Decision Diagnostics Corp.

OTC Pink Quarterly Report

Balance Sheet, Statements of Equity & Cash Flows, Footnotes to Balance Sheet

Quarterly Report for Period Ended June 30, 2019

The following pages present the unaudited financial statements along with Statements of Equity and Cash Flows, and the Footnotes to the Balance Sheet for Decision Diagnostics Corp., for the quarters ended June 30, 2019, and 2018. The financial statements have been prepared in accordance with generally accepted accounting principles.

Trading Symbol: DECN
CUSIP Number: 243443 108

Decision Diagnostics Corp.
Condensed Consolidated Balance Sheets
(Unaudited)

	June 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash	$ 88,191	$ 358,757
Accounts receivable, net	950,226	949,797
Inventory	154,621	250,716
Prepaid expenses	3,999	106,988
Total current assets	1,197,038	1,666,258
Fixed assets:		
Specialty manufacturing equipment	802,315	802,315
	802,315	802,315
Less accumulated depreciation	-	-
Fixed assets, net	802,315	802,315
Other assets:		
Intellectual property	1,972,750	567,175
Patent licenses, net value	1,150,825	1,150,825
Total other assets	3,123,575	1,718,000
Total assets	$ 5,122,928	$ 4,186,573
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,030,270	$ 1,030,270
Accrued interest	4,226	48,462
Contingent legal fees	240,000	240,000
Notes payable and short term debt (Note 5)	1,096,975	1,530,680
Total current liabilities	2,371,471	2,849,412
Contingencies	245,069	245,069
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value, 3,738,500 shares		
authorized, no shares issued and outstanding		
as of June 30, 2019 and December 31, 2018	-	-
Preferred series "B" stock, $0.001 par value, 2,500 shares		
authorized, 1,000 issued and outstanding		
as of June 30, 2019 and December 31, 2018	2	2
Preferred series "C" stock, $0.001 par value, 10,000 shares		
authorized, 8,578 and 6,473 shares issued and outstanding		
as of June 30, 2019 and December 31, 2018	7	7
Preferred series "D" stock, $0.001 par value, 500 shares		
authorized, 180 shares issued and outstanding as of		
as of June 30, 2019 and December 31, 2018	-	-
Preferred series "E" stock, $0.001 par value, 1,250,000 shares		
authorized, 1,072,540 and 813,240 issued and outstanding		
as of June 30, 2019 and December 31, 2018	1,162	847
Common stock, $0.001 par value, 494,995,000 shares authorized,		
153,879,161 and 110,231,610 shares issued and outstanding		
as of June 30, 2019 and December 31, 2018	153,670	134,343
Common stock unissued, 1,410,000 shares		
as of June 30, 2019 and December 31, 2018	1,411	1,411
Subscription receivable	(82,250)	(82,250)
Unit offering finders' fees	(321,344)	(321,344)
Additional paid-in capital	50,029,450	47,956,705
Retained (deficit)	(47,275,721)	(46,597,629)
Total stockholders' equity	2,506,386	1,092,091
Total liabilities and stockholders' equity	$ 5,122,928	$ 4,186,573

The accompanying Notes are an integral part of these financial statements.

Decision Diagnostics Corp.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenue	$ 556,518	$ 430,483	$ 1,117,911	$ 989,487
Cost of sales	431,728	324,754	820,034	670,928
Gross profit	124,790	105,729	297,877	318,559
Expenses:				
General & administrative expenses	226,669	134,586	614,498	281,204
Consulting	70,934	40,331	120,347	72,016
Compensation expense	102,493	126,293	226,956	234,414
Professional fees	107,452	208,340	402,372	654,491
Total expenses	507,548	509,550	1,364,173	1,242,125
Net operating (loss)	(382,759)	(403,821)	(1,066,296)	(923,566)
Other income (expense):				
Financing costs	(313,254)	(98,611)	(313,254)	(104,611)
Interest expense, net	(69,450)	(55,528)	(476,182)	(102,937)
Loss on write-down of obsolete inventory	-	-	(162,359)	-
Gain on intellectual property	1,340,000	-	1,340,000	-
Total other income (expense)	957,296	(154,139)	388,204	(207,548)
Taxes:				
State	-	(70)	-	(70)
Net loss	$ 574,537	$ (558,030)	$ (678,092)	$ (1,131,184)
Add: Dividends declared on preferred stock	-	-	-	
Income available to common shareholders'	$ 574,537	$ (558,030)	$ (678,092)	$ (1,131,184)
Weighted average number of common shares outstanding - basic and fully diluted	148,748,447	123,011,140	143,481,879	118,422,915
Net loss per share - basic and fully diluted	$ 0.00	$ (0.00)	$ (0.00)	$ (0.01)

