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: 2836

Quarterly Report
For the Period Ending: June 30, 2022
(the "Reporting Period")

As of June 30, 2022, the number of shares outstanding of our Common Stock was:

11,697,509

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

11,598,707

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: June 30, 2022
Total shares outstanding:	11,697,509	as of date: June 30, 2022
Number of shares in the Public Float[2]:	3,592,679	as of date: June 30, 2022
Total number of shareholders of record:	436	as of date: June 30, 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: June 30,2022
Preferred Stock Series A-1 Outstanding:	300	as of date: June 30,2022
Preferred Stock Series B-1 Authorized:	500,000	as of date: June 30,2022
Preferred Stock Series B-1 Outstanding:	5	as of date: June 30,2022

* 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 9,073,885
Preferred A-1: 300
Preferred B-1: 5

*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	Common	1.31	No	Finance and Strategic Consultants / Susan Weisman	Services Valued at $1,049	Restricted	
5/25/2021	New Issuance	50,000	Common	1.00	No	Otakima, LLC / Joseph Lombas	Stock Purchase 01	Restricted	506B
6/1/2021	New Issuance	50,000	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
09/01/2021	New Issuance	8,333	Common	1.14	No	Howard Gostfrand	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	8,333	Common	1.33	No	Howard Gostfrand	Compensation	Restricted	Rule 144
10/1/2021	New Issuance	5,000	Common	1.00	No	Wendy Weston	Compensation	Restricted	Rule 144
11/1/2021	New Issuance	8,333	Common	1.44	No	Howard Gostfrand	Compensation	Restricted	Rule 144
11/9/2021	New Issuance	24,324	Common	1.15	No	Alexander A. Ruggieri	Compensation	Restricted	Rule 144
12/1/2021	New Issuance	8,333	Common	1.06	No	Howard Gostfrand	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
01/01/2022	New Issuance	8,333	Common	1.04	No	Howard Gostfrand	Compensation	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
2/1/2022	New Issuance	8,333	Common	1.10	No	Howard Gostfrand	Compensation	Restricted	Rule 144
3/1/2022	New Issuance	8,333	Common	1.20	No	Howard Gostfrand	Compensation	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	Rule 144
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
4/1/2022	New Issuance	8,333	Common	1.70	No	Howard Gostfrand	Compensation	Restricted	Rule 144
4/4/2022	New Issuance	740	Common	1.35	No	Shaun Opie	Services	Restricted	Rule 144
4/4/2022	New Issuance	740	Common	1.35	No	Jeffrey K. Harrison	Services	Restricted	Rule 144

4/4/2022	New Issuance	740	Common	1.35	No	Physiomics, Inc. / Dan Shelly	Services	Restricted	Rule 144
4/4/2022	New Issuance	740	Common	1.35	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
4/6/2022	New Issuance	7,960	Common	1.25	No	ANTHONY L.G., PLLC (Laura Anthony, Esq,)	Services	Restricted	Rule 144
5/1/2022	New Issuance	8,333	Common	1.68	No	Howard Gostfrand	Compensation	Restricted	Rule 144
5/16/2022	New Issuance	633	Common	1.58	No	Shaun Opie	Services	Restricted	Rule 144
5/16/2022	New Issuance	633	Common	1.58	No	Physiomics, Inc. / Dan Shelly	Services	Restricted	Rule 144
5/16/2022	New Issuance	633	Common	1.58	No	Jeffrey Harrison	Services	Restricted	Rule 144
5/16/2022	New Issuance	633	Common	1.58	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
6/1/2022	New Issuance	8,333	Common	2.00	No	Howard Gostfrand	Compensation	Restricted	Rule 144
6/13/2022	New Issuance	505	Common	1.98	No	Jeffrey Harrison	Services	Restricted	Rule 144
6/13/2022	New Issuance	505	Common	1.98	No	Shaun Opie	Services	Restricted	Rule 144
6/13/2022	New Issuance	505	Common	1.98	No	Physiomics, Inc. / Dan Shelly	Services	Restricted	Rule 144
6/13/2022	New Issuance	505	Common	1.98	No	Brant D. Watson Revocable Living Trust	Services	Restricted	Rule 144
Shares Outstanding on Date of This Report: Ending Balance: Date 6/30/22 Common: 11,697,509 Preferred A-1: 300 Preferred B-1: 5									

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:

NONE

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.)
06/30/22		$178,726	$65,453	3/31/24	Converts at $0.70 per share	Henry Van Vurst	Loan
06/30/22		$300,000	$36,427	3/31/24	Converts at $0.70 per share	Victor Matuszewski	Loan
06/30/22		$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;

[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.

