BIOSTEM TECHNOLOGIES, INC.

A Florida Corporation

2836 Center Port Circle
Pompano Beach, Florida 33064

Telephone: (954) 380-8342
Website:
Company email: info@biostemtech.com
SIC Code: 2836

September 30, 2022, Quarterly Report

Initial Company Information and Disclosure Statement

ISSUER'S EQUITY SECURITIES

COMMON STOCK

Common Stock
$.001 Par Value Per Share
975,000,000 Shares Authorized
12,124,169 Shares Issued and Outstanding as of September 30, 2022; 9,681,232 Shares Issued and Outstanding as of January 1, 2021

Series A-1 Preferred Stock
No par value; 300 Shares Authorized.
300 Shares Issued and Outstanding as of September 30, 2022, and December 31, 2021, respectively

Series B-1 Preferred Stock
No par value; 500,000 Shares Authorized.
5 Shares Issued and Outstanding as of September 30, 2022, and December 31, 2021, respectively

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[4] of the company has occurred over this reporting period:
Yes: ☐ No☒

4 "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.

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BIOSTEMSTECHNOLOGIES, INC.
A Florida Corporation

INITIAL COMPANY INFORMATION AND DISCLOSURE STATEMENT

Part A. General Company Information

Item 1—The exact name of the issuer

The name of the issuer is BioStem Technologies, Inc.

Item 2—The address and telephone number of the issuer's principal executive offices

The address of the issuer is:	**2836 Center Port Circle** **Pompano Beach, Florida 33064**
The telephone is:	**Telephone: (954) 386-8342**
The issuer's website:	**BioStem Technologies Inc. corporate website, www.biostemtech.com, contains general information about us and our products and services.**
Investor relations contact:	**Maxim Jacobs** **c/o Russo Partners, LLC** **12 West 27th Street** **New York, NY 10001** **Tel. (212) 845-4200** **maxim.jacobs@russopartnersllc.com**

The jurisdiction and date of the issuer's incorporation or organization

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

Neither we nor any of our predecessors have been in bankruptcy, receivership, or any similar proceeding.

Part B. Share Structure

Item 4—The exact title and class of securities outstanding

The Company has two classes of securities outstanding: Common Stock, and Convertible Preferred Stock with Series A-1 ("A-1") and Series B-1 ("B-1") designations (the "preferred shares"). There is currently no public market in the A-1 and B-1 shares.

The CUSIP number for the Company's common stock is 090684200. There are no CUSIP numbers for either the A-1 or B-1 preferred shares.

The trading symbol for the Company's Common Stock is BSEM. There are no trading symbols for either the A-1 or B-1 preferred shares.

Item 5—Par or stated value and description of the security

A. Par or Stated Value

The Company's common stock has a par value of $0.001 per share. The par value of the A-1 and B-1 preferred shares are $0.001 each.

B. Common and Preferred Stock

Common Stock

Each holder is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders of the Company. Holders of Common Stock are not entitled to any preemptive rights.

Preferred Stock

The Company has convertible preferred shares designated as A-1 and B-1.

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 entitle their holders to 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 not in part, into six (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 (10%) 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.

Provisions in the Issuer's charter or by-laws that would delay, defer, or prevent a change in control of the Issuer

As noted above, the holders of the A-1 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.

Article V of the Articles of Incorporation provides that the Board can adopt, repeal, rescind or amend the Bylaws without the consent of the shareholders which could delay or prevent any change in control.

Article VII of the Articles of Incorporation provides for three-year terms for directors. So, any change in control would require several directors to be added in addition to the ones in place which could cause a delay in any change in control.

Item 6—The number of shares or total amount of the securities outstanding for each class of securities authorized

The Company has authorized (i) 975,000,000 shares of Common Stock, (ii) 300 shares of Series A-1 Convertible Preferred Shares, and (iii) 500,000 shares of Series B-1 Convertible Preferred Shares.

