FARMHOUSE, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

FRAMHOUSE, INC.
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Farmhouse, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Farmhouse, Inc. and its subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 12 to the financial statements, the Company has suffered recurring losses from operations, negative cashflows from operations, and its total liabilities exceed its total assets. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters also are described in Note 12. The 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 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.

Mac Accounting Group, LLP

We have served as the Company's auditor since 2018.
Midvale, Utah
May 4, 2020

FARMHOUSE, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2019 and 2018

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	$ 7,313	$ 3,288
Accounts receivable	7,594	-
Other receivables	-	4,374
Total Current Assets	14,907	7,662
Property and equipment, net	3,187	1,997
Intangibles	330,000	30,000
Total Assets	$ 348,094	$ 39,659

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	2019	2018
Current Liabilities		
Accounts payable and accrued liabilities	$ 633,114	$ 522,511
Convertible notes payable, net of discount of $0 and $3,334	45,000	51,667
Related party notes payable and short term advances	109,782	4,500
Total Current Liabilities	787,896	578,678
Stockholders' Equity (Deficit)		
Preferred stock, $.0001 par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, $.0001 par value, 295,000,000 shares authorized, 14,497,843 and 11,099,851 shares issued and outstanding	1,450	1,110
Additional paid-in capital	2,841,608	2,352,663
Subscription receivable	(2,001)	(175,005)
Accumulated deficit	(3,280,859)	(2,717,787)
Total stockholders' equity (deficit)	(439,802)	(539,019)
Total Liabilities and Stockholders' Equity (Deficit)	$ 348,094	$ 39,659

See accompanying notes to consolidated financial statements.

FARMHOUSE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2019 and 2018

	2019	2018
Net revenues	$ 41,344	$ 8,105
Total revenues	41,344	8,105
Operating expenses		
General and administrative expenses	592,289	350,685
Total operating expenses	592,289	350,685
Loss from operations	(550,945)	(342,580)
Other income (expense):		
Gain (loss) on extinguishment of debt	1,872	(185,240)
Interest expense	(13,999)	(24,696)
Total other expense	(12,127)	(209,936)
Loss from operations before income taxes	(563,072)	(552,516)
Income taxes	-	-
Net Income (loss)	(563,072)	(552,516)
Net income (loss) attributable to Farmhouse, Inc. per common share		
Basic and diluted	$ (0.05)	$ (0.05)
Weighted average common shares; basic and diluted	12,473,106	10,464,398

See accompanying notes to consolidated financial statements.

FARMHOUSE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2019 and 2018

	Common Stock		Additional Paid-In	Subscription	Accumulated	Noncontrolling	Total Stockholders'
	Shares	Amount	Capital	Receivable	Deficit	Interest	Equity
Balance at December 31, 2017	9,950,000	$ 995	$ 1,157,418	$ -	$ (2,165,271)	$ (11,767)	$ (1,018,625)
Sale of common stock	399,404	40	527,476	(175,005)	-	-	352,511
Common stock issued for debt conversion	556,114	56	654,750	-	-	-	654,806
Common stock issued for intangible asset	30,000	3	29,997	-	-	-	30,000
Farmhouse, Inc. common stock issued for subsidiary common stock	171,000	17	(11,784)	-	-	11,767	-
Capital contributed by a related party	-	-	1,472	-	-	-	1,472
Beneficial conversion feature	-	-	3,334	-	-	-	3,334
Debt issued for common stock	(6,667)	(1)	(10,000)	-	-	-	(10,001)
Net loss for the year ended December 31, 2018	-	-	-	-	(552,516)	-	(552,516)
Balance at December 31, 2018	11,099,851	$ 1,110	$ 2,352,663	$ (175,005)	$ (2,717,787)	$ -	$ (539,019)
Subscriptions received	-	-	-	175,005	-	-	175,005
Common stock issued for debt conversion	19,201	2	8,927	-	-	-	8,929
Sale of common stock	76,543	8	116,994	(2,001)	-	-	115,001
Common stock issued for intangible asset	187,500	19	299,981	-	-	-	300,000
Common stock issued for services	55,326	5	74,842	-	-	-	74,847
Common stock issued for reverse capitalization	3,059,422	306	(11,799)	-	-	-	(11,493)
Net loss for the year ended December 31, 2019	-	-	-	-	(563,072)	-	(563,072)
Balance at December 31, 2019	14,497,843	$ 1,450	$ 2,841,608	$ (2,001)	$ (3,280,859)	$ -	$ (439,802)

See accompanying notes to consolidated financial statements.

