Offeree No._____ **Offeree Name: _____**

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Aditx Therapeutics, Inc.

11161 Anderson St., Suite 105-10014
Loma Linda, CA 92354

Accredited Investors Only

Date of Offering: October 26, 2018
Total Units: 1,000,000
Unit Price: $2.00
Total Amount of the Offering: $2,000,000
Minimum Investment: 5,000 Units ($10,000)

The Units offered hereby are speculative and involve a high degree of risk, and therefore, should not be purchased by anyone who cannot afford the loss of his or her entire investment. Prospective investors should carefully review and consider the factors set forth in the section of this Memorandum entitled "Risk Factors," as well as the other information set forth herein before subscribing for any of the Units offered hereby.

THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 506(c)

PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

PRIVATE PLACEMENT MEMORANDUM

The Date of this Memorandum is October 26, 2018. This Confidential Private Placement Memorandum (the "Offering" or "Memorandum") pertains to an offering, by Aditx Therapeutics, Inc., a Delaware corporation (the "Company") to an unlimited number of Accredited Investors, as defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the "Act"), of up to 1,000,000 units (the "Units" or "Securities"). Each Unit shall consist of (a) one share (the "Shares") of our Common Stock, par value $0.001 per share ("Common Stock"), and (b) one warrant (the "Warrants") to purchase one share of Common Stock at a purchase price equal to $3.00 from the date of issuance (the "Issuance Date") until the 3rd anniversary of the Issuance Date. The Company will not accept subscriptions from non-Accredited Investors and a minimum purchase of $10,000 (5,000 Units) is required from any potential investor, or such lesser amount as the Company may accept for each investor in its sole discretion.

The Securities offered hereunder have not been registered with the Securities and Exchange Commission (the "SEC") or any State securities commission and are being offered in reliance on an exemption from such registration pursuant to Rule 506(c) of Regulation D of the Act. The Securities are "Restricted Securities" as defined in the Act and may not be resold unless the Securities are registered under the Act, or an exemption from registration under the Act is available. There is currently no public market for the Securities and there can be no assurance any trading market will develop hereafter. This Offering is not underwritten and is being conducted on a best-efforts basis.

Subscription Agreements received by the Company are irrevocable. The Company reserves the right, in its discretion, to reject any subscription, in whole or in part, for any reason or to allot to you, the investor, less than the number of Units for which you subscribed or to waive conditions to the purchase of the Units. The net proceeds of such subscription payments will be returned to any Subscriber in the event that the Company does not accept the Subscriber's Subscription Agreement.

This Offering is subject to withdrawal, cancellation, modification or increase by the Company in its sole discretion without notice to Subscribers or potential investors. If the Company increases the Offering, the additional Units shall be offered on the same terms and conditions as set forth herein. Further, the Company shall have the right to terminate this Offering at any time, any such determination shall be made at the sole discretion of the Company.

	Price to Public Per Share	Placement Agent Commissions Per Share (1)(2)	Proceeds to the Company Per Share (2)
Per Unit	$2.00	$0.20	$1.80
Total Offering Amount	$2,000,000	$200,000	$1,800,000

(1) We have engaged Network 1 Financial Securities, Inc. as our placement agent ("The Placement Agent") to assist us in placing the Units. The offering is being conducted on a "best efforts, no minimum" basis with respect to the Total Amount of the Offering. The Placement Agent commissions set forth in the foregoing table represent a Placement Agent fee of 10% and do not include the non-accountable/non-recoupable fee.

(2) This amount reflects proceeds to the Company before deducting certain expenses, including, without limitation, legal, accounting, consulting, printing and other miscellaneous expenses. After deducting non-accountable expense allowances and the Placement Agent commissions, if any, the net proceeds to the Company are estimated to be $1,800,000 if all Units offered hereunder are sold.

You are urged to read this Memorandum carefully. This Memorandum is not all-inclusive and does not contain all the information that you may desire in investigating the Company. You must conduct and rely on your own evaluation of the Company and the terms of this Offering, including the merits and risks involved in making a decision to buy the Units offered hereunder. The Company will make available to you, prior to the sale of any Units described in this Memorandum, the opportunity to ask questions of, and receive answers from, our management concerning the terms and conditions of this Offering and to obtain any additional information (including information made available to other investors), to the extent the Company possesses it or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information in this Memorandum. The Company may require you to sign a confidentiality agreement if you wish to receive additional information that the Company deems to be proprietary. You may mail questions, inquiries, and requests for information to:

Aditx Therapeutics, Inc.
11161 Anderson St., Suite 105-10014
Loma Linda, CA 92354
Attn: Amro Albanna
aalbanna@aditxt.com
909.488.0844

You, and your representatives, if any, will be asked to acknowledge in the Subscription Agreement that you were given the opportunity to obtain additional information and that you did so or elected to waive the opportunity.

No representations or warranties of any kind are intended, nor should any be inferred, with respect to the economic viability of this investment or with respect to any benefits, which may accrue to an investment in the Company. The Company does not, in any way, represent, guarantee or warrant an economic gain or profit with regard to its business or that favorable income tax consequences will flow therefore. The Company does not, in any way, represent or warrant the advisability of buying Units. Any projections or other forward-looking statements or opinions contained in this Memorandum constitute estimates by the Company, but the accuracy of this information is not guaranteed, nor should you consider the information all-inclusive.

You should not consider the contents of this Memorandum as legal, business or tax advice. Prior to making a decision to purchase Units, you should carefully review and consider this Memorandum and should consult your own attorneys, business advisors and tax advisors as to legal, business and tax related matters concerning this Offering.

This Memorandum is furnished for the sole use of the prospective investor for which the Memorandum has been initially distributed (the "Offeree" or "Prospective Investor") and for the sole purpose of providing information regarding the offer and sale of Units. The Company has not authorized any other use of this information. Any distribution of this Memorandum to a person other than representatives of the Offeree is unauthorized, and any reproduction of this Memorandum or the divulgence of any of its contents, without the Company's prior written consent, is prohibited. The Offeree, by accepting delivery of this Memorandum, agrees to return this Memorandum, all enclosed or attached documents and

all other documents, if any, provided in connection with the Offering to the Company, if the Offeree does not undertake to purchase any of the securities offered hereby. The delivery of this Memorandum or other information does not imply that the Memorandum or other information is correct as of any time subsequent to the date appearing on the cover of this Memorandum.

The investment described in this Memorandum involves risks, and is offered only to individuals who can afford to assume such risk for an indefinite period of time, and who agree to purchase Units of Common Stock and Warrants only for investment purposes and not with a view toward the transfer, resale, exchange or further distribution thereof. There will be no public market for the Units issued pursuant to this Memorandum and there can be no assurance that any market will develop in the future. Federal and state securities laws limit the resale of the Units and it is therefore recommended that each potential investor seek counsel should they desire more information.

The price of the Units as described in this Memorandum has been arbitrarily determined by the sponsors of this investment, and each prospective investor should make an independent evaluation of the fairness of such price under all the circumstances as described in the attached Memorandum.

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CAUTIONARY NOTE

THIS MEMORANDUM HAS NOT BEEN REVIEWED, APPROVED OR DISAPPROVED, NOR HAS THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH HEREIN BEEN PASSED UPON BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES ADMINISTRATOR OF ANY STATE OR JURISDICTION IN THE UNITED STATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE OFFER AND SALE OF THE SECURITIES HAVE NOT BEEN REGISTERED UNDER ACT, IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 506(c) OF REGULATION D OF THE ACT, NOR HAVE THE SECURITIES BEEN REGISTERED OR QUALIFIED PURSUANT TO ANY SECURITIES LAWS OF ANY STATE OR JURISDICTION IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION OR QUALIFICATION PROVIDED BY CERTAIN OTHER APPLICABLE SECURITIES LAWS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE SECURITIES MAY NOT BE RESOLD IN THE ABSENCE OF REGISTRATION OR AN EXEMPTION THEREFROM UNDER THE ACT. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND AGREES TO PURCHASE THE UNITS ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE IS NO TRADING MARKET FOR THE COMPANY'S COMMON STOCK AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE UNITS WILL BE ACCEPTED FOR INCLUSION ON THE NYSE OR ANY OTHER TRADING EXCHANGE OR QUOTATION SYSTEM AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE UNITS PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE UNITS IS BEING UNDERTAKEN PURSUANT TO RULE 506(c) OF REGULATION D UNDER THE ACT.

THE SECURITIES ARE OFFERED ONLY TO PERSONS WHOM THE COMPANY BELIEVES HAVE THE QUALIFICATIONS NECESSARY TO PERMIT THE SECURITIES TO BE OFFERED AND SOLD IN RELIANCE UPON SUCH EXEMPTIONS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR SOLICITATION OF AN OFFER TO BUY, NOR SHALL ANY UNITS BE OFFERED OR SOLD TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE UNLAWFUL, PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

AN INVESTMENT IN THE UNITS OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF HIS OR HER ENTIRE INVESTMENT, AND INVOLVES IMMEDIATE SUBSTANTIAL DILUTION. SEE "RISK FACTORS" AND "DILUTION."

SPECIAL NOTICES

THE OFFERING IS BEING MADE TO AN UNLIMITED NUMBER OF ACCREDITED INVESTORS AS SUCH TERM IS DEFINED IN RULE 501(a) OF REGULATION D PROMULGATED UNDER THE ACT. THE UNITS OFFERED HEREIN MAY BE SOLD ONLY TO ACCREDITED INVESTORS, WHICH FOR NATURAL PERSONS, ARE INVESTORS WHO MEET CERTAIN MINIMUM ANNUAL INCOME OR NET WORTH THRESHOLDS. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, FOR ANY REASON WHATSOEVER AND WITHOUT NOTICE, TO INCREASE, MODIFY, CANCEL AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR TO ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE UNITS OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF UNITS SUCH INVESTOR DESIRES TO PURCHASE; THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY POTENTIAL INVESTOR AND/OR SUBSCRIBER IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

THE OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY ESTABLISHED BY MANAGEMENT OF THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE. THE OFFERING IS BEING CONDUCTED ON A BEST-EFFORTS BASIS AND THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OR ANY SECURITIES COMMISSION OF ANY OTHER COUNTRY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT REVIEWED, CONFIRMED THE ACCURACY OF OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTMENT IN THE SECURITIES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS." THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT OR APPLICABLE STATE LAWS OR EXEMPTION THEREFROM, AND CERTIFICATES REPRESENTING THE SECURITIES SHALL BEAR LEGENDS TO SUCH EFFECT. SEE "LIMITED TRANSFERABILITY OF SECURITIES." INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THE OFFER OR SALE OF THE UNITS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON. PROSPECTIVE INVESTORS SHOULD NOT RELY UPON INFORMATION NOT CONTAINED IN THIS MEMORANDUM.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY, OR ANY SECURITIES PROFESSIONAL ASSOCIATED WITH THE OFFERING, AS LEGAL OR TAX ADVICE. THE OFFEREE AUTHORIZED TO RECEIVE THIS MEMORANDUM SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT OR BUSINESS ADVISOR, RESPECTIVELY, AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THEIR PURCHASE OF THE SECURITIES.

ALL INFORMATION CONTAINED IN THIS MEMORANDUM IS CONFIDENTIAL AND PROPRIETARY TO THE COMPANY. THIS MEMORANDUM HAS BEEN PREPARED FOR INFORMATIONAL PURPOSES IN ORDER TO ASSIST PROSPECTIVE INVESTORS IN EVALUATING A POTENTIAL INVESTMENT IN THE COMPANY. BY ACCEPTING DELIVERY OF ANY OFFERING MATERIAL, THE OFFEREE AGREES: (i) TO KEEP CONFIDENTIAL THE CONTENTS THEREOF AND NOT TO DISCLOSE THE SAME TO ANY THIRD PARTY OR OTHERWISE USE THE SAME FOR ANY PURPOSE OTHER THAN EVALUATION BY SUCH OFFEREE OF A POTENTIAL PURCHASE OF ANY SECURITIES; AND (ii) TO RETURN THE SAME TO THE COMPANY AT THE ADDRESS LISTED ON THE FRONT PAGE OF THIS MEMORANDUM IF: (a) THE OFFEREE DOES NOT SUBSCRIBE TO PURCHASE ANY SECURITIES; (b) THE OFFEREE'S SUBSCRIPTION IS NOT ACCEPTED; OR (c) THE OFFERING IS TERMINATED OR WITHDRAWN.

THE COMPANY WILL PROVIDE TO EACH PROSPECTIVE INVESTOR, PRIOR TO THE CLOSING, THE OPPORTUNITY TO ASK QUESTIONS OF AND TO RECEIVE ANSWERS FROM REPRESENTATIVES OF THE COMPANY CONCERNING THE COMPANY ON THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ANY ADDITIONAL RELEVANT INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN OBTAIN IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THE SECURITIES DESCRIBED HEREIN MAY NOT BE SOLD NOR MAY ANY OFFERS TO PURCHASE BE ACCEPTED PRIOR TO THE DELIVERY TO PROSPECTIVE INVESTORS OF CERTAIN UNDERLYING DOCUMENTS, INCLUDING THE SUBSCRIPTION AGREEMENT REFLECTING THE FINAL AND DEFINITIVE TERMS AND CONDITIONS OF THE OFFERING, INCLUDED HEREWITH AS EXHIBITS B AND SHOULD BE REVIEWED CAREFULLY BY EACH PROSPECTIVE INVESTOR PRIOR TO PURCHASE. IF ANY OF THE TERMS, CONDITIONS OR OTHER PROVISIONS OF THE SUBSCRIPTION AGREEMENT OR RELATED DOCUMENTATION ARE INCONSISTENT WITH OR CONTRARY TO ANY OF THE TERMS, CONDITIONS OR OTHER PROVISIONS DESCRIBED IN THIS MEMORANDUM, THE TERMS, CONDITIONS AND/OR OTHER PROVISIONS (AS THE CASE MAY BE) OF SUCH SUBSCRIPTION AGREEMENT OR RELATED DOCUMENTATION SHALL CONTROL AND SHALL BE DEEMED TO SUPERSEDE THIS MEMORANDUM ACCORDINGLY.

ANY DISTRIBUTION OF THIS MEMORANDUM TO ANY PERSON OTHER THAN THE OFFEREE (OR TO THOSE INDIVIDUALS RETAINED TO ADVISE THE OFFEREE WITH RESPECT THERETO) IS UNAUTHORIZED, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS PROHIBITED.

THIS MEMORANDUM IS NOT AN OFFER TO SELL OR A SOLICITATION TO PURCHASE SECURITIES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR

SOLICITATION IS NOT AUTHORIZED AND DOES NOT CONSTITUTE AN OFFER WITHIN ANY STATE TO ANY PERSON TO WHOM SUCH AN OFFER WOULD BE UNLAWFUL. THIS OFFERING IS BEING MADE IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER RULE 506(c) OF REGULATION D OF THE ACT AND NEED NOT CONTAIN SPECIFIC STATE LEGENDS. BECAUSE WE ARE RELYING ON THE RULE 506(c) EXEMPTION, WE ARE NOT INCLUDING SPECIFIC STATE NOTICES.

OFFERING SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information in this Memorandum and the Exhibits hereto. Each prospective investor is urged to read this Memorandum in its entirety, including "Risk Factors", and the Exhibits hereto in their entirety.

The Company: Aditx Therapeutics, Inc., (the "Company").

Formation Date: September 28, 2017

Formation State: Delaware

Structure: C-Corp

Company Summary: The Company is a Delaware corporation, incorporated on September 28, 2017 and is located in Loma Linda, CA. The Company is a preclinical stage, life sciences company with the goal of developing nucleic acid (DNA)-based technologies to minimize rejection of transplanted organs by human recipients. Our mailing address is Aditx Therapeutics, Inc., 11161 Anderson Street, Suite 105-10014 Loma Linda, California 92354 and our telephone number is (909) 488-0844. We are qualified to do business in the state of California. Our website address is www.aditxt.com. The information contained therein or accessible thereby shall not be deemed to be incorporated into this Private Placement Memorandum. As of the date of this Memorandum, the Company is authorized to issue thirty million (30,000,000) shares of capital stock, comprised of twenty-seven million (27,000,000) shares of Common Stock, par value $0.001 per share ("Common Stock"), and three million (3,000,000) shares of "blank check" preferred stock ("Preferred Stock"). As of the date of this Memorandum there are seven million, three hundred four thousand and two hundred fifty (7,304,250) shares of Common Stock and no shares of Preferred Stock issued and outstanding.

Our Business: The Company is a preclinical stage, life sciences company with a mission to prolong life and enhance life quality of transplanted patients. The discovery of immunosuppressive (anti-rejection) drugs has made possible life-saving organ transplantation procedures. While these drugs prevent or delay organ rejection, transplanted organs often ultimately fail, and about 40% survive no more than 5 years. Furthermore, immune suppression leads to significant undesirable side effects such as increased susceptibility to life-threatening infections and cancers because it is not specifically targeted towards the transplanted organs; rather, it indiscriminately and broadly suppresses immune function throughout the body.

The opportunity to extend the life of a transplanted organ, even by a few years,

may have substantial benefits to organ recipients. We have an exclusive worldwide license for commercializing a nucleic acid-based technology named Apoptotic DNA Immunotherapy (ADi) which utilizes a novel approach that mimics the way our bodies naturally induce tolerance to our own tissues. While immune suppression requires continuous administration to prevent rejection of a transplanted organ, induction of tolerance has the potential to retrain the immune system to accept the organ for longer periods of time. Thus, ADi may allow patients to live with transplanted organs with significantly reduced immune suppression. ADi is a technology platform which we believe can be engineered for application to a wide variety of indications.