The accompanying Notes are an integral part of these financial statements.

Decision Diagnostics Corp.

Statements of Shareholders' Equity

(Unaudited)

		Preferred "B"		Preferred "C"		Preferred "D"		Preferred "E"		Common Stock			Authorized	Subscription	Finders'	Retained	
Date	Shareholder	# Shares	Amt	# Shares	Amt	# Shares	Amt	# Shs	Amt	# Shs	Amt	APIC	Unissued	Receivable	Fees	(Deficit)	Total
BALANCE, DECEMBER 31, 2018		*1,000*	*2*	*7,458*	*7*	*100*	*-*	*847,540*	*847*	*134,551,840*	*134,343*	*47,956,705*	*1,411*	*(82,250)*	*(321,344)*	*(46,597,629)*	*1,092,091*
1/2/2019	New Issuance-LICGO Partners			420	-					-	-	-					-
1/2/2019	New Issuance-Sovereign Partners LLC			140	-					-	-	-					-
1/2/2019	New Issuance-Paradigm Capital					10	-			-	-	-					-
2/5/2019	New Issuance-Alpha Capital Anstalt									5,004,552	5,005	505,460					510,464
2/13/2019	New Issuance-Mark Herskowitz									600,000	600	11,400					12,000
3/12/2019	New Issuance-Chase Financing Inc Profit Sh.							(100,000)	(10)	1,400,000	1,400	(1,390)					-
	Rounding adjustment											(2)					-
	Net loss															*(1,252,629)*	*(1,252,629)*
BALANCE, MARCH 31, 2019		*1,000*	*2*	*8,018*	*7*	*110*	*-*	*747,540*	*837*	*141,556,392*	*141,348*	*48,472,173*	*1,411*	*(82,250)*	*(321,344)*	*(47,850,257)*	*361,926*
4/1/2019	New Issuance-Alpha Capital Anstalt									4,139,272	4,139	418,066					422,206
4/5/2019	New Issuance-Mark Herskowitz									600,000	600	60,600					61,200
5/1/2019	New Issuance-Chase Financing Inc									413,218	413	41,735					42,148
5/1/2019	New Issuance-Robert Herskowitz									1,091,718	1,092	110,264					111,355
5/1/2019	New Issuance-Chase Financing Inc Profit Sh.									1,395,555	1,396	140,951					142,347
5/8/2019	New Issuance-LICGO Partners			420	-					-	-	-					-
5/8/2019	New Issuance-Sovereign Partners LLC			140	-					-	-	-					-
5/8/2019	New Issuance-Paradigm Capital					10	-			-	-	-					-
5/8/2019	New Issuance-Thomas Nelson					30	-			-	-	150,000					150,000
5/8/2019	New Issuance-JAN Stock Trust					15	-			-	-	75,000					75,000
5/8/2019	New Issuance-KEN Stock Trust					15	-			-	-	75,000					75,000
5/8/2019	New Issuance-Robert Herskowitz							175,000	175	-	-	6,825					7,000
5/8/2019	New Issuance-Kenneth Schaefer							150,000	150	-	-	5,850					6,000
6/11/2019	New Issuance-Mark Herskowitz									600,000	600	60,600					61,200
6/19/2019	New Issuance-Alpha Capital Anstalt									4,083,006	4,083	412,384					416,467
	Rounding adjustment										(1)	3					-
	Net loss															574,537	574,537
BALANCE, JUNE 30, 2019		**1,000**	**2**	**8,578**	**7**	**180**	**-**	**1,072,540**	**1,162**	**153,879,161**	**153,670**	**50,029,450**	**1,411**	**(82,250)**	**(321,344)**	**(47,275,720)**	**2,506,386**

