Alternative Reporting Standard:
Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines ("Guidelines").[1] These Guidelines set forth the disclosure obligations that make up the "Alternative Reporting Standard" for Pink companies. These Guidelines have been designed to encompass the "Catch All" information required in Rule 15c2-11,[2] however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.[3]

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our Privacy Policy.

Pink Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) may qualify for the Current Information Tier.

Qualification Process:

1. Subscribe to the OTC Disclosure & News Service by submitting an OTCIQ Order Form (available on www.otciq.com).

2. Upload the following documents through OTCIQ:
    - **Quarterly Reports** for Current Fiscal Year– must include Disclosure Statement and Financial Reports listed below
    - **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
    - **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below

        - ***Disclosure Statements:*** Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form staring on Page 4).

        - ***Financial Statements:*** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited. Required financial statements include:
            - Balance Sheet
            - Statement of Income
            - Statement of Cash Flows

[1] This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements.

[2] Publication of information pursuant to these Guidelines does not guarantee or ensure that the Company will be designated as having "current information" or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

[3] OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier.

- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Notes to Financial Statements
- Audit Letter, if audited

.

3. If financial statements are not audited by a PCAOB registered firm, provide the following:

   - ***Attorney Letter Agreement:*** Submit a signed Attorney Letter Agreement according to the [instructions](#) on [www.otcmarkets.com](#).

   - ***Attorney Letter:*** After following the appropriate procedures with a qualified attorney, upload an "Attorney Letter With Respect to Current Information" in accordance with the [Attorney Letter Guidelines](#) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.

4. Verified Profile: Verify the Company Profile through OTCIQ. Profile information includes, but is not limited to, a complete list of officers, directors and service providers, outstanding shares, a business description and contact information.

5. Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments.

6. Companies will be only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.

7. To qualify for Current Information on an ongoing basis, companies must:
   - Upload reports through OTCIQ on the following schedule:
     - Quarterly Report within **45** days of the quarter end
     - Annual Report within **90 days** of the fiscal year end
     - Attorney Letter within **120 days** of the fiscal year end.
   - Maintain a Verified Profile. At least once every six months, review and verify the Company's profile information through OTCIQ.

<u>Pink Limited Information Tier</u>

Companies that make the information described below publicly available through OTCIQ may qualify for the Limited Information Tier.

8. Annual Financial Statements: Companies must upload the below financial statements for a completed Fiscal Year within the past 16 months. Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
   - Balance Sheet
   - Statement of Income
   - Statement of Cash Flows
   - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
   - Notes to Financial Statements
   - Audit Letter, if audited

9. Verified Profile: The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors and service providers; outstanding shares; a business description and contact information.

10. To Qualify for Limited Information on an ongoing basis, companies must:
    - Upload reports through OTCIQ on the following schedule:
        - **Annual Report** (including the required financial statements outlined in Item 8) within 120 days of the fiscal year end
    - Maintain a Verified Profile. At least once every six months, review and verify their the Company's profile information through OTCIQ.

<u>Current Reporting of Material Corporate Events</u>

Companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.[4]

Material corporate events include:

- Entry into or termination of a material definitive agreement
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities
- Material impairments
- Sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Amendments to articles of incorporation or bylaws; change in fiscal year
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure regarding stock promotion campaigns deemed material by the issuer
- Changes to the company's shell status
- Other events the issuer considers to be of importance

[4] "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on https://www.otcmarkets.com/corporate-services/products/disclosure-and-news-service

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

BioStem Technologies, Inc.

2836 Center Port Circle, Pompano Beach, FL 33064
____
(954) 380-8342
www.biostemtech.com
info@biostemtech.com
8000

Annual Report
For the Period Ending: 12/31/2021
(the "Reporting Period")

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

9,681,232

As of September 30, 2021, the number of shares outstanding of our Common Stock was:

9,259,969

As of June 30, 2021, the number of shares outstanding of our Common Stock was:

9,240,583

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

9,203,928

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[5] of the company has occurred over this reporting period:

[5] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

Yes: ☐ No: ☒

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

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

a. BioStem Technologies, Inc. (Active)
b. BioStem Technologies was formerly named Caribbean International Holdings, Inc., until August 28, 2014 when the issuer changed its name to BioStem Technologies, Inc.
c. Caribbean International Holdings, Inc. was formerly named Caribbean Casino & Gaming Corporation, until November 29, 2012, when it changed its name to Caribbean International Holdings, Inc.
d. Caribbean Casino & Gaming Corporation was formed on February 12, 2009.

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

Florida, Active

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

N/A

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

N/A

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

2836 Center Port Circle, Pompano Beach, FL 33064

The address(es) of the issuer's principal place of business:
Check box if principal executive office and principal place of business are the same address: ☒

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

Yes: ☐ No: ☒

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

N/A

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

2) Security Information

Trading symbol:	BSEM	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	090684200	
Par or stated value:	$.001	
Total shares authorized:	975,000,000	as of date: December 31, 2021
Total shares outstanding:	9,681,232	as of date: December 31, 2021
Number of shares in the Public Float[6]:	2,657,342	as of date: December 31, 2021
Total number of shareholders of record:	432	as of date: December 31, 2021

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

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Preferred*	
CUSIP:	N/A	
Par or stated value:	.001	
Preferred Stock Series A-1 Authorized:	300	as of date: December 31, 2021
Preferred Stock Series A-1 Outstanding:	300	as of date: December 31, 2021
Preferred Stock Series B-1 Authorized:	500,000	as of date: December 31, 2021
Preferred Stock Series B-1 Outstanding:	0	as of date: December 31, 2021

* The preferred stock is not publicly traded.

Transfer Agent

Name: VStock Transfer
Phone: (212) 828-8436
Email: info@vstocktransfer.com
Address: 18 Lafayette Pl, Woodmere, NY 11598

Is the Transfer Agent registered under the Exchange Act?[7] Yes: ☒ No: ☐

3) Issuance History

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

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

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

[7] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

A. Changes to the Number of Outstanding Shares

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2019 Common: 9,135,391 Preferred: 300			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
6/17/20	New Issuance	10,000	Common	1.30	No	Brant Watson	Services	Restricted	Rule 506c
7/22/20	New Issuance	120,000	Common	1.00	No	Mirtha Fonte	Compensation	Restricted	Rule 506c
9/11/2020	Cancellation	100,000	Common	5.00	No	Akquimed Inc. / Felix Amon	Services	Restricted	Rule 506c
10/20/2020	New Issuance	6,000	Common	1.17	No	Proactive Capital Resources Group LLC. / Jeff Ramson	Services	Restricted	Rule 506c
11/23/2020	New Issuance	10,000	Common	1.22	No	Brandt Watson	Compensation	Restricted	Rule 506c
12/18/2020	New Issuance	6,817	Common	1.50	No	RVJ CPA's P.A. / Vanessa Jaipal	Services	Restricted	Rule 506c
12/18/2020	New Issuance	15,720	Common	1.50	No	Finance and Strategic Consultants / Susan Weisman	Services	Restricted	Rule 506c
1/11/21	New Issuance	10,000	Common	1.40	No	Mirtha Fonte	Compensation	Restricted	Rule 506c
3/15/21	New Issuance	22,223	Common	1.35	No	James Wurm	Compensation	Restricted	Rule 506c
3/18/21	New Issuance	191	Common	1.22	No	Brant Watson	Services	Restricted	Rule 506c
3/18/21	New Issuance	645	Common	1.49	No	Brant Watson	Services	Restricted	Rule 506c

