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
SIC Code: 8000

Quarterly Report
For the Period Ending: March 31,2022
(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was:

11,598,707

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

9,681,232

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

9,681,232

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[1] of the company has occurred over this reporting period:

[1] "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;
(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.

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

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

NA

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

NA

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:

NA

2) Security Information

Trading symbol: BSEM

Exact title and class of securities outstanding:	Common	
CUSIP:	090684200	
Par or stated value:	$0.001	
Total shares authorized:	975,000,000	as of date: March 31, 2022
Total shares outstanding:	11,598,707	as of date: March 31, 2022
Number of shares in the Public Float[2]:	4,921,365	as of date: March 31, 2022
Total number of shareholders of record:	434	as of date: March 31,2022

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: March 31,2022
Preferred Stock Series A-1 Outstanding:	300	as of date: March 31,2022
Preferred Stock Series B-1 Authorized:	500,000	as of date: March 31,2022
Preferred Stock Series B-1 Outstanding:	0	as of date: March 31,2022

* The preferred stock is not publicly traded.

Transfer Agent

Name: V Stock 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?[3] 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.

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: ☐

[2] "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.

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/20 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.**
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 / Dan Shelly	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 / Dan Shelly	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 Lou Abrantes	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./ Dan Shelly	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
01/20/2022	New Issuance	9,615	Common	1.04	No	Matt Wurm	Services	Restricted	Rule 144

1/27/2022	New Issuance	20,000	Common	1.04	No	Wendy Weston	Services	Restricted	Rule 144
03/22/2022	New Issuance	1,689	Common	1.18	No	Jeffrey Harrison	Services	Restricted	Rule 144
03/22/2022	New Issuance	1,689	Common	1.18	No	Shaun Opie	Services	Restricted	Rule 144
03/22/2022	New Issuance	1,689	Common	1.18	No	Physiomics, Inc. / Dan Shelly	Services	Restricted	Rule 144
03/22/2022	New Issuance	4,617	Common	1.18	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
03/29/2022	New Issuance	141,090	Common	.70	Yes	Ronald Stein	Conversion	Restricted	Rule 144
3/29/2022	New Issuance	7,960	Common	1.25	Yes	Anthony L.G., PLLC / Laura Anthony, Esq.	Services	Restricted	
3/31/2022	New Issuance	550,631	Common	.70	Yes	Jason Matuszewski	Conversion	Restricted	Rule 144
3/31/2022	New Issuance	298,621	Common	.70	Yes	Henry Van Vurst	Conversion	Restricted	Rule 144
03/312022	New Issuance	339,286	Common	.70	Yes	John Radtke	Conversion	Restricted	Rule 144
3/31/2022	New Issuance	550,631	Common	.70	Yes	Andrew Van Vurst	Conversion	Restricted	Rule 144

Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 3/31/22 Common: 11,598,707 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.)**
03/31/22		$191,000	$65,453	3/31/24	Converts at $0.70 per share	Henry Van Vurst	Loan
03/31/22		$16,861	$9,902	3/31/24	Converts at $0.70 per share	Jason Matuszewski	Loan
03/31/22		$300,000	$80,427	3/31/24	Converts at $0.70 per share	Victor Matuszewski	Loan
3/31/22		$473,350	$ —	12/31/23	Converts at $0.70 per share	Jeffrey Meilander	Loan

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)[4]:

Name: **Michael A. Fortunato, CPA**
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

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

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 statements for the period ended March 31, 2022 are incorporated by reference

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 degenerative diseases. Our proprietary approach, called Local MicroEnvironment Activation, or 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. 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.

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 in this subsidiary. The Company owns 90.0% interest of the subsidiary as of March 31, 2022, and December 31, 2021.