Decision Diagnostics Corp.
Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2019	**2018**
Cash flows from operating activities		
Net loss	$ (678,092)	$ (1,131,184)
Adjustments to reconcile net loss to		
net cash (used) by operating activities:		
Amortization of prepaid legal fees	101,239	250,000
Shares and options issued for services	25,000	-
Shares issued for financing fees	313,254	104,611
Bad debt	175,000	-
Loss on write-down of obsolete inventory	162,362	-
Gain on intellectual property settlement	(1,340,000)	-
Changes in operating assets and liabilities		
Accounts receivable	(175,429)	(149,006)
Inventory	(66,267)	153,120
Prepaid and other assets	1,750	675
Accounts payable and accrued liabilities	-	6,511
Accrued interest	476,182	102,937
Net cash (used) by operating activities	(1,005,001)	(662,336)
Cash flows from investing activities		
Intellectual property	(65,575)	(3,800)
Net cash (used) by investing activities	(65,575)	(3,800)
Cash flows from financing activities		
Proceeds from notes payable	500,010	375,235
Proceeds from sale of stock	300,000	-
Net cash provided by financing activities	800,010	375,235
Net decrease in cash	(270,566)	(290,902)
Cash - beginning	358,757	1,088,761
Cash - ending	$ 88,191	$ 797,858
Supplemental disclosures:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ 70
Non-cash transactions:		
Shares and options issued for services	$ 25,000	$ -
Shares issued for financing activities	$ 313,254	$ 104,611
Shares issued for debt and derivative liabilities	$ 1,454,133	$ 1,236,481

The accompanying Notes are an integral part of these financial statements.

NOTE 1 – Basis of presentation and accounting policies

Basis of Presentation

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with our consolidated financial statements for the period ended December 31, 2018 and notes thereto included in our annual filing. We follow the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods are not indicative of annual results.

Recent Accounting Pronouncements

Management has analyzed all pronouncements issued during the six months ended June 30, 2019 by the FASB or other authoritative accounting standards groups with future effective dates, and have determined that they are not applicable or are not expected to be significant to our financial statements.

Year-end

We have adopted December 31 as our fiscal year end.

NOTE 2 – Going concern

The accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern. Our ability to continue as a going concern is dependent upon attaining profitable operations based on the development of distribution platforms and channels through which our products that can be sold. We intend to use borrowings and security sales to mitigate the effects of our cash position, however, no assurance can be given that debt or equity financing, if required, will be available. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should we be unable to continue in existence.

NOTE 3 – Fair value

Our financial instruments consist principally of notes payable and lines of credit. Notes payable and lines of credit are financial liabilities with carrying values that approximate fair value. Management determines the fair value of notes payable and lines of credit based on the effective yields of similar obligations and believe all of the financial instruments' recorded values approximate fair market value because of their nature and respective durations.

We comply with the provisions of ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements required under other accounting pronouncements. ASC 820-10-35, "Fair Value Measurements and Disclosures - Subsequent Measurement" ("ASC 820-10-35"), clarifies that fair value is an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between

market participants. ASC 820-10-35 also requires that a fair value measurement reflect the assumptions market participants would use in pricing an asset or liability based on the best information available. Assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and/or the risks inherent in the inputs to the model. The Company also follows ASC 825 "Interim Disclosures about Fair Value of Financial Instruments", to expand required disclosures.

