

## **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

### **NDT Pharmaceuticals Inc.**

7325 Oswego Rd  
Liverpool, NY 13090

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315-451-7515  
<https://www.ndtpharma.com>  
NDTPPharma05@gmail.com  
SIC Code: 2833

**Quarterly Report**  
**For the Period Ending: 3-31-2022**  
(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was: 117,876,899

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 117,876,899

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>5</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>5</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

**Current name: NDT Pharmaceuticals, Inc. From 1/24/2020 to Present**  
**Formerly known as Mistral Ventures, Inc from 5/13/2005 to 1/24/2020**

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

**5-13-2005 - Nevada (Active)**

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

**On January 20, 2009, the BC Securities Commission of Canada ordered that all trading in the securities of the issuer's predecessor cease in British Columbia until the company filed all required records, financial statements, and related disclosure and the BC Securities Commission Executive Director makes an order revoking the cease trade order.**

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

**NDT Pharmaceuticals, Inc. (the "Company") was incorporated on May 13, 2005, under the laws of the State of Nevada as "Mistral Ventures, Inc." and changed its name on January 24, 2020, to "NDT Pharmaceuticals, Inc." Prior company mineral operations were abandoned in 2008, the Company was revived with the State of Nevada in September of 2019, and in July of 2020 (with an effective date of January 1, 2020), the Company acquired all rights under a Sponsored Research Agreement with the University of Pennsylvania, including rights to use the University's NPC technology described below from Compelling Competitive Advantage, LLC ("CCA"), a Delaware limited liability company. CCA assigned all its rights, title and interests in CCA's Sponsored Research Agreement with the Trustees of the University of Pennsylvania, and any related trade secrets, technology, know-how, formulations, procedures and/or methodologies (the "Intellectual Property") to the Company.**

**The Intellectual Property includes a versatile and widely applicable biotechnology asset base, including the Nanoscale Particle Complex ("NPC") technology, which represents the leading edge of phospholipid-based nano-encapsulation delivery systems (less than 100 nanometers in diameter; mean diameter of 40 nanometers in current liquid product samples with the capability to engineer significantly smaller nanocarrier particles) that create instant delivery of payloads into the bloodstream, beginning through the membranes of the mouth. Encapsulated actives are protected from destruction in the highly acidic environment of the stomach until they reach the small intestine, providing for much greater absorption of payloads. The instant delivery aspect (an Oral IV) is designed to provide the consumer with rapid effect upon consumption of the product containing the NPC technology. The NPC technology also incorporates a potent active ingredient that stimulates repair of damaged cell tissue branded by the Company as "Cell Armor."**

The address(es) of the issuer's principal executive office:

**7325 Oswego Rd**  
**Liverpool, NY. 13090**

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☒ No: ☐

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

**On or about September 17, 2019, Custodial Management LLC was appointed the custodian of the issuer by the Nevada District Court (case no. A-19-798735-P), of which the custodianship was subsequently terminated by the court.**

## 2) Security Information

|   |                             |  |
|---|-----------------------------|--|
| Trading symbol:                                     | <b><u>NDTP</u></b>          |  |
| Exact title and class of securities outstanding:    | <b><u>Common Stock</u></b>  |  |
| CUSIP:  | <b><u>63948Q105</u></b>     |  |
| Par or stated value:                                | <b><u>\$0.0001</u></b>      |  |
| Total shares authorized:                            | <b><u>1,125,000,000</u></b> | as of date: <b><u>March 31, 2022</u></b> |
| Total shares outstanding:                           | <b><u>117,876,899</u></b>   | as of date: <b><u>March 31, 2022</u></b> |
| Number of shares in the Public Float <sup>6</sup> : | <b><u>292,164</u></b>       | as of date: <b><u>March 31, 2022</u></b> |
| Total number of shareholders of record:             | <b><u>63</u></b>            | as of date: <b><u>March 31, 2022</u></b> |

All additional class(es) of publicly traded securities (if any):

|  |                         |
|--|-------------------------|
| Trading symbol:                                  | <b><u>N/A</u></b>       |
| Exact title and class of securities outstanding: | _____                   |
| CUSIP:   | _____                   |
| Par or stated value:                             | _____                   |
| Total shares authorized:                         | _____ as of date: _____ |
| Total shares outstanding:                        | _____ as of date: _____ |