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 statements for the period ended June 30, 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 is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies. The Company is focused on manufacturing products that change lives, leveraging its proprietary BioRetain® processing method. BioRetain® has been developed by applying the latest research in regenerative medicine, focused on maintaining growth factors and preserving tissue structure. BioStem Technologies' quality management system and standard operating procedures have been reviewed and accredited by the American Association of Tissue Banks ("AATB"). These systems and procedures are established per current Good Tissue Practices ("cGTP") and current Good Manufacturing Processes ("cGMP"). Our portfolio of quality brands includes VENDAJE®, VENDAJE AC, and VENDAJE OPTIC. Each BioStem Technologies placental allograft is processed at the Company's FDA registered and AATB accredited site in Pompano Beach, Florida.

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. The Company owns 90.0% interest of the subsidiary as of June 30, 2022, and December 31, 2021.

BioStem Wellness, Inc., a Florida corporation ("Wellness"). Wellness was owned 100% by the Company. Wellness was sold in the first quarter of 2021.

Nesvik Pharmaceuticals, Inc., a Delaware corporation ("Nesvik"), Nesvik is 100% owned by the Company. This subsidiary is inactive.

C. Describe the issuers' principal products or services.

The Company offers a comprehensive portfolio of high-quality brands that are trademarked and include, VENDAJE™, VENDAJE™ AC and VENDAJE™ OPTIC.

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 owns its manufacturing and development Lab ("HQ") at 2836 Center Port Circle, Pompano Beach, FL 33064. On April 28, 2022, the Company refinanced the loan on HQ with an 8.5% *per annum* interest only note with a maturity date of May 1, 2024. Interest payments on the note are $6,020.84 monthly which commenced June 1, 2022. Principal of $850,000 is due on May 1, 2024.

The Company also leases various lab and office equipment with termination dates ranging from December 2022 through July 2025. Monthly payments on lab and office equipment range from $250 to $9,000

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	Boca Raton, FL	1,395,092 100	Common Preferred A-1	11.93% 33.33%	

Andrew VanVurst	Officer, Director and 5% Stockholder	Lighthouse Point, FL	1,707,248 100	Common Preferred A-1	14.59% 33.33%	
Henry VanVurst	Owner of more than 5%	Fort Lauderdale, FL	920,108 100	Common Preferred A-1	7.87% 33.33%	
GMA Bridge Holdings, LLC / Fred Schaner	Owner of more than 5%	Miami Lakes, FL	700,000	Common	5.98%	

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: Maxim Jacobs
Firm: Russo Partners, LLC
Address 1: 12 West 27th Street
Address 2: NY, NY 10001
Phone: (212) 845-4200
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.

August 22, 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.

August 22, 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)

Six Months Ended

June 30, 2022

BIOSTEM TECHNOLOGIRES INC.
CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