We plan to develop ADi products for organ transplantation, skin grafting, and wound healing with the initial focus being on skin allografts and other organ and/or tissue allografts, as we believe these indications will be most efficient in providing safety and efficacy data in clinical trials.

Offering Amount: $2,000,000 (1,000,000 Units)

Unit price: $2.00

Minimum Investment Per Subscriber: $10,000 (5,000 Units)

Unit Description: One share ("Shares") of our Common Stock and one warrant ("Warrants") to purchase one share of Common Stock at a purchase price equal to $3.00

The Offering: The Company proposes to sell, pursuant to Rule 506(c) of Regulation D of the Act, up to 1,000,000 Units (the "Units"). Each Unit shall consist of (a) one share (the "Shares") of our Common Stock, par value $0.001 per share ("Common Stock"), and (b) one warrant (the "Warrants") to purchase one share of Common Stock at a purchase price equal to $3.00 from the date of issuance (the "Issuance Date") until the 3rd anniversary of the Issuance Date. The minimum investment per Subscriber is $10,000 (5,000 Units). Subscriptions are irrevocable. This Offering is subject to withdrawal, cancellation, modification or increase by the Company without notice. The Company reserves the right, in its' discretion, to reject any subscription, in whole or in part, for any reason or to allot to you, the investor, less than the number of Units for which you subscribed or to waive conditions to the purchase of Units.

Suitability Standards: The Units offered by this Memorandum will only be sold to Accredited Investors as such term is defined in Rule 501(a) promulgated under Regulation D of the Act. See "Investor Suitability Standards."

Term of the Offering: The Offering shall commence on October 26, 2018 and terminate on the earlier of: (i) when all Units offered hereunder are sold; (ii) at any time by the Company, at its sole discretion, without giving notice to Subscribers or prospective investors; or (iii) December 31, 2018, or such date as may be extended from time-to-time by the Company at it sole discretion, but not later than 180 days thereafter (the "Offering Period"). See "Term of the Offering."

The Company reserves the right to extend, withdraw, cancel, modify or increase

the Offering without notice.

Use of Proceeds: If all of the Units offered hereunder are sold, the net proceeds to the Company from the sale of the Units will be approximately $1,800,000. The offering proceeds will generally be utilized, at the discretion of our management team, for further advancement of our DNA-based technology and selection of lead autoantigen product candidates for preclinical drug development; intellectual property maintenance, portfolio expansion, and licensing fees; expenses related to the preparation for and initiation of a public offering of our securities (*We are currently reporting to the Securities and Exchange Commission (SEC) under Regulation A. We intend to file for an IPO in 2019 and apply to list our Common Stock on the NASDAQ Capital Market ("NASDAQ"). If approved, we expect to list our Common Stock under the reserved symbol "ADTX". There can be no assurance that we can successfully undertake an IPO. See "Risk Factors"*); expenses, salaries, legal, accounting, and consulting fees; rent, PR programs, other general administrative expenses, and working capital. See "Use of Proceeds."

Risk Factors: The Units offered hereby involve a high degree of risk, and therefore, should not be purchased by anyone who cannot afford the loss of his or her entire investment. Prospective investors should carefully review and consider the factors set forth in the section of this Memorandum entitled "Risk Factors," as well as the other information set forth herein before subscribing for any of the Units offered hereby.

Restrictions on Transfer: The Securities offered hereunder have not been registered with the Securities and Exchange Commission (the "SEC"), any State securities commission, or in any other country and are being offered in reliance upon exemption from registration thereunder. The right of any Subscriber to sell, transfer, pledge or otherwise dispose of the Securities will be limited by the Act and state securities laws. Consequently, a holder of any of the Securities may not be able to liquidate his investment in the event of an emergency, and there can be no assurance that the Securities offered hereby will be acceptable as collateral for loans. There is no public market for the Common Stock of the Company and there can be no assurance that there will be a market for our Common Stock at any time in the future. The Securities offered hereby are subject to certain resale limitations imposed by Rule 144 promulgated under the Act. Sales under Rule 144 are subject to certain requirements as to holding periods, the manner of sale, notice and availability of current public information, and there is no assurance Rule 144 will be available for the Subscribers. See "Limited Transferability of Securities."

Cautionary Note Regarding Forward Looking Statements

This Memorandum, including information incorporated by reference, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words or phrases such as "will likely result", "are expected to", "plan", "believe", "seeks", "will continue", "is anticipated", "estimate", "projected", "intends to" or similar expressions are intended to identify "forward-looking statements".

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and in some cases are beyond our control. In light of these assumptions, risks and uncertainties involved, there can be no assurance that forward-looking statements contained in this Memorandum will in fact transpire or prove to be accurate. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, national and global political, economic, business, competitive, market and regulatory conditions, and the following:

- *our ability to implement a sound business plan;*
- *our ability to successfully commercialize and demonstrate the safety and efficacy of our technology*;
- *our ability to secure regulatory approvals;*
- *our ability to adequately protect our intellectual property, trademarks, and trade secrets;*
- *our ability to develop and launch products that readily adopted by customers;*
- *our ability to limit product liability and remediation claims;*
- *our ability to generate significant sales;*
- *our ability to raise capital when needed;*
- *our ability to attract and retain high quality personnel; and*
- *the other factors that are described in "Risk Factors"*

Any forward-looking statement made by us in this Memorandum speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict and/or control all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, changes in assumptions, future developments or otherwise, except as may be required by law.

COMPANY SUMMARY

This summary highlights selected information contained elsewhere in this Private Placement Memorandum. This summary is not complete and does not contain all the information that you should consider before deciding whether to invest in our Common Stock. You should carefully read the entire Private Placement Memorandum, including the risks associated with an investment in the Company discussed in the "Risk Factors" section of this Private Placement Memorandum, before making an investment decision. Some of the statements in this Private Placement Memorandum are forward-looking statements. See the section entitled "Cautionary Statement Regarding Forward-Looking Statements."

Company Information

The Company is a Delaware corporation, incorporated on September 28, 2017 and is located in Loma Linda, CA. The Company is a preclinical stage, life sciences company with the goal of developing nucleic acid (DNA)-based technologies to minimize rejection of transplanted organs by human recipients.

Our mailing address is Aditx Therapeutics, Inc., 11161 Anderson Street, Suite 105-10014 Loma Linda, California 92354 and our telephone number is (909) 488-0844. We are qualified to do business in the state

of California. Our website address is www.aditxt.com. The information contained therein or accessible thereby shall not be deemed to be incorporated into this Memorandum.

Our Business

The Company is a preclinical stage, life sciences company with a mission to prolong life and enhance life quality of transplanted patients. The discovery of immunosuppressive (anti-rejection) drugs has made possible life-saving organ transplantation procedures. While these drugs prevent or delay organ rejection, transplanted organs often ultimately fail, and about 40% survive no more than 5 years. Furthermore, immune suppression leads to significant undesirable side effects such as increased susceptibility to life-threatening infections and cancers because it is not specifically targeted towards the transplanted organs; rather, it indiscriminately and broadly suppresses immune function throughout the body.

The opportunity to extend the life of a transplanted organ, even by a few years, may have substantial benefits to organ recipients. We have an exclusive worldwide license for commercializing a nucleic acid-based technology named Apoptotic DNA Immunotherapy (ADi) which utilizes a novel approach that mimics the way our bodies naturally induce tolerance to our own tissues. While immune suppression requires continuous administration to prevent rejection of a transplanted organ, induction of tolerance has the potential to retrain the immune system to accept the organ for longer periods of time. Thus, ADi may allow patients to live with transplanted organs with significantly reduced immune suppression. ADi is a technology platform which we believe can be engineered for application to a wide variety of indications.

We plan to develop ADi products for organ transplantation, skin grafting, and wound healing with the initial focus being on skin allografts and other organ and/or tissue allografts, as we believe these indications will be most efficient in providing safety and efficacy data in clinical trials.

License Agreement with Loma Linda University

On March 8, 2018, we entered into an Assignment Agreement (the "Assignment Agreement") with Sekris Biomedical, Inc. ("Sekris"). Sekris was a party to a License Agreement with Loma Linda University ("LLU"), entered into and made effective on May 25, 2011, and amended on June 24, 2011, July 16, 2012 and December 27, 2012 (the "Original Agreement," and together with the Assignment Agreement, the "Sekris Agreements"). Pursuant to the Assignment Agreement, Sekris transferred and assigned all of its rights and obligations in and to and liabilities under the Original Agreement, of whatever kind or nature, to us. In exchange, on March 8, 2018, we issued a warrant to Sekris to purchase up to 1,000,000 Shares of our Common Stock (the "Sekris Warrant"). The Sekris Warrant is immediately exercisable and has an exercise price of $2.00 per share. The expiration date of the Sekris Warrant is March 8, 2023. On March 15, 2018, we entered into a Patent & Technology License Agreement directly with LLU (the "New License Agreement"), which amends and restates the Sekris Agreements.

Pursuant to the New License Agreement, we obtained the exclusive royalty-bearing worldwide license in and to all intellectual property, including patents, technical information, trade secrets, proprietary rights, technology, know-how, data, formulas, drawings, and specifications, owned or controlled by LLU and/or any of its affiliates (the "LLU Patent and Technology Rights") and related to therapy for immune-mediated inflammatory diseases (the ADi technology). We refer you to the section titled "Our Business—Intellectual Property—Patent Rights" for a summary of the patents and patent applications that we licensed from LLU pursuant to the New License Agreement. In consideration for the New License Agreement, we issued 50,000 Units of Common Stock to LLU.

Pursuant to the New License Agreement, we are required to pay an annual license fee to LLU. Also, upon completion of this Offering, we will be required to pay $200,000 to LLU as a milestone payment within thirty (30) days of July 31, 2018. We are also required to pay to LLU milestone payments in connection with certain development milestones. Additionally, as consideration for prior expenses incurred by LLU to prosecute, maintain and defend the LLU Patent and Technology Rights, we are obligated to make the following payments to LLU: $70,000 due at the end of September 2018, $70,000 due at the end of December 2018, and a final payment of $60,000 due at the end of March 2019. The Company is required to cure any late payment within 90 days after delivery of written notice from LLU. The Company has not received a demand notice for payment. We are required to defend the LLU Patent and Technology Rights during the term of the New License Agreement. Additionally, we will owe royalty payments of (i) 1.5% of Net Product Sales and Net Service Sales on any Licensed Products (defined as any finished pharmaceutical products which utilizes the LLU Patent and Technology Rights in its development, manufacture or supply), and (ii) 0.75% of Net Product Sales and Net Service Sales for Licensed Products and Licensed Services not covered by a valid patent claim for technology rights and know-how for a three (3) year period beyond the expiration of all valid patent claims. We also are required to produce a written progress report to LLU, discussing our development and commercialization efforts, within 45 days following the end of each year. All intellectual property rights in and to LLU Patent and Technology Rights shall remain with LLU (other than improvements developed by or on our behalf).

The New License Agreement shall terminate on the last day that a patent granted in to us by LLU is valid and enforceable or the day that the last patent application licensed to us is abandoned. The New License Agreement may be terminated by mutual agreement or by us upon 90 days written notice to LLU. LLU may terminate the New License Agreement in the event of (i) non-payments or late payments of royalty, milestone and license maintenance fees not cured within 90 days, (ii) a breach of any non-payment provision (including the provision that requires us to meet certain deadlines for milestone events (each, a "Milestone Deadline")) not cured within 90 days and (iii) three or more actual breaches of the New License Agreement by us in any 12-month period. The next such Milestone Deadline is the requirement to complete a financing round by July 31, 2018. Additional Milestone Deadlines include: (i) the requirement to have regulatory approval of an IND application to initiate a first-in-human clinical trials on or before March 31, 2020, (ii) the completion of first-in-human (Phase I/II) clinical trials by March 31, 2022, (iii) the completion of Phase III clinical trials by March 31, 2024 and (iv) biologic licensing approval by the FDA by March 31, 2025.

Going Concern Analysis

The Company was incorporated on September 28, 2017 and has not generated revenues to date. As of June 30, 2018, the Company had a net loss of $3,750,141 and will require significant additional capital in order to operate in the normal course of business and fund clinical studies. The Company will be conducting medical research and development, and the time at which the Company will begin generating revenue is unknown. As a result of these conditions, there is substantial doubt about the Company's ability to continue as a going concern. While the Company believes in the viability of management's strategy to generate sufficient revenue, control costs and the ability to raise additional funds if necessary, there can be no assurances to that effect. The Company's ability to continue as a going concern is dependent upon the ability to complete clinical studies and implement the business plan, generate sufficient revenues and to control operating expenses.

Competition

The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of our product candidates

from biotechnology and pharmaceutical companies, research institutions, government agencies and academic institutions. Competition may also arise from, among other things, other drug development technologies.

Many of our competitors enjoy several competitive advantages over us, including:

- greater financial, human and other resources for product research and development, sales and marketing;
- significantly greater name recognition;
- established relationships with healthcare providers;
- large and established sales and marketing and distribution networks;
- products supported by long-term clinical data;
- greater experience in obtaining and maintaining regulatory clearances or approvals for products and product enhancements;
- more expansive portfolios of intellectual property rights; and
- greater ability to cross-sell their products.

Risks Related to Our Business

Our business and our ability to execute our business strategy are subject to a number of risks as more fully described in the section titled "Risk Factors". These risks include, among others:

- The success of our product candidates will require significant capital resources and years of clinical development efforts;
- Our ability to comply with the provisions of our license agreement with Loma Linda University;
- The results of clinical testing and trial activities of our products;
- Our ability to obtain regulatory approval and market acceptance of, and reimbursement for our products;
- Our ability to protect our intellectual property and to develop, maintain and enhance a strong brand;
- Our ability to compete and succeed in a highly competitive and evolving industry;
- Our lack of operating history on which to judge our business prospects and management;
- Our ability to raise capital and the availability of future financing;

- Our ability to manage our research, development, expansion, growth and operating expenses; and

- Our reliance on third parties to conduct our research, preclinical studies and expected clinical trials.

Our financial statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Our future viability is largely dependent upon our ability to raise additional capital to finance our operations. Our management expects that future sources of funding may include sales of equity, obtaining loans, or other strategic transactions. Although our management continues to pursue these plans, there is no assurance that we will be successful with this Offering or in obtaining sufficient financing on terms acceptable to us to continue to finance our operations, if at all. These circumstances raise substantial doubt on our ability to continue as a going concern, and our financial statements do not include any adjustments that might result from the outcome of these uncertainties.

RISK FACTORS

An investment in the Units and underlying the securities is extremely risky. You should carefully consider the risks, in addition to the other information presented in this Memorandum, before deciding to purchase the Units described herein. If any of the following risks actually materialize, our business and prospects could be seriously harmed and you could lose part or all of your investment. The risks and uncertainties described below are not exclusive and are intended to reflect the material risks that are specific to us, material risks related to our industry and material risks related to companies that undertake a public offering or seek to maintain a class of securities that is registered or traded on an exchange or quoted on the over-the-counter market. Unless otherwise indicated, terms such as "Aditx," the "Company," "we," "us," "our" and similar terms shall mean ADiTx Therapeutics, Inc., a Delaware corporation.

Risks Related To The Company And Our Business

The Company, having only recently commenced operations, is a development stage business and subject to the many risks associated with new businesses.

We formed the Company in September 2017 and commenced operations in October 2017. Accordingly, we have only a limited history by which you can assess our Company and our prospects. We are, and expect for the foreseeable future to be, subject to all the same risks and uncertainties inherent in a new business enterprise and in the further development of our technology. No assurances can be given as to the ability of the Company to operate profitably. If we do not generate positive cash flow in the future and hence become profitable, we may not be able to remain in business.

Having only recently commenced operations, our ability to operate successfully is materially uncertain and our operations and prospects are subject to all risks inherent in a developing business enterprise. In investing in this offering, potential investors should be aware of the difficulties normally encountered by early-revenue, development stage companies and the high rate of failure of such enterprises. The likelihood of our viability and potential for revenue and profit generation must be considered in light of the significant problems, expenses, difficulties, complications and delays that may be encountered. These potential problems and uncertainties include, but are not limited to:

- we may have difficulty implementing a sound business plan;
- our ability to successfully commercialize and demonstrate the safety and efficacy of our technology;
- our ability to secure regulatory approvals;
- our future products may never be developed, manufactured, launched, or work as planned;
- customers may not adopt our products quickly, or at all;
- operating costs may exceed our expectations;
- we may not be able to adequately protect our intellectual property, trademarks, and trade secrets;

- we may be exposed to product liability and remediation claims;
- our ability to generate significant sales;
- our ability to attract and retain high quality personnel for management, executive, and board positions;
- competition of more established and better capitalized companies;
- our ability to raise capital when needed to advance our business plans; and
- we may be exposed to economic downturns, political and economic events and technological developments.

There are no assurances that we can successfully address these and other challenges with which we may be confronted, if we are unsuccessful, the Company and its business, financial condition and operating results could be materially and adversely affected, in which case the value of the Company could be negatively impacted and you could lose all or a part of your investment.

Our financial situation creates doubt whether we will continue as a going concern.