ASC 820-10-35 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10-35 are described below:

Level 1. Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2. Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

Level 3. Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the best available information in measuring fair value. The following table summarizes, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis as of June 30, 2019:

	2019 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Intellectual property	$ -	$ -	$ 1,972,750	$ 1,972,750
Liabilities	-	-	-	-
Notes payable	-	(1,096,975)	-	(1,096,975)
Total	$ -	$ (1,096,975)	$ 1,972,750	$ 875,776

NOTE 4 – Equipment – Specialty Manufacturing Instruments

On June 1, 2015, we entered into a wide-ranging manufacturing and product development agreement with a large venture funded Korean concern. On July 8, 2015, we enhanced its role in this agreement through the purchase of, and investment in, computer controlled, specialty manufacturing equipment for our GenUltimate! products that is now located in the Korean facility of the Company's R&D and contract manufacturing partner. In the summer of 2016 we augmented this equipment by adding additional equipment capable of manufacturing our GenChoice!, GenUltimate! TBG and GenCambre! products that make use of different molds and chemical processes. In February 2019 we again added specialty manufacturing equipment for the manufacture of our meters for GenUltimate! 4Pets and GenUltimate! TBG.

During the quarter ended March 31, 2017, we acquired $64,890 in fixed assets pursuant to the manufacturing and product development agreement dated June 1, 2015. We expensed an additional $380,000 for the development of our GenChoice! product which will make use of the Specialty Manufacturing equipment located in Korea. We continue to incur great expense due to development of our GenChoice! and GenUltimate! TBG (formerly GenPrecis!) products during quarter ending June 30, 2019.

NOTE 5 – Patents

During the quarters ended June 30, 2019 and 2018, we capitalized attorney fees related to the continued development and perfection of our patents. We did not amortize any intellectual property or patents during the quarters ended June 30, 2019 and 2018. We are, however, prosecuting our patents in a lawsuit in the Federal Court district of Nevada, against Johnson and Johnson and two of their divisions. In October 2018 Johnson and Johnson sold their divisions to Platinum Equity. It is unknown whether Platinum bought the IP from Johnson & Johnson when they bought the divisions. There is an upcoming mediation between the parties (litigants) and we intend to ask this question.

During the quarter ended June 30, 2019, we settled out of court with Shasta Technologies, LLC, whereby we have retained all unobscured rights to acquire certain intellectual properties (see Note 6 below). We have expensed $660,000 in legal fees over the past several years pursuant to the litigation. We have capitalized and recorded a "Gain on Intellectual Property" of $1,340,000. With the settlement of the suits involving Shasta we can now file our patents for the GenUltimate! TBG technology which we shall accomplish in September 2019.

NOTE 6 – Acquisition of Certain Properties

In March 2014, we agreed to acquire certain properties from Shasta Technologies LLC. The agreement covering this acquisition became the subject of two litigations, one litigation related to the remaining proceeds of an IP defense insurance policy, subsequently settled, the other litigation concerning damages the company is trying to collect from Shasta Technologies LLC owing to Shasta's subsequent undisclosed issues with the U.S. FDA. The damages sought by the company, and other damages, became a part of allegations made in a suit filed in Pennsylvania where we will also litigate damages incurred as a result of a 2015 collusion between Shasta and our former contract manufacturer Conductive Technologies, Inc., who conspired with Johnson and Johnson during the settlement of the first patent litigations. On December 31, 2018 the court in Pennsylvania ordered judgement against Shasta in the amount of $3,600,000. Our suit against Conductive Technologies, Inc. is still active although the parties are nearing a decision point.

The original purchase price for this "Shasta" property was expected to be $2,000,000 (cash). The company recently filed a Writ of Execution, owing to the $3,600,000 judgement that migrated from Pennsylvania to Minnesota, California and Oregon. The California Writ became final in April 2019, and was intended, among other things, as offset against Shasta (if any) in the California litigation. We ended the litigation and collection activities associated with the Writ as of June 30, 2019 after executing Settlement Agreements with Shasta. The Settlement Agreements finally allowed us to record the value. We recorded this acquisition of Marks and technology on our books in the period ended June 30, 2019.

We have registered our FDA cleared product GenUltimate!, under our FDA Establishment registration (with the US FDA) in 2014, 2015, 2016, 2017, 2018 and in 2019. We intend to renew this registration on October 1, 2019 for FY 2020. In September 2016 we became fully compliant with the then newly implemented FDA UDI product identification initiative.