		June 30, 2022		December 31, 2021
Current Assets				
Cash	$	1,372,161	$	340,333
Accounts receivable, net		489,150		300,137
Inventory		687,500		325,381
Prepaid expenses and other assets		138,127		38,083
Total current assets		2,686,938		1,003,934
Property, plant & equipment, net (Note 3)		1,392,022		1,245,363
Right-of-use asset, net (Note 8)		32,941		32,868
Intangible assets, net (Note 4)		181,405		210,048
Goodwill		244,635		244,635
Total other assets		1,851,003		1,732,914
Total assets		4,537,941		2,736,848
Current Liabilities				
Accounts payable and accrued expenses	$	643,003	$	1,047,803
Salary payable		-		1,167,418
Interest payable		1,392,925		1,301,670
Short-term finance lease (Note 8)		15,444		26,878
Notes payable-current (Note 5)		3,152,813		3,252,735
Related party convertible notes payable (Note 6)		475,260		507,861
Other convertible notes payable (Note 7)		473,350		473,350
Total current liabilities		6,152,795		7,777,715
Long Term Liabilities				
Long-term finance lease (Note 8)		15,904		6,543
Notes payable-long-term (Note 5)		904,480		563,820
Other Long-Term Liabilities		151,777		170,207
Total long term liabilities		1,072,161		740,570
Total liabilities		7,224,956		8,518,285
Stockholders' deficit				
Capital Stock - Series A-1 convertible preferred stock, $0.001 par value authorized, 300 shares; issued and outstanding, 300 shares as of June 30, 2022 and December 31, 2021, respectively; Series B-1 convertible preferred stock, $0.001 par value Authorized, 500,000 shares; issued and outstanding 5 shares as of June 30, 2022 and December 31, 2021, respectively; Common stock, $0.001 par value Authorized, 975,000,000 shares; issued and outstanding 11,697,509 shares and 9,681,232 shares as of June 30, 2022 and December 31, 2021, respectively		11,569		9,681
Common stock to be issued		-		1,192
Additional paid-in capital		28,197,564		24,449,626
Treasury stock		(43,339)		(43,339)
Noncontrolling Interest		265,706		165,391
Accumulated deficit		(31,118,517)		(30,363,986)
Total Stockholders' deficit		(2,687,017)		(5,781,435)
Total liabilities & stockholders' deficit	$	4,537,941	$	2,736,848

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIRES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three-months ended, June 30, 2022	Three-months ended, June 30, 2021	Six-months ended, June 30, 2022	Six-months ended, June 30, 2021
Net revenue	$ 2,157,823	$ 926,311	$ 4,936,361	$ 1,808,684
Cost of goods sold	384,970	442,181	745,537	721,491
Gross profit	1,772,853	484,130	4,190,824	1,087,193
Operating Expenses				
Compensation expense	876,728	463,510	3,697,707	873,561
Professional fees	245,779	120,634	351,272	217,975
Other general and administrative expenses	259,341	68,269	439,112	155,613
Depreciation and amortization expense	56,051	69,122	123,617	151,504
Total operating expenses	1,437,899	721,535	4,611,708	1,398,653
Income / (loss) from operations	334,954	(237,405)	(420,884)	(311,460)
Other income (expense)				
Interest income	1	-	1,376	-
Gain on sale of subsidiary		1,890		1,890
Gain on sale of Equipment	407		380	
Legal settlement	-	-	20,000	-
Interest expense	(123,307)	(136,219)	(247,634)	(265,870)
Gain on forgiveness of PPP loan	-	-	-	142,452
Non-Operating expense	(8,644)		(7,452)	-
Total other income (expense)	(131,543)	(134,329)	(233,330)	(121,528)
Net income / (loss) from operations before income taxes	203,411	(371,734)	(654,214)	(432,988)
Income tax expense (benefit)	-	-	-	-
Net income / (loss)	203,411	(371,734)	(654,214)	(432,988)
Less: Net income / (loss) attributable to noncontrolling interest	(17,641)	(12,638)	100,315	(16,357)
Net (loss) attributable to BioStem Technologies, Inc.	$ 185,770	$ (384,372)	$ (553,899)	$ (449,345)
Income / (loss) per share before noncontrolling interest	$ 0.02	$ (0.04)	$ (0.06)	$ (0.05)
Income (loss) per share attributable to noncontrolling interest	$ (0.00)	$ (0.00)	$ 0.01	$ (0.00)
Basic and diluted net loss per share attributable to common stockholders of BioStem Technologies, Inc.	$ 0.02	$ (0.04)	$ (0.05)	$ (0.05)
Basic and diluted weighted average common shares outstanding	11,685,291	9,261,367	10,731,773	9,254,536

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC. CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