The Company was incorporated on September 28, 2017 and through the date of this Memorandum has generated no revenues. As of June 30, 2018, the Company had a net loss of $3,750,141 and will require significant additional capital in order to operate in the normal course of business and fund clinical studies. There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain funding from this offering or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about our ability to continue as a going concern. If adequate working capital is not available we may be forced to discontinue operations, which would cause investors to lose their entire investment. Our auditors have indicated that these conditions raise substantial doubt about the Company's ability to continue as a going concern.

Our technology is subject to a license from LLU, which is revocable in certain circumstances, including in the event we do not achieve certain milestone deadlines. Without this license, we cannot continue to develop our product candidates.

The new license agreement may be terminated by LLU in the event of a breach by us of any non-payment provision (including the provision that requires us to meet certain deadlines for milestone events (each, a "Milestone Deadline")) not cured within 90 days. The next such milestone deadline was the requirement to complete a financing round by July 31, 2018. Additional milestone deadlines include: (i) the requirement to have regulatory approval of an IND application to initiate a first-in-human clinical trials on or before March 31, 2020, (ii) the completion of first-in-human (Phase I/II) clinical trials by March 31, 2022, (iii) the completion of Phase III clinical trials by March 31, 2024 and (iv) biologic licensing approval by the FDA by March 31, 2025. If New License Agreement were to be terminated by LLU, we would lose our significant asset and would no longer be able to develop our product candidates, which would have a material adverse effect on our operations.

We may not be able to satisfy certain contractual milestone obligations.

Pursuant to the new license agreement, we were contractually obligated to pay LLU, within thirty (30) days of July 31, 2018, a milestone fee of $200,000 (the "milestone fee") upon the completion of a financing round. The Company is required to cure any late payment within 90 days after delivery of written notice from LLU. The Company has not received a demand notice for payment. The Company intends for this offering to qualify as a financing round pursuant to the terms of the New License Agreement and to pay the milestone fee from the proceeds of this Offering. There can be no assurance that the Company will raise sufficient capital to pay the milestone fee, or complete the Offering at all, thus potentially causing a material adverse effect to the Company.

We have not generated any revenue and may not generate revenue in the manner or within the timeframe we anticipate. We do not have positive operating cash flow. We expect to incur losses for the foreseeable future.

We have not generated any revenue to date, our technology is still in development. Because of the various risks and uncertainties associated with developing, obtaining regulatory approvals for and marketing new products, we are unable to predict with any certainty the extent of any future revenues, cash flows, profits or losses or when we will generate positive operating cash flow or become profitable, if at all. We expect to derive future revenues principally from the sale and licensing of our products, but we cannot guarantee the magnitude of any sales or licensing revenues. We expect to continue to require substantial resources to expand our development activities, seek regulatory approvals, secure manufacturing capabilities, undertake sales and marketing activities, and take other actions necessary to develop and grow our business. We expect that we will continue to incur operating losses for the foreseeable future, and we may never be profitable. Continuing losses will, among other things, have an adverse effect on our stockholders' equity and working capital. Failure to generate revenue or achieve profitability would materially adversely affect the value of our Company and our ability to grow our business.

We will need to raise substantial additional investment capital, which may be unavailable to us or, if raised, will cause dilution of our existing investors and could place significant restrictions on our ability to operate.

Even in the event that all of the units offered in the offering are sold, the Company will still need to raise substantial additional equity or debt financing to provide sufficient capital required to fully execute its business plan and expand its operations. We do not currently have any arrangements or credit facilities in place as a source of funds, and there can be no assurance that we will be able to raise sufficient capital in this offering or additional capital on acceptable terms, if at all. If such financing is not available on satisfactory terms, or is not available, we may be required to delay, scale back or eliminate the development of business opportunities and our operations and financial condition may be materially adversely affected. If we raise additional capital by issuing equity securities, the percentage ownership of our existing stockholders will be reduced, and these stockholders may experience substantial dilution. We may also issue equity securities that provide for rights, preferences and privileges senior to those of our Common Stock. Debt financing, if obtained, may involve agreements that include liens on our assets and covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, would increase our expenses and could require that our assets be provided as security for such debt. Debt financing would also be required to be repaid regardless of our operating results. There are no assurances that the Company will have sufficient funds to pay the debt off, or that the Company will not default on its debt. If we raise additional funds through collaborations and licensing arrangements, we may be required to relinquish some rights to our technologies or product candidates, or to grant licenses on terms that are not favorable to us. Funding from any source may be unavailable to us on acceptable terms, if at all. If we do not have sufficient

capital to fund our operations and expenses, this could lead to the failure of our business and the loss of your investment.

If we cannot develop our technology and launch products we may not achieve profitability.

Our future success will depend in part on our ability to develop, market and sell multiple products. Currently, we are a pre-clinical company that does not have any developed products. If we are unable to obtain the funds necessary for our operations, we will be unable to develop and commercialize any products, which would materially adversely affect our business, liquidity and results of operations.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of drugs is highly competitive. We compete with a variety of multinational pharmaceutical companies and specialized biotechnology companies, as well as products and processes being developed at universities and other research institutions. Our competitors have developed, are developing or will develop product candidates and processes competitive with our product candidates. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community and any new treatments that may enter the market. We believe that a significant number of products are currently available, under development, and may become commercially available in the future, for the treatment of indications for which we may try to develop product candidates.

More established companies may have a competitive advantage over us due to their greater size, cash flows and institutional experience. Compared to us, many of our competitors may have significantly greater financial, technical and human resources. As a result of these factors, our competitors may have an advantage in marketing their approved products and may obtain regulatory approval of their product candidates before we are able to, which may limit our ability to develop or commercialize our product candidates. Our competitors may also develop drugs that are safer, more effective, more widely used and less expensive than ours, and may also be more successful than us in manufacturing and marketing their products.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These companies compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The in-licensing of technologies and the successful testing and early development of technologies in the laboratory may not be indicative of future results and may not result in commercially viable technologies or products. Further, our future products may have to be modified from their originally conceived versions in order to reach or be successful in the market.

Positive results from laboratory testing and early developmental successes, may not be predictive of future successful development, commercialization and sales results and should not be relied upon as evidence that products developed from our technologies will become commercially viable and successful. Further, the products we plan to develop in the future may have to be significantly modified from their originally conceived versions in order for us to control costs, compete with similar products, receive market acceptance, meet specific development and commercialization timeframes, avoid potential infringement of

the proprietary rights of others, or otherwise succeed in developing our business and earning ongoing revenues. This can be a costly and resource draining activity. What appear to be promising technologies when we license them may not lead to viable technologies or products, or to commercial success.

Conflicts of interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. Dr. Shabahang, our CTO, is the CEO of Sekris. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

Our technologies and products under development, and our business, may fail if we are not able to successfully commercialize them and ultimately generate significant revenues as a result.

Successful development of technologies and our product candidates will require significant additional investment, including costs associated with additional development, completing trials and obtaining regulatory approval, as well as the ability to manufacture or have others manufacture our products in sufficient quantities at acceptable costs while also preserving product quality. Difficulties often encountered in scaling up production include problems involving production yields, quality control and assurance, shortage of qualified personnel, production costs and process controls. In addition, we are subject to inherent risks associated with new technologies and products. These risks include the possibility that any of our technologies or future products may:

- be found unsafe;
- be ineffective or less effective than anticipated;
- fail to receive necessary regulatory approvals;
- be difficult to competitively price relative to alternative solutions;
- be harmful to consumers or the environment;
- be difficult or impossible to manufacture on an economically viable Scale;
- be subject to supply chain constraints for raw materials;
- fail to be developed and accepted by the market prior to the successful marketing of alternative products by competitors;
- be difficult or impossible to market because of infringement on the proprietary rights of third parties; or
- be too expensive for commercial use.

Furthermore, we may be faced with lengthy market partner or distributor evaluation and approval processes. Consequently, we may incur substantial expenses and devote significant management effort in order to

customize products for market partner or distributor acceptance, though there can be no assurance of such acceptance. As a result, we cannot accurately predict the volume or timing of any future sales.

Customers may not adopt our products quickly, or at all.

Customers in the sector in which we operate can be generally cautious in their adoption of new products and technologies. In addition, given the relative novelty of our future planned products, customers of those products may require education regarding their utility and use, which may delay their adoption. There can be no assurance that customers will adopt our products quickly, or at all.

The significant level of competition in the markets for our products developed in the future may result in pricing pressure, reduced margins or the inability of our future product to achieve market acceptance.

The markets for our future products are intensely competitive and rapidly changing. We may be unable to compete successfully, which may result in price reductions, reduced margins and the inability to achieve market acceptance for our products.

Our competitors may have longer operating histories, significantly greater resources, greater brand recognition than we do and large customer bases. As a result, they may be able to devote greater resources to the manufacture, promotion or sale of their products, receive greater resources and support from market partners and independent distributors, initiate or withstand substantial price competition or more readily take advantage of acquisition or other opportunities.

If our future pre-clinical development and future clinical Phase I/II studies are unsuccessful, we may be unable to obtain regulatory approval of, or commercialize, our product candidates on a timely basis or at all.

The successful completion of pre-clinical development and multiple clinical trials is critical to the success of our future products. If the pre-clinical development and clinical trials are unsuccessful or produce inconsistent results or unanticipated adverse side effects, or if we are unable to collect reliable data, regulatory approval of our products could be delayed or not given and as a result we may be unable to commercialize our products. Generally, we expect to engage third parties such as consultants, universities or other collaboration partners to conduct clinical trials on our behalf. Incompatible practices or misapplication of our products by these third parties could impair the success of our clinical trials.

If we are unable to complete required clinical trials, or we experience significant delays in completing such clinical trials, we could experience significant delays our targeted product launch timeframe and impair our viability and business plan.

The completion of any clinical trials that we may be required to undertake could be delayed, suspended or terminated for several reasons, including:

- our failure or inability to conduct the clinical trial in accordance with regulatory requirements;
- sites participating in the trial may drop out of the trial, which may require us to engage new sites for an expansion of the number of sites that are permitted to be involved in the trial;
- patients may not enroll in, remain in or complete, the clinical trial at the rates we expect; and

- clinical investigators may not perform our clinical trial on our anticipated schedule or consistent with the clinical trial protocol and good clinical practices.

If our clinical trials are delayed it will take us longer to ultimately commercialize our products and generate revenues. Moreover, our development costs will increase if we have material delays in our clinical trials or if we need to perform more or larger clinical trials than planned.

Our results of operations will be affected by the level of royalty and milestone payments that we are required to pay to third parties.

We are a party to the new license agreement which require us to remit royalty payments and meet certain performance milestones related to in-licensed intellectual property. Any failure on our part to pay royalties owed or meet milestones could lead to us losing rights under our licenses and could thereby adversely affect our business. As our product sales increase, we may, from time-to-time, disagree with our third-party collaborators as to the appropriate royalties owed and the resolution of such disputes may be costly and may consume management's time. Furthermore, we may enter into additional license agreements in the future, which may also include royalty payments.

We will likely rely on third parties for the production of our future products. If these parties do not produce our products at a satisfactory quality, in a timely manner, in sufficient quantities or at an acceptable cost, our sales and development efforts could be delayed or otherwise negatively affected.

We will likely rely on third parties for the manufacture of our future products. Our reliance on third parties to manufacture our future products may present significant risks to us, including the following:

- reduced control over delivery schedules, yields and product reliability;
- price increases;
- manufacturing deviations from internal and regulatory specifications;
- the failure of a key manufacturer to perform as we require for technical, market or other reasons;
- difficulties in establishing additional manufacturer relationships if we are presented with the need to transfer our manufacturing process technologies to them;
- misappropriation of our intellectual property; and
- other risks in potentially meeting our product development schedule or satisfying the requirements of our market partners, distributors, direct customers and end users.

If we need to enter into agreements for the manufacturing of our future products, there can be no assurance we will be able to do so on favorable terms, if at all.

If we are unable to establish successful relations with third-party market partners or distributors, or these market partners or distributors do not focus adequate resources on selling our products or are otherwise unsuccessful in selling them, sales of our products may not develop.

We anticipate relying on independent market partners and distributors to distribute and assist us with the

marketing and sale of our products. Our future revenue generation and growth will depend in large part on our success in establishing and maintaining this sales and distribution channel. If our market partners and distributors are unable to sell our products, or receive negative feedback from end users, they may not continue to purchase or market our products. In addition, there can be no assurance that our market partners and distributors will focus adequate resources on selling our products to end users or will be successful in selling them. Many of our potential market partners and distributors are in the business of distributing and sometimes manufacturing other, possibly competing, products. As a result, these market partners and distributors may perceive our products as a threat to various product lines currently being distributed or manufactured by them. In addition, these market partners and distributors may earn higher margins by selling competing products or combinations of competing products. If we are unable to establish successful relationships with independent market partners and distributors, we will need to further develop our own sales and distribution capabilities, which would be expensive and time-consuming and might not be successful.

If we are not able to attract and retain highly skilled employees and contractors, we may not be able to implement our business model successfully.

We will rely upon employees and third-party consultant/contractors to effectively establish, manage and grow our business. Consequently, we believe that our future viability will depend largely on our ability to attract and retain highly skilled personnel. In order to do so, we may need to pay higher compensation, fees, and/or other incentives to our employees or consultants than we currently expect and such higher compensation payments would have a negative effect on our operating results. Competition for experienced, high-quality employees, consultants and contractors is intense and we cannot assure that we will be able to recruit and retain such personnel. We may not be able to hire or retain the necessary personnel to implement our business strategy. Our failure to hire and retain such personnel could impair our ability to develop new products and manage our business effectively.

The loss of our management team or other key personnel would have an adverse impact on our future development and impair our ability to succeed.

In the early stages of development, our business will be significantly dependent on the Company's management team and other key personnel. Our success will be particularly dependent upon Mr. Amro Albanna, Dr. Leonard Bailey, and Dr. Shahrokh Shabahang. The loss of any one of these individuals or any other future key personnel could have a material adverse effect on the Company and our ability to further execute our intended business.

Supply problems could harm our business.

We anticipate that we may commit to purchase component parts and substances from suppliers based on sales forecasts of our future products. If we cannot change or be released from these purchase commitments, and if orders for our future products do not materialize, we could incur significant costs related to the purchase of excess parts and substances. Additionally, a delay in production of the parts or substances or inaccuracies in our sales forecasts could materially adversely affect our results or reputation if we are unable to timely ship ordered products or provide replacements under warranty or maintenance contracts.

The use of our products may be limited by regulations, and we may be exposed to product liability and remediation claims.

The use of our planned products may be regulated by various local, state, federal and foreign regulators. Even if we are able to comply with all such regulations and obtain all necessary registrations, we cannot

provide assurance that our future products will not cause injury to the environment, people, or animals and/or otherwise have unintended adverse consequences, under all circumstances. For example, our products may be improperly combined with other chemicals or, even when properly combined, our products may be blamed for damage caused by those other chemicals. The costs of remediation or products liability could materially adversely affect our results, financial condition and operations.

We may be held liable for, or incur costs to settle, liability and remediation claims if any products we develop, or any products that use or incorporate any of our technologies, cause injury or are found unsuitable during product testing, manufacturing, marketing, sale or use. These risks exist even with respect to products that have received, or may in the future receive, regulatory approval, registration or clearance for commercial use. We cannot guarantee that we will be able to avoid product liability exposure.

When at the stage customary to do so, we expect to maintain product liability insurance at levels we believe are sufficient and consistent with industry standards for like companies and products. However, we cannot guarantee that our product liability insurance will be sufficient to help us avoid product liability-related losses. In the future, it is possible that meaningful insurance coverage may not be available on commercially reasonable terms or at all. In addition, a product liability claim could result in liability to us greater than our assets or insurance coverage. Moreover, even if we have adequate insurance coverage, product liability claims or recalls could result in negative publicity or force us to devote significant time and attention to these matters, which could harm our business.

Our inability to obtain regulatory approvals, or to comply with ongoing and changing regulatory requirements, could delay or prevent sales of the products we are developing.

The testing, manufacture, sale and use of some of our planned future products will be regulated by government agencies in the U.S. and abroad. These regulations substantially increase the time and cost associated with bringing future products to market. If we do not receive the necessary governmental approvals to test, manufacture and market our products, or if regulatory authorities revoke our approvals, do not grant approvals in a timely manner or grant approvals subject to restrictions on their use, we may be unable to sell our products in the united states or other jurisdictions, which could adversely affect our results and operations. As we introduce new technologies and applications for our planned products, we will need to seek new regulatory approvals prior to commercial sales.

There can be no assurance that we will be able to obtain regulatory approval for marketing technologies, products, and applications we may develop. Because many of the products that may be sold by us must be registered with one or more government agencies, the registration process can be time consuming and expensive, and there is no guarantee that the product will obtain all needed registrations.

Even if we obtain all necessary regulatory approvals to market and sell our products, they will be subject to continuing review and extensive regulatory requirements, including periodic re-registrations. Regulatory authorities could withdraw a previously approved product from the market upon receipt of newly discovered information, including an inability to comply with regulatory requirements or the occurrence of unanticipated problems with our products, or for other reasons.

The regulatory approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of our future product candidates, if any.

The testing, manufacturing, labeling, approval, selling, marketing and distribution of health- and life science-related products are subject to extensive regulation, which regulations differ from country to

country.

Our strategic plan is to demonstrate clinical proof-of-concept of our product candidates in early (Phase I/II) clinical trials and to secure strategic partners who will acquire or enter into co-development agreements to complete later stage clinical trials and to obtain regulatory approval for product distribution.