FARMHOUSE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Net Income (Loss)	$ (563,072)	$ (552,516)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	2,339	1,642
Amortization of debt discount	3,334	-
Bad debt	1,628	-
Stock issued for services	74,847	-
(Gain) loss on extinguishment of debt	(1,872)	185,240
Changes in assets and liabilities:		
Accounts receivable	(4,848)	25
Accounts payable and accrued liabilities	99,910	27,465
Net cash used by operating activities	(387,734)	(338,144)
Cash flows from investing activities:		
Purchase of fixed assets	(3,529)	-
Net cash (used) provided by investing activities	(3,529)	-
Cash flows from financing activities:		
Proceeds from sale of common stock	290,006	352,511
Proceeds from issuance of related party debt and short term advances	107,282	1,750
Repayment of related party debt and short term advances	(2,000)	(13,250)
Net cash (used) provided by financing activities	395,288	341,011
Net increase (decrease) in cash and cash equivalents	4,025	2,867
Cash and cash equivalents at beginning of year	3,288	421
Cash and cash equivalents at end of year	$ 7,313	$ 3,288
Supplemental disclosure of cash flow information:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash investing and financing activities:		
Common stock issued for intangible asset	$ 300,000	$ 30,000
Debt issued for common stock	$ -	$ 10,001
Common stock issued for reverse recapitalization	$ 11,493	$ -
Capital contributed by a related party	$ -	$ 1,472
Farmhouse, Inc. common stock issued in exchange for subsidiary common stock	$ -	$ 11,767
Beneficial conversion feature	$ -	$ 3,334

See accompanying notes to consolidated financial statements.

NOTE 1—ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization
On June 28, 2013, the Company was originally incorporated as Somerset Transition Corporation under the Oklahoma General Corporation Act. Under the Agreement, Transition Corporation merged into Merger Sub and Transition ceased to exist, wherein Merger Sub became the survivor and successor under Section 1088 of the Oklahoma Act, having acquired all of Transnational Corporation's assets, rights financial statements, obligations, and liabilities as the constituent or resulting corporation. Holdings became the parent and the holding company of Merger Sub under the Reorganization which was in compliance with Section 1081(g) of the Oklahoma Act. At the time of the Reorganization, Holdings as successor issuer had less than 300 shareholders.

Upon consummation of the Reorganization, each issued and outstanding equity of the former Transition was transmuted into and represented the identical equity structure of Holdings (on a share-for-share basis) having the same designations, rights, powers and preferences, and qualifications, limitations, and restrictions. Upon consummation, Holdings, was the issuer since the former Transnational Corporation equity structure was transmuted pursuant to Section 1081(g) into current issued and outstanding equities of Holdings. The Reorganization was exempt from the registration requirements of the Securities Act of 1933 ("Act") as there was no "offer" or "sale" as defined in Section 2(3) of the Act so as to invoke the requirements of Rule 145 also under the Act. Under the terms of the Agreement, the shareholders and equity holders of the former Transition had no appraisal rights or rights to a shareholder vote and consequently, no investment decision was made by the shareholders. Further, the transaction complied with the provisions of Rule 144(D)(3)(x) titled "Holding Company Formation."

The issuer formed Somerset Property, Inc. as its wholly-owned Maryland subsidiary on September 3, 2013 and merged with and into Somerset Property pursuant to Articles of Merger filed with the Maryland Department of Assessments and Taxation on October 3, 2013 and with the Oklahoma Secretary of State on October 11, 2013.

The issuer was subsequently redomiciled to Nevada. The redomicile was accomplished by the issuer forming a wholly-owned Nevada subsidiary, Revival, Inc. on July 18, 2017. The issuer then merged with and into Revival, Inc. by filing Articles of Merger with the Nevada Secretary of State on July 21, 2017 and with the Maryland Department of Assessments and Taxation on August 14, 2017. On July 2, 2019, the Issuer changed their name to Farmhouse, Inc.

On August 6, 2019, the Company received notification of approval from FINRA for the change in its issue name from Revival, Inc. Common Stock to Farmhouse, Inc. Common stock and its trading symbol has changed from TLVA to FMHS.

On August 13, 2019, the Company finalized an Agreement and Plan of Merger ("the Agreement") by and among the Company, Revival Merger, Inc. ("Revival Merger"), a newly formed Nevada corporation 100% owned by the Company, and Farmhouse, Inc., a Washington corporation ("Farmhouse Washington"). Under the Agreement, Revival Merger has merged with and into Farmhouse Washington, with Farmhouse Washington being the surviving corporate entity.