### Transfer Agent

Name: **Action Stock Transfer Corporation**  
Phone: **(801) 274-1088**  
Email: **jb@actionstocktransfer.com**  
Address: **2469 E. Fort Union Blvd., Suite 214, Salt Lake City, UT 84121**

Is the Transfer Agent registered under the Exchange Act?<sup>7</sup> Yes: ☒ No: ☐

<sup>6</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

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

| Shares Outstanding as of Second Most Recent Fiscal Year End:                                |   |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |  |  |   |   |                                 |
|---|---|--|--|---|--|--|---|---|---------------------------------|
| Opening Balance<br>Date <u>12/31/2020</u> Common: <u>116,976,899</u><br>Preferred: <u>0</u> |   |  |  |   |  |  |   |   |                                 |
| Date of Transaction   | Transaction type (e.g. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities  | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| <u>9/26/2019</u>  | <u>New Issuance</u>   | <u>172,550</u>                         | <u>Common Stock</u>  | <u>\$0.0001</u>                                   | <u>Yes</u>   | <u>Friction &amp; Heat LLC (Joseph Passalacqua)</u>  | <u>Services Rendered - Custodianship</u>  | <u>Restricted</u>                             | <u>4(a)(2)</u>                  |
| <u>1/16/2020</u>  | <u>New Issuance</u>   | <u>28,000</u>                          | <u>Preferred Stock</u>   | <u>\$0.0001</u>                                   | <u>No</u>  | <u>Compelling Competitive Advantage (James Hovis)</u>  | <u>Asset Acquisition</u>  | <u>Restricted</u>                             | <u>4(a)(2)</u>                  |
| <u>3/4/2020</u>   | <u>Cancellation</u>   | <u>-650,000</u>                        | <u>Common Stock</u>  | <u>N/A</u>  | <u>N/A</u>   | <u>Friction &amp; Heat LLC (Joseph Passalacqua)</u>  | <u>Change of Control Cancellation</u>   | <u>N/A</u>                                    | <u>N/A</u>                      |
| <u>9/11/2020</u>  | <u>Cancellation</u>   | <u>-28,000</u>                         | <u>Preferred Stock</u>   | <u>N/A</u>  | <u>N/A</u>   | <u>Compelling Competitive Advantage (James Hovis)</u>  | <u>Conversion of Preferred Stock</u>  | <u>N/A</u>                                    | <u>N/A</u>                      |

<sup>7</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

|                   |                     |                   |                     |                |            |  |                                      |                   |                |
|-------------------|---------------------|-------------------|---------------------|----------------|------------|--|--------------------------------------|-------------------|----------------|
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>8,400,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Compelling Competitive Advantage (James Hovis)</u>        | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>5,600,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Edward Mathias</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>2,766,400</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Stuart J Yarbrough Family Trust</u>                       | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
|                   |                     |                   |                     |                |            | <u>(Stuart Yarbrough)</u>                                    |                                      |                   |                |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>873,600</u>    | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Stuart J Yarbrough Revocable Trust (Stuart Yarbrough)</u> | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>4,200,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Lawrence Kubin</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>3,360,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>John Morrissey</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>280,000</u>    | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Mark Alarie</u>   | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>9/11/2020</u>  | <u>New Issuance</u> | <u>2,025,000</u>  | <u>Common Stock</u> | <u>\$0.003</u> | <u>Yes</u> | <u>SCI Inc. (William Burton)</u>                             | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>31,200,000</u> | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Compelling Competitive Advantage (James Hovis)</u>        | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>16,000,000</u> | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Edward Mathias</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>7,904,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Stuart J Yarbrough Family Trust (Stuart Yarbrough)</u>    | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>2,496,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Stuart J Yarbrough Revocable Trust (Stuart Yarbrough)</u> | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>12,000,000</u> | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>Lawrence Kubin</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/13/2020</u> | <u>New Issuance</u> | <u>9,600,000</u>  | <u>Common Stock</u> | <u>\$0.01</u>  | <u>Yes</u> | <u>John Morrissey</u>  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |

|  |                     |                  |                     |                 |            |   |                                      |                   |                |
|--|---------------------|------------------|---------------------|-----------------|------------|---|--------------------------------------|-------------------|----------------|
| <u>11/13/2020</u>                          | <u>New Issuance</u> | <u>800,000</u>   | <u>Common Stock</u> | <u>\$0.01</u>   | <u>Yes</u> | <u>Mark Alarie</u>                                  | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/16/2020</u>                          | <u>New Issuance</u> | <u>3,700,000</u> | <u>Common Stock</u> | <u>\$0.01</u>   | <u>Yes</u> | <u>Friction &amp; Heat LLC (Joseph Passalacqua)</u> | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/16/2020</u>                          | <u>New Issuance</u> | <u>925,000</u>   | <u>Common Stock</u> | <u>\$0.003</u>  | <u>Yes</u> | <u>John Munoz</u>                                   | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/16/2020</u>                          | <u>New Issuance</u> | <u>925,000</u>   | <u>Common Stock</u> | <u>\$0.003</u>  | <u>Yes</u> | <u>David Ambrose</u>                                | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/16/2020</u>                          | <u>New Issuance</u> | <u>925,000</u>   | <u>Common Stock</u> | <u>\$0.003</u>  | <u>Yes</u> | <u>Komorebi Interactive (Robert Kirk)</u>           | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>11/19/2020</u>                          | <u>New Issuance</u> | <u>2,520,000</u> | <u>Common Stock</u> | <u>\$0.003</u>  | <u>Yes</u> | <u>SCI Inc. (William Burton)</u>                    | <u>Conversion of Preferred Stock</u> | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>1/15/2021</u>                           | <u>New Issuance</u> | <u>300,000</u>   | <u>Common Stock</u> | <u>\$0.0001</u> | <u>Yes</u> | <u>Kevin Malloy</u>                                 | <u>Consulting Services</u>           | <u>Restricted</u> | <u>4(a)(2)</u> |
| <u>1/15/2021</u>                           | <u>New Issuance</u> | <u>600,000</u>   | <u>Common Stock</u> | <u>\$0.0001</u> | <u>Yes</u> | <u>Kevin Malloy</u>                                 | <u>Consulting Services</u>           | <u>Restricted</u> | <u>4(a)(2)</u> |
| Shares Outstanding on Date of This Report: |                     |                  |                     |                 |            |   |                                      |                   |                |
| <u>Ending</u> <u>Balance</u>               |                     |                  |                     |                 |            |   |                                      |                   |                |
| <u>Ending Balance:</u>                     |                     |                  |                     |                 |            |   |                                      |                   |                |
| Date <u>3/31/2022</u>                      |                     |                  |                     |                 |            |   |                                      |                   |                |
| Common: <u>117,876,899</u>                 |                     |                  |                     |                 |            |   |                                      |                   |                |
| Preferred: <u>0</u>                        |                     |                  |                     |                 |            |   |                                      |                   |                |

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

## B. Debt Securities, Including Promissory and Convertible Notes

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

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

| <u>Date of Note Issuance</u> | <u>Outstanding Balance (\$)</u> | <u>Principal Amount at Issuance (\$)</u> | <u>Interest Accrued (\$)</u> | <u>Maturity Date</u> | <u>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</u> | <u>Name of Noteholder (entities must have individual with voting / investment control disclosed).</u> | <u>Reason for Issuance (e.g. Loan, Services, etc.)</u> |
|------------------------------|---------------------------------|--|------------------------------|----------------------|---|---|--|
|                              |                                 |  |                              |                      |   |   |  |

|       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

Use the space below to provide any additional details, including footnotes to the table above:

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>8</sup>:

Name: Joseph C. Passalacqua  
Title: Treasurer (Principal Financial Officer)  
Relationship to Issuer: Treasurer (Principal Financial Officer)

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

<sup>8</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

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Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company was incorporated on May 13, 2005, under the laws of the State of Nevada as "Mistral Ventures, Inc." and changed its name on January 24, 2020, to "NDT Pharmaceuticals, Inc." Prior company mineral operations were abandoned in 2008, the Company was revived with the State of Nevada in September of 2019, and in July of 2020 (with an effective date of January 1, 2020), the Company acquired all rights under a Sponsored Research Agreement with the University of Pennsylvania, including rights to use the University's NPC technology described below from Compelling Competitive Advantage, LLC ("CCA"), a Delaware limited liability company. CCA assigned all its rights, title and interests in CCA's Sponsored Research Agreement with the Trustees of the University of Pennsylvania, and any related trade secrets, technology, know-how, formulations, procedures and/or methodologies (the "Intellectual Property") to the Company.

