Global Trac Solutions, Inc.

Financial Statements

For the Years Ended December 31, 2020 and 2019

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of PSYC Corporation (f/k/a Global Trac Solutions, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PSYC Corporation (f/k/a Global TracSolutions, Inc.) (the Company) as of December 31, 2020 and 2019, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the year ended December 31 2020 and 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year ended December 31, 2020 and 2019, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

As discussed in Note 1 to the financial statements, the Company had a going concern due to the cumulative net loss year-over-year which resulted in stockholders' deficiency. Also, the company discontinued operations in their MTrac Systems.

Auditing management's evaluation of a going concern can be a significant judgment given the fact that the Company uses management estimates on future revenues and expenses which are not able to be substantiated.

To evaluate the appropriateness of the going concern, we examined and evaluate the financial information that was the initial cause along with management's plans to mitigate the going concern and management's disclosure on going concern.

/s/ M&K CPAS, PLLC
We have served as the Company's auditor since 2018.
Houston, TX
March 21, 2022

GLOBAL TRAC SOLUTIONS, INC.
Consolidated Balance Sheets

		As of December 31, 2020		As of December 31, 2019
ASSETS				
Current Assets				
Cash and cash equivalents	$	194,400	$	53,440
Prepaid expenses and other current assets		1,029		114,014
Total Current Assets		195,429		167,454
Non-Current Assets				
Property and equipment, net of accumulated depreciation of $9,427 and $24,994, respectively		10,380		19,807
Intangibles, net of accumulated amortization of $435 and $616 respectively		3,299		3,734
Right of use asset		-		36,594
TOTAL ASSETS	$	209,108	$	227,589
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts payable	$	102,943	$	70,602
Accrued expenses		606,973		435,018
Notes Payable		50,000		554,428
Convertible Notes Payable net of discount of $263,425 and $0		4,421,311		3,540,236
Accrued Interest		2,124,442		1,771,308
Current maturities of operating lease obligations		-		27,039
Total Current Liabilities		7,305,669		6,398,631
Long-Term Liabilities				
Operating lease obligation		-		9,729
CARE loans		150,000		-
Total Liabilities		7, 455,669		6,408,360
Commitments and contingent liabilities		-		-
Stockholders' Deficit:				
Preferred stock, $0.001 par value (shares authorized-1,000,000) Series A: 1,000,000 shares issued and outstanding at December 31, 2020 and at December 31, 2019		1,000		1,000
Preferred stock, $0.001 par value (shares authorized-69,000,000) Series B: 69,000,000 shares issued and outstanding at December 31, 2020 and December 31, 2019		69,000		69,000
Preferred stock, $0.001 par value (shares authorized-10,000,000) Series C: 6,345,000 and 4,437,500 shares issued and outstanding at December 31, 2020 and December 31, 2019		6,845		4,438
Common stock, $0.001 par value (shares authorized-4,000,000,000); 320,045,040 and 55,170,498 shares issued and outstanding at December 31, 2020 and December 31, 2019		320,045		55,170
Additional paid-in capital		86,967,203		84,111,289
Treasury Stock, 10,564,162 and 940,035 outstanding at December 31, 2020 and December 31, 2019		-		(257,022)
Stock to be issued		-		51,000
Accumulated deficit		(94,610,654)		(90,215,646)
Total Stockholders' Deficit		(7,246,561)		(6,180,771)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	209,108	$	227,589

See accompanying notes to the consolidated financial statements

GLOBAL TRAC SOLUTIONS, INC.
Consolidated Statements of Operations

	Years Ended December 31, 2020	Years Ended December 31, 2019
Revenues	$ -	$ -
Cost of revenues	-	-
Gross profit	-	-
Operating Expenses		
Depreciation expense	9,427	7,640
Amortization expense	435	435
General and administrative	3,024,238	3,666,145
Total Operating Expenses	3,034,100	3,374,220
Loss from Operations	(3,034,100)	(3,374,220)
Interest expense	(1,000,700)	(944,981)
Loss on settlement of accrued expenses	(125,380)	16,282
Loss on debt conversion	(142,167)	-
Loss on impairment	(111,638)	-
Loss on treasury stock – related party	-	(80,846)
Other Income (Expense)	7,525	93,896
Total Other Income (Expense)	(1,372,360)	(915,649)
Net Income (Loss) from Continued Operations	(4,406,460)	(4,589,869)
Net Income (Loss) from Discontinued Operations	11,452	796,203
Net Loss	$ (4,395,008)	$ (3,793,666)
Weighted average number of shares outstanding – basic and diluted	145,970,098	39,451,515
Net income/(loss) per common share – basic and diluted	$ (0.03)	$ (0.10)

See accompanying notes to the consolidated financial statements

GLOBAL TRAC SOLUTIONS, INC.
Consolidated Statements of Changes in Stockholders' Deficit

	Series A Preferred		Series B Preferred		Series C Preferred		Common Shares		Additional				
	Shares Issued	**Amount**	**Shares Issued**	**Amount**	**Shares Issued**	**Amount**	**Shares Issued**	**Amount**	**Paid-In Capital**	**Treasury Stock**	**To Be Issued**	**Accumulated Deficit**	**Equity (Deficit)**
Balance December 31, 2018	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**-**	**$ -**	**31,251,030**	**$31,251**	**$81,410,411**	**$ (39,500)**	**$150,000**	**$(86,421,980)**	**$(4,799,818)**
Stock issued for cash	-	-	-	-	-	-	4,252,778	4,253	770,747	-	(99,000)	-	676,000
Stock issued for services	-	-	-	-	4,437,500	4,438	5,384,047	5,383	1,469,574	-	-	-	1,479,395
Stock issued for conversion of convertible debt	-	-	-	-	-	-	14,217,643	14,218	366,109	-	-	-	380,327
Stock issued for settlement of debt	-	-	-	-	-	-	130,000	130	57,770	-	-	-	57,900
Repurchase of common stock	-	-	-	-	-	-	-	-	-	(242,375)	-	-	(242,375)
Cancellation of treasury stock	-	-	-	-	-	-	(65,000)	(65)	(24,788)	24,853	-	-	-
Amortization of warrants	-	-	-	-	-	-	-	-	61,466	-	-	-	61,466
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	(3,793,666)	(3,793,666)
Balance December 31, 2019	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**4,437,500**	**$ 4,438**	**55,170,498**	**$ 55,170**	**$84,111,289**	**$(257,022)**	**$ 51,000**	**$(90,215,646)**	**$(6,180,771)**
Stock issued for cash	-	-	-	-	-	-	2,500,000	2,500	22,500	-	-	-	25,000
Stock payable issuance	-	-	-	-	-	-	1,700,000	1,700	49,300	-	(51,000)	-	-
Stock issued for services	-	-	-	-	2,157,500	2,158	31,500,000	31,500	1,338,403	-	-	-	1,372,060
Stock issued for conversion of preferred C	-	-	-	-	(250,000)	(250)	2,500,000	2,500	(2,250)	-	-	-	-
Stock issued for conversion of convertible debt	-	-	-	-	-	-	194,192,206	194,192	277,293	-	-	-	471,486
Stock issued for settlement of debt	-	-	-	-	500,000	500	17,625,000	17,625	401,513	-	-	-	419,638
Stock issued for conversion of warrant	-	-	-	-	-	-	22,222,222	22,222	(22,222)	-	-	-	-
Repurchase/Cancellation of treasury stock	-	-	-	-	-	-	(7,364,886)	(7,365)	(95,635)	257,022	-	-	154,022
BCF of Warrants	-	-	-	-	-	-	-	-	125,000	-	-	-	125,000
Loss on conversion of debt	-	-	-	-	-	-	-	-	142,167	-	-	-	142,167
Beneficial conversion feature	-	-	-	-	-	-	-	-	619,845	-	-	-	619,845
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	(4,395,008)	(4,395,008)
Balance December 31, 2020	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**6,845,000**	**$ 6,845**	**320,045,040**	**$ 320,045**	**$86,967,203**	**$-**	**$ -**	**$(94,610,654)**	**$(7,246,561)**