If we elect to develop any product candidates in late stage development and/or marketing and distribution and for product candidates that qualify under biopharmaceuticals, we will not be permitted to market them in the united states or other regions until we receive approval to do so by the appropriate regulatory agencies for the regions we plan to market our product(s). We have not submitted an application or premarket notification for or received marketing clearance or approval for any of our product candidates. Obtaining approval of any premarket approval can be a lengthy, expensive and uncertain process. There is no guarantee that our products will receive investigational new drug (IND) approval to initiate human trials and after completion of the necessary clinical testing, there is no guarantee that our products will receive regulatory approval for marketing and distribution. If the FDA or other relevant regulatory agencies do not approve our applications for marketing our biopharmaceutical product(s), then we cannot market the product(s). The regulatory agencies may seek additional information or additional data, which would further delay our ability to market the product. In addition, if we modify our regulatory approved product(s), we may need to seek additional clearance or approvals, which, if not granted, would prevent us from selling our modified products. Furthermore, failure to comply with FDA, non-U.S. regulatory authorities or other applicable U.S. and non-U.S. regulatory requirements may, either before or after product clearance or approval, if any, subject us to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers or manufacturing process;
- adverse inspectional observations (form 483), warning letters or non-warning letters incorporating inspectional observations;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory clearances or approvals;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- total or partial suspension of production;
- imposition of restrictions on operations, including costly new manufacturing requirements; and
- refusal to clear or approve pending applications or premarket notifications.

The FDA and/or other regulatory agencies can delay, limit or deny clearance or approval of a biopharmaceutical product candidate for many reasons, including:

- a biopharmaceutical product may not be deemed safe or effective;
- regulatory officials may not find the data from pre-clinical studies and clinical trials sufficient;

● the regulatory agency might not approve our third-party manufacturer's processes or facilities; or

● the regulatory may change its clearance or approval policies or adopt new regulations.

The regulatory approval processes of the FDA, the EMA and other comparable foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain timely regulatory approval for our product candidates, our business will be substantially harmed.

We will not be permitted to market our product candidates in the united states or the EU until we receive approval of an NDA from the FDA or an MAA from the EMA, or in any foreign countries until we receive the requisite approval from such countries. Prior to submitting an NDA to the FDA or an MAA to the EMA for approval of our product candidates we will need to complete our preclinical studies and initiate and complete clinical trials. Successfully completing our clinical program and obtaining approval of an NDA or MAA is a complex, lengthy, expensive and uncertain process, and the FDA or EMA may delay, limit or deny approval of our product candidates for many reasons, including, among others, because:

- we may not be able to demonstrate that our product candidates are safe and effective in treating patients to the satisfaction of the FDA or EMA;
- the results of our clinical trials may not meet the level of statistical or clinical significance required by the FDA or ema for marketing approval;
- the FDA or ema may disagree with the number, design, size, conduct or implementation of our clinical trials;
- the FDA or ema may require that we conduct additional clinical trials;
- the FDA or ema or other applicable foreign regulatory authorities may not approve the formulation, labeling or specifications of our product candidates;
- the contract research organizations (CROs) and other contractors that we may retain to conduct our clinical trials may take actions outside of our control that materially adversely impact our clinical trials;
- the FDA or ema may find the data from preclinical studies and clinical trials insufficient to demonstrate that ehp-101 or ehp-102 are safe and effective for their proposed indications;
- the FDA or ema may disagree with our interpretation of data from our preclinical studies and clinical trials;
- the FDA or ema may not accept data generated at our clinical trial sites or may disagree with us over whether to accept efficacy results from clinical trial sites outside the united states or outside the EU, as applicable, where the standard of care is potentially different from that in the united states or in the EU, as applicable;
- if and when our NDAs or MAAs are submitted to the FDA or EMA, as applicable, the regulatory authorities may have difficulties scheduling the necessary review meetings in a timely manner, may recommend against approval of our application or may recommend or

require, as a condition of approval, additional preclinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;

- the FDA may require development of a risk evaluation and mitigation strategy (rems), which would use risk minimization strategies to ensure that the benefits of certain prescription drugs outweigh their risks, as a condition of approval or post-approval, and the ema may grant only conditional marketing authorization or impose specific obligations as a condition for marketing authorization, or may require us to conduct post-authorization safety studies;

- the FDA, DEA, EMA or other applicable foreign regulatory agencies may not approve the manufacturing processes or facilities of third-party manufacturers with which we contract or DEA or other applicable foreign regulatory agency quotas may limit the quantities of controlled substances available to our manufacturers; or

- the FDA, ema or other applicable foreign regulatory agencies may change their approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could increase development costs, jeopardize our ability to obtain regulatory approval for and successfully market our product candidates and generate product revenue.

The failure to obtain or maintain patents, licensing agreements and other intellectual property could materially impact our ability to compete effectively.

In order for our business to be viable and to compete effectively, we need to develop and maintain, and we will heavily rely on, a proprietary position with respect to our technologies and intellectual property. However, there are significant risks associated with our actual or proposed intellectual property. The risks and uncertainties that we face with respect to our rights principally include the following:

- pending patent applications we have filed or will file may not result in issued patents or may take longer than we expect to result in issued patents;

- we may be subject to interference proceedings;

- we may be subject to reexamination proceedings;

- we may be subject to post grant review proceedings;

- we may be subject to inter parties review proceedings;

- we may be subject to derivation proceedings;

- we may be subject to opposition proceedings in the U.S. or in foreign countries;

- any patents that are issued to us may not provide meaningful protection;

- we may not be able to develop additional proprietary technologies that are patentable;

- other companies may challenge patents licensed or issued to us;

- other companies may have independently developed and patented (or may in the future independently develop and patent) similar or alternative technologies, or duplicate our technologies;

- other companies may design around technologies we have licensed or developed;

- enforcement of patents is complex, uncertain and very expensive and we may not be able to secure, enforce and defend our patents; and

- in the event that we were to ever seek to enforce our patents in ligation, there is some risk that they could be deemed invalid, not infringed, or unenforceable.

We cannot be certain that any patents will be issued as a result of any pending or future applications, or that any patents, once issued, will provide us with adequate protection from competing products. For example, issued patents may be circumvented or challenged, declared invalid or unenforceable, or narrowed in scope. In addition, since publication of discoveries in scientific or patent literature often lags behind actual discoveries, we cannot be certain that we or our licensors were the first to invent or to file patent applications covering them.

It is also possible that others may have or may obtain issued patents that could prevent us from commercializing our products or require us to obtain licenses requiring the payment of significant fees or royalties in order to enable us to conduct our business. There is no guarantee that such licenses will be available based on commercially reasonable terms. As to those patents that we have licensed, our rights depend on maintaining our obligations to the licensor under the applicable license agreement, and we may be unable to do so.

If we are unable to obtain and maintain patent protection for our products, or if the scope of the patent protection obtained is not sufficiently broad, competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products could be impaired. The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions. It is also possible that we will fail to identify patentable aspects of our development output before it is too late to obtain patent protection.

The patent position of life science companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the united states and we may fail to seek or obtain patent protection in all major markets. For example, unlike the U.S., European patent law restricts the patentability of methods of treatment of the human body. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the united states and other countries may diminish the value of our patents or narrow the scope of our patent protection, even post-grant.

Recent patent reform legislation has increased the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-smith America invents Act, or the Leahy-smith Act, was signed into law. The Leahy-smith act includes a number of significant changes to united states patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The U.S. patent and

trademark office, or USPTO, recently developed new regulations and procedures to govern administration of the Leahy-smith act, and many of the substantive changes to patent law associated with the Leahy-smith act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-smith act will have on the operation of our business. However, the Leahy-smith act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Moreover, we may be subject to a third-party pre-issuance submission of prior art to the USPTO, or become involved in opposition, derivation, reexamination, inter parties review, post-grant review or interference proceedings challenging our patent rights (whether licensed or otherwise held) or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights (whether licensed or otherwise held), allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications (whether licensed or otherwise held) is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Even if our patent applications (whether licensed or otherwise held) result in the issuance of patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our licensed or owned patents may be challenged in the courts or patent offices in the united states and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical products, or limit the duration of the patent protection of our products. Given the amount of time required for the development, testing and regulatory review of new life science product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our intellectual property rights portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may become involved in lawsuits to protect or enforce our intellectual property rights, which could be expensive, time-consuming and ultimately unsuccessful.

Competitors may infringe our intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property or that our intellectual property is invalid or unenforceable. In addition, in a patent infringement proceeding, a court may decide that a licensed or owned patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover that technology. Moreover, lawsuits to protect or enforce our intellectual property rights could be expensive, time-consuming and ultimately unsuccessful.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain.

Our commercial success depends upon our ability to develop, manufacture, market and sell our product candidates without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the life sciences industry. We cannot guarantee that our product candidates will not infringe third-party patents or other proprietary rights. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including inter parties review, interference, or derivation proceedings before the USPTO and similar bodies in other countries. Third parties may assert infringement claims against us based on existing intellectual property rights and intellectual property rights that may be granted in the future.

If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our products. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our own patent protection could be reduced or eliminated for noncompliance with these requirements.

Periodic maintenance fees and annuities on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter our markets, which could have a material adverse effect on our business.

We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Certain of our employees and contractors were previously employed at universities or other companies, including potential competitors. Although we try to ensure that our employees and contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these employees or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims, and any such litigation could have an unfavorable outcome.

In addition, while it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual

property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and adverse results, and be a distraction to management.

A substantial portion of our in-licensed intellectual property will be subject to the provisions of the Bayh-dole Act, if the underlying inventions were achieved using federal government funding. Such innovations are subject to "march-in" rights and other provisions under that act.

Should we fail to take "effective steps to achieve practical application of" inventions we have licensed or fail to satisfy "health and safety needs" of consumers, then, under the federal Bayh-dole act, a federal government agency that has funded the discovery of the invention may "march in" and, despite our intellectual property rights in the invention, compel the granting of a license, or grant the license itself, to the invention to third-party petitioners who are "reasonable applicants". There is also nothing prohibiting such government agency in exercising its "march-in" rights by granting such licenses to any of our competitors. Any such "march-in" under this act could disrupt our operations and business plans with respect to the invention at issue.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our Common Stock. Such litigation or proceedings could increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

We may spend considerable resources developing and maintaining patents, licensing agreements and other intellectual property that may later be abandoned or may otherwise never result in products brought to market.

Not all technologies and candidate products that initially show potential as the basis for future products end up meeting the rigors of our development process and as a result may be abandoned and/or never otherwise result in products brought to market. In some cases prior to abandonment we may be required to incur significant cost developing and maintaining intellectual property and/or maintaining license agreements and our business could be harmed by such costs.

We rely on information technology, and if we are unable to protect against service interruptions, data corruption, cyber-based attacks or network security breaches, our operations could be disrupted and our business could be negatively affected.

We rely on information technology networks and systems to process, transmit and store electronic and financial information; to coordinate our business; and to communicate within our Company and with customers, suppliers, partners and other third-parties. These information technology systems may be susceptible to damage, disruptions or shutdowns, hardware or software failures, power outages, computer viruses, cyber-attacks, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer severe damage, disruption or shutdown, and our business continuity plans do not effectively resolve the issues in a timely manner, our operations could be disrupted and our business could be negatively affected. In addition, cyber-attacks could lead to potential unauthorized access and disclosure of confidential information, and data loss and corruption. There is no assurance that we will not experience these service interruptions or cyber-attacks in the future.

Information about our Company, technologies and product concepts that can be found on social media, websites, blogs, and/or other forms of electronic media must not be relied upon as it may be out-of-date, inaccurate, incomplete, and/or fabricated by others.

Information about our Company, technologies, product concepts, plans and past activities can be found on social media, websites, blogs, and/or other forms of electronic media. Such information should not be relied upon as part of your evaluation of our Company and the offering as such information may be found to be out-of-date, inaccurate, and/or incomplete. Further, such information may have been created by others, fabricated by others, or our original material may have been edited by others without our approval and such information must not be relied upon as having been authorized by us.

There is no public market for the warrants being offered, and we do not anticipate such a market ever developing in the future.

There is no established public trading market for the warrants and we do not intend to have the warrants listed on a national securities exchange or any other recognized trading system in the future. Without an active market, the liquidity of the warrants will be limited.

The warrants may not have value.

The warrants being offered by us in this offering are exercisable on the date of issuance of the warrant, have a purchase price of $3.00 per share, and expire three (3) years from the date of issuance. In the event that our Common Stock does not exceed the exercise price of the warrants during the period when the warrants are exercisable, the warrants may not have any value.

Holders of our warrants will have no rights as stockholders until they acquire shares of our Common Stock, if ever.

If you acquire warrants to purchase shares of our Common Stock in this offering, you will have no rights with respect to our Common Stock until you acquire shares of such Common Stock upon exercise of your warrants. Upon exercise of your warrants, you will be entitled to exercise the rights of a holder of Common Stock only as to matters for which the record date occurs after the exercise date.

There may be limitations on the effectiveness of our internal controls, and a failure of our control systems to prevent error or fraud may materially harm our Company.

We do not expect that internal control over financial accounting and disclosure, even if timely and well

established, will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially adversely affect our business.

We do not expect to pay dividends in the foreseeable future.

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any and all future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their securities, and holders may be unable to sell their securities on favorable terms or at all. We cannot assure you of a positive return on your investment or that you will not lose the entire amount of your investment.

Upon dissolution of our Company, you may not recoup all or any portion of your investment.

In the event of a liquidation, dissolution or winding-up of our Company, whether voluntary or involuntary, our assets would be used to pay all of our debts and liabilities, and only thereafter would any remaining assets be distributed to our stockholders, subject to rights of the holders of the preferred stock, if any, on a pro rata basis. There can be no assurance that we will have assets available from which to pay any amounts to our stockholders upon such a liquidation, dissolution or winding-up. In such an event, you would lose all of your investment.

Limitation of liability and indemnification of management.

The Delaware corporation law and the Company's amended and restated certificate of incorporation provides for the limitation of the liability of directors for monetary damages. Such provisions may discourage stockholders from bringing a lawsuit against directors for breaches of fiduciary duty and may also have the effect of reducing the likelihood of derivative litigation against directors and officers even though such action, if successful, might otherwise be a benefit to the Company's stockholders. In addition, a stockholder's investment in the Company may be adversely affected to the extent that costs of settlement and damage awards against the Company's officers or directors are paid by the Company pursuant to such provisions. Additionally, in accordance with Delaware corporation law and the Company's amended and restated certificate of incorporation, the Company shall indemnify, hold harmless and provide advancement of expenses, to the fullest extent permitted by applicable law, directors, officers, employees, and agents that are made a party or threatened to be made a party to legal proceedings by reason of the fact that such parties were working at the request of the Company. We direct you to the Company's amended and restated certificate of incorporation for more information.

Anti-takeover provisions under Delaware law could discourage, delay or prevent a change in control of our Company and could affect the trading price of our securities.

We are a Delaware corporation and the anti-takeover provisions of the Delaware general corporation law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change in control would be beneficial to our existing stockholders.

We will need but may be unable to obtain additional funding on satisfactory terms, which could dilute

our stockholders or impose burdensome financial restrictions on our business.

We have relied upon our majority stockholder to finance our operations to date, and in the future, we hope to rely on revenues generated from operations to fund all of the cash requirements of our activities. However, there can be no assurance that our majority stockholder will continue to finance our operations or that we will be able to generate any significant cash from our operating activities in the future. Our majority stockholder has financed our operations through unsecured promissory notes. Future financings may not be available on a timely basis, in sufficient amounts or on terms acceptable to us, if at all. Any debt financing or other financing of securities senior to the Common Stock will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a material adverse effect on our business, prospects, financial condition and results of operations because we could lose our existing sources of funding and impair our ability to secure new sources of funding. However, there can be no assurance that the Company will be able to generate any investor interest in its securities. If we do not obtain additional financing, our business will never commence, in which case you would likely lose the entirety of your investment in us.

Failure to develop our internal controls over financial reporting as we grow could have an adverse impact on us.

As our Company matures we will need to develop our current internal control systems and procedures to manage our growth. We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish appropriate controls, or any failure of those controls once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting, disclosure of management's assessment of our internal controls over financial reporting or disclosure of our public accounting firm's attestation to or report on management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our Common Stock.

Risks Related To Our Financial Position And Need For Capital

Even if we raise the maximum offering, we will need to raise additional funding, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

In the event we raise the maximum offering amount, we expect that the net proceeds will be sufficient to fund our current operations for at least the next 8 months. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or a combination of these approaches. In any event, we will require additional capital to obtain regulatory approval for, and to commercialize, our product candidates. Raising funds in the current economic environment may present additional challenges. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may

adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities may dilute our existing stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidate or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

If you purchase our units in this offering, you will incur immediate and substantial dilution in the book value of your units.

You will suffer immediate and substantial dilution in the net tangible book value of the Common Stock you purchase in this offering.

Risks Related To Our Common Stock And This Offering

Our executive officers, directors, and their respective affiliates will continue to exercise significant control over our Company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Immediately following the completion of this Offering, and disregarding any shares of Common Stock that they purchase in this Offering, if any, the existing holdings of our executive officers, directors, and their affiliates, will represent beneficial ownership, in the aggregate, of approximately 83.12% of our outstanding Common Stock, assuming we issue the Maximum Offering Amount of shares of Common Stock as set forth on the cover page of this Memorandum. Please see "Security Ownership of Management & Certain Security Holders". As a result, these stockholders will be able to influence our management and affairs and control the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. These stockholders acquired their shares of Common Stock for substantially less than the price of the shares of Common Stock being acquired in this Offering, and these stockholders may have interests, with respect to their Common Stock, that are different from those of investors in this Offering and the concentration of voting power among one or more of these stockholders may have an adverse effect on the price of our Common Stock. In addition, this concentration of ownership might adversely affect the market price of our Common Stock by:

- delaying, deferring or preventing a change of control of the Company;

- impeding a merger, consolidation, takeover or other business combination involving the Company; or

- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

We have broad discretion in how we use the proceeds of this offering and may not use these proceeds effectively, which could affect our results of operations and cause our Common Stock and warrant price to decline.