The Intellectual Property includes a versatile and widely applicable biotechnology asset base, including the Nanoscale Particle Complex ("NPC") technology, which represents the leading edge of phospholipid-based nano-encapsulation delivery systems (less than 100 nanometers in diameter; mean diameter of 40 nanometers in current liquid product samples with the capability to engineer significantly smaller nanocarrier particles) that create instant delivery of payloads into the bloodstream, beginning through the membranes of the mouth. Encapsulated actives are protected from destruction in the highly acidic environment of the stomach until they reach the small intestine, providing for much greater absorption of payloads. The instant delivery aspect (an Oral IV) is designed to provide the consumer with rapid effect upon consumption of the product containing the NPC technology. The NPC technology also incorporates a potent active ingredient that stimulates repair of damaged cell tissue branded by the Company as "Cell Armor."

The Company is now focused on developing products utilizing the Intellectual Property

- B. Please list any subsidiaries, parents, or affiliated companies.

NONE

- C. Describe the issuers' principal products or services.

The Company is focused on developing nutraceutical and pharmaceutical products utilizing the Intellectual Property as described above.



## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

**The Company has acquired contract and intellectual property rights under a Sponsored Research Agreement with the University of Pennsylvania as described above.**

## 7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

| Name of Officer/Director or Control Person | Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | Share type/class    | Ownership Percentage of Class Outstanding | Note                                      |
|--|---|---|------------------------|---------------------|---|---|
| <u>Joseph C Passalacqua</u>                | <u>Director / Sole Officer</u>  | <u>Liverpool / NY</u>                   | <u>None</u>            | <u>n/a</u>          | <u>n/a</u>                                | <u>n/a</u>                                |
| <u>James Hovis</u>                         | <u>Owner of more than 5%</u>  | <u>Vienna, VA</u>                       | <u>39,600,000</u>      | <u>Common Stock</u> | <u>33.9%</u>                              | <u>n/a</u>                                |
| <u>Lawrence Kubin</u>                      | <u>Owner of more than 5%</u>  | <u>Oakton, VA</u>                       | <u>16,200,000</u>      | <u>Common Stock</u> | <u>13.8%</u>                              | <u>n/a</u>                                |
| <u>Edward Mathias</u>                      | <u>Owner of more than 5%</u>  | <u>Bedford Corners, NY</u>              | <u>21,600,000</u>      | <u>Common Stock</u> | <u>18.5%</u>                              |   |
| <u>John Morrissey</u>                      | <u>Owner of more than 5%</u>  | <u>Glen Head, NY</u>                    | <u>12,960,000</u>      | <u>Common Stock</u> | <u>11.1%</u>                              | _____                                     |
| <u>Stuart</u>                              | <u>Owner of more</u>  | <u>Alexandria, VA</u>                   | <u>14,040,000</u>      | <u>Common</u>       | <u>12.0%</u>                              | <u>10,670,400 shares held in the name</u> |

|                  |                |  |  |              |  |  |
|------------------|----------------|--|--|--------------|--|--|
| <u>Yarbrough</u> | <u>than 5%</u> |  |  | <u>Stock</u> |  | <u>of the Stuart J Yarbrough Family Trust, and 3,369,600 shares held in the name of the Stuart J Yarbrough Revocable Trust</u> |
|------------------|----------------|--|--|--------------|--|--|

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

**NONE**

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

**NONE**

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

**NONE**

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

**NONE**

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

**NONE**

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

#### Securities Counsel

Name: **Lance Brunson, Esq.**  
Firm: **Brunson Chandler & Jones, PLLC**  
Address 1: **Walker Center, 14<sup>th</sup> Floor**  
Address 2: **175 S. Main Street, Suite 1410**  
**Salt Lake City, UT 84111**  
Phone: **(801) 303-5737**  
Email: **lance@bcjlaw.com**

#### Accountant or Auditor

Name: **N/A**  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Investor Relations

Name: **N/A**  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: **N/A**  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 10) Issuer Certification

### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Joseph C. Passalacqua certify that:

1. I have reviewed this Quarterly Report March 31, 2022 of NDT Pharmaceuticals Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 29, 2022

/s/ Joseph C. Passalacqua – Director / President / CFO / Secretary

### *Principal Financial Officer:*

I, Joseph C. Passalacqua certify that:

1. I have reviewed this Quarterly Report March 31, 2022 of NDT Pharmaceuticals Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 29, 2022

/s/ Joseph C. Passalacqua – Director / President / CFO / Secretary

**NDT PHARMACEUTICALS, INC.**

**FINANCIAL STATEMENTS**  
**(unaudited)**

**For the Quarter Ended March 31, 2022**

# NDT PHARMACEUTICALS, INC.

## Balance Sheets

(Unaudited)

|   |  |  | March 31,<br>2022 | December 31,<br>2021 |
|---|--|--|-------------------|----------------------|
| <b>Assets</b>   |  |  |                   |                      |
| Current Assets:   |  |  |                   |                      |
|   | Cash and cash equivalents  |  | \$ 647            | \$ 647               |
|   | Accounts Receivable - Related Party  |  | \$ 142,325        | \$ 142,325           |
|   | Total current assets   |  | 142,972           | 142,972              |
|   | Other Assets   |  | 53864             | 53864                |
|   | Total assets   |  | \$ 196,836        | \$ 196,836           |
| <b>Liabilities and Stockholders' Deficit</b>                              |  |  |                   |                      |
| Current Liabilities:  |  |  |                   |                      |
|   | Accounts payable and accrued liabilities   |  | \$ 5,425          | \$ -                 |
|   | Total current liabilities  |  | 5,425             | -                    |
|   | Long Term Liabilities  |  | 0                 | 218,740              |
|   | Total liabilities  |  | 5,425             | 218,740              |
| Stockholders' Deficit   |  |  |                   |                      |
|   | Preferred Stock, \$0.0001 par value, 50,000,000 shares authorized,<br>0 share issued and outstanding at December 31, 2021 and<br>December 31, 2020 respectively                |  | -                 | -                    |
|   | Common Stock, \$0.0001 par value, 1,125,000,000 shares authorized,<br>116,976,899 shares issued and outstanding, at December 31,<br>2021 and at December 31, 2020 respectively |  | 11,698            | 11,698               |
|   | Additional paid-in capital   |  | 190,996           | 190,996              |
|   | Accumulated deficit  |  | (11,283)          | (224,598)            |
|   | Total stockholders' deficit  |  | 191,411           | (21,904)             |
|   | Total liabilities and stockholders' deficit  |  | \$ 196,836        | \$ 196,836           |
| The accompanying notes are an integral part of these financial statements |  |  |                   |                      |

**NDT PHARMACEUTICALS, INC.**

## Statement of Operations

**(Unaudited)**

[illegible]

The accompanying notes are an integral part of these financial statements

**NDT PHARMACEUTICALS, INC.**

**Statement of Changes in Stockholders' Deficit  
For the Quarter Ended March 31, 2022 and 2021  
(Unaudited)**

|   |  | Preferred Stock |        | Common Stock |           | Additional | Accumulated  |  |             |
|---|--|-----------------|--------|--------------|-----------|------------|--------------|--|-------------|
|   |  | Shares          | Amount | Shares       | Amount    | Paid-in    | Deficit      |  | Total       |
|   |  |                 |        |              |           | Capital    |              |  |             |
| Balance at December 31, 2021                  |  | -               | \$ -   | 116,976,899  | \$ 11,698 | \$ 190,996 | \$ (224,598) |  | \$ (21,904) |
| Net loss for the quarter ended March 31 2022  |  | -               | -      | -            | -         | -          | 213,315      |  | 213,315     |
| Balance at March 31, 2022                     |  | -               | \$ -   | 116,976,899  | \$ 11,698 | \$ 190,996 | \$ (11,283)  |  | \$ 191,411  |
| Balance at December 31, 2020                  |  | -               | \$ -   | 116,976,899  | \$ 11,698 | \$ 190,996 | \$ (202,631) |  | \$ 63       |
| Net loss for the quarter ended March 31, 2021 |  | -               | -      | -            | -         | -          | (6,300)      |  | (6,300)     |
| Balance at March 31, 2021                     |  | -               | \$ -   | 116,976,899  | \$ 11,698 | \$ 190,996 | \$ (208,931) |  | \$ (6,237)  |