NOTE 7 – Notes payable

During the course of a year-end review of our debt with our noteholders, we mutually identified Original Issue Discounts ("OID's") associated with the notes totaling $376,089. We have recorded these OID's by increasing notes payable and interest expense as of June 30, 2019.

On March 22, 2019 the company closed additional financing in the form of OID Notes and Warrants in the amount of $250,000 face value (OID of $37,500), with Alpha Capital Anstalt, the company's primary financier. The Notes were funded and recorded on our books during the quarter ended June 30, 2019.

We have recorded non-OID interest and financing expense in connection with our notes payable totaling $44,700 and $55,528, and $313,254 and $98,611 for the quarters ended June 30, 2019 and 2018, respectively.

NOTE 8 – Stockholder's equity

2019 Issuances

Preferred "C"

During the quarter ended June 30, 2019, we issued 560 preferred series "C" shares to certain existing shareholders pursuant to our quarterly bonus stock initiative. The fair market value of the shares are $nil on the date of issuance.

Preferred "D"

During the quarter ended June 30, 2019, we issued 70 preferred series "D" shares to various consultants for services provided. The fair market value of the shares and services are $nil on the date of issuance.

Preferred "E"

During the quarter ended June 30, 2019, we issued 325,000 preferred series "E" shares to various consultants for services rendered. The fair market value of the shares and services is $13,000 on the date of issuance.

Common

During the quarter ended June 30, 2019, we issued 8,222,278 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $934,999.

During the quarter ended June 30, 2019, we issued 418,250 shares of $0.001 par value common stock for financing costs totaling $321,923.

NOTE 9 – Stock options

2017 Stock Option Plan

During the quarter ended March 31, 2017, we adopted the "2017" Executive and Key Man/Woman Stock Option Plan and granted incentive and nonqualified stock options with rights to purchase 20,000,000 shares of $0.001 par value common stock at the variable strike prices per share based on share fair market value on the date of grant. As of June 30, 2019, all options allowed under the plan have been granted and are exercisable at the election of the holder.

The following is a summary of activity of outstanding stock options under all Stock Option Plans:

	Number of Shares	Weighted Average Exercise Price
Balance, January 1, 2018	9,050,000	$ 0.10
Options granted	-	-
Options cancelled	-	-
Options exercised	-	-
Balance, December 31, 2018	9,050,000	$ 0.10
Balance, January 1, 2019	9,050,000	$ 0.10
Options granted	9,000.000	0.018
Options cancelled	-	-
Options exercised	-	-
Balance, June 30, 2019	18,050,000	$ 0.05911

NOTE 10 – Warrants

The following is a summary of activity of outstanding warrants:

	Number of Shares	Weighted Average Exercise Price
Balance, January 1, 2018	2,603,143	$ 0.56
Warrants granted	-	-
Warrants cancelled	-	-
Warrants exercised	-	-
Balance, December 31, 2018	2,603,143	$ 0.56
Balance, January 1, 2019	2,603,143	$ 0.56
Warrants granted	3,685,898	.0195
Warrants cancelled	-	-
Warrants exercised	-	-
Balance, December 31, 2019	6,289,041	$ 0.2432

NOTE 11 – Commitments and Contingencies

Contingencies and Litigation

We transact commerce in several medical products market channels. We also transact commerce by licensing our proprietary medical software that functions by moving confidential medical data through our proprietary medical information technology devices and networks. Our GenStrip 50 and GenUltimate! products required initial regulatory approval by the US FDA as well as on-going US FDA approvals during the product life cycle and are subject to new FDA regulation and post market overview. In 2016, we had to meet new FDA Guidelines for product identification, tracking and standardization. Our new GenChoice! and GenUltimate! TBG and the later upcoming GenAccord! and GenCambre! products will follow the same pathway with the U.S. FDA. The FDA calls its new product identification program, the UDI initiative, and the new packaging required, and met by us, approximates a similar standard implemented in the European Union in 2013, and then adopted in other countries, Korea for example. We are now filing for approvals in the EU after having received certain approvals in Central and South America. We are also evaluating a proposal from Russia and the several CSI countries.