Common Stock as of:

	September 30, 2022	December 31, 2021	December 31, 2020
(i) Number of shares authorized	975,000,000	975,000,000	975,000,000
(ii) Number of shares outstanding	12,124,169	9,744,180	9,083,929
(iii) Number of shares freely tradable (public float)	4,691,042	4,474,285	4,565,702
(iv) Total number of unaffiliated beneficial holders of freely tradable shares	1,000	[1]	[1]
(v) Total number of holders of record	435	435	435

Series A-1 Convertible Preferred Stock as of:

	September 30, 2022	December 31, 2021	December 31, 2020
(i) Number of shares authorized	300	300	300
(ii) Number of shares outstanding	300	300	300
(iii) Number of shares freely tradable (public float)	—	—	—
(iv) Total number of unaffiliated beneficial holders of freely tradable shares	—	—	—
(v) Total number of holders of record	3	3	3

Series B-1 Convertible Preferred Stock as of:

	September 30, 2022	December 31, 2021	December 31, 2020
(i) Number of shares authorized	500,000	500,000	500,000
(ii) Number of shares outstanding	5	5	5
(iii) Number of shares freely tradable (public float)	—	—	—
(iv) Total number of unaffiliated beneficial holders of freely tradable shares	—	—	—
(v) Total number of holders of record	1	1	1

[1] The Company does not have, and is unable to obtain, information related to shareholders who've transferred shares to individual brokerage accounts ("DWAC") as of both December 31, 2021, and 2020. As such, the number of shareholders is unknown.

Item 7—The Name and Address of the Transfer Agent

The name and address of the transfer agent is	**V Stock Transfer** **18 Lafayette Place** **Woodmere, NY 11598**
The telephone number is:	**(212) 828-8436**

V-Stock Transfer is registered under the Exchange Act and regulated by the U.S. Securities and Exchange Commission (the “SEC” or “Commission”).

Part C. Business Information

Item 8—The Nature of Our Business

A. Business Development

Organization and Description of the Business

BioStem Technologies, Inc. (hereinafter “the Company”), was incorporated as Aladdin & Company Trading in Utah on July 7, 2006. On March 2, 2009, Aladdin & Company Trading both changed its name to Caribbean Casino & Gaming Corporation and re-domiciled to Florida. Caribbean Casino & Gaming Corporation further changed its name to Caribbean International Holdings, Inc. on January 7, 2013. The Company then changed its name to BioStem Technologies, Inc, on August 28, 2014. The Company is active and currently in good standing with the State of Florida.

The Company has two wholly owned, non-operating subsidiaries, Nesvik Pharmaceuticals, Inc., and BioStem Wellness, Inc. (sold in 2021; see Note 14). The Company owns a controlling interest (90%) in an operating subsidiary, Bluestem Technologies, Inc. (d/b/a BioStem Life Sciences, Inc.) or “BSLS”. The remaining 10% ownership of BSLS is reported as non-controlling interest (“NCI”) within the consolidated financial statements.

The Company’s fiscal year end is December 31.

Key Business Developments

In July 2020, the Company’s facilities first became certified by the American Association of Tissue Banks® (“AATB”). The AATB® is the organization that sets standards, inspects facilities, and accredits tissue banks in North America. The AATB® trains and certifies tissue banking specialists. In crafting new federal regulations for tissue banking, the FDA has relied heavily on the expertise of the AATB®, AATB certification. This accreditation follows an intensive review and auditing process, including a thorough on-site inspection by experienced AATB® personnel, of both the facility itself, and all the associated documentation and practices. Accreditation establishes that the level of medical, technical, and administrative performance within the facility meets or exceeds the standards set by the AATB®.

In September 2020, the Company entered a partnership with Veterans Medical Distributors Inc., a Service-Disabled Veteran-Owned Small Business (SDVOSB), that it has been awarded a five-year Federal Supply Schedule (FSS) contract for its VENDAJE™ line of amnion membrane allografts, by the U.S. Department of Veterans Affairs (VA). The FSS contract encompasses all versions of BioStem's dehydrated amniotic membrane allografts. This contract provides VA clinicians, and their patients access to the regenerative wound care benefits at pre-negotiated pricing, with terms and conditions that help streamline the ordering process and reduces healthcare costs.

In September 2021, the Company successfully obtained approval from the Centers for Medicare and Medicaid (“CMS”) for a reimbursement code (“Q Code”) for its membrane allograft products. Obtaining a Q Code is significant as it allows healthcare providers obtain reimbursement from CMS for patient services utilizing our products.