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. and internationally. 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 is considered 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 and a 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 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 lender extended the term through May 31, 2021. On December 31, 2021, the lender extended the term through March 31, 2022. In March 2022, the Company extended the maturity date for this loan for another extension to April 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	8.53% 33.33%	
Andrew VanVurst	Officer, Director and 5% Stockholder	Fort Lauderdale, FL	1,156,617 100	Common Preferred A	11.73% 33.33%	
Henry VanVurst	Owner of more than 5%	Fort Lauderdale, FL	622,740 100	Common Preferred A	6.32% 33.33%	
GMA Bridge Holdings, LLC / Fred Schaner	Owner of more than 5%	Miami Lakes, FL	700,000	Common	7.10%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, 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);

None

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;

None

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

None

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.

None

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.

None

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: lanthony@anthonypllc.com

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: NA
Firm: _____
Nature of Services: _____
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 Quarterly Disclosure 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.

May 16, 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 Quarterly Disclosure 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.

May 16, 2022 [Date]

/s/ Jason Matuszewski [CFO's Signature]

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

BioStem Technologies, Inc. and Subsidiaries

Consolidated Financial Statements
(UNAUDITED)

Three Months Ended

March 31, 2022

BIOSTEM TECHNOLOGIRES INC.
CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

		March 31, 2022		December 31, 2021
Current Assets				
Cash	$	809,238	$	340,333
Accounts receivable, net		798,556		300,137
Inventory		589,285		324,892
Prepaid expenses and other assets		53,052		38,572
Total current assets		2,250,130		1,003,935
Property, plant & equipment, net		1,260,748		1,245,363
Right-of-use asset, net		22,187		32,868
Intangible assets, net		195,726		210,048
Goodwill		244,635		244,635
Total other assets		1,723,296		1,732,914
Total assets		3,973,426		2,736,848
Current Liabilities				
Accounts payable and accrued expenses		804,157		809,893
Salary payable		-		1,305,220
Interest payable		1,070,783		993,126
Short-term finance lease		16,349		26,878
Notes payable-current		-		-
Convertible note		981,211	$	-
Total Current Liabilities		2,872,500		3,135,117
Long Term Liabilities				
Long-term finance lease		5,323		6,543
Notes payable-long-term		3,895,630		4,489,456
Related party notes payable		-		507,861
Total long term liabilities		3,900,953		5,003,860
Total liabilities		6,773,453		8,138,976
Stockholders' deficit				
Capital Stock - Series A convertible preferred stock, $0.001 par value Authorized, 300 shares; issued and outstanding, 300 shares as of March 31, 2022 and December 31, 2021, respectively Series B convertible preferred stock, $0.001 par value Authorized, 500,000 shares; issued and outstanding 5 shares as of March 31, 2021 and December 31, 2022, respectively Common stock, $0.001 par value Authorized, 975,000,000 shares; issued and outstanding 11,598,707 shares and 9,681,232 shares as of March 31, 2022 and December 31, 2021, respectively		9,822		9,681
Common Stock to be Issued		1,739		1,192
Additional Paid-in Capital		27,250,181		23,770,153
Treasury Stock		(43,339)	$	(43,339)
Noncontrolling Interest		283,347		165,391
Accumulated Deficit		(30,301,777)		(29,305,206)
Total Stockholders' deficit		(2,800,027)		(5,402,128)
Total Liabilities & Stockholders' deficit	$	3,973,426	$	2,736,848

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIRES INC. CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three-months ended, March 31, 2022	Three-months ended, March 31, 2021
Sales	$ 2,748,622	$ 882,373
Cost of sales	403,434	279,310
Gross profit	2,345,188	603,063
Operating Expenses		
Compensation expense	2,769,186	480,234
Professional fees	105,493	97,341
Other general and administrative expenses	179,771	87,344
Depreciation expense	67,566	82,382
Total operating expenses	3,122,016	747,301
Other Operating Income		
Gain on sale of Wellness	-	1,890
Gain (loss) on sale of QPI		
Gain on sale of Equipment	(27)	-
Total other operating income	(27)	1,890
Loss from operations	776,855	142,348
Other income (expense)		
Interest income	1,375	-
Legal settlement	20,000	-
Interest expense	(124,327)	(129,651)
Gain on forgiveness of PPP loan	-	142,452
Impairment expense		
Loss on lease liability		
Non-Operating Income		
Non-Operating Expense	1,192	-
Total other income (expense)	(101,760)	12,801
Net loss from operations before income taxes	(878,615)	(129,547)
Income tax expense (benefit)	-	-
Net income / (loss)	(878,615)	(129,547)
Less: Net income / (loss) attributable to noncontrolling interest	117,956	(19,970)
Net (loss) attributable to BioStem Technologies, Inc.	$ (996,571)	$ (149,517)
Income / (loss) per share before noncontrolling interest	$ (0.09)	$ (0.01)
Income (loss) per share attributable to noncontrolling interest	$ 0.01	$ (0.00)
Basic and diluted net loss per share attributable to common stockholders of BioStem Technologies, Inc.	$ (0.11)	$ (0.02)
Basic and diluted weighted average common shares outstanding	9,317,767	9,190,770