GLOBAL TRAC SOLUTIONS, INC.
Consolidated Statements of Cash Flows

	Years Ended December 31, 2020	2019
Cash Flows from Operating Activities		
Net Income (Loss) for the period	$ (4,406,460)	$ (4,589,969)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	9,427	7,640
Amortization expense	435	435
Amortization of debt discount	481,420	419,734
Additional compensation expense	154,022	-
Stock based compensation	1,372,060	1,479,395
Preferred stock issued for settlement of RP dent	97.500	-
Common stock issued for settlement of RP debt	322,138	-
Loss on debt conversion	142,167	-
Gain on settlement of debt	(24,644)	-
Loss on treasury stock	-	80,846
Loss on impairment	111,638	-
Changes in operating assets and liabilities:		
Prepaid expenses	1,347	54,486
Right of use assets	-	11,100
Accounts Payable	32,167	(60,280)
Accrued Expenses	171,955	247,920
Accrued Interest	502,361	481,758
Lease Liability	-	(10,926)
Cash used in operating activities of continuing operations	(1,032,467)	(2,712,108)
Cash provided by operating activities of discontinuing operations	11,452	796,303
Cash used in operating activities	(1,021,015)	(1,081,558)
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(6,086)
Net cash used in investing activities	-	(6,086)
Cash Flows from Financing Activities		
Payments on convertible debentures	-	(7,123)
Payments on notes payable	(153,525)	(160,626)
Repurchase of common shares	-	(323,221)
Proceeds from sale of common stock	25,000	676,000
Proceeds from SBA loan	150,000	-
Proceeds received on convertible debt	1,085,000	480,000
Proceeds received on notes payable - related parties	55,500	-
Proceeds received on notes payable	-	192,654
Net cash provided by financing activities	1,161,975	857,684
Increase (Decrease) in Cash and Cash Equivalents	140,960	(229,960)
Cash and Cash Equivalents--Beginning of Period	53,440	283,400
Cash and Cash Equivalents--End of Period	$ 194,400	$ 53,440
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	$ 26,845	$ 45,195
Cash paid for income taxes	$ -	$ -
Non-Cash Investing and Financing Activities		
Debt Discount on notes	$ 744,845	$ -
Conversion of warrants	$ 22,222	$ -
Conversion of preferred stock	$ 2,500	$ -
Conversion of debt and accrued interest to equity	$ 435,500	$ 380,327
Cancellation and repurchases of common stock	$ (103,000)	$ (24,853)

Implementation of ASC 842	$ -	$ 47,694
Extinguishment on convertible notes	$ 495,000	$ -
Stock issued for settlement of accounts payable	$ -	$ 57,770
Stock issued from previous payments	$ 51,000	$ 150,000

See accompanying notes to the consolidated financial statements

Global Trac Solutions, Inc.
Notes to the Consolidated Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Basis of Operations

Global Trac Solutions, Inc. ("Global Trac Solutions" the "Company", or "Global") was incorporated under the laws of the State of California on July 24, 2009 to operate a prepaid credit card business. On December 9, 2010, we merged with Go Healthy, Inc., a Florida corporation and became a public entity and changed our name to Global Payout, Inc. On March 14, 2011, the Company merged into its wholly owned subsidiary, Global Trac Solutions, Inc., a California Corporation.

On March 10, 2015 Global management incorporated MoneyTrac Technology, Inc. ("MTT"), under the laws of the State of California. MTT was wholly owned by the Company. The Board of Directors initially considered spinning off MTT and reported as such on the OTC Markets Pink Sheet disclosures. An aggregate of 110,354,996 MTT shares were issued to individual investors and service providers, reducing the Company's equity position. On June 1, 2018, the Company approves the Merger Agreement with MTT to acquire the 110,354,996 non-controlling common stock of MTT.

On June 4, 2018, MTrac Tech Corporation ("MTrac Tech"), wholly owned subsidiary of the Company, was incorporated under the laws of the State of Nevada.

On June 12, 2018, MoneyTrac Technology, Inc. was merged into MTrac Tech with MTrac Tech as the surviving Nevada chartered, wholly owned subsidiary of the Company (the "MTrac Tech Merger") and changed the business model of the overall company. Global will now focus on the delivery of a blockchain powered payment platform to a variety of "high-cost" and "high risk" industries. MTrac is solving the problem of cash and high-cost payment processing in ' high-risk ' industries, where legal businesses are being denied access to traditional banking models. The cashless solution, built on patented blockchain technology, is able to secure funds in a one-to-one ratio, which move into the ecosystem via cash, credit, or ACH, with preset guidelines and restrictions to satisfy AML/KYC compliance. KYC stands for 'Know Your Customer' and AML stands for 'Anti-Money Laundering'. It was the process of a business identifying and verifying the identity of its clients. Cashless transactions occurred between two parties on the MTrac platform without the need of a third-party intermediary. Since the funds were secured and verified upon entry, all transactions settle immediately without having to wait for reconciliation.

On February 11, 2020, Global Payout, Inc. changed its name to Global Trac Solutions, Inc. and our symbol changed to PSYC. On June 12, 2020, the Company announced, through a press release, its intent to effectively phase-out all business-related activities associated with MTrac and transition out of the cannabis industry in order to more effectively focus its efforts on expanding within the emerging medicinal psychedelic market space, resulting, in managements' opinion, of an uninterrupted conversion from one business to another. During the last quarter, management effectively concluded all ongoing operations associated with MTrac as the Company maintained the business operations needed to transition to the current business plan related to the medicinal psychedelic market. As management concluded the MTrac business, the Company will continue to resolve any remaining and outstanding obligations, financial and otherwise, associated with MTrac business operations. MTrac remains as a wholly owned subsidiary of the Company.

The Company's stock is quoted on the OTC Markets Pink Sheets under the ticker symbol PSYC.

Going Concern

The Company's consolidated financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. As reflected in the consolidated financial statements, the Company had a stockholders' deficit of $7,246,561 at December 31, 2020 and incurred a loss from operations for the year ended December 31, 2020 of $4,395,008, which include gross profits from discontinued operations of $11,452, and utilized net cash used in operating activities of $1,858,322. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the date that the financial statements are issued. In addition, the Company's independent public accounting firm in its audit report to the financial statements expressed substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management estimates that the current funds on hand and raising capital through proceeds from the notes payable and the sale of common stock subscriptions will be sufficient to continue operations through 2021. The ability of the Company to continue as a going concern is dependent on the Company's ability to execute its strategy and in its ability to raise additional funds. Management is currently seeking additional funds, primarily through the issuance of equity securities for cash to operate its business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

COVID-19.