At the Effective Time of the Merger, all of the issued and outstanding shares of Farmhouse Washington Common Stock were exchanged for shares of the Company's authorized, but previously unissued Common Stock, on a one share for one share basis. This resulted in Farmhouse Washington becoming our wholly owned subsidiary and the former stockholders of Farmhouse Washington becoming our stockholders and controlling the majority of our outstanding common stock (see Note 6).

Nature of Business
As additional states and countries legalize medical and/or recreational cannabis use, these markets develop regulations and the commercial industry becomes more established. The founders of Farmhouse seek to apply their technical knowledge and experience to introduce products for this emerging industry. The Cannabis industry continues to encounter a lack of acceptance from many traditional mainstream service providers of commonly used business tools. Management believes the ongoing mainstream business stigma that plagues the cannabis industry, resulting in lower availability of quality services, also creates ample opportunity to prosper as we fill the gap with vetted professional connections worldwide. By employing state of the art technologies to (i) assist with social connections on the WeedClub Platform, and (ii) geo-fencing to prevent interstate commerce from happening, the WeedClub Platform fosters safe growth for its Members.

Products

Farmhouse products serve a wide range of areas within the professional cannabis and hemp industries, such as licensed growers, dispensers, laboratories, distributors, investors, accountants, lawyers, consultants and others. Product development and introduction focuses on states and countries where cannabis is permitted under a developing regulatory market. Future product and live event expansion will target matching key markets, wherein technology can be used to assist industry stakeholders. Farmhouse believes that the movement toward Federal legalization of cannabis will continue.

The WeedClub® Platform

Farmhouse has developed “The WeedClub Platform,” a platform provider to the regulated cannabis industry. Its core product is the WeedClub® social network platform, which allows its members to digitally network with actual vetted cannabis industry stakeholders. The platform offers innovative security enabling safe and private communication and discovery for cannabis professionals seeking to expand their businesses. WeedClub® is intended to be a professional network for the Cannabis Industry. Additionally, WeedClub® vets its members to ensure their businesses are state compliant and have clean backgrounds which helps facilitate a sense of community and trust amongst its members.

We marketed the initial product concept of WeedClub® as the vetted, trusted online professional network and discovery engine for the legal cannabis and hemp industries. Within the WeedClub Platform, members utilize an increasing set of technology-based tools for discovering professional connections and information. Also, live events bring the digital experience into the physical world for face-to-face networking events, focused on relevant and timely industry topics.

WeedClub® is marketed as the trusted online professional and discovery platform for the legal cannabis and hemp industries. Within the platform, members utilize an increasing set of technology-based tools for discovering professional connections and information, including news and events. While previously producing and hosting in-person networking events focused on relevant and timely industry topics, WeedClub has started to offer virtual and live-streaming events in place of face-to-face networking during COVID-19.

We also plan to develop and launch a series of additional value-added portals for each core service area, which include: Distribution, Recruiting, Investment and Compliance. We believe WeedClub will improve connectivity between enterprise cannabis professionals by adding more conventional social networking software and systems. WeedClub intends to offer its members group opportunities, wherein needs are met while advertising and consulting revenues are generated via the curated opportunities.

WeedClub.com

WeedClub.com is a professional network and platform designed specifically for the cannabis industry. An early version of WeedClub was introduced to the market in August 2014. The WeedClub Platform is open to all cannabis professionals and businesses for connection discovery. Certain areas of The WeedClub Platform require additional vetting to ensure qualifications of those using focused private or semi-private groups. WeedClub includes an internal control mechanism designed to comply with the regulatory requirements applicable to individual retail outlets and customers based on licensing information and stakeholders' locations.

For growth stage companies and professionals looking to enter the cannabis industry, WeedClub offers the ability to gain new professional connections and visibility without sacrificing trust, safety and compliance concerns that are inherent to servicing an industry that did not exist legally until recently.

WeedClub Select™

"WeedClub Select," is a way to filter segments of the diverse cannabis industry into focus groups. The intent of focus groups is to solve key challenges that rely on the vetting participants to create groups that are away from public view. To ensure compliance, we require participants in certain groups to prove their licenses and other security authentications. We believe WeedClub and WeedClub Select will create innovative and exclusive marketing and advertising opportunities for Members and the Company on top of their core functionality.