We will have considerable discretion in the application of the net proceeds of this offering. We intend to use the net proceeds from this offering to fund our business strategy, including without limitation, new and ongoing research and development expenses, offering expenses, working capital and other general corporate purposes, which may include funding for the hiring of additional personnel. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

If our stock price fluctuates after the offering, you could lose a significant part of your investment.

The market price of our Common Stock could be subject to wide fluctuations in response to, among other things, the risk factors described in this section of this offering memorandum, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of our Common Stock. In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

After the completion of this Offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and pharmaceutical companies have experienced significant stock price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future and, as such, capital appreciation, if any, of our Common Stock will be your sole source of gain for the foreseeable future.

We have never declared or paid cash dividends on our Common Stock. We do not anticipate paying any

cash dividends on our Common Stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. In addition, and any future loan arrangements we enter into may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our Common Stock. As a result, capital appreciation, if any, of our Common Stock will be your sole source of gain for the foreseeable future.

We could issue "blank check" preferred stock without stockholder approval with the effect of diluting interests of then-current stockholders and impairing their voting rights, and provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Our certificate of incorporation provides for the authorization to issue up to 3,000,000 units of "blank check" preferred stock with designations, rights and preferences as may be determined from time to time by our board of directors. Our board of directors is empowered, without stockholder approval, to issue one or more series of preferred stock with dividend, liquidation, conversion, voting or other rights which could dilute the interest of, or impair the voting power of, our Common Stockholders. The issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control. For example, it would be possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our Company. In addition, advanced notice is required prior to stockholder proposals, which might further delay a change of control.

Our amended and restated certificate of incorporation provides that the court of chancery of the state of Delaware will be the sole and exclusive forum for substantially all disputes between the Company and its stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with the Company or its directors, officers or employees.

Our amended and restated certificate of incorporation provides that unless the Company consents in writing to the selection of an alternative forum, the state of Delaware is the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim against the Company, its directors, officers or employees arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or the Company's bylaws, or (iv) any action asserting a claim against the Company, its directors, officers, employees or agents governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the court of chancery determines that there is an indispensable party not subject to the jurisdiction of the court of chancery (and the indispensable party does not consent to the personal jurisdiction of the court of chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the court of chancery, or for which the court of chancery does not have subject matter jurisdiction.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or its directors, officers or other employees, which may discourage such lawsuits against the Company and its directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, the Company may incur additional costs associated with resolving such action in other jurisdictions, which could harm its business, results of operations, and financial condition.

The Clearing Broker may Decline to Deposit the Units in the Subscriber's Account.

The clearing broker may decline to deposit into Subscriber's account a stock certificate for a security that (1) has a closing price below one cent ($0.01) or (2) has stale or incomplete filings with the U.S. Securities and Exchange Commission (SEC) or with Canada's System for Electronic Document Analysis and Retrieval (SEDAR). Moreover, in the event that a company files with Pink Sheets, Subscriber's clearing broker may decline to even consider depositing such company's securities. In addition to these conditions and limitations, the clearing broker may subject The Company's securities to additional review before accepting such securities for deposit. This review process may (1) take up to two weeks or longer, and (2) may include research into the Company or Subscriber. The characteristics that may trigger additional review include (1) low price of the security or securities under review; (2) large number of shares being deposited with clearing broker into Subscriber's account; (3) the securities in question are non-exchange traded; (4) the stock certificates are recently issued; (5) recent merger activity of the underlying company; and/or (6) change of name of the underlying company issuing these stock certificates. Finally, all of the aforementioned conditions, limitations, and characteristics triggering review may apply to Subscriber's Deposit/Withdrawal At Custodian (DWAC) Confidential 21 requests, Automated Customer Account Transfer Account Service (ACATS) requests, and Depository Trust Company (DTC) receipts for deposit requests.

We are subject to penny stock regulations and restrictions and you may have difficulty selling shares of our Common Stock.

Our Common Stock is subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock rule." Section 15(g) sets forth certain requirements for transactions in penny stock, and Rule 15g-9(d) incorporates the definition of "penny stock" that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines a penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. We are subject to the SEC's penny stock rules.

Since our Common Stock is deemed to be penny stock, trading in the shares of our Common Stock is subject to additional sales practice requirements on broker-dealers who sell penny stock to persons other than established customers and accredited investors. "Accredited investors" are persons with assets in excess of $1,000,000 (excluding the value of such person's primary residence) or annual income exceeding $200,000 or $300,000 together with their spouse. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such security and must have the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt the rules require the delivery, prior to the first transaction of a risk disclosure document, prepared by the SEC, relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in an account and information to the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealer to trade and/or maintain a market in our Common Stock and may affect the ability of the Company's stockholders to sell their shares of Common Stock.

There can be no assurance that our shares of Common Stock will qualify for exemption from the Penny Stock Rule. In any event, even if our Common Stock was exempt from the Penny Stock Rule, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock if the SEC finds that such a restriction would be in the public interest.

If our ability to register our Common Stock, and Common Stock issuable upon exercise of the Warrants is limited, your ability to sell such shares may be subject to substantial restrictions, and you may be

required to hold such shares for a period of time prior to sale, in which case you could suffer a substantial loss on such shares.

If our ability to register the resale of shares of our Common Stock is limited, you may not be able to sell your Common shares or exercise all or some of your Warrants for shares of our Common Stock. There will be substantial restrictions on your ability to transfer any shares which are not registered for resale, and you may be required to hold the shares and any shares you receive upon exercise of your Warrants for some period of time after exercise. During such time, the market price of our Common Stock may fluctuate and go below the exercise price paid for the shares issued upon exercise of the Warrants, and you could suffer a substantial or total loss with respect to such shares.

Our securities may be considered a "penny stock" and subject to specific rules governing their sale to investors.

The SEC has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to our Common Stock, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require that a broker or dealer approve a person's account for transactions in penny stocks, and the broker or dealer receive from the investor a Confidential Offering Memorandum

In order to approve a person's account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience objectives of the person, and make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form sets forth the basis on which the broker or dealer made the suitability determination, and that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the penny stock rules. This may make it more difficult for investors sell shares of our Common Stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

OUR COMPANY

Overview

Transplantation can be a lifesaving treatment option, but the immune system continues to pose the greatest challenge to transplantation becoming routine medical treatment. This is due to the rejection that occurs when the recipient's immune system recognizes the transplanted tissue or organ as foreign.

The discovery of immunosuppressants (anti-rejection drugs), such as cyclosporine, has allowed survival of transplanted organs by preventing acute or early rejection. However, immunosuppressants fail to prevent the chronic or long-term rejection that occurs years after the initial transplant. About 40% of transplanted organs survive for no more than 5 years. Furthermore, immune suppression leads to significant undesirable side effects such as increased susceptibility to life-threatening infections and cancers because it is not specifically targeted towards the transplanted organs; rather, it indiscriminately and broadly suppresses immune function throughout the body.

New, focused therapeutic approaches are needed that modulate only the small portion of immune cells that are involved in rejection of the transplanted organ, as this will be safer for patients than indiscriminate immune suppression. These approaches are referred to as immune tolerance. Therapeutically induced immune tolerance may not only be safer for patients, they could also allow long-term survival of transplanted tissues and organs.

In the late 1990s, academic research was being conducted at the Transplant Center in Loma Linda University, for a project that secured initial funding through grants from the Department of Defense (DOD), which was funding projects with high probabilities of commercialization and potential benefit to the DOD. The direct benefit in this case was for skin grafting for burn victims. Fifteen years of research led to a series of discoveries that translated to a large patent portfolio that may be applied to the modulation of the immune system to induce tolerance to self and transplanted organs - tolerogenic immunotherapy.

We have an exclusive worldwide license for commercializing this nucleic acid-based technology called Apoptotic DNA Immunotherapy (ADi) which utilizes a novel approach that mimics the way our bodies naturally induce tolerance to our own tissues. ADi is a technology platform which we believe can be engineered for application to a wide variety of indications.

We plan to develop ADi products for organ transplantation, skin grafting, and wound healing with the initial focus being on skin allografts and other organ and/or tissue allografts, as we believe these indications will be most efficient in providing safety and efficacy data in clinical trials.

While immune suppression requires continuous administration to prevent acute or early rejection of transplanted organs, induction of tolerance has the potential to retrain the immune system to accept the organ for longer periods of time. Thus, ADi may allow patients to live with transplanted organs with significantly reduced immune suppression.

ADi Advantages

ADi is a nucleic acid-based technology (*e.g.*, plasmid DNA-based) which we believe selectively suppresses only those immune cells involved in the rejection of tissue and organ transplants. It does so by tapping into the body's natural process of cell death (apoptosis) to reprogram the immune system to stop unwanted attacks on self or transplanted tissues. In short, it retrains the immune system to become accepting of the organ much like how natural apoptosis reminds our immune system to be tolerant to our own "self" tissues.

While efforts have been made by various groups to promote tolerance through cell therapies and ex vivo manipulation of patient cells (takes place outside the body typically requiring hospitalization), to our knowledge, we will be unique in our approach of using in-body induction of apoptosis to promote tolerance to specific tissues. In addition, ADi treatment itself does not require hospitalization, only an injection in minute amounts directly into the skin.

Reduce Chronic Rejection

While immunosuppressants control acute rejection during the early time-period after receiving an organ, chronic rejection of the organ that occurs one or more years after the transplant procedure continues to pose a major challenge for organ recipients.

Chronic rejection has been likened to autoimmunity (a misdirected immune response that occurs when the immune system goes awry), where specific tissues in the transplanted organ are attacked by the immune system. In other words, chronic rejection may not be caused just by differences between the donor and the recipient, but rather by an immune response by the recipient to specific tissues in the organ. With ADi's ability to tolerize to specific tissues in a transplanted organ, it has the potential to reduce incidences of chronic rejection.

Moreover, preclinical studies have demonstrated that ADi treatment significantly and substantially prolongs graft survival, in addition to successfully "reversing" other established immune-mediated inflammatory processes.

Reduce immune suppression

Studies in animal models have shown that conditioning/desensitizing the animals to receive the transplant, prolongs the survival of the transplanted tissue or organ. These studies have used repeated exposure to low doses of protein components in specific organs to reduce immunologic recognition and attack on the transplanted organ.

Based on some of our data, we believe that with ADi treatment, recipients can be conditioned/desensitized ahead of transplantation, thereby retraining the immune system to more readily accept the organ and also reduce the levels of immunosuppressive drugs needed post-transplantation.

Hypersensitivity

Studies have shown that hypersensitivity increases the rate of organ rejection. Hypersensitivity can occur in previously-transplanted patients, patients who have given birth, and patients who have previously received blood transfusions. With more than 116,000 patients on transplant waiting lists in the U.S. alone, hypersensitive patients have much lower chances at qualifying to receive organs due to their increased risk of rejection – even with immune suppression.

Sadly, transplanted patients have a probability of needing re-transplantation at some point due to eventual chronic rejection of their transplanted organ, with the possible exception of some newborn recipients. With increased incidence of hypersensitivity, these patients may never have the opportunity to receive another organ. Based on experimental data, we believe that ADi may have the potential to address this hypersensitivity issue providing these individuals better opportunities at receiving an organ transplantation.

ADi Key Differentiators

Ease of Delivery

Therapeutic products are typically administered systemically (i.e., by mouth in pill form or injected intramuscularly/intravenously). This requires repeated large doses to allow sufficient concentrations to reach the affected sites. ADi is a DNA-based product that can be injected in minute amounts directly into the skin where the target cells of the immune system reside, thereby significantly simplifying the delivery of the product and reducing the amount of product needed.

Better Safety Profile

DNA-based products are generally considered safe. In fact, over the last twenty years, several DNA vaccines have been evaluated in clinical trials for cancer and infectious diseases and no severe adverse events have been reported. In addition, DNA-based products generally do not result in allergic responses, which lend themselves to repeat dosing as may be required by ADi products.

Cost of Goods Advantage

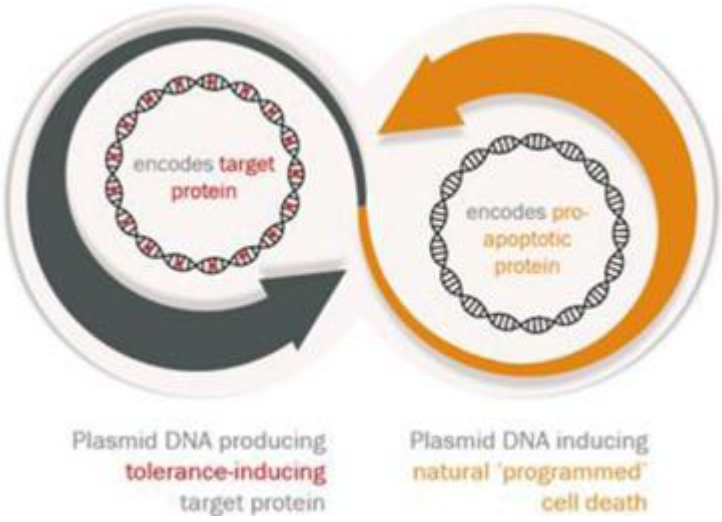
ADi products are DNA-based and easy to manufacture at a low cost. Furthermore, DNA-based products are very stable and do not require adherence to cold chain (temperature-controlled) protocols for shipping. This also makes the product ideal for global distribution.

Simplified Therapy Delivery System

Tolerance induction using ADi does not require hospitalization because it can be simply injected into the skin. This approach reduces treatment costs and complexities in treatment delivery. The anticipated administration of ADi will include an initial priming regimen that will require injections administered once a week for several weeks. Thereafter, booster or maintenance doses will be provided on an individual basis as determined by immune and inflammation testing. ADi treatments will be significantly more convenient and comfortable for patients because they do not require removal of patient cells for ex vivo manipulation.

ADi Technology Platform

ADi utilizes a novel approach that mimics the way our bodies naturally induce tolerance to our own tissues. It is a technology platform which we believe can be engineered for application to a wide variety of indications. ADi includes two DNA molecules which are designed to deliver signals to induce tolerance. The first DNA molecule encodes a pro-apoptotic protein, which induces 'programmed' cell death. This is a core component of the technology because it is intended to greatly increase the recruitment of dendritic cells which are implicated in regulating the immune system. The second DNA molecule encodes the protein of interest (guiding antigen), which is modified to promote a path of tolerance. The guiding antigen is intended to result in tolerance induction specific to the tissue where the protein is found.



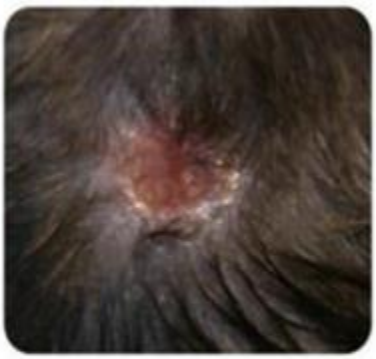
ADi has been successfully tested in several preclinical models and its efficacy can be attributed to multiple factors:

1. ADi does not rely on a single mechanistic approach. It has multiple components that affect different arms of the immune system – antigen-specific, apoptotic, plasmid DNA which can be manipulated.
2. ADi activates key immune cells known to maintain tolerance in test animals and humans.
3. ADi has been successfully applied to a stringent transplantation model.
4. ADi is designed to be safely and can be repeatedly administered to achieve its full potential therapeutic effect, thereby increasing its potency.

Proof of Concept: Skin Grafting

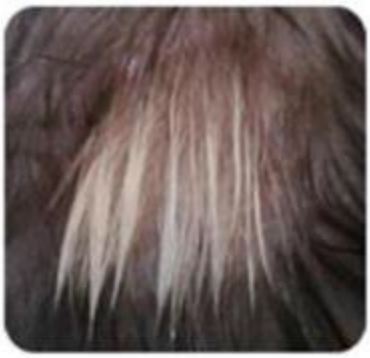
Results shown are 5 weeks post-transplantation

The proof of concept experiment performed was a skin allograft transplantation procedure in which the donor skin was obtained from white BALB/c mice and transplanted to black C57BL/6 mice. The experiment was designed to address a more challenging scenario where the donor tissue was obtained from a donor which is genetically mismatched with the recipient.



Immunosuppression Alone

Allograft has been completely lost, only the scab remains



Treatment with ADi Technology

Allograft not only survived, it remained **fully functional** with intact hair follicles from the white donor mouse

Days Post-Transplantation

Skin allograft transplantation is one of the most stringent models of transplantation due to the immunogenicity (ability to provoke an immune response) of skin. In the proof-of-concept experiments, animals treated with immunosuppression alone lost the allograft in 21 days on average. Whereas, the addition of ADi technology to minimal immunosuppression resulted in a 3-fold increase in the longevity of the skin allografts (fully functional).