3/18/21	New Issuance	671	Common	1.49	No	Brant Watson	Services	Restricted	Rule 506c
3/18/21	New Issuance	2,280	Common	1.40	No	Brant Watson	Services	Restricted	Rule 506c
3/18/21	New Issuance	645	Common	1.55	No	Brant Watson	Services	Restricted	Rule 506c
4/5/2021	New Issuance	1,049.00	Common	1.31	No	Finance and Strategic Consultants / Susan Weisman	Services Valued at $1,049	Restricted	
5/25/2021	New Issuance	50,000.00	Common	1.00	No	Otakima, LLC / Joseph Lombas	Stock Purchase 01	Restricted	506B
6/1/2021	New Issuance	50,000.00	Common	1.00	No	Wes De Souza	Stock Purchase 01	Restricted	506B
6/15/2021	New Issuance	5,357.00	Common	1.40	No	Imre Borsanyi CPA / Imre Borsanyi	Services Valued at $7,500	Restricted	
7/13/2021	Cancellation	120,000	Common	1.00	No	Mirtha Fonte-Okunski	Compensation	Restricted	Rule 144
7/16/2021	New Issuance	780	Common	1.28	No	Shaun Opie	Services	Restricted	Rule 144
7/22/2021	New Issuance	780	Common	1.28	No	Physiomics Systems, LLC	Services	Restricted	Rule 144
7/22/2021	New Issuance	780	Common	1.28	No	Jefferey K Harrison	Services	Restricted	Rule 144
7/22/2021	New Issuance	682	Common	1.47	No	Shaun Opie	Services	Restricted	Rule 144
7/22/2021	New Issuance	682	Common	1.47	No	Physiomics Systems, LLC	Services	Restricted	Rule 144
7/22/2021	New Issuance	682	Common	1.47	No	Jeffrey K Harrison	Services	Restricted	Rule 144
7/20/2021	New Issuance	780	Common	1.28	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
7/23/2021	New Issuance	682	Common	1.47	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
7/23/2021	New Issuance	694	Common	1.44	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
7/23/2021	New Issuance	666	Common	1.50	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144

7/23/2021	New Issuance	762	Common	1.31	No	Brant D. Watson Revocable Living Trust	Compensation	Restricted	Rule 144
9/15/2021	New Issuance	25,000	Common	1.00	No	Joushua J. Gooden	Purchased	Restricted	Rule 506B
10/1/2021	New Issuance	15,000	Common	1.00	No	James Wurm	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	10,000	Common	1.00	No	Shantil Hurkes	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	15,000	Common	1.00	No	Taylor Sabol	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	15,000	Common	1.00	No	Alexander Ruggieri	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	30,000	Common	1.00	No	Andrew Smith Van Vurst	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	30,000	Common	1.00	No	Christian Smith Van Vurst	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	10,000	Common	1.00	No	David Padgett	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	10,000	Common	1.00	No	Grace Tran	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	30,000	Common	1.00	No	Jason Matuszewski	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Jennifer Delpiu	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Jennifer Rouse	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	15,000	Common	1.00	No	John Radtke	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Michael Fortunato	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Kaira Saunders	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	10,000	Common	1.00	No	Kevin White	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	15,000	Common	1.00	No	Thomas Sutera	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	10,000	Common	1.00	No	Zejun LouAbrantes	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Wendy Weston	Compensation	Restricted	Rule 144

11/9/2021	New Issuance	24,324	Common	1.15	No	Alexander A. Ruggieri	Compensation	Restricted	Rule 144
12/20/2021	New Issuance	2,500	Common	1.05	No	Marie Joseph	Compensation	Restricted	Rule 144
12/21/2021	New Issuance	6,464	Common	1.08	No	Physiomics, Inc.	Services	Restricted	Rule 144
12/21/2021	New Issuance	6,464	Common	1.08	No	Jeffrey K. Harrison	Services	Restricted	Rule 144
12/21/2021	New Issuance	6,464	Common	1.08	No	Shaun Opie	Services	Restricted	Rule 144
12/21/2021	New Issuance	4,617	Common	1.08	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
12/23/2021	New Issuance	130,440	Common	2.00	No	Brent Young	Conversion	Restricted	Rule 144

Shares Outstanding on Date of This Report: Ending Balance: Date 12/31/2021 Common: 9,681,232 Preferred: 300	

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

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

____

B. Debt Securities, Including Promissory and Convertible Notes

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

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

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

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

____

4) Financial Statements

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

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[8]:

Name:	**Michael Fortunato**
Title:	**Controller**
Relationship to Issuer:	**Employee**

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

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

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

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

_____

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

5) Issuer's Business, Products and Services

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

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

BioStem Technologies, Inc. is a pre-clinical-stage biotechnology company focused on harnessing elements of Perinatal Tissue and the body's innate biology to repair or reverse damage caused by a broad range of degenerativediseases. Our proprietary approach, called Local MicroEnvironment Activation, or

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

LMA, uses combinations of Small Molecules, Cytokines, and Growth Factors to activate the microenvironment within the body to create communicationfor repair in the tissue. From the day we were founded in 2014, BioStem Technologies has pursued a singular goal: growing into a therapeutic biologics company with the power to change lives for the better. For BioStem, pursuing better means prioritizing quality and putting patient outcomes first. This philosophy gives us a clear path forward as we continue to innovate and is what has enabled us to grow from an idea into a fully-fledged biologic company. Our story is still being written, and it all started with hope. Bringing this life-changing technology to patients around the world will always be the driving force behind where we find ourselves and where we go next.

Over 10,000 procedures have been conducted using BioStem products, with zero reported adverse events. Through our rigorous quality and proprietary production processes, we demonstrate our commitment to excellence and our focus on patient safety.

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

Blue Tech Industries Inc., dba BioStem Life Science, a Delaware corporation ("Life Sciences"), is focused on the development and manufacturing of high quality placental-based amniotic tissue products. With a broad range of experience in product development and clinical production, BioStem Life Sciences has the insight and expertise to identify and address key issues as we work with you to produce your material. BioStem Life Sciences also offers full support for your IND filing by providing QA audited batch records for your Investigational New Drug (IND) filing including Chemistry, Manufacturing, and Control (CMC) support. In 2018, the Company sold 10 percent ownership inthis subsidiary. The Company owns 90.0% interest of the subsidiary as of September 30, 2021, and December 31, 2020.

BioStem Wellness, Inc., a Florida corporation ("Wellness"), develops and markets nutraceutical products through its own brands, Dr. Dave's Best and Nesvik Organics as well as other non-proprietary products throughout the U.S. andinternationally. The Company is currently selling Wellness products via two ecommerce platforms, Shopify and Amazon. Wellness was sold in the first quarter of 2021.