Six Months Ending June 30, 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	$ -	9,680,928	$ 9,681	$ 24,449,726	$ 1,192	$ (43,339)	$ (100)	$ (30,363,988)	$ 165,391	$ (5,781,436)
Stock-based compensation	-	-	-		128,362		1,635,891						$ 1,635,891
Issuance of common stock for services	-	-	-		7,960	8	9,942	(1,192)					$ 8,758
Dissolution of foreign subsidiiary										100			$ 100
Conversion of debt and accrued salaries to common stock	-	-	-		1,880,259	1,880	2,102,005	-					$ 2,103,885
Net income	-	-	-								(754,530)	$ 100,316	$ (654,214)
Balance at June 30, 2022	300	$ -	5	$ -	11,697,509	$ 11,569	$ 28,197,564	$ -	$ (43,339)	$ -	$ (31,118,517)	$ 265,707	$ (2,687,016)

See notes to unaudited consolidated financial statements

BIOSTEM TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the Six Months Ended June 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (654,214)	$ (449,345)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense	(218,548)	86,387
Amortization expense	28,570	65,137
Stock-based compensation expense	2,472,403	-
Bad debt expense	135,079	-
Change in operating assets and liabilities:		
Accounts receivable	(324,092)	(74,550)
Inventory	(362,071)	151,230
Prepaid expenses and other assets	(99,644)	(20,931)
Other current asset	(400)	-
Accounts payable and accrued liabilities	(220,096)	(90,841)
Accrued interest	91,255	234,430
Salaries payable	-	150,000
Other current liabilities	(184,704)	(59,683)
Changes in longterm liabilities	-	125,998
Net cash provided by (used in) operating activities	663,538	117,832
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dissolution of foreign subsidiary	52	(21,856)
Purchases of property, plant & equipment	71,889	(5,519)
Net cash provided by (used in) investing activities	71,941	(27,375)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on PPP loan	(4,670)	-
Borrowings on notes payable	850,000	5,377
Repayments on notes payable	(556,860)	-
Repayments on finance leases	(2,073)	(25,842)
Issuance of common stock for cash	-	100,000
Issuance of common stock for services	9,950	-
Net cash provided by financing activities	296,347	79,535
Cash, cash equivalents, and restricted cash:		
Net change during the period	1,031,826	169,992
Balance, beginning of period	340,333	100,199
Balance, end of period	$ 1,372,161	$ 270,190
Supplemental cash flow information:		
Non-cash conversion of debt to common stock	$ 190,800	-
Non-cash conversion of unpaid officer salaries payable to common stock	$ 3,129,311	-

See notes to unaudited consolidated financial statements

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2022, and 2021 (Unaudited)

Note—1 Organization and Description of Business

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 is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies. The Company is focused on manufacturing products that change lives, leveraging its proprietary BioRetain processing method. BioRetain has been developed by applying the latest research in regenerative medicine, focused on maintaining growth factors and preserving tissue structure. BioStem Technologies' quality management system and standard operating procedures have been reviewed and accredited by the American Association of Tissue Banks ("AATB"). These systems and procedures are established per current Good Tissue Practices ("cGTP") and current Good Manufacturing Processes ("cGMP"). Our portfolio of quality brands includes VENDAJE, VENDAJE AC, and VENDAJE OPTIC. Each BioStem Technologies placental allograft is processed at the Company's FDA registered and AATB accredited site in Pompano Beach, Florida.

The Company has two wholly owned, non-operating subsidiaries, Nesvik Pharmaceuticals, Inc., and Biostem Wellness Inc. The Company also owns 90% of BioStem Life Sciences, Inc. 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.

COVID-19 pandemic

The coronavirus (COVID-19) pandemic around the world, and particularly in the United States, continues to present risks to the Company. While the COVID-19 pandemic has not materially adversely affected the Company's financial results and business operations through June 30, 2022, the Company is unable to predict the impact that COVID-19 will have on its financial position and operating results because of the numerous uncertainties created by the unprecedented nature of the pandemic.

The Company is closely monitoring the evolving impact of the pandemic on all aspects of its business. The Company has implemented several measures designed to protect the health and safety of its employees, support its customers and promote business continuity.