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC. CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

Three Months Ending March 31, 2022

(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' Equity
Balance at December 31, 2021	300	$ -	5	$ -	9,681,232	$ 9,681	$ 23,770,252	$ 1,192	$ (43,339)	$ (100)	$ (29,305,206)	$ 165,391	$ (5,402,129)
Stock-based compensation	-	-	-				2,214,483						$ 2,214,483
Issuance of common stock	-	-	-		37,216			(1,192)					$ (1,192)
Dissolution of foreign subsidiiary										52			$ 52
Conversion of debt to common stock	-	-	-		1,880,259	141	1,265,494	1,739					$ 1,267,374
Net income	-	-	-								(996,571)	$ 117,956	$ (878,615)
Balance at March 31, 2022	300	$ -	5	$ -	11,598,707	$ 9,822	$ 27,250,229	$ 1,739	$ (43,339)	$ (48)	$ (30,301,777)	$ 283,347	$ (2,800,027)

Three Months Ending March 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' Equity
Balance at December 31, 2020	300	$ -	5	$ -	9,203,928	$ 9,204	$ 22,365,914	$ 1,192	$ (43,339)	$ (100)	$ (27,700,724)	$ 131,689	$ (5,236,164)
Stock-based compensation	-	-	-	-	-	-	63,294	-	-	-	-	-	63,294
Issuance of common stock	-	-	-	-	36,655	36	50,349	-	-	-	-	-	50,385
Net loss	-	-	-	-	-	-	-	-	-	-	(129,547)	(19,970)	(149,517)
Balance at March 31, 2021	300	$ -	5	$ -	9,240,583	$ 9,240	$ 22,479,557	$ 1,192	$ (43,339)	$ (100)	$ (27,830,271)	$ 111,719	$ (5,272,002)

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the Three Months Ended March 31,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (878,615)	$ (149,517)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense	43,088	45,154
Amortization expense	25,003	37,227
Stock-based compensation expense	2,214,483	-
Bad debt expense	135,079	-
Gain on forgiveness of PPP loan	-	(629,416)
Gain on sale of property, plant, and equipment	-	-
Change in operating assets and liabilities:		
Accounts receivable	(633,498)	(67,161)
Inventory	(263,904)	13,244
Prepaid expenses and other assets	(14,569)	1,989
Other current asset	(400)	-
Accounts payable and accrued liabilities	(72,825)	(619,243)
Accrued interest	77,657	152,569
Salaries payable	-	75,000
Other current liabilities	(76,111)	(4,640)
Net cash provided by (used in) operating activities	555,388	(1,144,794)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant & equipment	(58,421)	521,726
Net cash provided by (used in) investing activities	(58,421)	521,726
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on PPP loan	(4,670)	295,500
Borrowings on notes payable	-	478,542
Borrowing on convertible note	-	-
Repayments on notes payable	(11,643)	-
Repayments on finance leases	(11,749)	(12,807)
Issuance of common stock for cash	-	-
Net cash provided by (used in) financing activities	(28,062)	761,235
Cash, cash equivalents, and restricted cash:		
Net change during the period	468,905	138,167
Balance, beginning of period	340,333	100,199
Balance, end of period	$ 809,238	$ 238,366
Supplemental cash flow information:		
Non-cash conversion of debt to common stock	189,061	-
Non-cash conversion of unpaid officer salaries payable to common stock	3,129,312	-

See notes to unaudited consolidated financial statements

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2022, and 2021 (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 March 31, 2022, and 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 Summary of Significant Accounting Policies and Going Concern

As reflected in the accompanying consolidated financial statements, the Company had a net loss of $878,615 and $129,547 for the three months ended March 31, 2022, and 2021, respectively, and an accumulated and working capital deficit of $30,301,777 and $622,370 as of March 31, 2022, 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 (Note 5), reducing overhead expenses, and securing the necessary personal protective equipment ("PPE") for our manufacturing personnel.