# NDT PHARMACEUTICALS, INC.

## Statement of Cash Flows

(Unaudited)

|   |   |  |  | For the Three Months Ended |           |      |         |
|---|---|--|--|----------------------------|-----------|------|---------|
|   |   |  |  | March 31,                  |           |      |         |
|   |   |  |  | 2022                       |           | 2021 |         |
|   |   |  |  |                            |           |      |         |
| Cash Flows from Operating Activities:                                     |   |  |  |                            |           |      |         |
|   | Net loss  |  |  | \$                         | 213,315   | \$   | (6,300) |
| Adjustments to reconcile net loss to net cash provided                    |   |  |  |                            |           |      |         |
|   | by (used in) operating activities:                  |  |  |                            |           |      |         |
| Changes in assets and liabilities   |   |  |  |                            |           |      |         |
|   | Increase (decrease) in accounts receivable          |  |  |                            | 5,425     |      | -       |
|   | (increase) decrease in long term debt               |  |  |                            | (218,740) |      |         |
|   | Net cash provided by (used in) operating activities |  |  |                            | 218,740   |      | (6,300) |
| Cash Flows from Investing Activities                                      |   |  |  |                            | -         |      | -       |
| Cash Flows from Financing Activities                                      |   |  |  |                            |           |      |         |
|   | Proceeds from related party promissory note         |  |  |                            | -         |      | -       |
|   | Net cash provided by financing activities           |  |  |                            |           |      | -       |
| Net increase (decrease) in cash   |   |  |  |                            | 218,740   |      | (6,300) |
| Cash and cash equivalents, beginning of period                            |   |  |  |                            | 647       |      | 11,443  |
| Cash and cash equivalents, end of period                                  |   |  |  |                            | 219,387   |      | 5,143   |
| Supplemental disclosure of cash flow information:                         |   |  |  |                            |           |      |         |
|   | Cash paid for interest                              |  |  | \$                         | -         | \$   | -       |
|   | Cash paid for taxes                                 |  |  | \$                         | -         | \$   | -       |
| Non-cash transactions:  |   |  |  |                            |           |      |         |
|   | Conversion of related party debt                    |  |  |                            | -         |      | -       |
| The accompanying notes are an integral part of these financial statements |   |  |  |                            |           |      |         |

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**1. ORGANIZATION AND BUSINESS BACKGROUND**

The Company was incorporated on May 13, 2005, under the laws of the State of Nevada as “Mistral Ventures, Inc.” and changed its name on January 24, 2020, to “NDT Pharmaceuticals, Inc.”

Prior company mineral operations were abandoned in 2008, the Company was revived with the State of Nevada in September of 2019, and in July of 2020 (with an effective date of January 1, 2020), the Company acquired all rights under a Sponsored Research Agreement with the University of Pennsylvania, including rights to use the University’s NPC technology from Compelling Competitive Advantage, LLC (“CCA”), a Delaware limited liability company which is controlled by the Company’s CEO and Director, James Hovis, in consideration of the Company’s issuance of 28,000 shares of Series B Preferred Stock of the Company to CCA.

CCA assigned all its rights, title and interests in CCA’s Sponsored Research Agreement with the Trustees of the University of Pennsylvania, and any related trade secrets, technology, know-how, formulations, procedures and/or methodologies (the “Intellectual Property”) to the Company, see Note 5 – Intangible Assets.

**Going Concern**

These unaudited consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has generated no revenues to date and has never paid any dividends and is unlikely to pay dividends or generate significant earnings in the immediate or foreseeable future. As of March 31, 2022, the Company had no revenues and an accumulated deficit of \$11,283. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's future business. These factors raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the issuance of these consolidated financial statements. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”).

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of consolidation**

The unaudited consolidated financial statements include the financial statements of NDT Pharmaceuticals, Inc.

**Use of estimates**

The preparation of the financial statements in conformity with US GAAP 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates and assumptions include valuing equity securities issued in share-based payment arrangements, determining the fair value of our common stock, the collectability of accounts receivable and deferred taxes and related valuation allowances. Certain of our estimates, including evaluating the collectability of accounts receivable, could be affected by external conditions, including those unique to our industry, and general economic conditions. It is possible that these external factors could have an effect on our estimates that could cause actual results to differ from our estimates. We re-evaluate all of our accounting estimates at least quarterly based on these conditions and record adjustments when necessary.