Further, our products required medical patient trials and several compete directly with major platform manufacturers. Healthcare, especially those segments where the company competes, is a very litigious. Competing companies often use litigation as a marketing (market depriving) tool, bringing litigation as a means to protect market share and limit market exposure even though market limitation through litigation is illegal. We have in the past (and currently) defended cases brought by Plaintiffs asserting these types of claims.

The medical industry is also intertwined. From time to time, we have become involved in claims and litigation that arise out of the normal course of business, such as litigation that emerges from disputes over damaged, missing or contaminated product, payment disputes both as a seller and a buyer, and litigation that arises over claims of fair value. We have also had to defend trade dress claims filed against us solely because these claims are expensive to defend, whether the claims are real or not. In addition, we have been sued in several jurisdictions over a single business transaction. Often these cases involve substantial over-prosecution where we a have been held accountable by Plaintiffs for a myriad of things including words written or posted in public forums by anonymous persons.

We may also become involved in disputes that arise over the business or business practices of our suppliers, payers and customers, people or entities that we may not be familiar with. We maintain substantial insurance coverage against suits that may arise over issues of damaged, recalled or counterfeit product and other product liability issues. We have also been a victim of the unapproved acts of prior management. These acts have resulted in claims from individuals and entities since the Board relieved former management of duty in 2006. Nonetheless, these claims have resulted in the use of management time and company resources to investigate, litigate, or settle, some 13 years later. In addition, we accrue contingent legal fees and product liability fees. As of June 30, 2019, our contingent legal fees accrual was $240,000 and our general contingencies accrual was $245,069. Contingencies total $485,069 and are reflected herein.

From time to time, we may also be subject to demands from individuals or entities. These demands and disputes may consume management time and company resources. Other than as noted below, if there is such a disclosure, there are no pending matters at the current time that in management's judgment may be considered material or potentially material.

Leases

We currently maintain an executive office at 2660 Townsgate Road, Suite 300, Westlake Village, CA 91361. The space consists of approximately 2,300 square feet. The monthly rental for the space is $2,170 per month on a month-to-month basis. We also maintain space in a public warehouse in Miami, FL, for our import, export and storage and pick and pack needs. Also, we are granted space indirectly in Seoul, South Korea for the completion of necessary clinical trials.

Rent expense totaled $6,510 and $6,510 for the quarter ended June 30, 2019 and 2018, respectively.

NOTE 12 – Subsequent events

In accordance with ASC 855, management evaluated all of our activities through the issue date of the financial statements and concluded that except as described below, no other subsequent events have occurred that would require recognition or disclosure in the financial statements. We do however discuss all subsequent events in our Managements' Discussion and Analysis documents and filings.

During the period ended June 30, 2019 the company was approached by five entities expressing various interest in our GenUltimate TBG technology, as well as our TBG technology for other products. In July 2019, after a careful interview and meeting process, we chose one entity for a proposed partnership for the licensing of our GenUltimate TBG. This license would not transfer any of the company's intellectual property. In early August 2019 the company received follow-up propositions from two of the entities that we did not choose. These new propositions, if accepted, would not require a choice to be made between entities.

During the month of August 2019, the company received a strong inquiry from an Eastern European distributor for the distribution of our GenSure and GenPrecis products, two of our products that do not have USA markets. The Board decided to engage with this distributor. The company's GenSure product is available for immediate delivery. The GenPrecis product in October 2019.

During the period ended June 30, 2019 the company completed third party testing of its GenUltimate TBG products. The TBG products will serve the company with multiple purposes, inclusive of an industry leading stand-alone highly precise test strip and meter system, a system suitable for replacement of big box house brands, and, in the near future (September 2019) a premier version of the company's highly successful GenUltimate test strip to be called GenUltimate Premier, a product that will make use of the TBG technology, and sell at brand name prices.

Error Repair

The company will endeavor to repair any and all errors that new sets of eyes find in this document after its posting, whether these errors are in spelling, grammatical, punctuational or numeric. We are not perfect and we remind the readers of this document that they are not perfect either.