The ability of the Company to continue its operations 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 interim 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 March 31, 2022, and 2021. The Company maintains its cash in bank and financial institutions that at times may exceed federally insured (FDIC) limits. As of March 31, 2022, the Company maintained one bank account which exceeded the FDIC limit by $534,734. AS of March 31, 2021, no bank accounts were in excess of FDIC limits.

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. As of March 31, 2022, and 2021, allowance for doubtful accounts was $133,337 and $0, respectively.

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:

	March 31, 2022	December 31, 2021
Raw Materials	$ 292,354	$ 28,087
Work-in-Process	145,208	98,937
Finish Goods	152,259	197,867
Total	$ 589,821	$ 324,892

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 three months ended March 31, 2022, and for the year ended December 31, 2021.

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 three months ended March 31, 2022, and 2021.

Advertising Expenses

The Company expenses advertising costs as incurred. The Company incurred $53,073 and $15,458, in advertising expenses during the three months ended March 31, 2022, and 2021, respectively.

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.

Right-of Use Assets and Liabilities

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 requires 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 8, *Finance Leases and Related Obligations.*

Stock Based Compensation – Employees and Non-Employees

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.

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. Products sold are 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 as of March 31, 2022, and December 31, 2021, because their impact was antidilutive:

	March 31,2022	December 31, 2021
Stock Warrants	125,000	508,456
Convertible Debt	1,624,277	112,500
Preferred Stock	300	300
Total	1,749,577	621,256

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 several 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— 3 Property, Plant & Equipment

Property, plant and equipment consisted of the following:

	March 31, 2022	December 31, 2021
Building	$ 433,448	$ 433,448
Building Improvements	688,394	676,239
Land	75,000	75,000
Machinery and Equipment	723,365	684,058
Computer and Office Expenses	64,702	57,692
Furniture and Fixtures	68,065	68,065
HVAC	124,974	124,974
Total	2,177,948	2,119,477
Less: Accumulated Depreciation	$ (917,201)	(874,114)
Property, Plant and Equipment - Net	$ 1,260,747	$ 1,245,363

Depreciation expense was to $43,088 and $45,154 for the three months ended March 31, 2022, and 2021, respectively.

Note— 4 Intangible Assets (Other Than Goodwill)

The following is a summary of activity related to intangible assets as of March 31, 2022, and December 31, 2021:

	March 31, 2022		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Carrying Amount**
Trademark	$ 20,300	$ 20,300	$ —
IP	47,000	24,060	22,940
Customer Base	354,000	181,214	172,786
Total	$ 421,300	$ 225,574	$ 195,726

	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

Future expected amortization of intangible assets is as follows:

Year Ending December 31,		
2022	$	42,965
2023		57,286
2024		57,286
2025		38,190
2026		—
Thereafter		—
	$	**195,727**

Note— 5 Notes Payable

The notes payable as of March 31, 2022, and December 31, 2021, are as follows:

		March 31, 2022		December 31, 2021
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 refinanced this note on April 29, 2022. See subsequent events note.		500,000		500,000
On December 5, 2018, the Company entered 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
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.		59,150		63,820
On May 18, 2020, the Company entered a $159,900 Economic Injury Disaster Loan. Installment payments, including principal 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%.		169,950		168,544
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.		59,239		65,982
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.		18,491		20,825
On July 15, 2021 the Company entered into a $105,000 settlement agreement with U.S. Bank National Association d/b/a U.S. Bank Equipment Finance. The settlement amount shall be repaid in 48 months.		83,400		83,400
Total Notes Payable	**$**	**3,890,230**		**4,005,306**

(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 $0.915 million and is in discussion with the lender to renegotiate the terms of these notes.