Nesvik Pharmaceuticals, Inc., a Delaware corporation ("Nesvik"), focused on the development of novel reformulated pharmaceutical products that address unmet needs in large, established and underserved markets. This subsidiary isconsidered inactive.

C. Describe the issuers' principal products or services.

The products offered by BioStem Technologies™ include RHEO™, OROPRO™, AEON™, VENDAJE™, VENDAJE™AC and VENDAJE™ OPTIC are perinatal tissue-derived allografts. They are designated as Human Cell, Tissue, and Cellular and Tissue-Based Products (HCT/P) by the U.S. Food and Drug Administration (FDA), are minimally manipulated, and are produced in accordance with the FDA regulations for Good Tissue Practices (21 CFR 1270, 1271).

6) Issuer's Facilities

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

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

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

The issuer has established its Manufacturing and Development Lab at 2836 Center Port Circle, Pompano Beach, FL 33064. The property has an 18-month balloon note with current interest payments of $2,083.33 per month anda condominium association fee of $952.36 per month, with a buy-out of $500,000 on October 10, 2017. On February 2, 2018, the Issuer entered into a refinance loan for the property located in Pompano Beach, Florida for $500,000.

The loan is payable monthly, interest only for the term of the loan at 12%. The original loan maturity was on February 28, 2019. The loan was extended through February 28, 2020, for a fee of $10,000. The loan requires monthly payments of interest and real estate taxes beginning on April 1, 2018. On November 25, 2020, the lenderextended the term through May 31, 2021. On December 31, 2021, the lender extended the term through March 31, 2022. The Company is planning on extending this loan for another extension to June 30, 2022

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

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Jason Matuszewski	Officer, Director and 5% Stockholder	Fort Lauderdale, FL	841,149 100	Common Preferred A	8.67% 33.33%	See Note 1 and 2
Andrew VanVurst	Officer, Director and 5% Stockholder	Fort Lauderdale, FL	1,156,617 100	Common Preferred A	12.05% 33.33%	
Henry VanVurst	Owner of more than 5%	Fort Lauderdale, FL	622,740 100	Common Preferred A	6.66% 33.33%	See Note 1 and 2
GMA Bridge Holdings, LLC / Fred Schaner	Owner of more than 5%	Miami Lakes, FL	700,000	Common	7.49%	

(1) Effective March 24, 2016, Jason Matuszewski resigned as the issuer's Chief Executive Officer, and was named the issuer's Chief Financial Officer. Henry W. VanVurst IV was named the Issuer's Chief Executive Officer as of that date. Also as of that date, Andrew VanVurst was named the issuer's Chief Operating Officer.

(2) Effective September 20, 2019, Henry W. VanVurst IV resigned as the issuer's Chief Executive Officer, and chairman of the board. Jason Matuszewski was named the Issuer's Chief Executive Officer and chairman of the board as of that date.

8) Legal/Disciplinary History

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

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

9) Third Party Providers

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

Securities Counsel

Name: Laura Anthony, Esq

Firm: Anthony L.G., PLLC
Address 1: 625 Flagler Dr #600
Address 2: West Palm Beach, FL 33401
Phone: (800)341-2684
Email: _____

Accountant or Auditor

Name: David Brooks
Firm: D. Brooks & Associates CPA
Address 1: 4440 PGA Boulevard, Suite 104
Address 2: Palm Beach Gardens, FL 33410
Phone: (561) 426-6225
Email: _____

Investor Relations

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Jason, Matuszewski certify that:

1. I have reviewed this Annual Statement of Biostem Technologies, Inc.:

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 6, 2022 [Date]

/s/ Jason Matuszewski [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Jason Matuszewski certify that:

1. I have reviewed this Annual Statement of Biostem Technologies, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 6, 2022 [Date]

/s/ Jason Matuszewski

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

BioStem Technologies, Inc. and Subsidiaries

Consolidated Financial Statements
(UNAUDITED)

Twelve Months Ended

December 31, 2021

BIOSTEM TECHNOLOGIRES INC.
CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	December 31, 2021	December 31, 2020
Current Assets		
Cash	$ 340,333	$ 100,199
Accounts Receivable, net	300,137	11,891
Inventory	324,892	577,191
Prepaid Expenses and other assets	38,572	9,507
Total Current Assets	1,003,935	698,788
Property, Plant & Equipment, net	1,245,363	1,381,539
Right-of-use Asset, net	32,868	80,350
Intangible Assets, net	210,048	267,334
Goodwill	244,635	244,635
Total Other Assets	1,732,914	1,973,858
Total Assets	2,736,848	2,672,646
Current Liabilities		
Accounts Payable and accrued expenses	809,893	725,249
Salary Payable	1,305,220	1,056,301
Interest Payable	993,126	700,727
Short-term Finance Lease	26,878	41,808
Notes Payable	3,597,607	3,620,511
Convertible Note	-	225,000
Total Current Liabilities	6,732,724	6,369,596
Long Term Liabilities		
Long-term Finance Lease	6,543	33,348
Notes Payable	891,849	1,160,705
Related Party notes payable	507,861	507,861
Total Long Term Liabilities	1,406,253	1,701,914
Total Liabilities	8,138,976	8,071,510
Stockholders' deficit		
Capital Stock	9,681	9,204
Common Stock to be Issued	1,192	1,192
Additional Paid-in Capital	23,770,153	22,365,814
Treasury Stock	(43,339)	$ (43,339)
Noncontrolling Interest	165,391	131,689
Accumulated Deficit	(29,305,206)	(27,863,425)
Total Stockholders' deficit	(5,402,128)	(5,398,865)
Total Liabilities & Stockholders' deficit	$ 2,736,848	$ 2,672,646

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIRES INC. CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Twelve-months ended, December 31, 2021	Twelve-months ended, December 31, 2020
Net Revenue	$ 4,340,839	$ 2,414,622
Cost Of Revenue	1,516,743	1,136,513
Gross Profit	2,824,096	1,278,108
Operating Expenses:		
Research & Development	119,647	57,271
Sales & Marketing Expense	480,521	181,311
Professional Fees	456,592	483,134
Compensation	2,680,389	1,656,793
General & Administrative Expense	236,023	265,695
Depreciation & Amortization Expense	283,902	268,581
Total - Expense	4,257,075	2,912,787
Operating Loss	(1,432,979)	(1,634,678)
Other Income (Expense):		
Other Income (net)	137,639	88,751
Other Expense (net)	(744,045)	(971,098)
Gain on forgiveness of PPP loan	631,306	-
Net Other Income (Expense)	24,900	(882,347)
Net Loss from operations before income taxes	(1,408,079)	(2,517,026)
Income Tax Expense	-	-
Net Loss	(1,408,079)	(2,517,026)
Net Loss attributable to noncontrolling interest	(33,703)	(24,689)
Net Loss attributable to Biostem Technologies, Inc.	(1,374,376)	(2,492,337)
Net loss per share-basic and diluted	$ (0.15)	$ (0.28)
Loss per share attributable to noncontrolling interest	-	-
Basic and diluted net loss attributable to common stockholders of BioStem Technologies, Inc.	$ (0.15)	$ (0.28)
Basic and diluted weighted average common shares outstanding	9,319,975	9,038,376