THE OUTBREAK OF THE CORONAVIRUS MAY NEGATIVELY IMPACT SOURCING AND MANUFACTURING OF THE PRODUCTS THAT WE SELL AS WELL AS CONSUMER SPENDING, WHICH COULD ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The significant outbreak of COVID-19 has resulted in a widespread health crisis that could adversely affect the economies and financial markets worldwide, and could adversely affect our business, results of operations and financial condition. We cannot, at this point, determine the extent to which the COVID-19 outbreak will impact business or the economy as both are highly uncertain and cannot be predicted.

Note 2 – Discontinued Operations

The Company reports discontinued operations by applying the following criteria in accordance with ASC Topic 205-20 – Presentation of Financial Statements – Discontinued Operations: (1) Component of an entity; (2) Held for sale criteria; and (3) Strategic shift.

The key reason for the decrease in gross profits in 2020, was a result of GreenBox commencing with an undertaking to redevelop their patented payment processing software technology during the fourth quarter of 2019 which served as the basis and foundation of The MTrac System. During this process, The MTrac System's processing capabilities were drastically limited, and the Company was required to discontinue services for nearly 85% of its merchants and consequently resulting in a significant decrease in the Company's revenue derivation which continued during the year ended December 31, 2020.

On June 12, 2020, the agreement, as revised, between was terminated by and between MTrac, GreenBox and Cultivate through the mutual agreement of the parties with neither MTrac nor the Company having any residual or current obligations to GreenBox and Cultivate and GreenBox and Cultivate having no residual or current obligations to MTrac. This termination was to part of the ongoing transition from a cannabis-based business to the Company's current business plan related to the medicinal psychedelic market.

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple.

The following table discloses the results of operations of the businesses reported as discontinued operations for the years ended December 31, 2020, 2019, respectively:

		December 31, 2020		December 31, 2019
Revenues	$	17,978	$	1,412,156
Cost of revenues		6,526		615,953
Gross profit		11,452		796,203

Note 3 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company and the accompanying notes included in this Quarterly Report are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the Consolidated Financial Statements have been included. Such adjustments are of a normal, recurring nature. The Consolidated Financial Statements, and the accompanying notes, are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and do not contain certain information included in the Company's Annual Report for the fiscal year ended December 31, 2019. The interim Consolidated Financial Statements should be read in conjunction with that Annual Report. Results for the interim period are not necessarily indicative of the results that might be expected for the entire fiscal year.

On July 18, 2019, a 100-1 reverse stock split was approved by the Financial Industry Regulatory Authority ("FINRA") and with an ex-dividend date of July 19, 2019. All shares of common stock reflect the 100 for 1 reverse stock split on July 19, 2019.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Those estimates and assumptions include depreciable lives of property and equipment, analysis of impairments of recorded goodwill, accruals for potential liabilities, and assumptions made in valuing stock instruments issued for services.

Fair Value of Financial Instruments

The Company follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification for disclosures about fair value of its financial instruments and to measure the fair value of its financial instruments. The FASB Accounting Standards Codification establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the fair value hierarchy are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally unobservable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses, approximate their fair values because of the short maturity of these instruments. The carrying values of notes payable and convertible notes approximate their fair values due to the fact that the interest rates on these obligations are based on prevailing market interest rates.

Principles of consolidation

The accompanying condensed consolidated financial statements at December 31, 2020 and 2019 and for the years then ended include the accounts of Global Payout Inc. and the following majority-owned subsidiaries.

Subsidiary:		Percentage Owned	
		2020	2019
MTrac Tech Corporation	*	100.00%	100.00%

* On June 12, 2018 MoneyTrac Technology, Inc. was merged into MTrac Tech Corporation as the surviving Nevada chartered, wholly owned subsidiary of the Company.

All Intercompany transactions have been eliminated upon consolidation.

Revenue Recognition

Effective January 1, 2018, and in conjunction with the prior business of the Company which is reflected in the historical financials presented herein, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied. For the comparative periods, revenue has not been adjusted and continues to be reported under ASC 605 — Revenue Recognition. Under ASC 605, revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured.

There was no impact on the Company's financial statements as a result of adopting Topic 606 for the period ended December 31, 2020 and 2019.

The Company's main source of revenue in 2019 and through the first two fiscal quarters of 2020 were comprised of the following from the Company's wholly-owned subsidiary, MTrac Tech Corporation:

- Processing of the retail customer payment at one of our merchants, the customer simply swipes his or her card through a pin pad (which is called a Dejavoo Terminal in our system) that we provide to them to access the MTrac System. These fees are based on a percentage of the customer payment and are recognized as the services are performed.

Effective June 30, 2020, the Company effectively commenced the transition out of all business operations associated with MTrac Tech Corporation and the MTrac System. Furthermore, the Company does not currently anticipate nor foresee any future revenue realization from this wholly-owned subsidiary.

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple.

The Company management is focusing on revenue generation through the potential sale and execution of media partnership and affiliate partnership agreements with the growing list of companies operating within the medicinal psychedelic sectors as well as other related industries such as the health and wellness and nutraceuticals industries where the Company believes it can leverage its aforementioned digital media platforms to potentially optimize marketing and awareness-driven initiatives for companies operating across these sectors. It is the Company's intent, pursuant to its 2021 business plan, to adopt a more centralized focus on the execution of media partnership agreements whereby the Company intends to seek monthly retainers for its marketing and media service offerings at rates ranging from $2,500 USD to upwards of $10,000 USD per month.

No assurances can be provided as to the profitability or amount of revenue to be derived pursuant to the current business plan.

In August 2020, the Company announced the establishment of a content collaboration and affiliate partnership with MD Media Inc. (a.k.a. Microdose Psychedelic Insights), to, in effect, create an opportunity for the companies to co-develop content focused on the medicinal psychedelic industry. Additionally, the partnership provides the Company, through Psychedelic Spotlight, to earn commissions on the sale of psychedelic-related conferences hosted by Microdose Psychedelic Insights.

In September 2020, the Company established an affiliate partnership with BodyChek Wellness for the purpose of promoting the advertisement and sale of their line of functional mushroom supplements (i.e. lion's mane, maca root, cordyceps).

On January 19, 2021, the Company announced the execution of a Joint Venture Partnership (the "JV") with PsycheDev, Inc. Pursuant to the terms of the JV, the Company received a 15% equity stake in PsycheDev in return for a $15,000.00 investment made by the Company into PsycheDev, Inc. The Company anticipates the realization of earnings from the 15% equity stake it acquired in January 2021 in PsycheDev, Inc., a Montreal-based digital mental health company focused on the development and eventual launch of a digital mental health application. Furthermore, the JV calls for the co-development between the companies for the PsycheDev mobile application intended for release to the general public in late 2021. It is the intent of the companies to establish and implement a subscription-based model for the app as a means of monetization. It is expected, but not guaranteed, for this subscription-based model to follow a similar format as seen with similar apps currently available such as Calm and Mindspace.

While management is optimistic that its strategic relationships with MD Media Inc., BodyChek Wellness, and PsycheDev, Inc. will be beneficial to our business, financial condition and results of operations, there can be no assurances when or if such benefits will transpire.