We are currently beta testing the WeedClub Select program. WeedClub Select will develop into a series of multiple private or semi-private portals that solve recurring business problems. We believe our technology will assist in enabling stakeholders to move on to the next phase of their businesses' growth. Currently portals in development are: Distribution, Financial, Recruiting, and Compliance needs.

Currently in beta testing, the WeedClub Select program will develop into a series of multiple private or sem-private portals that solve recurring business problems. We believe our ability to develop technological solutions that will enable stakeholders to move on to the next phase of their businesses' growth. We have four portals in development which are for distribution, financial, recruiting and compliance needs.

WeedClub Select is being designed to facilitate the interconnection of a broad range of features cannabis professionals seek. The system's proprietary logic and vetting only allows stakeholders access to, and ability to view certain information based on the type of license they hold and regulatory requirements of the jurisdictions in which they reside. WeedClub Select is expected to be helpful to anyone buying, selling, trading, hiring, financing, and managing compliance in the legal cannabis and hemp industries.
We plan to develop and launch a series of additional value-added portals for each of core service area, which include: Distribution, Recruiting, Investment and Compliance. We believe WeedClub will improve connectivity between enterprise cannabis professionals by adding more conventional social networking software and systems. We also intend to offer members group opportunities, wherein needs are met while advertising and consulting revenues are generated via the curated opportunities.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in accordance with GAAP permits management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Principles of Consolidation
The consolidated financial statements include the accounts of Farmhouse, Inc., its wholly-owned subsidiary Farmhouse, Inc. and its wholly-owned subsidiary Farmhouse DTLA Inc. (collectively referred to as the "Company"). All significant inter-company balances have been eliminated in consolidation.

Concentrations of Credit Risk
We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts. We believe we are not exposed to any significant credit risk on cash.

Cash and Cash Equivalents
We consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2019 or 2018.

Accounts Receivable
Revenues that have been recognized but not yet received are recorded as accounts receivable. Losses on receivables will be recognized when it is more likely than not that a receivable will not be collected. An allowance for estimated uncollectible amounts will be recognized to reduce the amount of receivables to its net realizable value. The need for an allowance for uncollectible amounts is evaluated quarterly. We have not deemed it necessary to establish an allowance for doubtful accounts as of December 31, 2019 and 2018.

Fair Value of Financial Instruments
We follow Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 825-10-50-10, *Financial Instruments—Overall—Disclosure*, for disclosures about fair value of our financial instruments and ASC 820-10-35-37, *Fair Value Measurement—Overall—Subsequent Measure—Fair Value Hierarchy*, to measure the fair value of our financial instruments. ASC 820-10-35-37 establishes a framework for measuring fair value GAAP and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820-10-35-37 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. 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. The three levels of fair value hierarchy defined by ASC 820-10-35-37 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 observable inputs and not corroborated by market data.

The carrying amount of our financial assets and liabilities, such as cash, accounts receivable, notes payable, accounts payable and accrued expenses, approximate their fair value because of the short maturity of those instruments.

Intangible Assets
Intangible assets are comprised of the domain "Weed.Club" which was acquired in March 2018 and the domain "Extract.com" which was acquired in May 2019. As of the date of this financial statement, the Company has not begun utilizing either domain for its intended purpose but intends to do so in the future.

Per ASC 350, Intangibles – Goodwill and Other, the Company will review the carrying value of its intangible assets whenever circumstances indicate that an intangible asset's carrying amount may not be recoverable, or if no interim circumstances exist, on the financial statement date. During the years ended December 31, 2019 and 2018 the Company did not recognize an impairment loss.

Fixed Assets
Fixed assets are carried at the lower of cost or net realizable value. Normal maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of three years.

Revenue Recognition
On January 1, 2017, the Company adopted the new revenue recognition standard ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)", using the cumulative effect (modified retrospective) approach. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of retained earnings at the date of initial application. No cumulative-effect adjustment in retained earnings was recorded as the adoption of ASU 2014-09 did not significantly impact the Company's reported historical revenue. Revenue from substantially all of our contracts with customers continues to be recognized over time as services are rendered. The impact of the adoption of the new standard was not material to the Company's consolidated financial statements for the year ended December 31, 2019 and December 31, 2018. The Company expects the impact to be immaterial on an ongoing basis.

The Company recognizes revenue from product sales or services rendered when the following five revenue recognition criteria are met: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as the Company satisfies a performance obligation.