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC. CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

Year Ending December 31, 2021

(UNAUDITED)

	Series A		Series B		Common Stock								
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Common Stock to be Issued	Treasury Stock	Translation Adjustment	Accumulated Deficit	Noncontrolling Interests	Total Stockholders' Deficit
Balance at December 31, 2020	300	$ -	5	$ -	9,203,928	$ 9,204	$ 22,365,914	$ 1,192	$ (43,339)	$ (100)	$ (27,863,423)	$ 131,689	$ (5,398,863)
Stock-based compensation	-	-	-	-	-	-	747,147	-	-	-	-	-	747,147
Issuance of common stock	-	-	-	-	466,864	467	516,321	-	-	-	-	-	516,788
Common stock returned on service contract cancellation	-	-	-	-	(120,000)	(120)	(119,880)	-	-	-	-	-	(120,000)
Conversion of debt to common stock	-	-	-	-	130,440	130	260,750	-	-	-	-	-	260,880
Net loss	-	-	-	-	-	-	-	-	-	-	(1,441,779)	33,702	(1,408,077)
Balance at December 31, 2021	300	$ -	5	$ -	9,681,232	$ 9,681	$ 23,770,252	$ 1,192	$ (43,339)	$ (100)	$ (29,305,202)	$ 165,391	$ (5,402,125)

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC. CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

	For the Years Ended December 31, 2021	For the Years Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,408,079)	$ (2,475,299)
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation expense	179,024	169,278
Amortization expense	104,767	99,303
Stock-based compensation expense	627,147	804,361
Gain on sale of subsidiary	(33,925)	
Gain on forgiveness of PPP loan	(631,306)	-
Gain on sale of property, plant, and equipment	(103,714)	(238,483)
Change in operating assets and liabilities:		
Accounts receivable	(254,321)	67,397
Inventory	251,810	(88,617)
Prepaid expenses and other assets	(29,065)	33,649
Other current asset	489	-
Accounts payable and accrued liabilities	(2,488)	54,381
Accrued interest	328,279	328,859
Salaries payable	249,999	917,419
Other current liabilities	96,852	(685,120)
Net cash provided by (used in) operating activities	(624,531)	(1,012,872)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from sale of property, plant, and equipment	60,866	357,224
Net cash provided by (used in) investing activities	60,866	357,224
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of Paycheck Protection Loan Term Notes	295,500	565,752
Borrowings on notes payable	33,246	75,000
Borrowing on convertible note	-	74,769
Repayments on notes payable	-	(214,013)
Repayments on finance leases	(41,735)	(72,429)
Issuance of common stock	516,788	186,026
Net cash provided by (used in) financing activities	803,799	615,105
Cash, cash equivalents, and restricted cash:		
Net change during the period	240,134	(40,542)
Balance, beginning of period	100,199	140,741
Balance, end of period	$ 340,333	$ 100,199
Supplemental cash flow information:		
	-	-

See notes to unaudited consolidated financial statements

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2021 and 2020 (Unaudited)

Note 1 Organization and Nature of Operations

BioStem Technologies, Inc. (hereinafter "the Company"), was incorporated as Aladdin & Company Trading in Utah on July 7, 2006. Aladdin & Company Trading later changed its name to Caribbean Casino & Gaming Corporation and re-domiciled to Florida on March 2, 2009. Caribbean Casino & Gaming Corporation further changed its name to Caribbean International Holdings, Inc. on January 7, 2013. On August 28, 2014, the Company changed its name to BioStem Technologies, Inc.

BioStem Technologies, Inc. is a regenerative biotechnology company focused on harnessing elements of perinatal tissue and the body's innate biology to repair or reverse damage caused by a broad range of degenerative diseases. Our proprietary approach, called Local MicroEnvironment Activation ("LMA"), uses combinations of Small Molecules, Cytokines, and Growth Factors to activate the microenvironment within the body to create communication for repair in the tissue.

The Company offers a comprehensive portfolio of high-quality brands that are trademarked and include RHEO™, AEON™, OROPRO™, VENDAJE™, VENDAJE™ AC and VENDAJE™ OPTIC. The Company is comprised of a diverse group of scientists, physicians, and entrepreneurs who collaborate to create innovative products. These technologies improve the quality of life for our patients and, as a result, drive shareholder value.

Currently, the Company operates its business through Blue Tech Industries, Inc. dba BioStem Life Science, a Delaware corporation, ("Life Sciences"). Life Sciences is focused on the development of placental-based amniotic tissue products for the ophthalmology, orthopedic and wound care markets. The Company's mission is to create a new paradigm of healthcare, using breakthrough therapies that treat patients who otherwise are without effective treatment options.

In 2018, the Company sold 10% ownership in Life Sciences. The Company owns 90.0% interest of the subsidiary as of December 31, 2021. The remaining 10% ownership interest is reported as noncontrolling interest ("NCI") within the consolidated financial statements.

The Company's fiscal year end is December 31.

Note 2 Restatement

While completing financial statements for the quarter ended September 30, 2021, the Company became aware of certain misapplications of US GAAP in its previously filed December 31, 2020, financial statements. The misapplication of US GAAP occurred in the following financial statement line items:

Balance Sheet Line Item	Nature of Error	Effect on Prior Period Retained Deficit
Goodwill/Intangible Assets (ASC 805)	ASC 805, *Business Combinations:* A valuation was not completed to separately identify intangibles assets acquired in connection with the Vera Life Sciences acquisition. Instead, the consideration paid in excess of the acquiree net book value was classified as Goodwill	For periods prior to the year ended December 31, 2020, the cumulative gross impact to opening retained earnings, relating to 2018 and 2019 was $96,681. YTD 2020 amortization expense of $57,286 is recorded in the Statement of Operations
Right of Use Assets—Finance Leases	The Company failed to adopt ASC 842 effective January 1, 2020,	The impact to opening retained earnings was immaterial as lease expense under ASC 842

		approximates lease expense under previous lease accounting guidance. The impact to the balance sheet was to increase both "right-of-use" asset in the amount of $335,116 with an offsetting liability of $347,224 as shown on the restated balance sheet
Prepaid expenses	The company failed to properly capitalize and amortize certain prepaid expenses.	The impact to the opening retained earnings balance was a decrease of $133,000.
Properly Plant and Equipment	The Company failed to properly capitalize and depreciated certain Property Plant and Equipment	The impact to opening retained earnings was a decrease of $59,966

Note 3 Summary of Significant Accounting Policies and Going Concern

As reflected in the accompanying consolidated financial statements, the Company had a net loss of $1,408,079 and $2,517,026 for the years ended December 31, 2021, and 2020, respectively, and an accumulated deficit and working capital deficit of $29,305,206 and $5,728,789 as of December 31, 2021, respectively. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company has been impacted by the COVID 19 virus ("Pandemic") and the closure of all municipalities throughout the United States and the world beginning in March 2020. The Company's customers are typically medical outlets providing non-essential medical treatments. From the beginning of March 2020, these treatments have been significantly restrained. Beginning in May 2020, certain facilities began to open in certain localities, some including our customers. In June 2020, most states began reopening including non-essential surgeries, outpatient procedures, and other related businesses. The Company continued manufacturing its products during the period and maintained the staff associated with these operations.