On January 21, 2021, the Company became a Limited Partner in TCF I LP, a United Kingdom Limited Partnership operating as a private fund limited partnership in England (a.k.a. "The Conscious Fund") (the "Fund") through the Company's investment into the Fund's private placement memorandum. The Company executed its initial investment of $125,000 USD into the Fund on January 19, 2021 and intends to complete a full investment amount into the Fund of $500,000 USD within a four-year period from the date of its initial investment.

Management believes that this investment into the Fund provides the Company with an interest in the Fund's current and future portfolio of companies it has. The Fund's portfolio currently consists of a diverse range of early-stage ventures focused on operating with the medicinal psychedelic industry. To learn more about The Conscious Fund, please visit their website: https://theconscious.fund/ (which website and content is expressly not incorporated into this report). Investment proceeds will be apportioned to Limited Partners (i.e. the Company) in accordance with the terms set forth within the private placement memorandum. There can be no assurances that the investment will result in any financial or business benefit to our company.

Cash Equivalents

The Company considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. The fair values of these investments approximate their carrying values.

The Company's cash and cash equivalents are maintained with recognized financial institutions located in the United States. In the normal course of business, the Company may carry balances with certain financial institutions that exceed federally insured limits. The Company has not experienced losses on balances in excess of such limits and management believes the Company is not exposed to significant risks in that regard.

Intangible Assets

The Company records identifiable intangible assets acquired from other enterprises or individuals at cost. Intangible assets consist of trademarks acquired by the Company which are being amortized over the estimated life of the patent licenses for a period of 10 years.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset, generally three to five years. Fully depreciated assets are retained in property, equipment and accumulated depreciation accounts until they are removed from service. Management performs ongoing evaluations of the estimated useful lives of the property and equipment for depreciation purposes. Maintenance and repairs are expensed as incurred.

Beneficial Conversion Features on Notes Payable and Convertible Notes Payable

Convertible instruments that are not bifurcated as a derivative pursuant to ASC 815, *Derivatives and Hedging*, and not accounted for as a separate equity component under the cash conversion guidance are evaluated to determine whether their conversion prices create an embedded beneficial conversion feature at inception, or may become beneficial in the future due to potential adjustments.

A beneficial conversion feature is a nondetachable conversion feature that is "in-the-money" at the commitment date. The in-the-money portion, also known as the intrinsic value of the option, is recorded in equity, with an offsetting discount to the carrying amount of convertible debt to which it is attached. The discount is amortized to interest expense over the life of the debt with adjustments to amortization upon full or partial conversions of the debt.

Non-Controlling Interest

Non-controlling interest represents the non-controlling interest holders' proportionate share of the equity of the Company's majority-owned subsidiaries. Non-controlling interest is adjusted for the non-controlling interest holders' proportionate share of the earnings or losses and other comprehensive income (loss) and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

Stock-Based Compensation

The Company adopted FASB guidance on stock-based compensation upon inception at November 18, 2013. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

Our employee stock-based compensation awards are accounted for under the fair value method of accounting, as such, we record the related expense based on the more reliable measurement of the services provided, or the fair market value of the stock issued multiplied by the number of shares awarded.

We account for our employee stock options under the fair value method of accounting using a Black-Scholes valuation model to measure stock option expense at the date of grant. We do not backdate, re-price, or grant stock-based awards retroactively. As of the date of this report, we have not issued any stock options.

Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share reflects the potential dilution, using the treasury stock method that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the income (loss) of the Company. In computing diluted income (loss) per share, the treasury stock method assumes that outstanding options and warrants are exercised and the proceeds are used to purchase common stock at the average market price during the period. Options and warrants may have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options and warrants. All possible conversions would have an antidilutive effect.

Impairment Testing of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. The Company did not take any uncertain tax positions and had no adjustments to unrecognized income tax liabilities or benefits for the years ended December 31, 2020 and 2019.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018. Early adoption is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is in the process of evaluating the impact of ASU 2016-02 on the Company’s financial statements and disclosures.

In June 2018, the FASB issued ASU 2018-07, Compensation - Stock Compensation (Topic 718): Improvement to Nonemployee Share-Based Payment Accounting, which is part of the FASB’s simplification initiative to maintain or improve the usefulness of the information provided to the users of financial statements while reducing cost and complexity in financial reporting. This update provides consistency in the accounting for share-based payments to nonemployees with that of employees. This update is effective for interim and annual reporting periods beginning after December 15, 2018, and the Company is currently evaluating its financial statement impact.

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

Note 4 – Debt

Convertible Notes Payable

2019 Transactions

During 2019, from January 29, 2019 to December 30, 2019 the Company entered into a series of convertible promissory notes in aggregate amount of $480,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at ten (10%) to twelve (12%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices varying from $0.03 to $0.80.

During the twelve months ended December 31, 2019 the Company issued Convertible Notes for cash proceeds of $480,000, converted $324,000 of principal and interest of 56,326 into shares of common stock.

As of December 31, 2019, the Company has outstanding convertible promissory notes (the "Convertible Notes") of $3,540,236 (net of unamortized discount of $0).

2020 Transactions

From January 10, 2020 to March 10, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $115,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.25 to $0.35.

On February 1, 2020, the Company entered into a Securities Purchase Agreement consisting of a convertible promissory note in the amount of $125,000, and an attached common stock purchase warrant to purchase up to Fifty Million (50,000,000) shares of Common Stock, with Brandon Robinson. The convertible promissory note agreement bears interest at eighteen (18%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at a conversion price of $0.01.

From April 10, 2020 to June 1, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $130,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.15 to $0.20.

On April 15, 2020, the Company converted a note payable and accrued interest into a convertible promissory note in the amount of $495,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at ten (10%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.01.

On June 17, 2020, the Company received $150,000 under the Paycheck Protection Program from the SBA. The loan bears interest at three and seventy-five (3.75%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity.

From June 1, 2020 to September 29, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $245,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.1 to $0.20.

From October 9, 2020 to December 21, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $345,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.08 to $0.15.

On November 18, 2020 the Company entered into a convertible promissory note in the amount of $100,000, with Kenneth Haller. The convertible promissory note agreement bears interest at eighteen (12%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.0025.

On November 20, 2020 the Company entered into a convertible promissory note in the amount of $25,000, with Planet Payment Processing. The convertible promissory note agreement bears interest at eighteen (1.5%) percent, has a six (6) month maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.003.

During the twelve months ended December 31, 2019 the Company issued Convertible Notes for cash proceeds of $480,000, converted $324,000 of principal and interest of 56,326 into shares of common stock.

During the twelve months ended December 31, 2020 the Company issued Convertible Notes for cash proceeds of $1,580,000 (including the $495,000 note replacement), converted $471,486 of principal and interest, and paid down $10,500 of interest in cash into 194,192,206 shares of common stock. This resulted in a $495,000 discount on a convertible note, and a $352,603 charge to amortization of the discount that was recorded as interest expense.

As of December 31, 2020, the Company has outstanding convertible promissory notes (the "Convertible Notes") of $4,421,311 (net of unamortized discount of $263,425).

Beneficial Conversion Feature

The Company analyzed the conversion option in the notes for derivative accounting treatment under ASC Topic 815, "Derivatives and Hedging," and determined that the instrument does not qualify for derivative accounting. The Company determined that the conversion option was subject to a beneficial conversion feature.