During the fiscal years ended December 31, 2019 and 2018, we generated four types of revenue, including:

(1) Subscription fees related to our WeedClub portal. Payment is received at the time of purchase. Our performance obligation is to provide services over a fixed subscription period; therefore, we recognize revenue ratably over the subscription period and deferred revenue is recorded for the portion of the subscription period subsequent to each reporting date.

(2) Affiliate advertising revenues. Our performance obligation is met when the Company runs the agreed upon advertisements on its platform. Most advertising campaigns are multi-month arrangements. We recognize revenue ratably over the campaign period and deferred revenue is recorded for the portion of the campaign period subsequent to each reporting date.

(3) Event ticket sales and sponsorships. Our performance obligation is met at the time the event takes place. We collect payment up front and record these payments as unearned revenue. We recognize revenue at the time the event takes place.

(4) Referral fees and revenue. Our performance obligation is met at the time a business transaction is consummated between the referee and potential target. We invoice and recognize revenue at that point in time.

Revenue generated for the year ended December 31, 2019 and 2018, was as follows:

	Subscription Fees	Affiliate Advertising	Event Tickets and Sponsorship	Referral Fees	Total
2019	$ -	$ -	$ -	$ 41,344	$ 41,344
2018	$ 175	$ -	$ 7,930	$ -	$ 8,105

During the year ended December 31, 2019, the Company generated $18,750 of the referral fees from an agreement with a related party.

No cost of goods sold were incurred related to the fiscal years ended December 31, 2019 and 2018 revenues generated.

Earnings (Loss) per Common Share
Net income (loss) per common share is computed pursuant to ASC 260-10-45, *Earnings per Share—Overall—Other Presentation Matters*. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that we incorporated as of the beginning of the first period presented.

All dilutive common stock equivalents are reflected in our net income (loss) per share calculations. Anti-dilutive common stock equivalents are not included in our loss per share calculations. At December 31, 2018, the Company had a convertible note with a principal value of $10,001 which was convertible into 8,889 shares of the Company's common stock. This amount was not included in the net income (loss) per share calculation as it was anti-dilutive. At December 31, 2019 and 2018, the Company had one other convertible note with a principal value of $45,000 and $45,000, respectively. This note is convertible at a conversion price the note holder and the Company agree and therefore the number of shares it is convertible into is not determinable.

Income Taxes
The Company adopted FASB Accounting Standard Codification (ASC) 740 which clarifies the accounting for uncertainty in income taxes recognized in the Company's consolidated 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 740 also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return. The Company had no unrecognized tax benefits during the year nor any interest or penalties on unrecognized tax benefits as of December 31, 2019.

The Company estimates the annual tax rate based on projected taxable income for the full year and records a quarterly income tax provision in accordance with the anticipated annual rate. As the year progresses, we refine the estimates of the year’s taxable income as new information becomes available, including year-to-date financial results. This continual estimation process can result in a change to the expected effective tax rate for the year.

When this occurs, the Company adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the expected annual tax rate. Significant judgment may be required in determining the Company’s effective tax rate and in evaluating our tax positions.

Recent Accounting Pronouncements
There are no recently issued accounting pronouncements that the Company has not yet adopted that they believe are applicable or would have a material impact on the financial statements of the Company.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Computer hardware	$ 9,604	$ 6,075
Less: accumulated depreciation	(6,417)	(4,078)
	$ 3,187	$ 1,997

Depreciation expense related to the Company’s fixed assets was $2,339 and $1,642 for the years ended December 31, 2019 and 2018, respectively.

NOTE 4 – RELATED PARTY NOTES PAYABLE AND ADVANCES

During the year ended December 31, 2019, Officers of the Company advanced $107,282 to the Company and were repaid $2,000. As of December 31, 2019, the Company owed $109,782 in short-term, non-interest bearing advances to the Officers of the Company.

During the year ended December 31, 2018, Officers of the Company advanced $1,750 to the Company and were repaid $13,250. At December 31, 2018 the Officers of the Company forgave a total of $1,472 in short-term advances to the Company which was recorded as contributed capital.

At December 31, 2018 the Company owed $4,500 in short-term, non-interest bearing advances to the Officers of the Company.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of December 31, 2019 and 2018, accounts payable and accrued liabilities consisted of the following:

	2019	2018
Accounts payable	$ 208,698	$ 147,120
Payroll and related taxes	391,014	361,583
Accrued interest	21,910	13,808
Other accrued expense	11,492	-
	$ 633,114	$ 522,511

NOTE 6 – REVERSE RECAPITALIZATION

On August 13, 2019, the Company finalized an Agreement and Plan of Merger ("the Agreement") by and among the Company, Revival Merger, Inc. ("Revival Merger"), a newly formed Nevada corporation 100% owned by the Company, and Farmhouse, Inc., a Washington corporation ("Farmhouse Washington"). Under the Agreement, Revival Merger has merged with and into Farmhouse Washington, with Farmhouse Washington being the surviving corporate entity.