The ability of the Company to continue its operation is outside of the Company's control; however, management has developed a plan, which includes securing available Payroll Protection Program ("PPP") loans from the Small Business Administration ("SBA") made available to small business to provide economic relief to address the impact of the Pandemic under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") enacted in law on March 27, 2020 (see Note 4), reducing overhead expenses, and securing the necessary personal protective equipment ("PPE") for our manufacturing personnel.

The ability of the Company to continue its operation is dependent on management's plans, which includes the raising of capital through debt and/or equity markets, restructuring outstanding debt and additional funding from other traditional financing sources, including convertible debt and/or other term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to incur liabilities with certain related parties to sustain the Company's operations.

The Company will require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company's cash currently available, along with anticipated revenues, may not be sufficient to meet its cash needs for the near future. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and include the accounts of BioStem Technologies, Inc. and all its wholly and majority-owned entities. All intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Such estimates and assumptions impact both assets and liabilities, including but not limited to net realizable value of accounts receivable and inventory, estimated useful lives and impairment of long-lived assets, the valuation of intangible assets, estimated fair value of share-based payment, and the valuation of deferred tax assets.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future non-conforming events. Accordingly, actual results could differ significantly from estimates.

Risks and Uncertainties

The Company's operations are subject to risk and uncertainties including financial, operational, regulatory, and other risks including the potential risk of business failure.

The Company has experienced, and in the future expects to continue to experience, variability in its sales and earnings. The factors expected to contribute to this variability include, among others: (i) the uncertainty associated with the commercialization and ultimate success of the Company's products; (ii) competition inherent in the markets where products are expected to be sold; (iii) general economic conditions; and (iv) the related volatility of prices pertaining to the cost of sales.

Cash

The Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less. There are no cash equivalents as of December 31, 2021, and 2020. The Company maintains its cash in bank and financial institutions that at times may exceed federally insured (FDIC) limits. As of December 31, 2021 and 2020, the Company did not have any cash balances in excess of FDIC limits nor has the Company experienced any losses in such accounts through December 31, 2021.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at the original invoice amount less allowance for doubtful receivables which is recognized in an amount equal to the estimated probable losses net of recoveries when deemed necessary. The allowance is based on an assessment of specific identifiable troubled customer accounts considered at risk or uncollectible, an analysis of historical bad debt experience, and expected future write-offs. All amounts are deemed collectible as of December 31, 2021, and December 31, 2020 and accordingly, the Company has not recorded an allowance for doubtful accounts.

Inventory

Inventory consists primarily of proprietary perinatal-based tissue membrane and flowable allografts.

The Company values its inventory at the lower of cost or estimated net realizable value. The Company determines the cost of its inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out, average cost basis. The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded within cost of sales

Shipping and handling costs for shipments are recorded as incurred within cost of sales along with costs associated with manufacturing and any inventory write-downs.

The Company reviews inventory levels periodically and historical sales activity to determine potentially obsolete items and evaluates the impact of any anticipated changes in future demand as determined by management. The Company tracks inventory as it is disposed or scrapped to determine whether additional items on hand should be reduced in value through an allowance method. There is no inventory valuation allowance for any period presented.

Inventory consisted of the following:

	December 31, 2021	December 31, 2020
Raw Materials	$28,087	$ 82,633
Work-in-Process	98,937	41,279
Finish Goods	197,867	453,279
Total	$324,892	$ 577,191

Property, Plant and Equipment

Property, Plant and Equipment consists of laboratory equipment, computer equipment and office furniture and are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method based on the lesser of estimated useful lives of the related assets ranging from three to thirty-nine years. For leased assets, depreciation is calculated on the shorter of the term of the lease or estimated useful life. Lab equipment has depreciable lives of five years, furniture and fixtures have depreciable lives of five to seven years, and computer equipment has depreciable lives of three years. Repairs and maintenance costs are charged to expense as incurred. Upon sale or retirement of property, plant and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated financial statements.

Goodwill, Acquired Intangible Assets and Other Long-Lived Assets

The recorded amount of goodwill is not subject to amortization and is tested for impairment annually, or more frequently when events or changes in circumstances indicate that the asset might be impaired. No impairment losses were recognized by the Company for the years ended December 31, 2021, and 2020.

Intangible assets with finite useful lives are amortized over their estimated useful lives primarily on a straight-line basis. Intangible assets with finite useful lives are reviewed annually for impairment or when facts or circumstances suggest that the carrying value of these assets may not be recoverable.

The Company reviews long-lived assets for impairment, including intangible assets with finite lives, whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. In the event of impairment, the asset to be held and used is written down to its fair market value. Long-lived assets to be disposed of, if any, are reported at the lower of the carrying amount or fair value less cost to sell. No impairment losses were recognized by the Company for the nine months ended September 30, 2021, and 2020.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, , accounts payable and accrued expenses, notes payable, and convertible debt, approximates their fair values because of the short maturity of these instruments.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted process for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

Finance Leases

In February 2016, the FASB issued an Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842) which modifies the accounting for leasing arrangements, particularly those arrangements classified as finance leases under previous lease accounting rules. This update will require entities to recognize the assets and liabilities arising from finance leases on the balance sheet. The Company adopted ASC 842 upon its adoption for the fiscal year starting January 1, 2020. See Note 2, *Restatement* and Note 8, *Finance Leases and Related Obligations.*

Stock Based Compensation – Employees and Non-Employees

In June 2018, the FASB issued ASU No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*, which simplifies several aspects of the accounting for nonemployee share- based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. Early adoption is permitted, but entities may not adopt prior to adopting the new revenue recognition guidance in ASC 606. Effective January 1, 2019, the Company adopted ASU No. 2018-07 which did not have any material impact on the Company's consolidated financial statements.

The Company accounts for its stock-based compensation in which the Company obtains employee and non-employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

If the Company is a newly formed corporation or shares of the Company are thinly traded, the use of share prices established in the Company's most recent private placement memorandum (based on sales to third parties), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

Revenue from Contracts with Customers

The Company derives revenues from various sources, including but not limited to the sales of branded and private label placental-based amniotic tissue membrane and flowable products through direct sales and distributors, contract manufacturing and sale of repackaged active pharmaceutical ingredients through direct sales.

The Company recognizes product revenue when the Company's performance obligations have been fully satisfied, specifically, when the specified product and quantity ordered has been shipped pursuant to the customer's request, when the sales price as detailed in the purchase order or customer contract is fixed, when the product title and risk of loss for that order has passed to the customer, and collection of the invoice is reasonably assured.

Cost of Goods Sold

Cost of goods sold represents costs directly related to the production of the Company's products.

Product sold is typically shipped directly to the customer with costs associated with shipping and handling included as a component of cost of goods sold.

Net Loss Per Share

Basic loss per share is computed by dividing net loss for the period by the weighted average number of common stock outstanding during each period. Diluted loss per share is computed by dividing net loss for the period by the weighted average number of common stock, common stock equivalents and potentially dilutive securities outstanding during each period.

