

Biostem Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	Unaudited September 30, 2020	Unaudited December 31, 2019
Current Assets		
Cash	\$ 108,295	\$ 140,741
Accounts receivable	49,360	79,288
Inventory	782,860	565,001
Prepaid expense	174,201	281,771
Total current assets	<u>1,114,716</u>	<u>1,066,801</u>
Property, Plant, and Equipment - Net	1,409,354	1,581,287
Goodwill	465,168	465,168
Other Assets	40,865	40,865
Total Assets	<u>\$ 3,030,102</u>	<u>\$ 3,154,121</u>
Current Liabilities		
Accounts payable and accrued expenses	\$ 585,282	\$ 688,457
Accrued interest	716,498	445,363
Salaries payable	1,033,851	688,275
Convertible notes payable	225,000	150,000
Notes payable	4,177,382	3,635,631
Capital lease liabilities	104,517	129,147
Other current liability	377,854	154,117
Total current liabilities	<u>7,220,384</u>	<u>5,890,990</u>
Long term liabilities:		
Notes Payable	446,488	446,488
Notes Payable - Related Parties	467,861	467,861
Capital Lease Liabilities less current portion	220,019	285,289
Total Long Term Liabilities	<u>1,134,368</u>	<u>1,199,638</u>
Total Liabilities	<u>8,354,752</u>	<u>7,090,628</u>

See notes to unaudited condensed consolidated financial statements

Biostem Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets - Continued

	Unaudited September 30, 2020	Unaudited December 31, 2019
Stockholders' Deficit		
Series A Convertible Preferred Stock		
Authorized: 300 Shares with a Par Value of \$0.001 per Share		
Issued and Outstanding: 300 Shares at September 30, 2020 and December 31, 2019 respectively		
Series B Convertible Preferred Stock		
Authorized: 500,000 Shares with a Par Value of \$0.001 per Share		
Issued and Outstanding: 5 Shares at September 30, 2020 and December 31, 2019 respectively		
Common stock		
Authorized: 975,000,000 common stock with a par value of \$0.40 per share, issued and outstanding: 9,165,391 and 9,135,391 shares		
at September 30, 2020 and December 31, 2019, respectively	3,666,156	3,656,035
and December 31, 2019, respectively)	21,150	18,750
Capital Stock	-	
Additional paid-in capital	19,195,820	19,535,239
Deferred stock-based compensation	(706,968)	(1,402,836)
Treasury stock	(33,335)	(33,335)
Accumulated Other Comprehensive Loss	-	
Accumulated deficit	(27,621,731)	(25,859,816)
Stockholders' Deficit	(5,478,908)	(4,085,963)
Noncontrolling interest	154,258	149,456
Stockholders' Deficit of BioStem Technologies, Inc.	(5,324,650)	(3,936,507)
	-	
Total Liabilities & Stockholders' Deficit	\$ 3,030,102	\$ 3,154,121

See notes to unaudited condensed consolidated financial statements

Biostem Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations

	3 Months Ended September 30, 2020	3 Months Ended September 30, 2019	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Sales	\$ 467,623	\$ 722,771	\$ 1,483,816	\$ 1,963,927
Cost of Sales	257,394	432,866	888,329	\$ 1,177,585
Gross Profit	210,229	289,905	595,487	786,342
General and administrative expense			-	-
Compensation	250,933	245,660	630,665	1,000,057
Professional fees	378,500	965,941	845,989	4,350,379
Other general and administrative expenses	170,634	324,030	526,031	922,145
Total general and administrative expenses	800,068	1,535,631	2,002,685	6,272,581
Loss from operations	(589,839)	(1,245,726)	(1,407,198)	(5,486,239)
Other income (expense)			-	-
Interest income	2,121	4,575	4,862	6,265
Interest expense	(137,056)	(138,909)	(403,354)	(401,601)
Gain on sale of QPI	-	-	-	4,571
Total Other Expense	(134,935)	(134,333)	(398,492)	(390,766)
Net loss	(724,774)	(1,380,059)	(1,805,690)	(5,877,005)
Net income (loss) attributable to noncontrolling interest	(8,375)	2,703	4,802	8,145
Net income(loss) attributable to BioStem Technologies, Inc.	\$ (716,398)	\$ (1,382,762)	\$ (1,810,492)	\$ (5,885,150)
Loss per share before noncontrolling interest	(0.08)	(0.15)	(0.20)	(0.64)
Loss per share attributable to noncontrolling interest	(0.001)	0	0.001	0
Basic and diluted net loss attributable to common stockholders of BiosStem Technologies, Inc.	\$ (0.07)	\$ (0.22)	\$ (0.20)	\$ (0.63)
Basic and diluted average shares outstanding	9,038,376	9,252,405	9,038,376	9,252,405

