

Halberd Corporation

Consolidated Quarterly Financial Report
For the Three Months Ended January 31, 2021
Unaudited

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Halberd Corporation
P.O. Box 25
Jackson Center, PA 16133

March 15, 2021

I hereby certify that the accompanying unaudited consolidated financial statements and related footnotes hereto are based on the best information currently available to the Company. To the best of my knowledge, this information presents fairly, in all material respects, the financial position and stockholders' equity of Halberd Corporation as of January 31, 2021 and July 31, 2020 and the results of its operations and cash flows for the six months ended January 31, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America.

/s/ William Hartman
CEO

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Halberd Corporation
Consolidated Balance Sheets
As of January 31, 2021 and July 31, 2020
(Unaudited)

ASSETS	Balance at Jan 31, 2021	Balance at July 31, 2020
Cash & cash equivalents	\$126,612	\$2,086
Investments	0	0
Property and Equipment, Net	0	0
Total Assets	\$126,612	\$2,086

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities

Accounts Payable	\$5,000	\$0
Accrued Expenses	79,184	69,498
Accounts Payable - professional services	20,700	21,680
Notes Payable	0	0
Related Party Notes Payable	0	0

Total Current Liabilities	\$104,884	\$91,178
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Note Payable - SBA Loan	150,000	
Legal settlement	193,159	249,252
Judgement	180,235	180,235

Total Long Term Liabilities	\$523,394	\$429,487
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Total Liabilities	\$628,278	\$520,665
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Shareholders Deficit:

Common stock \$.0001 Par Value	311,679	302,721
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800,000,000 authorized 392,298,668

issued and outstanding Jan 31, 2021

And 302,721,539 as of July 31, 2020 respectively.

Preferred stock \$.0001 Par Value	10,000	10,000
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25,000,000 authorized 10,000,000

issued and outstanding Jan 31, 2020

And July 31, 2020 respectively.

Additional Paid In Capital	1,666,934	1,609,799
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Deficit	(2,490,279)	(2,441,099)
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Total stockholders deficit	\$ (501,666)	\$ (518,579)
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Total Liabilities and Stockholders Deficit	\$126,612	\$2,086
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Halberd Corporation
Consolidated Income Statements
For the Six Months Ended
Ended January 31, 2021 and 2020
(Unaudited)

	Six Months Ended Jan 31, 2021	Six Months Ended Jan 31, 2020
Revenue	\$ 30,520	\$0
Cost of revenue	19,175	-
Gross Profit (loss)	<u>11,345</u>	<u>-</u>
Operating Expenses	(73,337)	(36,295)
Operating Income (Loss)	\$ (61,992)	(36,295)
Other income (expenses)		
Other income	15,000	
Loss on sale or disposal	-	
Deprecation expense	-	
Interest expense	\$ (2,188)	
Total other income (expenses)	\$ 12,812	\$ -
Loss before income taxes	<u>(49,180)</u>	<u>(36,295)</u>
Minority interest	-	-
Net (Loss)	<u>(49,180)</u>	<u>(36,295)</u>
Net Loss per share	\$ (0.001)	\$ (0.001)
Basic and diluted		
Weighted average number of shares	392,298,668	302,721,539
Basic and diluted		

See notes to the financial statements

Halberd Corporation

Consolidated Statement of Changes in Stockholders Equity (Deficit)

From July 31, 2019 to January 31, 2021

(Unaudited)

	Common stock Par Value .0001	Preferred Shares	Amount	Paid-in Capital	Accumulated Deficit	Total
Balance July 31, 2019.	302,721,539	\$302,721	10,000,000	\$ 10,000	\$ 1,609,799	\$ (2,392,469)
					\$ (469,949)	

Net (Loss) for the Year

ended July 31, 2020

Balance July 31, 2020	302,721,539	\$302,721	10,000,000	\$ 10,000	\$ (48,630)	\$ (48,630)
				\$ 1,609,799	\$ (2,441,099)	\$ (518,579)