The following common stock equivalents have been excluded from the computation of diluted loss per share for the years ended at December 31, because their impact was antidilutive:

	December 31, 2021	December 31, 2020
Stock Warrants	508,456	383,456
Convertible Debt	112,500	112,500
Preferred Stock	300	300
Total	621,256	496,256

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using exacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statements of Operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty (50) percent likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest, and penalties on income taxes, accounting in interim periods and requires increased disclosures.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management’s opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

The Company's tax returns may be subject to examination by the federal and state authorities for the years ended 2021 to 2016.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 *"Financial Instruments – Credit Losses"* which replaces the incurred loss model with a current expected credit loss ("CECL") model. The CECL model applies to financial assets subject to credit losses and measured at amortized cost and certain off-balance sheet exposures. Under current U.S. GAAP, an entity reflects credit losses on financial assets measured on an amortized cost basis only when losses are probable and have been incurred, generally considering only past events and current conditions in making these determinations. ASU 2016-13 prospectively replaces this approach with a forward-looking methodology that reflects the expected credit losses over the lives of financial assets, starting when such assets are first acquired. Under the revised methodology, credit losses will be measured based on past events, current conditions and reasonable and supportable forecasts that affect the collectability of financial assets.

ASU 2016-13 also revises the approach to recognizing credit losses for available-for-sale securities by replacing the direct write-down approach with the allowance approach and limiting the allowance to the amount at which the security's fair value is less than the amortized cost. In addition, ASU 2016-13 provides that the initial allowance for credit losses on purchased credit impaired financial assets will be recorded as an increase to the purchase price, with subsequent changes to the allowance recorded as a credit loss expense. ASU 2016-13 also expands disclosure requirements regarding an entity's assumptions, models and methods for estimating the allowance for credit losses. The amendments of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The adoption of ASU 2016-13 was not material to the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other* (Topic 350): Simplifying the Test for Goodwill Impairment. The amendments in this ASU simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test and eliminating the requirement for a reporting unit with a zero or negative carrying amount to perform a qualitative assessment. Instead, under this pronouncement, an entity would perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and would recognize an impairment change for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized is not to exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects will be considered, if applicable. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The adoption of ASU 2017-04 did not have a material impact on the Company's on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820), - Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement," which makes a number of changes meant to add, modify or remove certain disclosure requirements associated with the movement amongst or hierarchy associated with Level 1, Level 2 and Level 3 fair value measurements. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Although early adoption was permitted upon the issuance of the update, the Company has not yet adopted the guidance. Adoption of ASU 2018-13 did not have a material impact on our consolidated Financial Statements.

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments by reducing the number of accounting models available for convertible instruments. This guidance also eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if-converted method. For public companies, this guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this adoption.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the Company's financial position, results of operations or cash flows.

Note 4—Property, Plant & Equipment

Property, plant and equipment consisted of the following as of December 31.:

		December 31, 2021	December 31, 2020
Building	$	433,448	433,448
Building Improvements		676,239	669,586
Land		75,000	75,000
Machinery and Equipment		684,058	647,863
Computer and Office Expenses		57,692	61,457
Furniture and Fixtures		68,065	68,065
HVAC		124,974	124,974
Total		2,119,477	2,080,393
Less: Accumulated Depreciation	$	(874,114)	(698,855)
Property, Plant and Equipment - Net		1,245,363	1,381,538

Depreciation expense was to $179,023.74 and $169,278 for the years ended December 31, 2021 and 2020, respectively.

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2021, and 2020 (Continued)

Note 5—Intangible Assets (Other Than Goodwill)

The following is a summary of activity related to intangible assets for the years ended December 31, 2020 and December 31st, 2021:

	As of December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademark	$ 20,300	$ 20,300	$ —
IP	47,000	22,381	24,619
Customer Base	354,000	168,571	185,429
Total	$ 421,300	$ 211,252	$ 210,048

	As of December 31st, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademark	$ 20,300	$ 20,300	$ —
IP	47,000	15,667	31,333
Customer Base	354,000	118,000	236,000
Total	$ 421,300	$ 153,967	$ 267,333

Future expected amortization of intangible assets is as follows:

Year Ending December 31,		
2022	$	57,286
2023		57,286
2024		57,286
2025		38,190
2026		—
Thereafter		—
	$	**210,048**

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2021, and 2020 (Continued)

Note 6 Notes Payable

The notes payable for the years ended December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
On July 27, 2018, GMA Bridge Fund, LLC issued a Bridge Loan Agreement and Promissory Note, with a rate of 50 basis points, per month for the first six months and 75 basis points a month through the Maturity Date of July 27, 2019. This agreement has not been repaid on the maturity date. (1). The Company is currently in the process of negotiating a settlement with the noteholder for this debt.[(1)]	$ 1,000,000	$ 1,000,000
On October 5, 2018, GMA Bridge Fund, LLC issued a Bridge Loan Agreement and Promissory Note, with a rate of 50 basis points, per month for the first six months and 75 basis points a month through the Maturity Date of October 5, 2019. This agreement has not been repaid on the maturity date. (1). The Company is currently in the process of negotiating a settlement with the noteholder for this debt[(1)]	2,000,000	2,000,000
On October 29, 2015, the Company financed the purchase of its headquarters for $500,000 with a 5 percent interest rate. The loan is payable monthly, interest only for the term of the loan. The loan matured on April 29, 2017. On February 2, 2018 the Company entered into a Promissory Note and Mortgage to refinance the original mortgage, with an annual interest rate of 12 percent and a maturity date of February 28, 2019. This loan was extended through February 28, 2020 for a fee of $10,000. The loan requires monthly payments of interest and real estate taxes beginning on April 1, 2018. On November 25, 2020 the lender extended the term through May 31, 2021. On December 31, 2021, the lender extended the term through March 31, 2022. The Company is planning on extending this loan for another extension to June 30, 2022. See Subsequent Events.	500,000	500,000
On December 27, 2018, the Company entered into an Amended and Restated Promissory Note, whereby the original $400,000 convertible debt agreement dated August 17, 2016 and the Company capitalized interest of $28,504 . Effective May 17, 2019 the Company entered an Amended and Restate Promissory note, whereby the original convertible debt agreement was considered void. Pursuant to the agreement, the Company capitalized interest of $17,984. The interest accrues at 12 percent effective January 1, 2019. Prior to that date, the interest rate was 3 percent. The loan matures on June 1, 2022. The Company was to make interest only payments through December 31, 2019, and principal and interest payments of $17,178 beginning on January 1, 2020. On April 8, 2020, the terms of the agreement were modified to capitalize accrued and unpaid interest and to require interest only payments through December 31, 2020.	473,350	473,350
On December 5, 2018, the Company entered into a $250,000 Promissory Note, which bears interest at a rate 18 percent per annum, with interest commencing on August 30, 2018, which was the date the purchase price was delivered to the Company. The loan matured on August 30, 2019. The Company is in the process of refinancing this promissory note.	102,735	117,853
On April 30, 2020, the Company entered into a $263,400 Paycheck Protection Program Term Note with PNC Bank. Loan is subject to forgiveness as long as certain criteria are met, if not, due in two years with 1% of interest. Payments are deferred for the first seven months of the loan.	63,820	263,400
On May 7, 2020, the Company entered into a $142,452 Paycheck Protection Program Term Note with American National Bank. Loan is subject to forgiveness as long as certain criteria are met, if not, due in two years with 1% of interest. Payments are deferred for the first seven months of the loan.	-	142,452
On May 18, 2020, the Company entered into a $159,900 Economic Injury Disaster Loan. Installment payments, including principle and interest, of $731 monthly, will begin 12 months from the promissory note May 18, 2021. Interest will accrue at the rate of 3.75%.	168,544	163,650