Note—2 Basis of Presentation, Summary of Significant Accounting Policies and Going Concern

Going Concern

As reflected in the accompanying consolidated financial statements, the Company had a net loss of $654,214 and $432,988 for the six months ended June 30, 2022, and 2021, respectively, and an accumulated and working capital deficit of $31,118,517 and $3,465,857 as of June 30, 2022, respectively. These factors raise substantial doubt about the Company's ability to continue as a going concern.

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, unaudited 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 net revenue 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 goods sold.

Cash and Cash Equivalents

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 June 30, 2022, and December 31, 2021.

The Company maintains its cash in bank and financial institutions that at times may exceed federally insured (FDIC) limits. As of June 30, 2022, and December 31, 2021, the Company maintained one bank account which exceeded the FDIC limit by $1,122,161 and $90,333, respectively.

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 June 30, 2022, and 2021, allowance for doubtful accounts was $133,337 and $0, respectively.

Inventory

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, basis. The Company performs an assessment of the recoverability of 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 goods sold.

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 charged to cost of goods sold. There is no inventory valuation allowance for any period presented.

Inventory consisted of the following:

	June 30, 2022	December 31, 2021
Raw Materials	$ 142,512	$ 28,576
Work-in-Process	21,900	98,937
Finish Goods	523,088	197,867
Total	$ 687,500	$ 325,381

Property, Plant and Equipment

Property, Plant and Equipment consists of land, building and building improvement costs, machinery and equipment costs, computer equipment costs and furniture and fixtures. Property, plant, and equipment is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. Property, plant and equipment estimated useful lives are as follows:

Category	Estimated Useful Life
Land	Infinite (not depreciated)
Building and Building Improvements	3–39 years
Machinery and Equipment	3-7 years
Computer Equipment	3 years
Furniture and Fixtures	5-7 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

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is not amortized but is tested for impairment at least annually (as of December 31), or more frequently if events or circumstances indicate the carrying value may no longer be recoverable and that an impairment loss may have occurred. Circumstances that could trigger an impairment test include, but are not limited to, a significant adverse change in the business climate or legal factors, an adverse action or assessment by a regulator, or unanticipated competition. The Company operates as one segment, which is the sole reporting unit, and therefore goodwill is tested for impairment at the consolidated level.

In accordance with ASC Topic 350, *Intangibles—Goodwill and Other,* the Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If after assessing the totality of events or circumstances, the Company determines that it is more likely than not (i.e. greater than 50% likelihood) that the fair value of the reporting unit is less than its carrying amount, then the quantitative test is required. Otherwise, no further testing is needed. Alternatively, the Company can bypass the qualitative test and proceed directly to the quantitative test. The quantitative goodwill impairment test requires the Company to estimate and compare the fair value of the reporting unit with its carrying value. If the fair value of the reporting unit exceeds the carrying value, goodwill is not impaired. If the fair value of the reporting unit is less than the carrying value, the difference is recorded as an impairment loss up to the amount of goodwill.

No impairment losses were recognized by the Company for the six months ended June 30, 2022, and 2021., respectively.

Acquired Intangible Assets

The Company's intangible assets were acquired in a business combination and were recognized at fair value using generally accepted valuation methods deemed appropriate for the type of intangible asset acquired and reported net of accumulated amortization, separately from goodwill.

Intangible assets with finite lives are amortized over their estimated useful lives. Intangible assets include developed technology and customer relationships.

Amortization of intangible assets with finite lives is calculated on the straight-line or accelerated method based on the following estimated useful lives:

Trade names and trademarks	15 years
Intellectual property	7 years
Customer relationships	7 years

Acquired 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. No impairment losses were recognized by the Company for the six-months ended June 30, 2022, and 2021, respectively.