During the twelve months ended December 31, 2019 the company recorded a total beneficial conversion feature of $0, and amortization of the beneficial conversion feature of $358,268 as interest expense.

During the twelve months ended December 31, 2020 the company recorded a total beneficial conversion feature of $744,845, and amortization of the beneficial conversion feature of $481,420 as an interest expense.

Notes Payable

2019 Transactions

During 2019, from January 21, 2019 to September 21, 2019 the Company entered into a series of promissory notes in aggregate amount of $39,100, with Kabbage. The promissory note agreement bears interest varying from twelve (12%) to twenty-four (24%) percent, has a six (6) month maturity date. The note may be repaid in whole or in part any time prior to maturity.

During 2019, from April 25, 2019 to October 25, 2019 the Company entered into a series of promissory notes in aggregate amount of $123,554, with Loan Builder. The promissory note agreement bears interest at fourteen (14%) percent, has a six (6) month maturity date. The note may be repaid in whole or in part any time prior to maturity.

On July 30, 2019 the Company entered into promissory notes in the amount of $30,000, with Eli Elgerabli. The promissory note agreement bears interest at fourteen (12%) percent, has a twelve (12) month maturity date. The note may be repaid in whole or in part any time prior to maturity.

During the twelve months ended December 31, 2019 the Company issued Notes Payable for cash proceeds of $192,654 and repaid principal of $160,626, issued an aggregate of 14,217,643 shares of common stock valued at

$380,327 to various noteholders for conversion of convertible notes payable and accrued interest, which resulted in no gain or loss since conversion was within terms of note agreements.

As of December 31, 2019, the Company has outstanding notes payable balance (the "Notes Payable") of $554,428.

2020 Transactions

On January 15, 2020 the Company entered into promissory notes in the amount of $25,000, with Luna Consultant Group, LLC. The promissory note agreement bears interest at twenty (20%) percent, has a five (5) month maturity date. The note has been paid off in full.

On March 26, 2020 the Company entered into promissory notes in the amount of $30,500, with Kabbage. The promissory note agreement bears interest at twenty-four (24%) percent, has a six (6) month maturity date. The note has been paid off in full.

During the twelve months ended December 31, 2020 the Company did not issue any notes payable, but did receive $150,000 as part of CARE Loans given during COVID-19, repaid principal and interest of $172,915 and had a $495,000 outstanding note and accrued interest paid off by RB Capital and replaced with a convertible note. During the twelve months ended December 31, 2019 the Company issued Notes Payable for cash proceeds of $192,654 and repaid principal of $160,626.

As of December 31, 2020, the Company has outstanding notes payable balance (the "Notes Payable") of $200,000.

The aggregate scheduled maturities of the Company's total debt outstanding, inclusive of the note payable and convertible promissory notes described within this Note 3 – Debt. Debt Payable, as of December 31, 2020:

2021	$	4,734,736
2022		150,000
2023		-
2024		-
2025		-
Thereafter		-
Total		4,884,736
Less discounts		(263,425)
	$	4,621,311

Note 5 – Note Receivable

On January 1, 2018 the Company formed SecurCapital Corporation ("SCC"), as a wholly owned subsidiary, to use our payment platform to facilitate the payment process for the logistics industry and issued 20,000,000 shares of stock in exchange for ownership in SCC business. The Company also loaned SCC $137,500. On July 23, 2018, this transaction was rescinded pursuant to a settlement and release agreement. Under the terms of this settlement and release agreement it was confirmed that SCC acted as a standalone company since incorporation with no contribution from the Company thereby any ownership was relinquished and the return of 19,000,000 shares to the Company treasury was completed in exchange for SCC autonomy. It was affirmed that 1,000,000 shares were owed to Mr. Stephen Russell for services performed. In addition, the $100,000 in principal remained payable to the Company as of December 31, 2019.

During the year ended December 31, 2020 the Company wrote off the principal balance and accrued interest on this note receivable, recording a loss on impairment of $111,638.

Note 6 – Property and equipment

At December 31, 2020 and 2019, property and equipment consisted of the following:

		2020		2019
Furniture and fixtures	$	22,817	$	22,817
Machinery and equipment		21,984		21,984
		44,801		44,801
Less: accumulated depreciation		(34,421)		(24,994)
Property and equipment, net	$	10,380	$	19,807

Depreciation expense for the years ended December 31, 2020 and 2019 was approximately $9,427 and $7,640, respectively.

Note 7 - Stockholders' Deficit

The Company is authorized to issue 400,000,000 shares of $0.001 par value common stock. The Company has 320,045,040 and 55,170,496 common shares issued and outstanding as of December 31, 2020 and 2019, respectively.

The Company has 10,564,162 and 940,033 treasury shares outstanding with a carrying basis of $424,475 and $257,022 as of December 31, 2020 and 2019, respectively. The Company plans to cancel these shares.

Issuance of Common Stock for services

During the year ended December 31, 2020, the Company issued an aggregate of 31,500,000 shares of common stock valued at $638,900 to various shareholders for services. The shares were valued on the date of the agreement using the share price per OTC markets on that date.

During the year ended December 31, 2019, the Company issued an aggregate of 5,384,047 shares of common stock valued at $1,060,707 to various shareholders for services. The shares were valued on the date of the agreement using the share price per OTC markets on that date.

Issuance of Common Stock and Preferred Stock for Settlement of Accrued Expenses

During the year ended December 31, 2020, the Company issued an aggregate of 17,625,000 shares of common stock and 500,000 preferred Series C valued at $419,638 to various individuals for settlement of accrued expenses and consulting fees of $232,224 which resulted in a loss on settlement of accrued expenses of $43,214.

Cultivate converted $7,769 in debt related to payment processing equipment terminals purchased by MTrac for 1,500,000 shares of common stock, valued at $20,700 ($0.0148 per share). This resulted in a loss of $14,431 on the liability due.

Bankcard International Group LLC received 500,000 shares of preferred C shares and 5,000,000 shares of common stock, valued at $195,000 for the forgiveness of approximately $97,500 in debt from accrued commissions earned by Brett Taylor (Bankcard International Group LLC Sales Agent) and earned based on transacting volumes within the MTrac system and pursuant to the commission earning terms agreed to by MTrac and Bankcard International Group LLC under Schedule A of the executed MTrac Agent Agreement on January 31, 2019. This resulted in a loss on the settlement of $108,000.

North Equities/Youngs Marsh was issued 4,000,000 shares of common stock valued at $84,400 ($0.0221 per share) and pursuant to the services provided by North Equities to the Company under the executed Investor Engagement Campaign Agreement on April 14, 2020. This resulted in a loss of $16,318 on a $72,082 liability due.

During the year ended December 31, 2019, the Company issued an aggregate of 130,000 shares of common stock valued at $57,900 to various individuals for settlement of accrued salaries and consulting of $74,182 which resulted in a gain on settlement of accrued expenses of $16,282.

Issuance of Common Stock for conversion of notes payable

During the year ended December 31, 2020, the Company issued an aggregate of 194,192,206 shares of common stock valued at $471,486 to various noteholders for conversion of convertible, notes payable and accrued interest, which resulted in a $142,167 loss on the conversion of debt.

