligible to receive an annual cash performance bonus at the discretion of the board of directors. Mr. Perez will also be eligible to participate in any bonus compensation plan applicable to the Company's executive employees. Mr. Perez will also be eligible to participate in any long-term equity incentive programs established by the Company for its senior level executives generally, and benefits under any benefit plan or arrangement that may be in effect from time to time and made available to similarly situated executives of the Company.

On June 24, 2019, the board of directors authorized the issuance of 5,000,000 shares of Series C Preferred Shares to a third-party for advisory services.

On June 24, 2019, the board of directors authorized the issuance of 592,652 shares of the Company's Series C Preferred Shares for the conversion of warrants.

On June 24, 2019, the board of directors authorized the issuance of an aggregate total of 42,137,524 shares of the Company's Series C Preferred Shares to three officers.

On June 24, 2019, the board of directors authorized the issuance of 5,000,000 shares of the Company's Common Stock to a third-party for advisory services.

On June 24, 2019, the board of directors authorized the issuance of an aggregate total of 1,264,126 shares of the Company's Series C Preferred Shares to two third-parties for advisory services.

On June 24, 2019, the board of directors authorized the grant of options to purchase a total of 2,000,000 shares of the Company's Common Stock to two third-parties for services rendered at an exercise price of \$0.03 per share.

On June 24, 2019, the board of directors authorized the issuance of an aggregate total of 333,368 shares of the Company's Series C Preferred Shares to two third-parties for services rendered.

On June 24, 2019, the board of directors authorized the issuance of options to purchase a total of 20,000,000 shares of the Company's common stock to two members of the Company's advisory board at an exercise price of \$0.03 per share.

On June 24, 2019, the board of directors authorized the issuance of an aggregate total of 2,889,005 shares of the Company's Series C Preferred Shares to three members of the Company's board.

On June 24, 2019, the board of directors authorized the issuance of an aggregate total of 3,682,864 shares of the Company's Series C Preferred Shares to five investors.

On June 24, 2019, the board of directors authorized the issuance of options to purchase 13,000,000 shares of the Company's common stock to a consultant for services at an exercise price of \$0.03 per share.

On August 2, 2019, the board of directors authorized the grant of options for 42,137,533 shares of the Company's common stock to a director at an exercise price of \$0.03.

On August 28, 2019, the board of directors authorized the grant of a warrant to purchase 118,000,000 shares of the Company's Common Stock to an investor at an exercise price of \$0.01 per share.

On September 9, 2019, the board of directors authorized the grant of options to purchase 10,000,000 shares of the Company's Common Stock to a consultant for services at an exercise price of \$0.03 per share.

On September 10, 2019, the board of directors authorized the grant of options to purchase 400,000 shares of the Company's common stock to an investor in connection with an amendment to the March 15, 2019, promissory note.

On September 11, 2019, the Company entered into a promissory note with a third-party. The promissory note has a principal amount of \$250,000 and a debt issuance cost of \$5,000, resulting in net proceeds of \$245,000, with a maturity date of December 10, 2019 and an interest rate of 4% per annum.

On September 13, 2019, the board of directors authorized the grant of a warrant to purchase 625,000 shares of the Company's common stock to an investor at an exercise price of \$0.03 per share.

On October 21, 2019, the board of directors authorized the issuance of 36,000,000 shares of the Company's Common Stock upon the conversion of warrants.

On October 21, 2019, the board of directors authorized the issuance of 10,000,000 shares of the Company's Common Stock to a third-party for consulting services.

On October 21, 2019, the board of directors authorized the issuance of 3,150,940 shares of the Company's Series C Preferred Shares pursuant to the departure agreement of a former board member.

On October 21, 2019, the board of directors authorized the grant of options to purchase 36,000,000 shares of the Company's Common Stock to an investor pursuant to an amendment to a warrant agreement at an exercise price of \$0.023.

On October 21, 2019, the board of directors authorized the grant of options to purchase 10,000,000 shares of the Company's Common Stock for services rendered at an exercise price of \$0.225 per share.

On November 5, 2019, Company entered into a Stock Purchase Agreement with an accredited investor. Pursuant to the Stock Purchase Agreement the investor will purchase 126,564,602 restricted shares of the Company's Common Stock for \$500,000.

On November 7, 2019, the board of directors authorized the grant of a warrant to purchase 10,000,000 shares of the Company's Common Stock in connection with the appointment of Oleg Volkosh to the Company's advisory board at an exercise price of \$0.03 per share.

On November 7, 2019, the board of directors authorized the grant of a warrant to purchase 18,000,000 shares of the Company's Common Stock to an employee at an exercise price of \$0.03 per share.