License Agreement with Loma Linda University

On March 8, 2018, we entered into an Assignment Agreement (the "Assignment Agreement") with Sekris Biomedical, Inc. ("Sekris"). Sekris was a party to a License Agreement with Loma Linda University ("LLU"), entered into and made effective on May 25, 2011, and amended on June 24, 2011, July 16, 2012 and December 27, 2012 (the "Original Agreement," and together with the Assignment Agreement, the "Sekris Agreements"). Pursuant to the Assignment Agreement, Sekris transferred and assigned all of its rights and obligations in and to and liabilities under the Original Agreement, of whatever kind or nature, to us. In exchange, on March 8, 2018, we issued a warrant to Sekris to purchase

up to 1,000,000 shares of our Common Stock (the "Sekris Warrant"). The Sekris Warrant is immediately exercisable and the exercise price is $2.00 per share. The expiration date of the warrant is March 8, 2023. On March 15, 2018, we entered into a Patent & Technology License Agreement directly with LLU (the "New License Agreement"), which amends and restates the Sekris Agreements.

Pursuant to the New License Agreement, we obtained the exclusive royalty-bearing worldwide license in and to all intellectual property, including patents, technical information, trade secrets, proprietary rights, technology, know-how, data, formulas, drawings, and specifications, owned or controlled by LLU (the "LLU Patent and Technology Rights") and/or any of its affiliates and related to therapy for immune-mediated inflammatory diseases (the ADi technology). We refer you to the section titled "*Our Business—Intellectual Property—Patent Rights*" for a summary of the patents and patent applications that we licensed from LLU pursuant to the New License Agreement. In consideration for the New License Agreement, we issued 50,000 shares of Common Stock to LLU.

Pursuant to the New License Agreement, we are required to pay an annual license fee to LLU. Additionally, upon completion of this Offering, we will be required to pay $200,000 to LLU as a milestone payment within thirty (30) days of July 31, 2018. We are also required to pay to LLU milestone payments in connection with certain development milestones. Additionally, as consideration for prior expenses incurred by LLU to prosecute, maintain and defend the LLU Patent and Technology Rights, we are obligated to make the following payments to LLU: $70,000 due at the end of September 2018, $70,000 due at the end of December 2018, and a final payment of $60,000 due at the end of March 2019. The Company is required to cure any late payment within 90 days after delivery of written notice from LLU. The Company has not received a demand notice for payment. We are required to defend the LLU Patent and Technology Rights during the term of the New License Agreement. Additionally, we will owe low single-digit royalty payments on any Licensed Products (defined as any finished pharmaceutical product which utilizes the LLU Patent and Technology Rights in its development, manufacture or supply). We also are required to produce a written progress report to LLU, discussing our development and commercialization efforts, within 45 days following the end of each year. All intellectual property rights in and to LLU Patent and Technology Rights shall remain with LLU (other than improvements developed by or on our behalf).

The New License Agreement shall terminate on the last day that a patent granted in to us by LLU is valid and enforceable or the day that the last patent application licensed to us is abandoned. The New License Agreement may be terminated by mutual agreement or by us upon 90 days written notice to LLU. LLU may terminate the New License Agreement in the event of (i) non-payments or late payments of royalty, milestone and license maintenance fees not cured within 90 days, (ii) a breach of any non-payment provision (including the provision that requires us to meet certain deadlines for milestone events (each, a "Milestone Deadline")) not cured within 90 days and (iii) three or more actual breaches of the New License Agreement by us in any 12-month period. The next such Milestone Deadline is the requirement to complete a financing round by July 31, 2018. Additional Milestone Deadlines include: (i) the requirement to have regulatory approval of an IND application to initiate a first-in-human clinical trials on or before March 31, 2020, (ii) the completion of first-in-human (Phase I/II) clinical trials by March 31, 2022, (iii) the completion of Phase III clinical trials by March 31, 2024 and (iv) biologic licensing approval by the FDA by March 31, 2025.

Plan of Operations

We are currently reporting to the Securities and Exchange Commission (SEC) under Regulation A. We intend to file for an IPO in 2019 and apply to list our Common Stock on the NASDAQ Capital Market ("NASDAQ"). If approved, we expect to list our Common Stock under the reserved symbol "ADTX".

If we are successful in raising a total of $10 million including this offering, we believe that the Company will have sufficient cash resources to fund its plan of operations for the next 36 months. The first 18 months will be focused on IND-enabling Preclinical Development and the next 18 months will be focused on Phase I/II Clinical Trial.

Alternatively, if we raise $7.32 million including this offering, we believe that the Company will only have sufficient cash resources to fund its plan of operations for the next 18 months. This period will be focused on IND-enabling Preclinical Development.

Months 1 to 18: IND-Enabling Preclinical Development

High-level Objectives:

GMP manufacturing of clinical grade material for clinical trials

Safety/Toxicology (TOX) studies by an independent GLP facility in preparation for clinical trials

Investigational New Drug (IND) submission to the Food and Drug Administration (FDA) and/or other applicable regulatory agencies in the U.S. and abroad to initiate First-In-Human("FIH") Phase I/II clinical trials

For the first 12 months, our focus will be on preclinical studies in skin allografts and other organ and/or tissue allografts in preparation for selection of lead product candidate(s) and completion of IND-enabling studies required to initiate clinical trials.

Prior to the initiation of the studies, we will be optimizing the dose formulation and administration intervals of our product candidate(s) to determine the most effective ratio of the plasmid DNA components and optimum administration regimen before, during, and after transplantation procedures.

The studies will be conducted using the appropriate large animal model (*e.g.* pig) that is commonly utilized for testing of new drugs and protocols for skin allografts. The product candidate(s) will be produced in clinical grade under GMP conditions and subjected to IND-directed safety/toxicology studies to prepare a dossier for submission of an IND application to the Food and Drug Administration (FDA) and/or other applicable regulatory agencies in the U.S. and abroad. In parallel, additional preclinical studies will be conducted to obtain new proof-of-concept and proof-of-mechanism data in other organ and/or tissue transplantation models.

Months 19 to 36: Phase I/II Clinical Trial

High-level Objectives:

Dose optimization to determine optimum dose/ratio of product candidate in human patients requiring skin and other organ and/or tissue allografts

Clinical Phase I/II FIH Study to demonstrate safety and clinical proof-of-concept in patients requiring skin allografts

Our FIH clinical studies will combine Phase I (designed to test clinical safety) and Phase II (designed to obtain proof of effectiveness in human patients), in patients requiring skin and other organ and/or tissue allografts. We have selected this indication for several reasons, including:

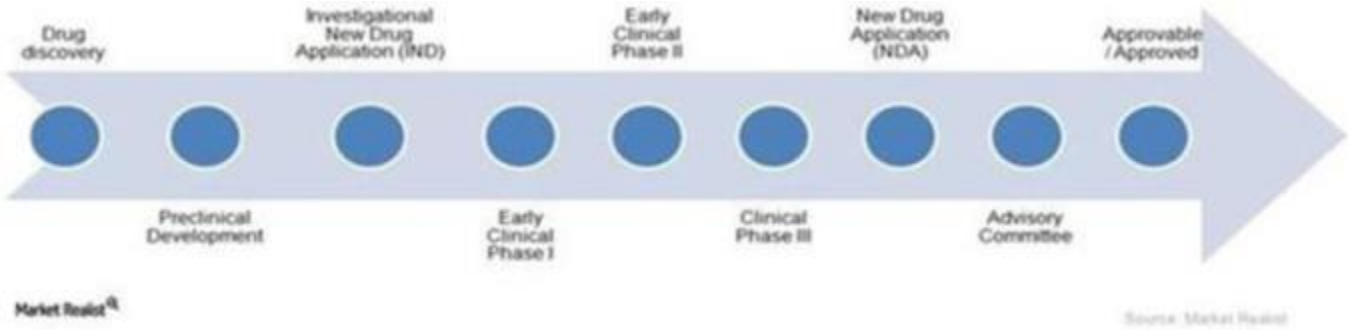
Our existing preclinical data has shown effectiveness of ADi in prolonging skin allografts;

The relative ease of visualization of the graft without the need for biopsies; and

The need for therapies that allow reduction of levels of immune suppression that are currently used for skin allografts to prevent rejection of skin, which is highly antigenic.

We have already identified a clinical trial center with adequate patients, which will simplify and reduce the time required for patient recruitment. Upon approval by the FDA and/or the applicable regulatory agency, and once the exact protocol has been determined in the preclinical studies, clinical trials will be initiated.

Drug Approval Process



Food and Drug Administration ("FDA") approval is required before any new drugs can be introduced to the market. We are currently in the drug discovery phase. While selecting the product candidate for our first-in-human studies, we will be preparing to initiate GMP (Good Manufacturing Process). As of the date of this Memorandum, we have not submitted any application to the FDA for approval.

We are currently working with a contract manufacturer who has the know-how, product ingredients including plasmid DNA molecules, and our patent-pending bacterial strain. Several batch runs have been successfully completed to demonstrate our ability to produce the plasmid DNA components of what would be our final product candidates in a GMP facility and based on validation studies, we are reasonably confident in our ability to produce clinical grade product candidates at larger scales.

Once the product has been produced in clinical grade, it must be subjected to safety/toxicology studies by an independent GLP (Good Laboratory Practice) laboratory to demonstrate its suitability for clinical testing in human patients. Upon completion of manufacturing and safety/toxicology testing, an Investigation New Drug (IND) application will be prepared for submission to the regulatory agencies.

Upon receipt of approval to initiate clinical testing, the ADi product can be tested in human patients. Our product will be tested in patients who require skin allograft/VCA in a transplant setting. Therefore, our first-in-human studies will be a combined Phase I/Phase II study in which safety and efficacy data will be obtained. We plan to start with patients with superficial grafts in order to provide an opportunity to evaluate safety, as well as monitor the survival of the graft more easily than internal solid organs. In parallel, we will continue to develop additional product formulations for other indications.

Target market

In the U.S. alone, there are over 30,000 patients who receive organ transplantations each year, with more than 116,000 on transplant waiting lists.

The field of organ transplantation has been made possible and continues to rely on broad-acting immunosuppressive drugs, high levels of which can result in a compromised immune system that renders organ recipients susceptible to cancer and potentially life-threatening infections including re-activation of latent viruses.

In addition, immunosuppressants control acute rejection during the early time-period after receiving an organ but chronic rejection of the organ remains an unmet challenge for surgeons and transplant recipients.

While efforts have been made by various groups to promote tolerance through cell therapies and ex vivo manipulation of patient cells, these procedures take place outside the body and typically require hospitalization.

Moreover, transplanted patients will need re-transplantation at some point, with the possible exception of some newborn recipients. With increased incidence of hypersensitivity, these patients may never have the opportunity to receive another organ. Hypersensitivity can occur in previously-transplanted patients, patients who have given birth, and patients who have previously received blood transfusions. These patients have much lower chances at qualifying to receive organs due to their increased risk of rejection – even with immune suppression. The potential to reduce

hypersensitivity in these patients will provide better opportunities for them to receive their first, second, third, or even fourth organ replacements.

There are gaps between current approaches and what the market needs. ADi addresses these gaps. ADi is easy to administer (does not require *ex-vivo* treatment of patient cells), it does not suppress the immune system, it may allow patients to live with transplanted organs with significantly reduced immune suppression, provides for long-term survival of transplanted tissues and organs, may be more effective because it does not rely on a single immune pathway/mechanism, and potentially provides hypersensitive patients better chances at qualifying to receive organs.

Operational Advantages

Management

Our team of experts come from a variety of different scientific fields and commercial backgrounds, with a collective experience that range from founding startup biotech companies, to developing and marketing biopharmaceutical products, to designing clinical trials, and management of private and public companies.

Location

We intend to sign a lease in Southern California prior to the commencement of this Offering. Assuming we do, we will then be located to nearby resources including Loma Linda University.

Strategic Partners

Our plan is to work with strategic partners to leverage common resources to accomplish milestones over the next 3 years. We hope that this strategy will reduce costs by obviating the need to duplicate resources.

Intellectual Property (IP)

We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to our business, including seeking, maintaining and defending patent rights, whether developed internally or licensed from third parties. Our policy is to seek to protect our proprietary position by, among other methods, filing patent applications in the United States and in jurisdictions outside of the United States directed to our proprietary technology, inventions, improvements and product candidates that are important to the development and implementation of our business. We also rely on trade secrets and know-how relating to our proprietary technology and product candidates, continuing innovation, and in-licensing opportunities to develop, strengthen and maintain our proprietary position in the field of immuno-oncology. We also plan to rely on data exclusivity, market exclusivity, and patent term extensions when available. Our commercial success will depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements; to preserve the confidentiality of our trade secrets; to obtain and maintain licenses to use intellectual property owned by third parties; to defend and enforce our proprietary rights, including any patents that we may own in the future; and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

The ADi technology and its various components are protected by multiple families of patents and patent applications, including several U.S. and non-U.S. issued patents. As of March 27, 2018, our patent portfolio licensed from LLU includes six U.S. patents, three U.S. pending patent applications, fifty-seven foreign patents, and twelve foreign pending patent applications directed to ADi and related technologies. We also possess and/or in-license substantial know-how and trade secrets relating to the development and commercialization of our product candidates, including related manufacturing processes and technology. We plan to continue expanding and strengthening our IP portfolio with additional patent applications in the future.

Capitalization

On October 10, 2017 the Company issued 7,100,000 shares of its Common Stock, including: (a) 3,500,000 shares to Sekris, (b) 1,000,000 shares to Dr. Shahrokh Shabahang, our co-founder and Chief Technology Officer (c) 1,000,000

shares to Dr. Leonard Bailey, the Chairman of our Board of Directors and (d) 800,000 shares to Amro Albanna, our co-founder and Chief Executive Officer. Dr. Shabahang is the Chief Executive Officer of Sekris, and is deemed to have beneficial ownership of the shares held by Sekris.

On March 8, 2018, we issued the Sekris Warrant to Sekris. The exercise price of the Sekris Warrant is subject to adjustment in the event of stock splits, stock dividends or similar events. Beginning in January 2018, we issued an aggregate principal amount of $100,000 of unsecured promissory notes to Sekris, which accrue interest at 4% and are due and payable six months from their respective issuance dates or immediately upon an event of default.

On March 15, 2018, we issued 50,000 shares of our Common Stock to LLU in consideration for the New License Agreement.

On March 17, 2018 and March 23, 2018, we entered into private placement transactions with accredited investors pursuant to which we sold 125,000 shares and 6,250 shares of Common Stock, respectively, and warrants to purchase, in the aggregate, 131,250 shares of Common Stock for aggregate gross proceeds of $262,500 (warrants to purchase 125,000 shares of Common Stock were issued on March 17, 2018 and warrants to purchase 6,250 shares of Common Stock were issued on March 23, 2018). All such warrants have an exercise price of $2.00 and expire three years from their respective date of issuance (the "Private Placement Warrants"). Such securities were issued in reliance on an exemption from such registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and/or Rule 506 of Regulation D promulgated thereunder.

On June 8, 2018, we issued 3,000 shares of our Common Stock to a consultant of the Company in compensation for videography services to be rendered to the Company.

On October 10, 2017, we granted stock options to Rod Turner, an advisor, to purchase 60,000 shares of Common Stock at an exercise price of $2.00 per share, with a five-year expiration date. Mr. Turner's service was terminated in January 2018, and only 20,000 shares of Common Stock underlying such option vested. Such options were issued under our 2017 Equity Incentive Plan (our "2017 Plan"). On November 1, 2017, we granted stock options to Gordon Winston, an advisor, and David Briones, our interim chief financial officer, to purchase an aggregate of 180,000 shares of Common Stock at an exercise price of $2.00 per share. Mr. Winston's service was terminated on June 30, 2018 and such termination resulted in the forfeiture of 20,000 of his stock options. Such options vest monthly over the term of one year and have a five-year expiration date. Such options were issued under our 2017 Plan. On February 9, 2018, we granted stock options to Rowena Albanna, a contractor, to purchase 100,000 shares of Common Stock at an exercise price of $2.00 per share. Such options were fully vested and immediately exercisable as of the grant date. On March 6, 2018, we granted stock options to David Alleva, an advisor, to purchase 300,000 shares of Common Stock at an exercise price of $2.00 per share. Such options vest one-third on each of September 30, 2018, September 30, 2019 and September 30, 2020 and have a five-year expiration date. Additionally, on March 6, 2018, we granted stock options to Amro Albanna, our CEO, to purchase an aggregate of 400,000 shares of Common Stock at an exercise price of $2.00 per share. Such options were fully vested and immediately exercisable as of the grant date and have a five-year expiration date. All such options were issued under our 2017 Plan.

In April 2018, we issued warrants to purchase up to 420,000 shares of Common Stock to two (2) consultants of the Company. These warrants are subject to vesting requirements that begin in 2019.

In July 2018, we entered into private placement transactions with accredited investors pursuant to which we sold (i) promissory notes which have principal amounts, in the aggregate of $145,600, and (ii) warrants to purchase, in the aggregate, 18,667 shares of Common Stock (the "July Private Placement Warrants") for aggregate gross proceeds to the Company of $112,000. All such warrants have an exercise price of $6.00 per share and expire three (3) years from their respective date of issuance. Such securities were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act, and/or Rule 506 of Regulation D promulgated thereunder.

On August 23, 2018 we issued 20,000 shares of our Common Stock to a consultant in compensation for services to be rendered to the Company. The shares of Common Stock were not registered under the Securities Act, and were issued pursuant to the exemption provided by Section 4(a)(2) thereunder.