On September 26, 2018 the Company entered into an equipment financing agreement with CIT Direct Capital. The monthly payment of $2,885 shall be repaid in 60 months.		65,982		91,031
On November 26, 2018 the Company entered into an equipment financing agreement with CIT Direct Capital. The monthly payment of $983 shall be repaid in 61 months with the exception of first payment at $11,732.		20,825		29,480
On July 15, 2021 the Company entered into a $105,000 settlement agreement with U.S. Bank National Association d/b/a U.S. Bank Equipment Finance. The settlement amount shall be repaid in 48 months.		83,400		-
	$	**4,478,656**	**$**	**4,781,216**

(1) In August 2019, the Company received notice from GMA Bridge Fund, LLC that the Company is in default for the loan that matured on July 27, 2019, for non-payment and gave the Company notice that the note which matured on October 5, 2019, was also in default. The Company continues to accrue interest on these loans totaling $3.0 million and is in discussion with the lender to renegotiate the terms of these notes.

The convertible notes on September 30, 2021, and December 31, 2020, are discussed below:

Convertible Notes		**December 31, 2021**		**December 31, 2020**
On December 23, 2019, the Company entered into a Convertible Promissory Note for $150,000 with an interest rate of 8 percent, with a maturity date of December 23, 2020. The Promissory Note is convertible at $2.00 at the Company's sole discretion. On January 7, 2020, the Company entered into a Convertible Promissory Note for $75,000 with an interest rate of 8 percent, with a maturity date of January 7, 2021. The Promissory Note is convertible at $2.00 at the Company's sole discretion. The Company Extended its convertible notes for 150,000 and 75,000 with interest rates of 8 percent, with a maturity date of December 23, 2020 for one year. The new note was consolidated to one note holder with a total of $225,000 with interest rate of 8 percent with a maturity date of December 23, 2021. On December 23, 2021, the Company elected to convert this note into 130,440 shares of the Company's common stock. See subsequent events note.	$	-	$	225,000
	$	-	$	225,000

The interest expense related to the notes payable for the years ended December 31, 2021 and 2020 was $530,420 and $529,600, respectively. Amortized loan fees were $14,230 and $93,988 for the years ended December 31, 2020 and 2019, respectively.

Note 7 Related Party Transactions

Related party notes are as follows:

Related Party Loans		**December 31, 2021**		**December 31, 2020**
On October 4, 2018, the Company entered into a Promissory, with a shareholder and father of Jason Matuszewski, with a rate of 8 percent, with a maturity date of December 31, 2021.		250,000		250,000
On February 5, 2018, the Company entered into a Promissory, with a shareholder and father of Jason Matuszewski with a rate of 8 percent, with a maturity date of December 31, 2021.		50,000		50,000
Between September 2017 and July 2018, the Company issued various Promissory Notes with Henry Van Vurst, the Company's former CEO, with a rate of 8 percent per annum all with maturity date of December 31, 2021		191,000		191,000
On July 12, 2018, the Company entered into a Promissory Note with Jason Matuszewski for $20,030, accruing interest of 8 percent with maturity date of December 31, 2021.		16,861		16,861
Total Related Party Loans	$	507,861	$	507,861

Note 8 Finance Leases and Related Obligations

The Company leases certain specialized equipment under lease classified as finance leases. The equipment leases were entered into between April 2017 and August 2019 maturing between January 2022 and February 2023. The Company's significant judgments include determining whether an arrangement is or contains a lease, the determination of the discount rate used to calculate the lease liability, and whether lease incentives are reasonably certain to occur in the initial measurement of the lease liability. Finance lease assets and lease liabilities are recognized at commencement date and initially measured based on the present value of lease payments over the defined lease term. Interest and amortization expense are recognized over the lease term using the effective interest method.

A contract is or contains an embedded lease if the contract meets all of the below criteria:

- There is an identified asset
- The Company has the right to obtain substantially all of the economic benefit of the asset; and
- The Company has the right to direct the use of the asset.

For initial measurement of the present value of lease payments and for subsequent measurement of lease modifications, the Company is required to use the rate implicit in the lease. The Company uses its incremental borrowing rate, which is a collateralized rate, for leases without a rate implicit in the lease. The application of the incremental borrowing rate is performed on a lease-by-lease basis and approximates the rate at which the Company could borrow, on a secured basis for a similar term, an amount equal to its lease payments in a similar economic environment.

The Company does not have lease agreements with residual value guarantees, sale leaseback terms, or material restrictive covenants. Leases with an initial term of 12 months or less are not recognized on the consolidated balance sheet. The Company had no material operating leases as of December 31, 2021.

The following table summarizes the Company's finance lease assets and lease liabilities as of December 31, 2021 and December 31, 2020:

Balance Sheet Classification			**December 31, 2021**		**December 31, 2020**
Assets					
Finance–noncurrent	ROU asset, net	$	32,868	$	80,351
Liabilities					
Finance–current	Other current liabilities		26,877		41,808
Finance–noncurrent	Other long-term liabilities		6,543		33,348
Total lease liabilities		**$**	**33,420**	**$**	**75,156**

The following table shows the Company's future lease commitments due in each of the next five years and thereafter for finance leases:

Year Ended December 31, 2021	**Leases**
2022	33,852
2023	1,250
2024	–
2025	–
Total lease payments	35,102
Adjustment for discount to present value	(1,682)
Total	**$ 33,420**

Note 9 Stockholders' Equity

Series A-1 Convertible Preferred Shares

The Company has designated 300 shares of preferred stock as "Series A-1 Convertible Preferred Shares".

The Series A-1 Convertible Preferred Shares entitled their holders to a number of votes equal to the number of shares issuable upon conversion times 2,000,000 granting the holders of Series A Convertible Preferred Shares, as a group, effective control of the Company.

Series A-1 Convertible Preferred Shares are convertible, at the option of the holders, or automatically upon a Qualified Public Offering resulting in gross proceeds to the Company of not less than $30 million, in whole but not in part, into 300 shares of common stock.

Holders of Series A-1 Convertible Preferred Shares are not entitled to receive dividends, out of assets legally available thereof, prior and in preference to any declaration or payment of any dividend on the common stock or any other capital stock of the Corporation.

Series B-1 Convertible Preferred Shares

The Company has designated 500,000 shares of preferred stock as "Series B-1 Convertible Preferred Shares".

The Series B-1 Convertible Preferred Shares entitled their holders to a number of votes equal to the number of shares issuable upon conversion.