Other Long-Lived Assets

Other long-lived assets consist primarily of property and equipment. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Factors that the Company considers in deciding when to perform an impairment review include, but not limited to, significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. When such an event occurs, the Company determines whether there has been impairment by comparing the anticipated undiscounted future net cash flows to the related asset group's carrying value. If an asset is determined to be impaired, the asset is written down to fair value, which is determined based either on discounted cash flows or appraised value, depending on the nature of the asset. The Company did not record any impairment of other long-lived assets during the six-months ended June 30, 2022, or 2021, respectively.

Advertising Expenses

The Company expenses advertising costs as incurred. The Company incurred $126,869 and $24,680, in advertising expenses during the six months ended June 30, 2022, and 2021, respectively.

Research and Development Costs

Research and development expenses include personnel costs for the Company's research and development personnel, expenses related to improvements to manufacturing processes, enhancements to the Company's currently available products, and additional investments in the product and platform development pipeline. Research and development expenses also include expenses for clinical trials. The Company expenses research and development costs as incurred.

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

The Company measures stock-based awards granted based on the fair value of the awards on the date of grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. Forfeitures are recorded as incurred. Generally, the Company issues stock-based awards with only service-based vesting conditions and records the expense for these awards using the straight-line method.

The Company recognizes stock-based compensation expense within compensation expenses in the consolidated statement of operations for all share-based payments based upon the estimated grant-date fair value for the awards. The fair value of each restricted stock unit grant is based on the fair market value of the Company's stock on the date of grant. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The Company has limited public float and lacks company-specific historical and implied volatility information for its stock. Therefore, the Company estimates its expected stock price volatility based on the historical volatility of publicly traded peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero since the Company has never paid cash dividends on its common stock and does not expect to pay any cash dividends in the foreseeable future.

Revenue Recognition

Adoption of ASC Topic 606, Revenue from Contracts with Customers ("ASC 606")

On January 1, 2019, the Company adopted ASC 606, Revenue from Contracts with Customers ("ASC 606"), using the modified retrospective method with respect to all non-completed contracts. ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes nearly all existing revenue recognition guidance, including industry-specific guidance.

The new guidance is based on the principle that an entity should recognize revenue to depict the transfer of products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those products or services. The adoption of ASC 606 did not have a material effect on the Company's financial position, results of operations, or internal controls over financial reporting.

We determine revenue recognition by applying the following steps prescribed under ASC 606:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;

- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

The Company recognizes product revenue when the Company's performance obligations when control of the Company's product has transferred to the customer, which occurs upon shipment. Revenue is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for the product, which is net of estimates of variable consideration. Based on prior experience and the nature of the product, variable consideration resulting from product returns is not material.

Returns from customers are not accepted. Accordingly, there is no provision for sales returns recorded for any period presented.

Disaggregation of Revenue

The following table provides information about revenue disaggregated by major product categories:

	For the Six-Months ended June 30, 2022	2021
Pain Management	$ 1,445,411	$ 1,122,685
Advanced Wound Care	3,490,950	685,999
Total revenue	$ 4,936,361	$ 1,808,684

Contract Balances

The following table provides information about receivables, assets, and liabilities from contracts with customers:

	June 30, 2022	December 31, 2021
Liabilities		
Customer deposits and deferred revenue	$ 82,427	$ 82,427

Contract liabilities represent amounts collected from customers upfront upon placement of an order for product. Accounts receivable represent the Company's unconditional rights to consideration for product shipped. Contract assets were zero as of June 30, 2022, and December 31, 2021, respectively.

Contract Costs

The Company incurs incremental costs to obtain contracts with its customers. These costs consist primarily of sales commissions paid to our sales force. As the expected period of amortization is not expected to exceed one year, the Company has elected to expense such costs as incurred.

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. Costs associated with any inventory write-downs resulting from quarterly physical inventory counts are also included within cost of goods sold.

Net Loss Per Share

The Company determines net loss per share in accordance with the authoritative guidance in ASC Topic 260, *Earnings Per Share.* The Company has one class of common stock for purposes of the net loss per share calculation and therefore computes basic net loss per share by dividing net loss by the weighted average number of common shares outstanding for the applicable period.