Share Issuances

89,577,129 \$8,958

\$57,135

\$66,093

Net (Loss) for the Six

Months ended Jan 31, 2021

Balance Jan 31, 2021	392,398,668	\$311,679	10,000,000	\$ 10,000	\$ (48,180)	\$ (49,180)
				\$ 1,666,934	\$ (2,490,279)	\$ (501,666)

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See the notes to the Financial Statement

Halberd Corporation
Consolidated Statement Of Cash Flows
For the six months ended Jan. 31, 2021 and 2020

	(Unaudited)	Six Months Ended	Six Months Ended
		.01/31/21	.01/31/20
Cash flows from operating activities			
Net Profit/Loss		\$ (49,180)	\$ (36,295)
Adjustments:			
Provision for doubtful accounts		-	-
Depreciation		-	-
Amortization of compensatory options		-	-
Gain on sale of equipment		-	-
Common stock issued for:			
Consulting services		-	-
Changes in Assets & Liabilities: Decrease (Increase)			
Accounts Receivables		-	-
Investments		-	-
Property & equipment		-	-
Accrued interest payable		2,188	-
Accounts payable & accrued expenses		11,518	36,295
Net cash used in operating activities		<u>\$ (35,474)</u>	<u>\$0</u>
Cash flows from financing activities			
Proceeds from issuance of stock		-	-
Convertible note issued converted		-	-
Subscription receivable		-	-
Common stock pending issuance		-	-
Net assets acquired in Merger		-	-
Preferred stock converted		-	-
Proceeds from warrants		10,000	-
Proceeds from note payable related		-	-
Proceeds from SBA loan		150,000	-
Net cash provided by financing activities		160,000	-
Net cash increase (decrease)		<u>\$124,526</u>	<u>\$0</u>
Cash at the beginning of period		<u>\$2,086</u>	<u>\$0</u>
Cash at the end of period		<u>\$126,612</u>	<u>\$0</u>
Interest paid during the year		\$2,188	\$0

Halberd Corporation
Notes to Financial Statements
January 31, 2021
(Unaudited)

NOTE – 1 DESCRIPTION OF BUSINESS

The financial statements include the accounts of Halberd Corporation, which was incorporated in Nevada on January 26, 2009. It changed its name to Tykhe Corporation on April 22, 2014. It then redomiciled to Colorado and changed its name to Alaric Corporation on January 25, 2017. Finally, on March 22, 2020, it changed its name to HALB Transition Corporation, before engaging in a reorganization whereby the name of the public company again became Halberd Corporation with a subsidiary named Alaric Corporation.

The primary business of the company is seeking various forms of COVID-19 relief including for testing, preventative and alleviating direct and collateral effects.

Certain accounting reclassifications have been made in the financial statements in prior years to correct & properly state the financial statements. The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustment that might become necessary should the Company be unable to continue as a going concern. The company's ability to continue as a going concern may be dependent on its ability to raise capital thru financing.

NOTE – 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of convertible notes payable and the valuation allowance of deferred tax assets.

Fair value of financial instruments and financial statements

The Company measures financial assets and liabilities in accordance with generally accepted accounting principles. The financial statements have been prepared in accordance with generally accepted accounting principles.

Halberd Corporation
Notes to Financial Statements
January 31, 2021
(Unaudited)

Revenue recognition

Revenue from sales of products and services is recognized when persuasive evidence of an arrangement exists, products have been shipped or services have been delivered to the customer, the price is fixed or determinable and collection is reasonably assured.

Stock-based compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees and earned. The Company accounts for non-employee share-based awards in accordance with ASC Topic 505-50.

Fixed Assets

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are charged to expense as incurred. Expenditures for betterments and renewals are capitalized. The cost of fixed assets and the related accumulated depreciation are removed from the accounts upon retirement or disposal with any resulting gain or loss being recorded in operations.

Intangible Assets

Intangible assets with no determinable life are initially assessed for impairment upon purchase, with subsequent assessments required annually. When there is reason to suspect that their values have been diminished or impaired, a write-down is recognized as necessary. Intangible assets with rights that expire over time are amortized over the time period that the rights exist.