Each Series B-1 Convertible Preferred Share is convertible, at the option of the holders, or automatically upon a Qualified Public Offering resulting in gross proceeds to the Company of not less than $30 million, in whole but no in part, into 6 shares of common stock.

The Series B-1 Preferred Shares shall be entitled to receive an annual dividend, payable in newly issued common stock, in an amount equal to ten percent of the number of then existing Series B-1 Preferred Shares issued and outstanding prior and in preference to any declaration or payment of any dividend on the common stock or any other capital stock of the Corporation. This Dividend shall be cumulative.

Note 10 Commitments and Contingencies Employment Agreements

The Company has employment contracts with its Chief Executive Officer and Chief Operating Officer they are to receive a salary plus stock compensation and bonuses based on board approval. These executives have not received their full salaries and the unpaid portion is included in Salaries Payable on the consolidated balance sheets at December 31, 2021 and December 31, 2020 was $1,167,418, and $917,419, respectively. Included in Salaries Payable is $243,995 owed to Henry Van Vurst as of September 30, 2021, and 2020.

Note 11-Stock Based Compensation

Determination of Fair Value

The fair value of stock options granted to employees and non-employees was estimated on the grant date using the Black-Scholes valuation model with the following assumptions:

Dividend yield	0%
Expected term	5 - 10 years
Risk-free interest rates	0.19% - 1.26%
Expected volatility	141.69% - 171.82%

Dividend Yield – The dividend yield is assumed to be zero as the Company has never paid dividends and has no current plans to do so.

Expected Term – The expected term represents the period that the Company's stock-based awards are expected to be outstanding. The Company determines the expected term using the simplified method as the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.

Expected Volatility – Since the Company does not have a sufficient trading history of its common stock, the expected volatility is derived from the average historical stock volatilities of several unrelated public companies within the Company's industry that the Company considers to be comparable to its business over a period equivalent to the expected term of the stock option grants.

The following table summarizes activity under the Company's stock option plans:

	Number of Shares Underlying Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Years
Options Outstanding December 31, 2020	1,300,000	$ 1.00	5.46
Granted	320,000	1.05	8.75
Forfeited	(24,425)	1.00	10.00
Exercises	-	-	-
Expired	-	-	-
Options outstanding September 30, 2021	1,595,575	$ 1.04	7.97
Vested and exercisable as of September 30, 2021	382,452	1.01	5.95
Vested and expected to vest as of September 30, 2021	1,595,575	$ 1.01	7.97

The weighted-average grant date fair value of options outstanding as of September 30, 2021, was $1.21. As of September 30, 2021, total unrecognized stock-based compensation expense was $597,401 which is expected to be recognized over a straight-line basis over a weighted-average period of 9.29 years. There were 162,537 restricted stock awards (RSAs) granted during the nine months ended September 30, 2021. All RSAs are vested.

On January 15, 2018, the Company entered into a consulting and advisory agreement with Jonathan Braniff, the advisor to serve on the Advisory Committee and to advise the Company for marketing and strategy. This agreement was amended on July 26, 2018, the Company issued 100,000 restricted shares of common stock valued at $398,520, whereby the shares vest 25,000 shares on each anniversary. The balance related to these shares included in deferred compensation was $85,505 and $160,227 on September 30, 2021, and December 31, 2020, respectively.

On March 30, 2020, the company entered into a consulting agreement with Dr. Michael Zahalsky who is the chairman of the medical advisory board and is engaged to identify and recruit clinical members for specific specialties to the medical advisory board. He is also engaged to manage and carry out patient case studies in urology. The contract shall grant the Dr. Zahalsky an option to acquire 20,000 restricted shares of common stock monthly at an exercise price of $1 per share fully vested and exercisable on grant date and expiring on the fifth anniversary of the grant date assuming a certain number of patients are enrolled. As of September 30, 2021, no options have been awarded under this arrangement.

On October 23, 2018, the Company entered into a consulting agreement with an outside consultant, Advanced Alternative Consulting, Ltd., an Irish Limited Company, to provide the Company with the establishment of European site for business development, a business plan to increase the sales for the Company's products and services, a strategic plan to launch wound care products for the Veterans Administration markets. The services would be compensated with a grant of 200,000 restricted shares upon commencement of the agreement which vest ratably over a 48-month period, valued at $940,000, included in deferred compensation as of September 30, 2021, and December 31, 2020, $249,325 and $425,575 respectively, based on the most recent issuance of common shares.

In March 2018 the Company entered into two consulting and advisory agreements with Akquimed Corporation, a Florida corporation, whereby each of the advisors would be compensated with a grant of 50,000 restricted shares, each upon commencement of the agreement which began vesting upon meeting the twelve month of service and vesting over a 4-year period, valued at $191,000 and $191,075. Prior to meeting the twelve months of service, the Company terminated the agreement with consultants. The Company received the shares of common stock from these consultants on October 11, 2020, and the amortization of the deferred compensation has been stopped.

For the nine-months ended September 30, 2021, stock-based compensation totaled $764,201 and is recognized within operating expenses in the statement of operations.

Note 11 Stock Based Compensation – Non-Employees

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Subtopic 505-50 of the FASB Accounting Standards Codification ("Subtopic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If the Company is a newly formed corporation or shares of the Company are thinly traded the use of share prices established in the Company's most recent private placement memorandum, or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

Note 12 Income Taxes

The Company applies the provisions of FASB ASC Topic 740, Income Taxes. Topic 740 requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. Due to a loss from inception, the Company has no tax liability. Deferred income tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Note 13 Subsequent Events

The Company has evaluated all other transactions and events after the balance sheet date through March 31, 2022, the date on which these financials were available to be issued, and except as already included below. has determined that no additional disclosures are required.

The Company extended the term of the $500,000 promissory note (Note 6) which originally matured on February 28, 2020, several times through December 23, 2021, and on December 23, 2021, again extended the maturity date to March 31, 2022. On March 31, 2022, the Company extended the maturity date of this note to April 30, 2022.

The Company received $263,400 from the Paycheck Protection Program on April 30, 2020. Forgiveness was granted on October 25, 2021, in the amount of $193,354 in principal and $2,916 in interest. The remaining amount of $69,820 shall be repaid by April 30, 2025, at a rate per annum equal to 1.00%.

On December 23,2021, the Company elected to convert one its convertible notes into 130,440 shares of the Company's common stock.

On March 29, 2022, the company elected to convert one of its convertible notes into 141,090 shares of the Company's common stock.

On March 30, 2022, the Board of Directors appointed Dr. Kenneth Warrington to the Board of Directors as an additional independent board member. In conjunction with this appointment, Dr. Warrington received 7,462 fully vested stock options with an exercise price of $1.34

In March 2022, the Company restructured its remaining notes except for the $3,000,000 GMA loan, for the which Company remains in restructuring negotiations. The terms of the restructuring extend the maturity dates of the loans by 24 months and add certain conversion features at the noteholders' election.

On March 31, 2022, the Board of Directors approved that the Company convert unpaid, accrued salaries owed to officers and certain employees of the company into 1,687,740 shares of the Company's common stock.