Diluted net income (loss) per share is computed in the same manner as basic net loss per share, except that the number of shares is computed by giving effect to all potential dilutive common shares. For purpose of this calculation, outstanding stock options, warrants to purchase shares of common stock, debt convertible into common stock and unvested restricted stock are considered potential dilutive common shares.

The following common stock equivalents have been excluded from the computation of diluted loss per share for the six months ended as of June 30, 2022, and 2021, because their impact was antidilutive:

	June 30, 2022	June 30, 2021
Stock Warrants	125,000	383,456
Convertible Debt	1,624,277	112,500
Preferred Stock	300	300
Total	1,749,577	496,256

Recently Issued Accounting Pronouncements Adopted

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. The Company adopted ASU 2018-13 effective January 1, 2021. Adoption of ASU 2018-13 did not have a material impact on our consolidated Financial Statements.

In December 2019, the FASB issued ASU No. 2019—12 (Topic 740), *Simplifying the Accounting for Income Taxes*. This guidance simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. The Company adopted this guidance in the year ended December 31, 2021. The Company concluded that there was not a material impact to its consolidated financial statements as a result of the adoption.

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)* (ASU 2021-04). ASU 2021-04 updates current accounting guidance for modifications or exchanges of freestanding equity-classified written call options that remain equity-classified after modification or exchange as an exchange of the original instrument for a new instrument. The ASU specifies that the effects of modifications or exchanges of freestanding equity-classified written call options that remain equity after modification or exchange should be recognized depending on the substance of the transaction, whether it be a financing transaction to raise equity (topic 340), to raise or modify debt (topic 470 and 835), or other modifications or exchanges. If the modification or exchange does not fall under topics 340, 470, or 835, an entity may be required to account for the effects of such modifications or exchanges as dividends which should adjust net income (or loss) in the basic EPS calculation. The Company is required to apply the amendments within this ASU prospectively to modifications or exchanges occurring on or after the effective date of the amendment. The Company adopted this ASU on January 1, 2022. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements and related disclosures.

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.

Recently Issued Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326)*, which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. This standard was effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years with early adoption permitted. In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates*, which defers the effective date of Topic 326. As a smaller reporting company, Topic 326 will now be effective for the Company beginning January 1, 2023. As such, the Company plans to adopt this ASU beginning January 1, 2023. The Company is currently evaluating the impact that the standard will have on its consolidated financial statements and related disclosures.

In August 2020, the FASB issued ASU 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* (ASU 2020-06). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Those instruments that do not have a separately recognized embedded conversion feature will no longer recognize a debt issuance discount related to such a conversion feature and would recognize less interest expense on a periodic basis. It also removes from ASC 815-40-25-10 certain conditions for equity classification and amends certain guidance in ASC Topic 260 on the computation of EPS for convertible instruments and contracts in an entity's own equity. An entity can use either a full or modified retrospective approach to adopt the ASU's guidance. As a smaller reporting company, the Company is required to adopt this ASU for the fiscal year beginning January 1, 2024, with early adoption permitted for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company is currently assessing the impact and timing of adoption of this ASU.

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2022, and 2021 (Continued)

Note— 3 Property, Plant & Equipment

Property, plant, and equipment consisted of the following:

`	June 30, 2022	December 31, 2021
Building	$ 433,448	$ 433,448
Building Improvements	688,394	676,239
Land	75,000	75,000
Machinery and Equipment	954,440	809,032
Computer and Office Equipment	120,884	57,692
Furniture and Fixtures	68,065	68,065
Total	2,340,231	2,119,477
Less: Accumulated Depreciation	(948,209)	(874,114)
Property, Plant and Equipment - Net	$ 1,392,022	$ 1,245,363

Depreciation expense was to $123,617 and $151,504 for the six months ended June 30, 2022, and 2021, respectively.