During the year ended December 31, 2019, the Company issued an aggregate of 14,217,643 shares of common stock valued at $380,327 to various noteholders for conversion of convertible notes payable and accrued interest.

Issuance of Common Stock for Cash

During the year ended December 31, 2020, the Company issued an aggregate of 4,200,000 shares of common stock valued at $76,000 to various investors for cash. Of which, $51,000 was for a payable balance from the prior year.

During the year ended December 31, 2019, the Company issued an aggregate of 4,252,778 shares of common stock valued at $676,000 to various investors for cash.

Repurchase of Common Stock for Cash

During the year ended December 31, 2020, the Company repurchased 16,989,015 shares of common stock valued at $267,250 from various shareholders for cash, recorded as treasury stock. The shares were valued on the date of the repurchase agreement using the share price per OTC markets on that date. Of these shares, only 7,363,886 were cancelled by the transfer agent, or $103,000.

During the year ended December 31, 2019, the Company repurchased 1,005,033 shares of common stock valued at $251,874 from various shareholders for cash, recorded as treasury stock. Of these shares, only 65,000 were cancelled by the transfer agent, or $24,853. The shares were valued on the date of the repurchase agreement using the share price per OTC markets on that date, which resulted in a loss of $80,846.

At December 31, 2020, it was determined that the previous shares repurchased as treasury stock had not been cancelled by the transfer agent. Therefore, these shares were cancelled and $421,272 was added as additional compensation expense back on the books at the amounts previously recorded and zeroed out the treasury shares in equity.

Issuance of Preferred Stock for services

During the year ended December 31, 2020, the Company issued an aggregate of 2,157,500 shares of preferred stock Series C valued at $733,160 to various shareholders for services. The shares were valued on the date of the agreement using the common share price per OTC markets on that date based on the conversion rate of Series C for common.

During the year ended December 31, 2019, the Company issued an aggregate of 4,437,500 shares of preferred stock Series C valued at $418,688 to various shareholders for services. The shares were valued on the date of the agreement using the common share price per OTC markets on that date based on the conversion rate of Series C for common.

Conversion of Preferred Stock

During the year ended December 31, 2020, an employee converted 250,000 shares of preferred stock Series C into 2,500,000 common shares.

During the year ended December 31, 2019, there were no conversions of preferred stock.

Preferred Stock – Series A

The Company is authorized to issue 1,000,000 shares of $0.001 par value Series A preferred stock. The Series A preferred shares can be converted one for one into the same number of common shares, each Series A preferred share has 10 voting rights to 1 voting right for each common share. The Company has 1,000,000 preferred shares issued and outstanding as of December 31, 2020 and 2019.

Preferred Stock – Series B

The Company is authorized to issue 69,000,000 shares of $0.001 per value Series B preferred stock. The Series B preferred shares can be converted one for one into the same number of common shares, each Series B preferred share has 100 voting rights to 1 voting right for each common share. The Company has 69,000,000 preferred shares issued and outstanding as of December 31, 2020 and 2019.

Preferred Stock – Series C

The Company is authorized to issue 10,000,000 shares of $0.001 per value Series C preferred stock. The Series C preferred shares can be converted one into ten shares of common shares, each Series C preferred share has 1 voting right to 1 voting right for each common share. The Company has 6,845,000 and 4,437,500 preferred shares issued and outstanding as of December 31, 2020 and 2019 respectively.

The holders of the Series Voting Preferred Stock shall not be entitled to receive dividends paid on the Company's common stock.

Stock to be Issued

On November 29, 2019, the Company entered into a stock purchase agreement and received cash to purchase 1,700,000 shares of common stock at a purchase price of $0.03 for an aggregate of $51,000, which was recorded as stock which was issued on May 22, 2020.

Warrants

During the year ended December 31, 2020, the Company issued warrants to purchase 156,000,000 shares of common stock, at a price of $0.003 to $0.01 per share, 50,000,000 of these warrants expired on December 31, 2020, 6,000,000 on March 4, 2021, and 100,000,000 on December 31, 2021. Additionally, 100,000 warrants from the previous year also expired during the year. The warrants issued in conjunction with a cash stock purchase at fair value of approximately $2,261,692 with no expense due to the stock purchased for cash in 2020. On December 11, 2020, 22,222,222 warrants were exercised, with the remaining 106,000,000 warrant shares expiring on December 31, 2020.

During the year ended December 31, 2019, the Company issued warrants to purchase 2,625,000 shares of common stock, at exercise price of $0.30 per share. These warrants expire four months from issuance date. The warrants issued in conjunction with a cash stock purchase at fair value of approximately $740,320 with no expense due to the stock purchased for cash in 2019.

The following table summarizes the Company's warrant transactions during the year ended December 2020 and 2019:

	Number of Warrants		Weighted Average Exercise Price
Outstanding at year ended December 31, 2018	5,112,903	$	0.44
Granted	2,625,000		0.30
Exercised	-		-

Expired	(7,637,903)		0.39
Outstanding at year ended December 31, 2019	100,000		0.50
Granted	156,000,000		0.0025 - 0.01
Exercised	(22,222,222)		0.01
Expired	(27,877,778)		0.01 – 0.50
Outstanding at year ended December 31, 2020	106,000,000	$	0.0025 - 0.01

Warrants granted in the year ended December 31, 2020 were valued using the Black Scholes Model with the risk-free interest rate of 1.65%, expected life ranging 4 months, expected dividend rate of 0% and expected volatility ranging from 196.55% to 518.84%.

Warrants granted in the year ended December 31, 2019 were valued using the Black Scholes Model with the risk-free interest rate of 2.50%, expected life ranging 4 months, expected dividend rate of 0% and expected volatility ranging of 145%.

Note 8 - Concentrations

Prior Business Plan:

The MTrac System was derived from the desire, in our belief, of High Risk merchants to offer secure and compliant payment methods other than cash, to its consumers for the purchase of its goods or services. (High Risk merchants are businesses engaged in the adult entertainment, cannabis related, non-regulated nutritional supplements, and other such enterprises which traditional merchant payment processors avoid servicing) The platform upon which our solution existed was built by our technology licensor, GreenBox. GreenBox maintains and supports the technology for all industry verticals that use it, including ours. They serve as the system administrator, and the Blockchain technology serves as the settlement engine on transactions. Utilizing the GreenBox technology via the MTrac System, consumers use their credit or debit card to pay for the transaction, and in so doing, purchase credits on the GreenBox system.

Exclusive Licensing Agreement:

On February 1, 2018 we signed a joint venture agreement with GreenBox POS, LLC (OTCQB: GRBX) (“Greenbox”), (“Greenbox JV 1”) by which we acquired exclusive rights to utilize the Green\Box technology for High Risk merchants for one year. On October 2, 2018 the Company entered into an agreement with GreenBox and Cultivate Technologies, LLC (“Cultivate”) a Nevada Corporation, by which certain payment terms of the GreenBox 5 Year License were modified. On June 12, 2020, the agreement, as revised, between was terminated by and between MTrac, GreenBox and Cultivate through the mutual agreement of the parties with neither MTrac nor the Company having any residual or current obligations to GreenBox and Cultivate and GreenBox and Cultivate having no residual or current obligations to MTrac. This termination was to part of the ongoing transition from a cannabis-based business to the Company’s current business plan related to the medicinal psychedelic market.