At the Effective Time of the Merger, all of the issued and outstanding shares of Farmhouse Washington Common Stock will be exchanged for shares of the Company's authorized, but previously unissued Common Stock, on a one share for one share basis. At the Closing, Farmhouse Washington had issued and outstanding 11,368,853 shares of its Common Stock. The total number of shares issued and outstanding immediately after the closing of the merger was 14,428,275.

At the time of the merger, the Company was a public shell company. The Securities Act Rule 405 and Exchange Act Rule 12b-2 define a "shell company" as a company, other than an asset-backed issuer, with: no or nominal operations and either (a) no nominal assets, (b) assets consisting solely of cash and cash equivalents, or (c) assets consisting of any amount of cash and cash equivalents and other nominal other assets. As such, it would not meet the definition of a business under ASC 805. Further, the SEC staff believes that the merger of a private operating company into a public shell corporation with nominal net assets typically results in the owners and management of the private company having actual or effective operating control of the combined company after the transaction, with shareholders of the former public shell continuing only as passive investors. As such, for accounting purposes, mergers of operating private companies into public shell companies are considered to be capital transactions rather than business combinations and no goodwill was recorded in relation to the transaction. Per SEC Financial Reporting Manual Topic 12, this transaction is equivalent to a private entity issuing stock for the net monetary assets of the shell corporation, accompanied by a recapitalization and the accounting is similar to that resulting from a reverse acquisition, except no goodwill or other intangible assets should be recorded (we note that this is sometimes referred to as a reverse recapitalization). Therefore, we followed certain literature for accounting for a reverse acquisition and no goodwill was recognized.

As of the consummation of the transaction on August 13, 2019, the Company's financial statements are consolidated with the financial statements of Farmhouse Washington under the name of the Company but the financial statements are the continuation of Farmhouse Washington with the adjustment to reflect the legal capital of the Company. The assets and liabilities of Farmhouse Washington were measured at their pre-combination carrying amounts and the assets and liabilities of the Company were accounted for at fair value as required under the purchase method of accounting under a reverse recapitalization.

As part of the recapitalization transaction, the capital structure was retroactively adjusted to reflect the capital structure of Revival, Inc.

The following unaudited proforma condensed combined statement of operations reflects the results of operations of Farmhouse, Inc. for years ended December 31, 2019 and 2018, the results of operations of Revival, Inc. for the years ended December 31, 2019 and 2018 and as if the transaction had occurred as of January 1, 2018.

The proforma condensed combined statement of operations should be read in conjunction with the separate financial statements and related notes thereto of Farmhouse, Inc. These proforma condensed combined statements of operations are not necessarily indicative of the combined financial position, had the acquisition occurred on the date indicated above, or the combined results of operations which might have existed for the periods indicated or the results of operations as they may be in the future.

	Farmhouse, Inc. for the period ended December 31, 2019	Revival, Inc. for the period ended December 31, 2019	Proforma combined for the year ended December 31, 2019
Net revenues	$ 41,344	$ -	$ 41,344
Total revenues	41,344	-	41,344
Operating expenses			
General and administrative expenses	592,289	21,076	613,365
Total operating expenses	592,289	21,076	613,365
Loss from operations	(550,945)	(21,076)	(572,021)
Other income (expense):			
Gain (loss) on extinguishment of debt	1,872	-	1,872
Interest expense	(13,999)	-	(13,999)
Total other expense	(12,127)	-	(12,127)
Loss from operations before income taxes	(563,072)	(21,076)	(584,148)
Income taxes	-	-	-
Net Income (loss)	(563,072)	(21,076)	(584,148)

	Farmhouse, Inc. for the period ended December 31, 2018	Revival, Inc. for the period ended December 31, 2018	Proforma combined for the year ended December 31, 2018
Net revenues	$ 8,105	$ -	$ 8,105
Total revenues	8,105	-	8,105
Operating expenses			
General and administrative expenses	350,685	150	350,835
Total operating expenses	350,685	150	350,835
Loss from operations	(342,580)	(150)	(342,730)
Other income (expense):			
Gain (loss) on extinguishment of debt	(185,240)	-	(185,240)
Interest expense	(24,696)	-	(24,696)
Total other expense	(209,936)	-	(209,936)
Loss from operations before income taxes	(552,516)	(150)	(552,666)
Income taxes	-	-	-
Net Income (loss)	(552,516)	(150)	(552,666)