Income taxes

Income Taxes - The Company accounts for income taxes using the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes. Under this standard, deferred tax assets and liabilities represent the estimated tax effects of future deductible or taxable amounts attributed to differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities. The standard also allows recognition of income tax benefits for loss carry-forwards, credit carry-forwards and certain temporary differences for which tax benefits have not previously been recorded. Valuation allowances are provided for uncertainties associated with deferred tax assets. The company has not filed state and federal tax returns since its inception in January 26, 2009. The Company has determined that there will be no tax liability, particularly net of net operating losses that the Company has accumulated.

Halberd Corporation
Notes to Financial Statements
January 31, 2021
(Unaudited)

Net loss per share

The Company computes net earnings (loss) per share in accordance with ASC 260-10, "Earnings per Share." ASC 260-10 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive.

NOTE – 3 Going Concern

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern.

NOTE – 4 Legal Settlements/ Contingent Liabilities

On the consolidated financial statements there is a liability for \$ 193,159 from a court Ordered settlement to a law firm dated May 7, 2014.

On the consolidated financial statements there is a liability for \$180,235 from a judgment entered on February 19, 2015. Legal counsel has advised the company as follows : On the consolidated financial statements there is a liability for \$180,234 from a judgment entered on February 19, 2015. However, the public company, as the successor issuer, is not liable for this obligation. Instead, it is the liability of the subsidiary, Alaric Corporation, which is the predecessor issuer and which has no assets. As a result, it is highly unlikely that this amount would ever be paid. Moreover, this is not an encumbrance against the public entity. This consequence is the direct result of the holding company reorganization described above in which all assets and all liabilities of the predecessor issuer, Alaric Corporation, remained the assets and liabilities of that entity while a newly formed corporation, under the name Halberd Corporation (since renamed Technology Health Inc.), the successor issuer, was created in order to engage in the current business endeavor, unencumbered by liabilities of the predecessor issuer, Alaric Corporation.

Halberd Corporation
Notes to Financial Statements
January 31, 2021
(Unaudited)

NOTE – 5 Subsequent Event – Investor caution/added risk and uncertainties for investors in companies claiming involvement in COVID-19 initiatives –

On April 8, 2020, SEC Chairman Jay Clayton and William Hinman, the Director of the Division of Corporation Finance, issued a joint public statement on the importance of disclosure during the COVID-19 crisis. The SEC and Self-Regulatory Organizations are targeting public companies that claim to have products, treatment or other strategies with regard to COVID-19. The Company has made such claims and continues to make such claims, particularly in connection with agreements with other companies resulting in the acquisition of license agreements pertaining to patented (albeit patents associated with the use of such technology for other medical maladies such as cancer and not COVID-19) and unpatented technologies, including provisional patents. The ultimate impact of the COVID-19 pandemic on the Company's operations is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID-19 outbreak. Additionally, new information may emerge concerning the severity of the COVID-19 pandemic, and any additional preventative and protective actions that governments, or the Company, may direct, which may result in an extended period of continued business disruption, reduced customer traffic and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time. The company further cautions investors that its primary focus and goal is to battle this pandemic for the good of the world. As such, it has cautioned as to the possibility that it may find it necessary to make disclosures which are consistent with that goal, but which may be adverse to the pecuniary interests of the Company and of its shareholders.

Note - 6 Warrants

The company has outstanding warrants of 462,000,000 as of January 31, 2021, issued to various officers, directors and consultants, all issued during this calendar year and all issued in exchange for services rendered. No other monetary compensation by the company is available to these individuals. In each case, by their express terms, they are exercisable at a price of one cent per share, in exchange for 2 year restricted shares from the date of exercise. Also, in each case, there is no provision for a cashless exercise. As of 01/31/21 only 1,000,000 shares have been exercised, \$10,000 having been paid, by Dr. Mitchell Felder.

Note – 7 Funding Commitment

The company has received a binding funding commitment from a charitable organization, recently approved by the Internal Revenue Service and qualified under Internal Revenue Code section 501(c)(3), Epidemiological Solutions Corporation for \$2 million to fund the company's research and development endeavors. \$21,782 was the first payment on or about August 31, 2020. All other monthly payments are for \$50,000. As of this filing 01/31/21 payments are up-to-date, totaling \$221,738.