Current Business:

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple. The Company management is focusing on revenue generation through the potential sale and execution of media partnership and affiliate partnership agreements with the growing list of companies operating within the medicinal psychedelic sectors as well as other related industries such as the health and wellness and nutraceuticals industries where the Company believes it can leverage its aforementioned digital media platforms to potentially optimize marketing and awareness-driven initiatives for companies operating across these sectors (See Note 2). No assurances can be provided as to the profitability or amount of revenue to be derived pursuant to the current business plan.

Note 9 – Commitments and Contingencies

Leases

On September 1, 2019, the Company entered into a rental agreement for an office and growth space of 2,940 square feet located at 5333 S. Arville Ave., #206, Las Vegas, NV 89118. The Company signed a nineteen (19) months rental agreement with a base monthly rent of $2,410.80, approximately $0.82 per square foot and security deposit of $2,500. Effective April 2020, the Company terminated the lease.

Litigation

The Company may be involved in certain legal proceedings that arise from time to time in the ordinary course of its business. Except for income tax contingencies, the Company records accruals for contingencies to the extent that management concludes that the occurrence is probable and that the related amounts of loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred.

On October 25, 2019, a breach of contract lawsuit was filed in New Jersey, specifically Barry Lefkowitz, David Spector, Carol Gabel, and Sam Spector v. MTrac Tech Corporation and Global Payout, Inc., The lawsuit is in the initial stages and the Company contends that it is without merit, will consider a counter-suit, and will defend it vigorously.

On November 25, 2019, a breach of contract lawsuit was filed in California, specifically DCSM, Inc; Indigo River, LLC; Ryan Burns Collective Inc,; and SOAR Collective Inc. v. Global Payout Inc.; MTrac Tech Corporation; Cultivate Technologies LLC; and GreenBox POS, LLC. The lawsuit is in the initial stages and the Company contends that it is without merit, will consider a counter-suit, and will defend it vigorously.

COVID-19

The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business is highly uncertain and difficult to predict, as the responses that the Company, other businesses and governments are taking continue to evolve. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remain uncertain.

The severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, service providers and suppliers, all of which are uncertain and cannot be predicted. As of the date of issuance of Company's financial statements, the extent to which the COVID-19 pandemic may in the future materially impact the Company's financial condition, liquidity or results of operations is uncertain.

Note 10 - Income Tax Provision

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the year ended December 31, 2020 and the year ended December 31, 2019, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets.

Deferred income tax assets as of December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Deferred Tax Assets:		
Net operating losses	$ 4,250,895	$ 3,730,787
Less valuation allowance	(4,250,895)	(3,730,787)
Total deferred tax assets	$ -	$ -

The Company has recorded a full allowance against its deferred tax assets as of December 31, 2020 and 2019 because management determined that it is not more-likely-than not that those assets will be realized. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of deferred assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

For federal income tax purposes, the Company has a net operating loss carry forward of approximately $14,646,894 million at December 31, 2020, which expires commencing in 2034.

Note 11 - Related Party Transactions

During the year ended December 31, 2020, the Company repurchased an aggregate of 16,989,015 shares of common stock valued at $281,170 from related parties for cash. Of these shares, only 7,363,886 were cancelled by the transfer agent, or $103,000. The remaining shares have been adjusted to reflect this, and therefore a $421,272 adjustment to stock-based compensation is reflected in the financials.

During the year ended December 31, 2019, the Company repurchased an aggregate of 965,535 shares of common stock valued at $242,374 from related parties for cash, which resulted in a loss of $80,846.

During the year ended December 31, 2020, the Company issued shares 37,000,000 for services to employees and outside consultants, valued at $704,900.

On October 22, 2019, the Company issued 1,250,000 shares of common stock valued at $119,475 to a board member per a Consulting and Advisory Board Agreement.

During the year ended December 31, 2020, the Company issued shares 21,500,000 for debt, valued at $21,500 to settle conversions of preferred C and a note payable.

Note 12 - Subsequent Events

From January 10, 2021 to March 29, 2021 the Company entered into a series of convertible promissory notes in an aggregate amount of $300,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at twelve (10%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices at $0.15 each.

From January 18, 2021 to March 31, 2021, the Company issued an aggregate of 55,200,000 shares of common stock valued at $210,360 to various noteholders for conversion of convertible notes payable and accrued interest.

From January 18, 2021 to January 18, 2021, the Company issued an aggregate of 5,250,000 shares of common stock valued at $52,500 to various shareholders for services.

From January 18, 2021 to March 16, 2021, the Company issued an aggregate of 28,500,000 shares of common stock from the conversion of the Company's Series C preferred stock valued at $285,000 to various shareholders.

On January 19, 2021, the Company announced the execution of a Joint Venture Partnership (the "JV") with PsycheDev, Inc. Pursuant to the terms of the JV, the Company received a 15% equity stake in PsycheDev in return for a $15,000.00 investment made by the Company into PsycheDev, Inc.

On January 21, 2021, the Company became a Limited Partner in TCF I LP, a United Kingdom Limited Partnership operating as a private fund limited partnership in England (a.k.a. "The Conscious Fund") (the "Fund") through the Company's investment into the Fund's private placement memorandum. The Company executed its initial investment of $125,000 USD into the Fund on January 19, 2021 and intends to complete a full investment amount into the Fund of $500,000 USD within a four-year period from the date of its initial investment.

On February 12, 2021, the Company issued 2,703,297 shares of common stock valued at $55,738 to HigherGround Capital LLC in accordance with a Warrant Exercise Agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Business. Global Trac Solutions, Inc. (the "Company") is a digital media leader operating within the emerging sector of medicinal psychedelics. Through the Company's Psychedelic Spotlight website (www.psychedelicspotlight.com, which website and content is expressly not incorporated into this report), and its Psychedelic Spotlight and PSYC Stock Report newsletter's (which newsletter and content is expressly not incorporated into this report) and Spotlight Roundup bi-monthly video series (which content is expressly not incorporated into this report), the Company is currently developing its business plan and operations to coincide with what management believes will be a network made up of the industry's most influential leaders within the medical, scientific, investment, and philanthropic communities in addition to positioning itself in the medicinal psychedelics industry. Furthermore, it is the Company's intent to identify strategic collaboration and partnership opportunities with other likeminded companies within this space to aid in the expansion of the Company's network and effectively position the Company as a diverse holding company within the sectors of medicinal psychedelic and health and wellness in addition to continuing to expand the informational and educational platform it is developing. While there can be no assurances of attainment or profitability, it is management's business plan to develop all-encompassing platform that connects all sectors within this emerging industry.

Results of Operations

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this Annual Report.