NOTE 7 – CONVERTIBLE NOTES

As of December 31, 2019 and 2018, convertible notes payable were comprised of the following:

	2019	2018
Unsecured convertible note payable issued on July 14, 2017, bearing interest at 18% per annum. Principal and interest were due on July 14, 2018.	45,000	45,000
Unsecured convertible note payable issued on December 31, 2019 bearing intrest at 8% per annum. Principal and interest were due on on March 31, 2019. Note and interest converted December 31, 2019	-	6,667
	45,000	51,667
Less: current portion of convertible notes	(45,000)	(51,667)
Long-term portion of convertible notes	$ -	$ -

Interest expense related to convertible notes for the years ended December 31, 2019 and 2018 was $8,900 and $24,696, respectively. Accrued interest related to the outstanding notes at December 31, 2019 and 2018 was $19,973, and $11,873, respectively.

During the year ended December 31, 2018, the Company converted a total of $435,000 principal balance notes along with $34,566 of accrued interest into 556,114 shares of the Company's common stock. The conversions of these notes were completed at values less than the current fair market value of the stock as calculated by the last price direct equity was sold by the Company resulting in a loss on extinguishment of debt in the amount of $185,240.

On December 31, 2018, the Company issued a convertible note to a note holder in exchange for 6,667 shares of the Company's previously issued common stock. The principal value of the note is $10,001 and bears interest at the rate of 8% per annum. The conversion terms of the note call for a 25% discount on the conversion price of the note which at the time of issuance was $1.50, resulting in a debt discount in the amount of $3,334. The debt discount will be amortized over the life of the note and recorded in interest expense. For the year ended December 31, 2019, the Company recognized $3,334 in interest expense related to the amortization of the debt discount. No interest expense related to the debt discount was recorded for the year ended December 31, 2018.

On December 31, 2019, the Company converted $10,001 in principal and an additional $800 in accrued interest into 19,201 shares of its common stock. The agreed upon conversion price of the conversion was $0.5625/share. At the time of the conversion the fair market value of the shares was $0.4650/share resulting in a gain on extinguishment of debt in the amount of $1,872.

The conversion features were not accounted for under derivative accounting for the year ended December 31, 2019 because the settlement amount is not determinable by an underlying conversion price. The conversion features were not accounted for under derivative accounting for the year ended December 31, 2018 due to the fact that there was no trading market in the Company's securities at that time. Therefore, no derivative was recorded in the Company's financial statements.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases desk space in an incubator in San Francisco, CA at the rate of $700 per desk on a month to month basis.

Indemnification Agreements

The Company has agreed to indemnify its officers and directors for certain events or occurrences arising as a result of the officer or director serving in such capacity. The term of the indemnification period is for the officer's or director's lifetime. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. As a result of no current or expected litigation, the Company believes the estimated fair value of these indemnification agreements is minimal and has no liabilities recorded for these agreements as of December 31, 2019 and 2018.

NOTE 9 – STOCKHOLDER'S EQUITY

Preferred Stock

We are authorized to issue up to 5,000,000 shares of preferred stock with a par value of $.0001 and our board of directors has the right to determine the rights, privileges, and preferences of that preferred stock, which has not yet been done. As of December 31, 2019 and 2018, we had no preferred stock issued or outstanding.

Common Stock

We are authorized to issue up to 295,000,000 shares of common stock with a par value of $.0001.

During the year ended December 31, 2019, the Company sold an aggregate of 76,543 shares of its common stock for proceeds of $117,002, of which $2,001 was recorded as a subscription receivable as funds were not received as of the period end.

During the year ended December 31, 2019, the Company issued 187,500 shares of its common stock valued at $1.60 per share (the current fair market value of the stock as calculated by the last price direct equity was sold by the Company) for the acquisition of the website domain Extract.com. The transaction was valued at $300,000.

During the year ended December 31, 2019, the Company issued an aggregate of 55,326 shares of its common stock for services rendered. The stock was issued at the current fair market value of the stock as calculated by the last price direct equity was sold by the Company for issuances prior to the August 13, 2019 Revival Merger and at the price shares of the common stock was trading as for issuances after the Revival Merger. This resulted in an expense of $74,847 and has been recorded in General and Administrative Expense as of December 31, 2019.