See notes to unaudited condensed consolidated financial statements

Biostem Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	9 Months Ended September 30, 2020	9 Months Ended September 30, 2019
Cash flow from operating activities:		
Net loss attributable to Biostem Technologies, Inc	\$ (1,805,690)	\$ (5,877,005)
Depreciation expense	171,933	170,115
Amortization expense	8,665	157,991
Impairment on long-lived assets	-	49,702
Gain on disposition of subsidiaries	-	(4,570)
Recognition of option expense	166,485	583,591
Deferred compensation	251,063	3,344,389
Stock issued for services	-	9,999
Changes in operating assets and liabilities:		
Accounts receivable	29,928	179,084
Inventory	(217,859)	(274,697)
Prepaid expenses	107,570	8,591
Accrued interest	271,136	258,170
Salaries payable	345,576	418,904
Accounts payable and accrued expenses	120,563	225,526
Net cash used in operating activities	<u>(550,632)</u>	<u>(750,210)</u>
Cash flows from investing activities:		
Purchase of property and equipment	-	(204,082)
Cash received for sale of QPI	-	179,000
Net cash provided by (used in) investing activities	<u>-</u>	<u>(25,082)</u>
Cash flows from financing activities:		
Proceeds from notes payable	640,752	-
Repayment of notes payable	(32,666)	(485,164)
Net proceeds from capital lease liabilities	-	170,628
Repayment of capital finance leases	(89,900)	(45,874)
Net cash provided by (used in) financing activities	<u>518,186</u>	<u>(360,410)</u>
Effects of currency translation on cash and cash equivalents	-	-
Net increase (decrease) in cash	<u>(32,446)</u>	<u>(1,135,703)</u>
Cash at beginning of quarter	140,741	1,176,154
Cash at end of quarter	<u>\$ 108,295</u>	<u>\$ 40,451</u>

See notes to unaudited condensed consolidated financial statements

Biostem Technologies, Inc.
Consolidated Statements of Stockholders' Deficit
Nine Months Ended September 30, 2020 (Unaudited)

	Series A		Series B		Common Stock		Common stock to be issued		Common Stock Subscription Receivable	Additional Paid-in Capital	Treasury Stock	Deferred Compensation	Accumulated Deficit	Accumulated Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount								
Balance, December 31, 2019	<u>300</u>	<u>\$ -</u>	<u>5</u>	<u>\$ -</u>	<u>9,135,391</u>	<u>\$ 3,656,038</u>	<u>6,000</u>	<u>\$ 18,750</u>	<u>\$ -</u>	<u>\$ 19,392,894</u>	<u>\$ (33,335)</u>	<u>\$ (1,309,068)</u>	<u>\$ (25,811,239)</u>	<u>-</u>	<u>\$ 149,456</u>	<u>\$ (3,936,505)</u>
Amortization of deferred compensation - non-employees	-	-	-	-	-	-	-	-	-	-	-	602,100	-	-	-	602,100
Amortization of Options and Warrants	-	-	-	-	-	-	-	-	-	166,485	-	-	-	-	-	166,485
Common stock returned on contract cancelled	-	-	-	-	(100,000)	(40,000)	-	-	-	(311,037)	-	-	-	-	-	(351,037)
Common stock issued for services	-	-	-	-	-	(2,400)	3,000	2,400	-	-	-	-	-	-	-	-
Adjustment to balance to V-Stock	-	-	-	-	10,000	4,518	-	-	-	(4,521)	-	-	-	-	-	-
Recognition of noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock Issued	-	-	-	-	120,000	48,000	-	-	-	(48,000)	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	(1,810,492)	-	-	4,802	(1,805,690)
Balance, September 30, 2020	<u>300</u>	<u>\$ -</u>	<u>5</u>	<u>\$ -</u>	<u>9,165,391</u>	<u>\$ 3,666,156</u>	<u>9,000</u>	<u>\$ 21,150</u>	<u>\$ -</u>	<u>\$ 19,195,821</u>	<u>\$ (33,335)</u>	<u>\$ (706,968)</u>	<u>\$ (27,621,732)</u>	<u>-</u>	<u>\$ 154,258</u>	<u>\$ (5,324,650)</u>

Biostem Technologies, Inc.
Consolidated Statements of Stockholders' Deficit
Nine Months Ended September 30, 2019 (Unaudited)

	Series A		Series B		Common Stock		Common stock to be issued		Common Stock Subscription Receivable	Additional Paid-in Capital	Treasury Stock	Deferred Compensation	Accumulated Deficit	Accumulated Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount								
Balance, December 31, 2018	<u>300</u>	<u>\$ -</u>	<u>5</u>	<u>\$ -</u>	<u>9,134,864</u>	<u>\$ 3,654,625</u>	<u>3,000</u>	<u>\$ 10,800</u>	<u>\$ -</u>	<u>\$ 18,917,622</u>	<u>\$ (33,335)</u>	<u>\$ (4,860,244)</u>	<u>\$ (19,300,110)</u>	<u>-</u>	<u>\$ (61,617)</u>	<u>\$ (1,672,261)</u>
Amortization of deferred compensation - non-employees	-	-	-	-	-	-	-	-	-	-	-	3,247,195	-	-	-	3,247,195
Amortization of Options and Warrants	-	-	-	-	-	-	-	-	-	586,505	-	-	-	-	-	586,505
Amortization of deferred compensation - employees	-	-	-	-	-	-	-	-	-	-	-	94,280	-	-	-	94,280
Common stock issued for services	-	-	-	-	527	1,411	3,000	7,950	-	638	-	-	-	-	-	9,999
Common Stock issued upon settlement to severance agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	(176,105)	-	-	176,105	-
Recognition of stock option expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	(5,877,005)	-	-	8,145	(5,868,860)
Balance, September 30, 2019	<u>300</u>	<u>\$ -</u>	<u>5</u>	<u>\$ -</u>	<u>9,135,391</u>	<u>\$ 3,656,035.60</u>	<u>6,000</u>	<u>\$ 18,750.00</u>	<u>-</u>	<u>\$ 19,504,764</u>	<u>\$ (33,335)</u>	<u>\$ (1,518,770)</u>	<u>\$ (25,353,220)</u>	<u>\$ -</u>	<u>\$ 122,633</u>	<u>\$ (3,603,143)</u>