The following table represents our statement of operations for the years ended December 31, 2020 and 2019:

	For The Twelve Months Ended December 31,			
	2020	**2019**	**$Change**	**%Change**
Revenue	$ -	$ -	$ -	-
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
Operating Expenses:				
Depreciation expense	9,427	7,640	1,787	23.39%
Amortization expense	435	435	-	0.00%
General and administrative	3,024,238	3,666,145	(641,907)	-17.51%
Total operating expenses	3,034,100	3,674,220	(640,120)	-17,42%
Loss from operations	(3,022,648)	(2,878,017)	(144,631)	5.03%
Other Income (Expense)				
Interest expense	(1,000,700)	(944,981)	(55,719)	5.90%
Loss on settlement of accrued expenses	(125,380)	16,282	(141,662)	-870.05%
Loss on debt conversion	(142,167)	-	(142,167)	-100.00%

Loss on treasury stock	-	(80,846)	80,846	100.00%
Loss on impairment	(111,638)	-	(111,638)	-100.00%
Other income / (expense)	7,525	93,896	(86,371)	-91.99%
Total Other Income (Expense)	(1,372,360)	(915,649)	(456,711)	49.88%
Net Income (Loss) from Continued Operations	$ (4,406,460)	$ (4,589,869)	80,846	-1.76%
Net Income (Loss) from Discontinued Operations	11,452	796,203	(784,751)	-98.56%
Net Income (Loss) from Continued Operations	$ (4,395,008)	$ (3,793,666)	(601,342)	15.85%

Operating expenses

Operating expenses decreased by 17% in the amount of $640,120 for the year ended December 31, 2020, compared to the same period in 2019. Listed below are the major changes to operating expenses:

Stock based compensation increased by $1,242,554 or 204% for the year ended December 31, 2020, compared to the same period in 2019, primarily due to 37,000,000 of common stock valued at $704,900 and 2,657,500 Series C preferred shares valued at $830,660 issued for services and debt which can be converted one into ten shares of common shares. In addition, the transfer agent did not cancel 9,624,129 shares of common stock repurchased in 2020, leading to a $421,271 adjustment to stock-based compensation.

Dispensary equipment decreased by $118,678 or 81% for the year ended December 31, 2020, compared to the same period in 2019, primarily due to reductions in revenue.

Payroll expenses decreased by $324,839 or 55% for the year ended December 31, 2020, compared to the same period in 2019, primarily due to a decrease in employees.

Other G&A expenses decreased by $1,777,600 or 88% for the year ended December 31, 2020, compared to the same period in 2019, primarily due to a decrease in employees, office space and the downsizing of the MTrac subsidiary.

Other income (expense)

Other income (expense) increased by $456,711 or 49.88% for the year ended December 31, 2020, compared to the same period in 2019, primarily as a result from losses on impairment and debt conversions and increases in interest expense.

Net Income from Discontinued Operations

Revenue from processing of the retail customer payment at one of our merchants for the twelve months ended December 31, 2020 was $17,978, compared to $1,412,156 of revenue for the same period in 2019. The company generated a gross profit of $11,452 for the year ended December 31, 2020 compared to a gross profit of $796,203 for the same period in 2019. The key reason for the decrease in gross profit was a result of GreenBox commenced with an undertaking to redevelop their patented payment processing software technology during the fourth quarter of 2019 which served as the basis and foundation of The MTrac System. During this process, The MTrac System's processing capabilities were drastically limited and the Company was required to discontinue services for nearly

85% of its merchants and consequently resulting in a significant decrease in the Company's revenue derivation which continued during the year ended December 31, 2020.

Liquidity and Capital Resources

Since inception, the Company has financed its operations through private placements and convertible notes. The following is a summary of the cash and cash equivalents as of December 31, 2020 and 2019.

As of December 31, 2020, we had $194,400 in cash and $1,029 of other current assets, and $7,305,669 of current liabilities, resulting in a working capital deficit of $7,110,240 compared to $53,440 in cash and a working capital deficit of approximately $6,231,177 as of December 31, 2019.

Net cash used in continuing operating activities was $1,869,774 with $11,452 provided by discontinued operations, leaving a net cash used in operations of $1,858,322 for fiscal 2020 compared to net cash used of $1,081,558 for fiscal 2019. The decrease in net cash used in operating activities was largely attributed to the net change in non-cash items that includes stock-based compensation, gain on the extinguishment of debt, lower amortizations of debt discount and the net change in operating assets and liabilities that includes accounts payable and accrued expenses, including interest expense attributable to debt.

Net cash used in investing activities during fiscal 2020 and 2019 was $0 and $6,086, respectively and consisted of the purchases of property and equipment.

Net cash provided by financing activities during fiscal 2020 was $894,725 and consisted of proceeds totaling $150,000 received from advances under CARE loans, $1,085,000 from convertible debt and $25,000 in proceeds from the sale of common stock with repurchases of common stock of $267,250 and payments on notes payable of $153,525. Net cash provided by financing activities during fiscal 2019 was $857,684 and consisted of proceeds totaling $480,000 from convertible debt, $192,654 received from advances from notes payable and $676,000 in proceeds from the sale common stock with payments on debt of $490,970.

In addition to continuing to incur normal operating expenses, we intend to continue our growth and expansion efforts directly associated with our digital media platform through the exploration of specific opportunities that we believe may contribute to our increase in content development with the intent of increasing viewer and subscribership, in addition to efforts focused on developing and producing premium content (digital and otherwise) that we believe will be unique to the burgeoning industry of medicinal psychedelics. We believe each of these aforementioned objectives may, as there can be no assurances of profitability or acceptance, contribute to revenue generating opportunities for the Company through paid advertisements and sponsorships across our digital media platforms. Furthermore, it is our intent to focus on the expansion of our team by adding additional consultants and contractors who we intend to contribute to the aforementioned growth and expansion efforts associated with our digital media platform. It is our intent to identify and select professionals possessing the necessary skills and experiences required to contribute effectively to our growth initiatives. We currently do not have sufficient capital on hand to fully fund our proposed growth initiatives which may negatively affect our future revenues.

As noted above, based on budgeted revenues and expenditures, unless revenues increase significantly, we believe that our existing and projected sources of liquidity may not be sufficient to satisfy our cash requirements for the next twelve months. Accordingly, we will need to raise additional funds in 2021. The sale of additional equity securities will result in additional dilution to our existing stockholders. Sale of debt securities could involve substantial operational and financial covenants that might inhibit our ability to follow our business plan. Any additional funding that we obtain in a financing is likely to reduce the percentage ownership of the Company held by our existing security-holders. The amount of this dilution may be substantial based on our current stock price, and could increase if the trading price of our common stock declines at the time of any financing from its current levels. We may also attempt to raise funds through corporate collaboration and joint venture partnership agreements, although there are no guarantees such relationship will transpire or be beneficial. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain the needed additional funding, we may have to further reduce our current level of operations, or, may even have to totally discontinue our operations.

We are subject to many risks associated with early-stage businesses, including the above discussed risks associated with the ability to raise capital. Please see the section entitled "Risk Factors" for more information regarding risks associated with our business.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation and changing prices have had no effect on our net sales and revenues or on our income from continuing operations over our two most recent fiscal years.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred net losses of $4,395,008 and $3,793,666 for the years ended December 31, 2020 and 2019, respectively, which include gross profits from discontinued operations of $11,452 and $796,203, respectively, has incurred losses since inception resulting in an accumulated deficit of $94,610,654 as of December 31, 2020, and has negative working capital of $7,110,240 as of December 31, 2020. A significant part of our negative working capital position at December 31, 2020 consisted of $4,684,736, of amounts due to various accredited investors of the Company for convertible promissory notes and loans. The Company anticipates further losses in the development of its business.

The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company's ability to raise additional capital through the future issuances of debt or equity is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, or its attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.