On August 29, 2018, we entered into a private placement transaction with an accredited investor pursuant to which we sold (i) a promissory note which has principal amounts, in the aggregate of $45,500, and (ii) a warrant to purchase 5,834 shares of our Common Stock (the "August Private Placement Warrants") for aggregate gross proceeds to the Company of $35,000. The warrant has an exercise price of $6.00 per share and expires three (3) years from its date of issuance. Such securities were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act, as a transaction not involving a public offering.

Employees

We have one (1) full-time employee and one (1) part-time employee. We engage consultants on an as needed basis from time to time. Currently, we have engaged nine (9) consultants. We believe our relations with employees to be good.

LITIGATION

The Company is not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against the Company, which may materially affect the business of the Company.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

To our knowledge, none of our current directors or executive officers has, during the past ten years:

been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he or she was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Securities Exchange Act of 1934, as amended (the Exchange Act)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth above and in our discussion below in "*Certain Relationships and Related Transactions*," none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

We are not currently a party to any legal proceedings, the adverse outcome of which, individually or in the aggregate, we believe will have a material adverse effect on our business, financial condition or operating results.

Notwithstanding the foregoing, our CEO, Mr. Amro Albanna, is a party to a litigation matter unrelated to the Company or any of its properties. Such litigation, relates to Innovation Economy Corporation (IEC), a company in which Mr. Albanna served as the CEO and a Director from 2010 until 2017, and its wholly-owned subsidiary (Innovation Economy Corporation d/b/a ieCrowd v. Kim, et. al, Superior Court, Los Angeles County). The litigation was originally commenced by IEC and its subsidiary after Mr. Albanna was no longer affiliated with IEC, against certain third party defendants based upon claims related to their misconduct and mismanagement. Such defendants subsequently brought a countersuit against IEC and its subsidiary, in which they named Mr. Albanna and others as defendants, alleging that they were misled to invest in IEC and its subsidiary based upon misrepresentations by, among others, Mr. Albanna. The cases have now been consolidated. Mr. Albanna believes that the counteraction commenced by the third parties against him is without merit and intends to vigorously defend himself in this action.

BAD ACTOR DISQUALIFICATION

In light of the potential to offer and sell the Units in reliance on Rule 506(c), none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in this Offering, nor any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Placement Agent and the purchaser a copy of any disclosures provided thereunder.

Other than any Placement Agents the Company may contract with, who are not subject to any Disqualification Events, the Company is not aware of any person that (i) has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Securities and (ii) who is subject to a Disqualification Event.

The Company will notify the purchasers and the Placement Agent in writing of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person, prior to any Closing of this Offering.

DIRECTORS, EXECUTIVE OFFICERS & CORPORATE GOVERNANCE

Name	Position	Age	Term of Office
Executive Officers:			
Amro Albanna	President, Chief Executive Officer and Director	48	September 2017
Shahrokh Shabahang	Chief Technology Officer and Director	55	September 2017
David Briones	Interim Chief Financial Officer	42	January 2018
Robert Traversa	Chief Financial Officer [(1)]	53	N/A
Directors:			
Leonard L. Bailey	Director	75	September 2017

(1) The Company intends to appoint Mr. Robert Traversa as Chief Financial Officer upon the consummation of this Offering.

There is no arrangement or understanding between the persons described above and any other person pursuant to which the person was selected to his or her office or position.

Executive Officers, Directors and Significant Employees

Amro Albanna – *President, Chief Executive Officer, and Director*

Mr. Albanna has been our President, Chief Executive Officer and a Director since our inception. In 2008, Mr. Albanna co-founded the Innovation Economy Initiative, a public-private initiative to encourage the development of innovation-focused businesses in the Riverside, CA area. The initiative led to the creation of Innovation Economy Corporation ("IEC"), formed to license or acquire untapped innovations and create a group of life and health subsidiaries diversified across various business development stages and product, service and technology markets. From 2010 until May 2017, Mr. Albanna was Chief Executive Officer and a Director of IEC. During that same time, he was the Chief Executive Officer and Director of Olfactor Laboratories, Inc., a majority-owned subsidiary of IEC. From 2010 to August 2016, he was the Chief Executive Officer and a Director of Nano Engineered Applications, Inc., a majority-owned subsidiary of IEC. In 2003, Mr. Albanna founded Qmotions, Inc. (subsequently renamed Deal A Day Group Corp.). He served as its Chief Executive Officer and a Director until 2011. Qmotions designed and developed a new generation of video game controllers that incorporated body motion. In 1997, he founded Timely Technology Corporation ("TTC"), which designed and developed internet-based software systems for organizations and industries seeking to transact online. In 2002, TTC was acquired by Digital Angel Corporation. Mr. Albanna graduated from California State University San Bernardino in 1991 with a B.S. in Business Administration and Computer Information Systems. The Board believes that Mr. Albanna's broad expertise leading technology companies across various sectors, leading private and public financing, and in positioning companies for mergers and acquisitions, qualifies him to serve as a director of our Company.

Shahrokh Shabahang – *Chief Technology Officer, Director*

Dr. Shabahang has been our Chief Technology Officer and Director since our inception. In 2009, Dr. Shabahang co-founded Sekris Biomedical Inc. to incubate technologies for immune modulation. He serves as its Chief Executive Officer and is also a member of its board of directors. In 2005, Dr. Shabahang co-founded Genelux Corporation. In his capacity as Board Secretary and Director of Clinical Operations, he helped the Company raise substantial capital and to obtain regulatory approval to initiate First-In-Human clinical studies in Europe with patients who had not responded to chemotherapy to fight cancer. Dr. Shabahang attended the University of California Santa Barbara from 1982 to 1984 and later received his DDS in Dentistry from the University of Pacific in 1987 and his MS and PhD from Loma Linda University ("LLU") in 1997 and 2001, respectively. Following completion of his PhD in Microbiology and Molecular Genetics at LLU, Dr. Shabahang established a laboratory at LLU to focus his academic research on infectious diseases and the host immune responses during disease progression. Between 2001 to 2005, Dr. Shabahang divided his academic research time between basic research in microbiology/immunology and applied research for development of novel therapeutics. He has also been practicing as an endodontist since 2010. The Board believes that Dr. Shabahang's experience leading biotech startups and his expertise in immunology and immune tolerance qualifies him to serve as a director of our Company.

David Briones – *Interim Chief Financial Officer*

Mr. Briones has been our interim Chief Financial Officer since January 2018. Mr. Briones is the founder and managing member of Brio Financial Group since its inception in October 2010, with over nineteen years of public accounting and executive level experience. He consults with various public companies in financial reporting, internal control development and evaluation, budgeting and forecasting. Mr. Briones has also been the Chief Financial Officer for Petro River Oil Corp., an independent energy company focused on the exploration and development of conventional oil and gas assets, since August 2013. From October 2017 to May 2018 Mr. Briones was the Chief Financial Officer of Bitzumi, Inc., a Bitcoin exchange and marketplace.

Robert Traversa – *Chief Financial Officer*

Robert P. Traversa is a nominee for appointment as our Chief Financial Officer, and such appointment will be effective upon completion of this Offering. Mr. Traversa brings with him a high level of expertise as an accomplished financial and strategic executive. Most recently, from 2015 to the present, Mr. Traversa has been involved with innovative start-ups in a consulting capacity. From 2011 to 2015, Mr. Traversa was Chief Financial Officer of MGT Capital Investments Inc., NYSE MKT: MGT (now OTCQB: MGTI). Of note, he served on the firm's Board of Directors, (NYSE MKT: MGT, 2013-2014). Prior to his role at MGT, Mr. Traversa was a senior vice president at Neuberger Berman LLC, a large international money-management firm catering to individuals and corporations. He joined Neuberger in 1994 and, throughout his tenure, held increasingly senior positions — including as a key member of an investment team within the firm's Private Asset Management Division. From 1990 to 1994, Mr. Traversa was a financial analyst at Bankers Trust's Investment Management Division; prior to that, he began his career on the audit staff at Price Waterhouse in 1987. Mr. Traversa is a New York State Certified Public Accountant.

Leonard L. Bailey – *Director*

Dr. Bailey has served as a Director since our inception. Since 2005, Dr. Bailey has been a Distinguished Professor at Loma Linda University (Surgery and Pediatrics). In 1978, Dr. Bailey was appointed the Director of the Cardiothoracic Surgical Research Laboratory at Loma Linda University Medical Center and, in 2007 was appointed the Surgeon-in-Chief of Loma Linda University Children's Hospital. He has also served on the board of directors of Sekris Biomedical Inc. since 2011. Dr. Bailey received his medical degree from Loma Linda University School of Medicine in 1969. Dr. Bailey has performed over 200

experimental transplantations in infant research animals at Loma Linda University School of Medicine to determine the feasibility of transplantation in the very young before his first human transplantation in October 1984 when he transplanted a baboon heart into an infant known as Baby Fae. This pioneering work led to the first successful human to human heart transplantation in a newborn baby performed in November 1985. Dr. Bailey is an internationally recognized authority on congenital cardiac surgery and infant heart transplantation. He has also lectured and operated throughout the world, and is a thought leader in the field of organ transplantation. The Board believes that Dr. Bailey's pioneering work in infant heart transplantation along with his entire body of work qualifies him to serve as a director of our Company.

Board Leadership Structure and Risk Oversight

The Board oversees our business and considers the risks associated with our business strategy and decisions. The Board currently implements its risk oversight function as a whole. Each of the Board committees, when established, will also provide risk oversight in respect of its areas of concentration and reports material risks to the Board for further consideration.

Term of Office

Officers hold office until his or her successor is elected and qualified. Directors are appointed to serve for one year until the meeting of the Board following the annual meeting of stockholders and until their successors have been elected and qualified.

Director Independence

We use the definition of "*independence*" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "*independent director*" is a person other than an officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the Company;
- the director or a family member of the director accepted any compensation from the Company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the independence determination (subject to certain exemptions, including, among other things, compensation for board or board committee service);
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exemptions;
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the Company served on the compensation committee of such other entity; or

- the director or a family member of the director is a current partner of the Company's outside auditor, or at any time during the past three years was a partner or employee of the Company's outside auditor, and who worked on the Company's audit.

Under such definitions, we believe that we currently do not have independent board of directors. However, our Common Stock is not currently quoted or listed on any national exchange or interdealer quotation system with a requirement that a majority of our Board be independent and, therefore, the Company is not subject to any director independence requirements. Upon listing on NASDAQ, however, we will be subject to the exchange's director independence requirements.

Indemnification

In accordance with the Delaware General Corporation Law and the Company's Amended and Restated Certificate of Incorporation, the Company will indemnify, hold harmless and provide advancement of expenses, to the fullest extent permitted by applicable law, directors, officers, employees, and agents that are made a party or threatened to be made a party to legal proceedings by reason of the fact that such parties were working at the request of the Company. For more information see the section of this Memorandum titled "*Risk Factors*."

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is therefore unenforceable.

Certain Relationships

Dr. Shabahang, our co-founder and CTO, is the Chief Executive Officer of Sekris, and is deemed to have beneficial ownership of the shares held by Sekris.

Material Consultants

Effective March 1, 2018, we entered into a Consulting Agreement for project management services with Canyon Ridge Development LLC d/b/a Mission Critical Solutions International ("Mission Critical"). Pursuant to the agreement, and in consideration of advisory and consulting services rendered by Mission Critical, we have agreed to pay Mission Critical a monthly fee of $13,000. The term of the agreement expires on May 31, 2018. The Company subsequently entered into a new Consulting Agreement with Mission Critical on substantially the same terms as the previous agreement (the "New Consulting Agreement"). The New Consulting Agreement became effective as of June 1, 2018 and expires on August 31, 2018.

In April 2018, we issued a warrant to Mr. Charles Crocker to purchase up to 120,000 shares of our common stock (the "Crocker Warrant") in consideration for services to be rendered to the Company as an advisor. The Crocker Warrant is subject to a three-year annual installment vesting requirement, with the first installment of 40,000 shares vesting on April 8, 2019. The Crocker Warrant has an exercise price of $2.00 per share and expires on April 8, 2023. If Mr. Crocker's service to the Company is cancelled or terminated for any reason, the shares of common stock underlying the Crocker Warrant will vest on a pro rata basis up to the date of such cancellation or termination and any unvested shares will be forfeited by Mr. Crocker.

We believe that Mr. Crocker brings substantial experience in the biotechnology industry and will be beneficial to our success.

Effective June 1, 2018, we entered into a Consulting Agreement with ICR, LLC ("ICR") for integrated communication and marketing services. Pursuant to the agreement, and in consideration for services rendered to the Company, we have agreed to pay ICR $40,000 (payable in three monthly installments) for up to three months of services prior to our listing on NASDAQ. If we do not list on NASDAQ before July 24, 2018, the agreement will automatically terminate and the Company will not be obligated to pay the third installment payment. Upon listing on NASDAQ we have agreed to pay ICR a monthly fee of $16,000 per month.

EXECUTIVE COMPENSATION

The following table represents information regarding the total compensation for the executive officers of the Company as of December 31, 2017:

Name and Principal Position	Cash Compensation:	Other Compensation:	Total Compensation:
Amro Albanna, Chief Executive Officer	$51,000	$800 (1)	$51,800
David Briones, Interim Chief Financial Officer	$0	$36,484 (2)	$36,484

(1) $800 represents 800,000 founder shares issued to Amro Albanna.

(2) $36,484 represents the option expense for 20,000 vested options as of December 31, 2017. A total of 120,000 options were granted on 11/1/2017 with a vesting period of 12 months, an exercise price of $2.00, expiration date of 11/1/2022, and 100,000 unvested options as of December 31, 2017.

Director Compensation

To date, we have not compensated our directors for their services in such positions.

Employment Agreements

We do not currently have employment agreements with any of our officers or employees but intend to enter into employment agreements prior to the commencement of this Offering.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Transactions with Related Persons

Except as described below and except for employment arrangements which are described under "executive compensation," since Inception, there has not been, nor is there currently proposed, any transaction in which we are or were a participant, the amount involved exceeds the lesser of $120,000 or 1% of the total assets

at September 30, 2017, and any of our directors, executive officers, holders of more than 5% of our common stock or any immediate family member of any of the foregoing had or will have a direct or indirect material interest.

On March 8, 2018, we entered into an Assignment Agreement (the "Assignment Agreement") with ("Sekris"). See "Summary—Overview—License Agreement with Loma Linda University." Dr. Shabahang is the Chief Executive Officer or Sekris, and is deemed to have beneficial ownership of the shares held by Sekris. On March 8, 2018, we issued the Sekris Warrant to Sekris. On March 2, 2018, we issued a 4% unsecured promissory note to Sekris in the principal amount of $10,000. Principal and interest were due on September 2, 2018 or immediately upon an event of default. On February 12 2018, we issued a 4% unsecured promissory note to Sekris in the principal amount of $50,000. Principal and interest were due on August 12, 2018 or immediately upon an event of default. On January 22, 2018, we issued a 4% unsecured promissory note to Sekris in the principal amount of $40,000. Principal and interest were due on July 22, 2018 or immediately upon an event of default.

On October 10, 2017, the Company issued 7,100,000 shares of its Common Stock to its founders, including: (a) 3,500,000 shares to Sekris, (b) 1,000,000 shares to Dr. Shabahang, our co-founder and Chief Technology Officer (c) 1,000,000 shares to Dr. Leonard Bailey, the Chairman of our Board of Directors and (d) 800,000 shares to Amro Albanna, our co-founder and Chief Executive Officer

Review, Approval and Ratification of Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal policies and procedures for the review, approval or ratification of transactions, such as those described above, with our executive officer(s), Director(s) and significant stockholders. We intend to establish formal policies and procedures in the future, once we have sufficient resources and have appointed additional Directors, so that such transactions will be subject to the review, approval or ratification of our Board of Directors, or an appropriate committee thereof. On a moving forward basis, our Directors will continue to approve any related party transaction.

BENEFICIAL OWNERSHIP

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of the date of this Memorandum by (i) each person (or group of affiliated persons) who is known by us to own more than five percent (5%) of the outstanding shares of our Common Stock, (ii) each director and executive officer, and (iii) all of our directors, executive officers and director nominees as a group.

Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our Common Stock owned by them, except to the extent that power may be shared with a spouse.

	Number of Shares of Common Stock Beneficially Owned	Percentage Before Offering*
Directors and Officers:		

Dr. Leonard Bailey, Chairman	1,000,000	13.69%
Shahrokh Shabahang, Chief Technology Officer (1)(3)	5,103,125	61.18%
Amro Albanna, Chief Executive Officer (2)	800,000	10.95%
All directors and named executive officers as a group (3 persons)	6,903,125	82.75%
Greater than 5% Beneficial Owners:		
Sekris Biomedical, Inc. (4)	4,028,125	48.51%
Charles Crocker (5)	471,875	6.46%

*Percentages are based on 7,304,250 shares of Common Stock issued and outstanding as of the date of this Memorandum. Shares of Common Stock subject to options, warrants and convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, would be counted as outstanding for computing the percentage of the person holding such options, warrants or convertible securities but not counted as outstanding for computing the percentage of any other person.

(1) Held beneficially by Shabahang-Hatami Family Trust, Shahrokh Shabahang, Trustee.

(2) Held beneficially by Albanna Family Trust, Amro Albanna, Trustee.

(3) Shahrokh Shabahang, as CEO of Sekris, has voting and dispositive power over shares owned by Sekris. Includes: (i) 1,000,000 shares of our Common Stock issuable upon the exercise of the Sekris Warrant; and (ii) 37,500 shares of our Common Stock issuable upon the exercise of Private Placement Warrants held by Dr. Shabahang.