Note— 4 Intangible Assets (Other Than Goodwill)

The following is a summary of activity related to intangible assets as of June 30, 2022, and December 31, 2021:

	June 30, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademark	$ 20,300	$ 20,300	$ —
Intellectual Property	47,000	25,738	21,262
Customer Base	354,000	193,857	160,143
Totals	$ 421,300	$ 239,895	$ 181,405

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

Future expected amortization of intangible assets is as follows:

Year Ending December 31,		
2022	$	28,643
2023		57,286
2024		57,286
2025		38,190
2026		—
Thereafter		—
	$	**181,405**

Note— 5 Notes Payable

The notes payable as of June 30, 2022, and December 31, 2021, are as follows:

	June 30, 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. The Company is currently in default. (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. The Company is currently in default (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 was payable monthly, interest only for the term of the loan. On February 2, 2018, the Company modified this note with interest rate of 12 percent and a maturity date of February 28, 2019, which was extended indefinitely. On December 31, 2021, the lender extended the term through March 31, 2022. Note was refinanced on April 28, 2022, see next line.	—	500,000
On April 28, 2022, the Company refinanced the loan on its headquarters with an 8.5% per annum interest only note with a maturity date of May 1, 2024. Interest payments on the note are $6,020.84 monthly which commenced June 1, 2022. Principal of $850,000 is due on May 1, 2024.	850,000	—
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.; The note converted to shares of the Company's common stock in March of 2022.	—	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.	54,480	63,820
On May 18, 2020, the Company entered a $150,000 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%.	152,813	150,000
Total notes payable	4,057,293	3,816,554
Less: current portion of notes payable	(3,152,813)	(3,252,735)
Notes payable-long-term	$ 904,480	$ 563,820

BioStem Technologies, Inc.
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2022, and 2021 (Continued)

(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 Six Months ended June 30, 2022, and 2021 was $193,519 and $206,977, respectively. Amortized loan fees were $5,734 and $9,051 for the Six Months ended June 30, 2022, and 2021, respectively.

Note— 6 Related Party Convertible Notes Payable

Related party convertible notes payable are as follows:

	June 30, 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, 2021. 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, 3) provide an option to convert the note and accrued interest into shares of the Company's common stock at $0.70 per share, and 4), require monthly payments against back interest. See subsequent event note.	175,260	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 $0.70 per share. The note was paid in full in May 2022.	-	16,861
Total Related Party Convertible Notes Payable	**$ 475,260**	**$ 507,861**

Note— 7 Other Convertible Notes Payable

Other convertible notes payable are as follows:

	As of June 30, 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, 2023. In addition, the note was amended to provide for conversion to equity at $0.70 per share.	473,350	473,350
Total Other Convertible Notes Payable	**$ 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 June 30, 2022.

The following table summarizes the Company's finance lease assets and lease liabilities as of June 30, 2022, and December 31, 2021:

Balance Sheet Classification		**June 30, 2022**	**December 31, 2021**
Assets			
Finance–noncurrent	ROU asset, net	$ 32,941	$ 32,868
Liabilities			
Finance–current	Other current liabilities	15,444	26,877
Finance–noncurrent	Other long-term liabilities	15,904	6,543
Total lease liabilities		**$ 31,348**	**$ 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	$ 11,247
2023	10,238
2024	8,988
2025	5,243
2026	–
Total lease payments	35,716
Adjustment for discount to present value	(4,368)
Total	$ 31,348

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-1 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. 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. As of June 30, 2022, and December 31, 2021 was zero, and $1,167,418, respectively.

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	2,055,575	$ 1.04	7.11
Granted	175,000	1.29	10.00
Forfeited	—	—	—
Exercises	—	—	—
Expired	—	—	—
Options outstanding June 30, 2022	2,230,575	$ 1.04	7.17
Vested and exercisable as of June 30, 2022	523,048	1.03	7.51
Vested and expected to vest as of June 30, 2022	2,230,575	$ 1.04	7.17

The weighted-average grant date fair value of options outstanding as of June 30, 2022, was $1.05. As of June 30, 2022, total unrecognized stock-based compensation expense was $409,490 which is expected to be recognized over a straight-line basis over a weighted-average period of 9.29 years.

For the six-months ended June 30, 2022, and 2021, stock-based compensation totaled $2,423,594 and $0, respectively 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 August 15, 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 July 29, 2022, the former CEO of the Company converted his outstanding convertible note to shares of the Company's common stock at $0.70 per share.