On December 31, 2019, the Company issued 19,201 shares of its common stock for the conversion of $10,001 in principal balance note along with an additional $800 in accrued interest. The conversion price was agreed upon by both parties at $.5625/share. The fair market value of the shares on the issuance date was $.4650/share resulting in a gain on extinguishment of debt in the amount of $1,872.

During the year ended December 31, 2018, the Company sold an aggregate of 399,404 shares of its common stock for proceeds of $527,516, of which $175,005 was recorded as a subscription receivable as proceeds were not received as of the period end.

During the year ended December 31, 2018, the Company issued a total of 556,114 shares related to the conversion of $469,566 in principal balance of notes payable and associated interest. The total value of the shares issued was $654,806 resulting in a loss on extinguishment of debt in the amount of $185,240.

During the year ended December 31, 2018, the Company issued 30,000 shares of its common stock valued at $1.00 per share (the current fair market value of the stock as calculated by the last price direct equity was sold by the Company) for the acquisition of the website domain Weed.Club. The transaction was valued at $30,000.

During the year ended December 31, 2018 the Company issued 171,000 shares of its common stock in exchange for a like number of shares in its Farmhouse DTLA subsidiary. As a result of this conversion of shares the Company's subsidiary is once again wholly-owned by the parent.

On December 31, 2018 the Company issued a convertible note to a note holder in exchange for 6,667 shares of the Company's previously issued common stock.

NOTE 10 – LITIGATION

On October 25, 2017, the Company's subsidiary, DTLA, commenced litigation in Los Angeles Superior Court (Case #BC681251) against David Vayntrub of AHPS alleging breach of contract, amongst other things, as a result of DTLA's agreement with AHPS. Subsequent to Farmhouse filing the lawsuit, AHPS sent a letter to Farmhouse purporting to unilaterally "cancel" the agreement. In December 2017, DTLA filed a Motion to Stay Proceedings and Compel Arbitration which was granted by the Court on March 27, 2018. The arbitration is currently entering the discovery phase and the Company expects the matter to be concluded by the fall of 2020, although there can be no assurance the proceedings will be completed in this time frame or that the arbitrator will rule in the Company's favor. The Company is seeking to vigorously enforce its rights under the contract as well as seek damages related to additional claims.

NOTE 11 – INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company used effective tax rate of 21% when calculating the deferred tax assets and liabilities and income tax provision below.

Net deferred tax assets consist of the following components as of December 31, 2019 and 2018:

	2019	2018
Deferred tax assets:		
NOL Carryover	597,500	$ 492,800
Deferred tax liabilities		
Depreciation	(3,600)	(600)
Valuation allowance	(593,900)	(492,200)
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended December 31, 2019 and 2018 due to the following:

	2019	2018
Book Income	$ (118,200)	$ (116,000)
Depreciation	(3,000)	(200)
Meals and Entertainment	500	900
Other non-deductible expenses	16,000	39,000
Valuation allowance	104,700	76,300
	$ -	$ -

At December 31, 2019, the Company had net operating loss carryforwards of approximately $2,845,000 that may be offset against future taxable income beginning in 2020 through 2040. No tax benefit has been reported in the December 31, 2019 consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. Tax years that remain subject to examination are 2017 and forward.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards in future years may be limited.

NOTE 12 – GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has incurred significant cumulative net losses from operations in recent years. As reported in the financial statements, the Company has an accumulated deficit of $3,280,859. At December 31, 2019, the Company had current assets of $14,907 and current liabilities totaling $787,896, and a working capital deficit of $772,989. These factors raise substantial doubt as to the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on its ability to raise adequate capital to fund operating losses until it is able to engage in profitable business operations. To the extent financing is not available, the Company may not be able to, or may be delayed in, developing its services and meeting its obligations. The Company will continue to evaluate its projected expenditures relative to its available cash and to evaluate additional means of financing in order to satisfy its working capital and other cash requirements. The accompanying financial statements do not reflect any adjustments that might result from the outcome of these uncertainties.

NOTE 13 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued, and determined that other than listed below, there are no additional events that require disclosure.

Subsequent to December 31, 2019, the Company issued a total of 49,421 shares of its common stock for services rendered to the Company at prices ranging between $.51/share and $1.00/share. The fair market value of the shares was calculated using the closing price of the shares on the date of issuance. The total value of the shares issued was $41,412.

On March 3, 2020 the Company issued a total of 125,000 shares of common stock to an individual for the purchase of the domain blunt.com. The fair market value of the shares issued was $125,000.