**Accounts receivable and allowance for doubtful accounts**

Accounts receivable consists of amounts due from customers. The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by performing credit checks and actively pursuing past due accounts. An allowance for doubtful accounts is established and determined based on management's assessment of known requirements, aging of receivables, payment history, the customer's current credit worthiness and the economic environment.

**Inventories**

Inventories include direct materials, labor and factory overhead and are stated at lower of cost or market value, cost being determined on a first-in, first-out basis. The Company periodically reviews historical sales activity to determine excess, slow moving items and potentially obsolete items and also evaluates the impact of any anticipated changes in future demand. The Company provides inventory allowances based on excess and obsolete inventories.

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on the straight-line basis over the following expected useful lives from the date on which they become fully operational and after taking into account their estimated residual values. Property, plant and equipment are depreciated over their estimated useful lives as follows:

Depreciable life

|                           |          |
|---------------------------|----------|
| Buildings                 | 6-50     |
| years Plant and machinery | 10 years |
| Office equipment          | 7 years  |
| Motor vehicles            | 7 years  |
| Computer equipment        | 3 years  |

**Goodwill and intangible assets**

We account for business combinations in accordance with current authoritative guidance, which requires that the acquisition method of accounting be used for all business combinations. It requires intangible assets acquired in a business combination to be recognized and reported separately from goodwill.

Furthermore, it requires purchased intangible assets other than goodwill to be amortized over their useful lives unless these lives are determined to be indefinite. No impairment of intangibles has been identified since the date of acquisition.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. The company generally seeks the assistance of independent valuation experts in determining the fair value of the identifiable tangible and intangible net assets of the acquired business.

We test goodwill for impairment on an annual basis. In this process, we rely on a number of factors including operating results, business plans and future cash flows. Recoverability of goodwill is evaluated using a two-step process. The first step involves a comparison of the fair value of a reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the fair value and carrying value of the goodwill of that reporting unit. If the carrying value of the goodwill of a reporting unit exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. Goodwill of a reporting unit will be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

We evaluate intangible assets for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If these assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. In the opinion of management, there was no impairment for the quarter ended March 31, 2022.

**Impairment of long-lived assets**

Long-lived assets and certain identifiable intangible assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is evaluated by a comparison of the carrying amount of assets to estimated undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value of the assets. In the opinion of management, there has been no impairment for the year ended March 31, 2022.

**Investments**

The Company accounts for non-marketable investments using the equity method of accounting if the investment gives us the ability to exercise significant influence over, but not control of, an investee. Significant influence generally exists if the Company has an ownership interest representing between 20% and 50% of the voting stock of the investee. Under the equity method of accounting, investments are stated at initial cost and are adjusted for subsequent additional investments and our proportionate share of earnings or losses and distributions. The Company records its share of the investee's earnings or losses in earnings (losses) from unconsolidated entities, net of income taxes in the accompanying consolidated statements of operations. The Company evaluates its equity method investment for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such investment may have experienced other than temporary decline in value. When evidence of loss in value has occurred, management compares the estimated fair value of the investment to the carrying value of the investment to determine whether an impairment has occurred. If the estimated fair value is less than the carrying value and management considers the decline in value to be other than temporary value, the excess of the carrying value over the estimated fair value is recognized in the financial statements as an impairment. In the opinion of management, there was no impairment for the year ended March 31, 2022.

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred income taxes**

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

**Net income per share**

Basic net income per share is computed by dividing the net income by the weighted-average number of common shares outstanding during the period. Diluted income per share is computed similar to basic income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common stock equivalents had been issued and if the additional common shares were dilutive.

**Stock-Based Compensation**

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

**Fair value of financial instruments**

We have adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates fair values because of the short-term maturing of these instruments. The carrying amounts of our short- and long-term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates which are comparable to rates of returns for instruments of similar credit risk and because of the short-term maturity of these instruments.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities.

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

**NDT PHARMACEUTICALS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

**3. SUBSEQUENT EVENTS**

None.