The interest expense related to the notes payable for the Three Months ended March 31, 2022, and 2021 was $112,411 and $118,856, respectively. Amortized loan fees were $5,734 and $0 for the Three Months ended March 31, 2022, and 2021, respectively.

Note— 6 Related Party Convertible Notes

Related party convertible notes are as follows:

		March 31, 2022		December 31, 2021
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.On March 31, 2022, the note maturity date was extended to December 31, 2023. In addition to the extension of the maturity date, the noteholder was provider and option to convert the note and accrued interest into shares of the Company's common stock at $0.70 per share.		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. On March 31, 2022, the note maturity date was extended to December 31, 2023. In addition to the extension of the maturity date, the noteholder was provider and option to convert the note and accrued interest into shares of the Company's common stock at $0.70 per share		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, 202.1 On March 31, 2022, this note was modified to 1) extend the maturity date to December 31, 2023, 2) increase the interest rate to 10% per annum and 3), require monthly payments against back interest.		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. On March 31, 2022, the note maturity date was extended to December 31, 2023. In addition to the extension of the maturity date, the noteholder was provider and option to convert the note and accrued interest into shares of the Company's common stock at $0.70 per share		16,861		16,861
Total Related Party Convertible Notes	$	507,861	$	507,861

Note— 7 Other Convertible Notes

Other convertible notes are as follows:

	As of March 31, 2022	As of December 31, 2021
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. On March 31, 2022, the maturity date of the note was extended to December 31, 2022. In addition, the note was amended to provide for conversion to equity at $0.70 per share.	473,350	473,350
Total Other Convertible Notes	$ **473,350**	$ **473,350**

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 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 March 31, 2022.

The following table summarizes the Company's finance lease assets and lease liabilities as of March 31, 2022, and December 31, 2021:

Balance Sheet Classification		**March 31, 2022**	**December 31, 2021**
Assets			
Finance–noncurrent	ROU asset, net	$ 22,187	$ 32,868
Liabilities			
Finance–current	Other current liabilities	16,348	26,877
Finance–noncurrent	Other long-term liabilities	5,322	6,543
Total lease liabilities		**$ 21,670**	**$ 33,420**

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

Years Ended December 31,	**Finance Lease Payments**
2022	$ 21,024
2023	1,250
2024	–
2025	–
2026	–
Total lease payments	22,274
Adjustment for discount to present value	(604)
Total	**$ 21,670**

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. On March 2, 2022, the Board of Directors authorized the conversion of all outstanding salaries payable to common stock at a $0.70 conversion price resulting in 1,739,169 shares being issued. In addition, because the shares were issued at a discount to the market price on the date of conversion, the Company recorded additional share-based compensation in the amount of $1,913,085 for the three months ended March 31, 2022.

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, 2021	1,595,575	$ 1.02	6.17
Granted	125,000	1.09	10.00
Forfeited	—	—	—
Exercises	—	—	—
Expired	—	—	—
Options outstanding March 31, 2022	1,720,575	$ 1.02	6.45
Vested and exercisable as of March 31, 2022	412,630	1.02	6.85
Vested and expected to vest as of March 31, 2022	1,720,575	$ 1.02	6.45

The weighted-average grant date fair value of options outstanding as of March 31, 2022, was $0.49. As of March 31, 2022, total unrecognized stock-based compensation expense was $504,164 which is expected to be recognized over a straight-line basis over a weighted-average period of 9.29 years.

For the three-months ended March 31, 2022, stock-based compensation totaled $2,139,823 and is recognized within operating expenses in the statement of operations.

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 May 16, 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.

On April 29, 2022, the Company refinanced it's $500,000 promissory note on its facilities. The company entered an $850,000 note at 8.25% *per annum* under the new borrowing which in due to be repaid on May 1, 2024. Between June 1, 2022, and the Maturity Date, the Company is required is required to make interest only payments of $6,020.84.