(4) This figure includes 1,000,000 shares of our Common Stock issuable upon the exercise of the Sekris Warrant.

(5) Excludes 120,000 shares of Common Stock of the Company issuable upon the exercise of an outstanding warrant issued to Mr. Crocker in April 2018 as compensation for services to be rendered as an advisor to the Company. Such options are subject to a three-year annual installment vesting requirement, with the first installment of 40,000 shares vesting on April 8, 2019. Includes 471,875 shares of Common Stock of the Company acquired by Mr. Crocker from Sekris in August 2018 in exchange for the cancellation of certain promissory notes and the return of certain shares of Common Stock of Sekris held by Mr. Crocker (the "Sekris Securities"). Mr. Crocker acquired the Sekris Securities in consideration of services rendered as an advisor to Sekris, commencing in March 2012, and for cash consideration as an investor between 2012 to 2018.

TERM OF THE OFFERING

The Offering shall commence on October 26, 2018 and terminate on the earlier of: (i) when all Units offered hereunder are sold; (ii) at any time by the Company, at its sole discretion, without giving notice to Subscribers or prospective investors; or (iii) December 31, 2018, or such date as may be extended from time-to-time by the Company at it sole discretion, but not later than 180 days thereafter (the "Offering Period"). The Company may reject subscriptions for failure to conform to the requirements of the Offering,

insufficient documentation, oversubscription of the Offering or any such other reason, whatsoever, as we, in our sole discretion, may determine.

USE OF PROCEEDS

General:

The Company anticipates that the net proceeds of the Offering will be generally utilized, at the discretion of management, for further advancement of our DNA-based technology and selection of lead autoantigen product candidates for preclinical drug development; intellectual property maintenance, portfolio expansion, and licensing fees; expenses related to the preparation for and initiation of a public offering of our securities *There can be no assurance that we can successfully undertake an IPO See "Risk Factors"*); expenses, salaries, legal, accounting, and consulting fees; rent, PR programs, other general administrative expenses, and working capital. The precise amounts that the Company will devote to these will vary depending on numerous factors. Additionally, changes in business strategy and factors beyond our control may render these spending plans inadvisable or impractical prior to the time when all of the net proceeds are spent, in which case management would devise alternative spending plans.

If all Units hereunder are sold, the Company anticipates the approximately $1,800,000 net proceeds potentially received from this Offering will enable it to fund operations for 12 months. In the event the maximum amount from this offering is not received the Company reserves the right to seek additional financing to support the intended use of proceeds of this Offering. *Additionally, even in the event the maximum amount from this Offering is received, the Company will seek significant additional financing to support its business plan and to further develop its overall business.* In either case, there can be no assurance that additional financing will be available when needed and, if available, will be on terms acceptable to the Company.

Specific:

To implement the Company's plans, an investment of $1,800,000 for the following purposes over the next 8-month period is required. The Company reserves the right to modify the intended use of proceeds and to seek additional financing to further develop its business. A summary breakdown of the use of proceeds is as follows:

Total Proceeds	Aggregate offering	% of offering*
General corporate expense	350,000	17.50%
Notes	150,000	7.50%
Placement agent commissions	200,000	10.00%
Product development, IP and licensing	1,000,000	50.00%
1-A to S-1/IPO	50,000	2.50%
Payables	250,000	12.50%
TOTAL	$ 2,000,000	100.0%

*Assuming the Maximum Offering Amount is sold.

THE FIGURES SET FORTH ABOVE ARE ESTIMATES, CANNOT BE PRECISELY CALCULATED AND SHOULD NOT BE RELIED UPON. ACTUAL EXPENDITURES MAY VARY SUBSTANTIALLY FROM THESE ESTIMATES AS A RESULT OF FUTURE EVENTS. ALTHOUGH THERE ARE NO CURRENT PLANS TO DO SO, THE COMPANY'S BOARD OF DIRECTORS AND MANAGEMENT RESERVES THE RIGHT, IN THE EXERCISE OF ITS BUSINESS JUDGMENT, TO ALTER THE ESTIMATES AND ANTICIPATED USES SET FORTH HEREIN.

If we do not obtain the Maximum Offering and our need for working capital increases, we may seek additional funds through loans or other financing. There are currently no commitments for any such financing, and there can be no assurance that these funds may be obtained in the future if the need arises.

While management intends to use the proceeds of the Offering for the purposes and in the amounts described herein, management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, a Subscriber will be relying on management's judgment for the final application of the proceeds of the Offering.

DESCRIPTION OF UNITS

The Company is offering a maximum of 1,000,000 Units at a price of $2.00 per Unit. Each Unit shall consist of (a) one share (the "Shares") of our common stock, par value $0.001 per share ("Common Stock"), and (b) one warrant (the "Warrants") to purchase one share of Common Stock at a purchase price equal to $3.00 from the date of issuance (the "Issuance Date") until the 3rd anniversary of the Issuance Date. Upon completion of the Offering 8,304,250 Shares will be outstanding. The Units of ownership are equal in all respects, and upon completion of the Offering, the Units will comprise the only representation of ownership that the Company will have issued and outstanding to date, upon close of the Offering.

Each stockholder is entitled to one vote for each share held on each matter submitted to a vote of the stockholders.

Units are not redeemable and do not have conversion rights. The Units currently outstanding are, and the Units to be issued upon completion of this Offering will be, fully paid and non-assessable.

In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the stockholders will be distributed ratably among such stockholders in

proportion to their Shares.

Stockholders are only entitled to profit distributions proportionate to their Shares of ownership when and if declared by Management out of funds legally available therefore. The Company to date has not given any such profit distributions. Future profit distribution policies are subject to the discretion of Management and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

REGISTRATION RIGHTS

The Company has not granted any registration rights with respect to the Units offered hereunder. However, management will continually evaluate opportunities that we believe will create long-term value for our stockholders. To this end, we believe that access to the capital markets will likely be necessary in order for us to fully realize our business plan, and that access will also provide liquidity to its stockholders. Accordingly, management currently has a goal, if certain factors related to our Company and the general business climate for IPOs suggest it to be feasible and at the sole discretion of our Board, of filing a Registration Statement at some point in the future. The Company will make such determination, if at all, based on the ongoing business needs and conditions of the Company.

Nevertheless, Investors should be aware the Company shall be solely responsible for this decision and there is no guarantee or representation that the Units being purchased hereunder will be registered with the SEC. There can be no assurance or guarantee that our Units will ever be traded on a securities exchange or quotation system or if traded, that a public market will materialize.

DILUTION

If you invest in our Common Stock by purchasing Units in this offering, your ownership interest will be diluted to the extent of the difference between the public offering price per Share in this offering and the as adjusted net tangible book value per share of our Common Stock after this offering. As of the date of this Memorandum, we had a historical net tangible book value of $0.001 per share of Common Stock. Our historical net tangible book value is the amount of our total tangible assets less our total liabilities. Historical net tangible book value per share represents historical net tangible book value divided by the 7,304,250 shares of our Common Stock outstanding.

OUR CAPITAL STOCK

As of the date of this Memorandum, the Company is authorized to issue thirty million (30,000,000) shares of capital stock, comprised of twenty-seven million (27,000,000) shares of Common Stock, par value $0.001 per share ("Common Stock") and three million (3,000,000) shares of "blank check" preferred stock ("Preferred Stock"). As of the date of this Memorandum there are seven million three hundred four thousand two hundred fifty (7,304,250) shares of Common Stock and no shares of Preferred Stock issued and outstanding. The Company has set aside one million two hundred thousand (1,200,000) shares for issuance as part of the Company's Option and Incentive Plan.

Common Stock

All shares of the Company's Common Stock have equal rights and privileges with respect to voting,

liquidation and dividend rights. Each share of Common Stock entitles the holder thereof to:

- one vote for each share held of record on all matters submitted to a vote of the stockholders;
- to participate equally and to receive any and all such dividends as may be declared by the Board of Directors out of funds legally available therefore; and
- to participate pro rata in any distribution of assets available for distribution upon liquidation.

Stockholders have no preemptive rights to acquire additional shares of Common Stock or any other securities. Common shares are not subject to redemption and carry no subscription or conversion rights. All outstanding shares of Common Stock are fully paid and non-assessable.

Actions by Written Consent

Our Bylaws provide that any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Special Meetings of Stockholders

Our Bylaws provide that Special meetings of the stockholders, or of any class or series thereof entitled to vote may be called by the Board of Directors, the Chairman of the Board of Directors, the President, or at the request in writing by stockholders of record owning a majority of the outstanding shares of the Company entitled to vote at the meeting requested to be called.

Preferred Stock

Our Preferred Stock may be divided into and issued in one or more series, each of which must be so designated as to distinguish the shares of each series of our preferred stock from the shares of all other series and classes. Our Board of Directors is authorized, within any limitations prescribed by law and our Articles of Incorporation, to fix and determine the designations, rights, qualifications, preferences, limitations and terms of the shares of any series of our preferred stock including but not limited to the following:

(a) the rate of dividend, the time of payment of dividends, whether dividends are cumulative, and the date from which any dividends must accrue;

(b) whether shares may be redeemed, and, if so, the redemption price and the terms and conditions of redemption;

(c) the amount payable upon shares in the event of voluntary or involuntary liquidation;

(d) sinking fund or other provisions, if any, for the redemption or purchase of shares;

(e) the terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion;

(f) voting powers, if any, provided that if any of our preferred stock or series thereof must have voting rights, such preferred stock or series must vote only on a share for share basis with our Common Stock on any matter, including but not limited to the election of directors, for which such preferred stock or series has such rights; and

(g) subject to the above, such other terms, qualifications, privileges, limitations, options, restrictions, and special or relative rights and preferences, if any, of shares or such series as our Board of Directors may, at the time so acting, lawfully fix and determine under the laws of the state of Delaware.

DIVIDEND POLICY

No dividends have ever been paid on the Common Stock and the Company does not currently anticipate paying any cash or other dividends on the Common Stock. Future dividend policy will be determined by the Board of Directors of the Company in light of prevailing financial need and earnings, if any, of the Company and other relevant factors. Investors who anticipate the need for either immediate or future income in the form of cash dividends from an investment in the Company should not purchase the Units offered hereby.

TRANSFER AGENT AND REGISTRAR

At the time of this offering, the Company has VStock as its transfer agent and registrar for administration of its shares of ownership.

CAPITALIZATION AFTER THE OFFERING

The following table sets forth, with respect to existing stockholders and new investors, a comparison of the number of Shares of Common Stock held and the percentage ownership of such shares pre and post completion of the Concurrent Offerings, assuming the maximum of 1,500,000 Units are sold.

Common Stock	Shares Pre	Ownership Pre	Shares Post	Ownership Post
Existing Stockholders	7,304,250	100%	7,304,250	88.00 %
New Investors			1,000,000	12.00 %

LIMITED TRANSFERABILITY OF SECURITIES

Subscribers of the Units and underlying securities that are offered hereby must be aware of the long-term nature of their investment and be able to bear the economic risks of their investment for an indefinite period of time and agree to purchase the Securities only for investment purposes and not with a view toward the transfer, resale, exchange or further distribution thereof. At present, the Company does not file reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as amended, and the Common Stock of the Company is not registered under the Exchange Act. As set forth above, the Company's Common Stock is not presently publicly traded or listed and there can be no assurance that there will be a public market for the Units in the future. The Units offered hereby have not been registered

under the Act or the securities laws of any state. The rights of any Subscriber to sell, transfer, pledge or otherwise dispose of the Securities will be limited by the Act and certain state securities laws and the regulations promulgated there under. Consequently, a holder of Securities may not be able to liquidate his investment and there can be no assurance that the Securities will be acceptable as collateral for loans. The Company has not granted any registration rights with respect to the Units offered hereunder. See "Registration Rights."

PLAN OF DISTRIBUTION AND HOW TO SUBSCRIBE

The Units are offered on a best efforts basis by the Company's FINRA registered broker dealer with whom the Company has entered into agreement, on the terms and conditions set forth in this Memorandum. There can be no assurance that all or any of the Units offered, will be sold. The minimum investment per Subscriber is $10,000 (5,000 Units).

Subscription Agreement

By completing, executing and delivering the Subscription Agreement a prospective investor will have agreed to purchase the number of Units subscribed for and to make payment to us, as described therein, subject to our acceptance of such subscription.

Corporations, partnerships and trustees, agents or other persons acting in a representative capacity are required, except at our discretion, to furnish with the Subscription Agreement further evidence that such subscriber has the authority to invest in the Units or an opinion of counsel acceptable to us to the effect that the subscriber has such authority.

How to Subscribe for Units

To subscribe for Units a Subscriber must:

1. Complete, date, execute, and deliver to the Company an original signed copy of the Subscription Agreement, attached as Exhibit B to this Memorandum;

2. Have your attorney, CPA, broker-dealer, or registered investment advisor email an Accredited Investor Verification Letter, as described in Exhibit A to this Memorandum, our Placement Agent.

3. Pay the purchase price for the Units in U.S. Dollars. The minimum investment per Subscriber is $20,000 (10,000 Units). Send the funds by the wire transfer to:

Account Name:	Aditx Therapeutics, Inc.
Bank Name:	JPMorgan Chase Bank, N.A.
Bank Address:	270 Park Avenue New York, NY 10017
ACH/ABA Routing Number:	322271627
Account Number:	250309868

INVESTOR SUITABILITY STANDARDS

THIS OFFERING IS MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 506(c) OF REGULATION D OF THE ACT AND PURSUANT TO CERTAIN OTHER STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF REGISTRATION OR AN EXEMPTION THEREFROM UNDER, OR OTHERWISE IN ACCORDANCE WITH RULE 144 (IF AVAILABLE) UNDER SAID ACT. EACH INVESTOR WILL BE REQUIRED TO REPRESENT THAT THE SECURITIES ARE BEING ACQUIRED FOR THE INVESTOR'S OWN ACCOUNT, AND NOT FOR THE ACCOUNT OF OTHERS, FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO THE SALE OR DISTRIBUTION THEREOF IN WHOLE OR IN PART. THE SPECULATIVE NATURE OF THE COMPANY'S BUSINESS MAKES THE PURCHASE OF UNITS SUITABLE ONLY FOR INVESTORS WHO HAVE ADEQUATE FINANCIAL MEANS AND WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. ACCORDINGLY, INVESTORS WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS AS TO THEIR NET WORTH, INCOME AND ABILITY TO BEAR THE LOSS OF THEIR INVESTMENT. ADDITIONALLY, INVESTORS WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS THAT THEY ARE A SOPHISTICATED, EXPERIENCED INVESTOR CAPABLE DETERMINING AND UNDERSTANDING THE RISKS AND MERITS OF THIS INVESTMENT AND AS A RESULT ARE NOT UTILIZING THE SERVICES OF A "PURCHASER'S REPRESENTATIVE" (AS DEFINED IN REGULATION D OF THE ACT). WE RESERVE THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION FROM CERTAIN INVESTORS IN ORDER TO VERIFY THEIR ACCREDITED STATUS.

THE SUITABILITY STANDARDS DISCUSSED BELOW REPRESENT MINIMUM SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR OWN INVESTMENT OR TAX ADVISORS, ACCOUNTANTS, LEGAL COUNSEL OR OTHER ADVISORS TO ASSIST IN DETERMINING WHETHER AN INVESTMENT IN THE UNITS IS APPROPRIATE. SEE "RISK FACTORS."

The Units offered by this Memorandum will be sold to an unlimited number of Accredited Investors as such term is defined in Rule 501(a) promulgated under Regulation D of the Act. All investors must have such business and financial experience, that they are capable of evaluating the merits and risks of an investment in the Company and of protecting their interests in the transaction. The Company will not accept subscriptions from any non-Accredited Investor.

Criteria of "Accredited Investors" under Rule 501(a) of Regulation D:

The term "Accredited Investor" as defined in Rule 501(a) of Regulation D means:

(1) A bank as defined in section 3(a)(2) of the Act, or a savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration

under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

(3) Any organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

(4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

(5) Any natural person whose individual net worth or joint net worth with that person's spouse, at the time of the purchase exceeds $1,000,000. For purposes of calculating net worth the person's primary residence shall not be included as an asset and indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability. The foregoing will not apply to any calculation of a person's net worth made in connection with a purchase of securities in accordance with a right to purchase such securities, provided that: (i) such right was held by the person on July 20, 2010; (ii) the person qualified as an accredited investor on the basis of net worth at the time the person acquired such right; and, (iii) the person held securities of the same issuer, other than such right, on July 20, 2010;

(6) Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(7) Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

(8) Any entity in which all of the equity owners are accredited investors.

IF YOU ARE NOT AN ACCREDITED INVESTOR, RETURN THIS MEMORANDUM TO THE COMPANY IMMEDIATELY. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL UNITS TO YOU.

The Company reserves the right to make its own judgment on whether any prospective investor meets the above suitability standards. Certain other representations and warranties are contained in the

Subscription Agreement. In addition, a prospective investor will be required to provide such evidence as may be deemed necessary to substantiate the accuracy of such representations. The above suitability standards are minimum requirements for prospective investors.

DOCUMENTS AVAILABLE FOR INSPECTION

The Company will make available, before sale to any prospective purchasers and their representatives and advisers, if any, the opportunity to ask questions of and receive answers from the Company concerning the terms and conditions of the Offering. Additional information or documents will be available to any Offeree on request to the Company to the extent that the Company possesses such information or can acquire such information without unreasonable effort or expense.