B. Business of the Issuer

The Company's primary business is the manufacture and distribution of perinatal membrane allografts. The Company's primary SIC code is 2836, Biological Products (except Diagnostic Substances).

Item 9—The Nature of Products Offered

BioStem Technologies is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture and commercialization of allografts and regenerative therapies. Leveraging our proprietary BioRetain® processing method, we manufacture perinatal tissue allografts at the highest levels of quality. BioRetain has been developed by applying the latest research in regenerative medicine, focused on maintaining natural growth factors and preserving tissue structure. Our allografts are trusted by top clinicians across a range of specialties.

Item 10—The Nature and Extent of the Issuer's Facilities

The Company owns and operates a 6,100 sq. ft. manufacturing facility with multiple ISO 5 and ISO 7 suites designed for commercial production of human cell, tissues, and cellular based products ("HCT/Ps"). The Company is currently in the process of expanding its manufacturing capacity by doubling its ISO clean room space from 1,500 Ft.^{2} to 3,000 Ft.^{2}. The additional manufacturing capacity is expected to be operational by within the first half of 2023.

Part D. Management Structure and Financial Information

Item 11—Company Insiders (Officers, Directors, and Control Persons)

A) Officers and Directors

Jason Matuszewski, President and Chief Executive Officer and Chairman of the Board

Jason Matuszewski brings a wealth of experience in strategic operations planning and technical projects management from his rigorous technical background. His diverse expertise includes continuous process improvement, training and development programs, regulatory compliance and best practices implementation, and advanced problem solving. He began his career as a technical engineer working for Adecco at SC Johnson in 2009, where he developed comprehensive maintenance plans to support manufacturing processes at scale. He then transitioned to manufacturing and quality engineering for major organizations, including ATI Ladish Forging, Nemak, and HUSCO International, where he spearheaded process design and implementation, solved complex supply-chain and manufacturing problems, and improved product sourcing and purchasing. His philanthropic work with the Juvenile Diabetes Research Foundation sparked an interest in biotech, leading him to co-found BioStem Technologies in 2014. Jason holds a B.S. in Mechanical Engineering Technology and a minor in Mathematics from the Milwaukee School of Engineering, and is Six Sigma Black Belt certified. He also serves as a Processing and Distribution Council Member for the American Association of Tissue Banks (AATB), and serves as a member of the Government Affairs Committee for BioFlorida. Mr. Matuszewski is 37 years of age.

Andrew Van Vurst, Chief Operating Officer and Board Member

Andrew Van Vurst is a veteran and manufacturing operations expert with over eight years of experience working in FDA-regulated pharmaceutical and tissue processing firms. Before beginning his biopharmaceutical career, Andrew served as an aviation mechanic and flight captain in the United States Marine Corps. His military background instilled a high level of discipline, a strong commitment to compliance with industry protocol, and a paradigm for effective leadership that has served him well in subsequent roles. He co-founded BioStem Technologies in 2014 and played a pivotal role in the development of the company, working to establish revenue streams, ensure compliance with FDA and state pharmacy board guidelines, and adhere to FINRA and SEC guidelines for eventual public listing. During the early years with BioStem Technologies, he worked as Director of Operations for Nesvik Pharmaceuticals and Qualified Pharma Ingredients, where he managed research and development activities for four 505(b)(2) products and built out an API repackaging facility from the ground up until

2019. Throughout these roles, he brought several compounds from the idea phase to pre-IND submission and eventually sold the API repackaging business. Today, he continues to oversee lab production and quality assurance operations, supporting BioStem's excellence in tissue processing. Andrew studied at Florida Gulf Coast University and has completed Landmark Courses to hone advanced leadership skills. He serves as a Processing and Distribution Council Member for the American Association of Tissue Banks (AATB) and is an AATB-certified Tissue Banking Specialist. Mr. Van Vurst is 31 years of age.

Michael Fortunato, Chief Financial Officer

Michael Fortunato joined the Company in 2021 as its Controller and assumed the Chief Financial Officer role in October 2022. Michael oversees BioStem's finance function and brings over 28 years of expert level financial accounting, SEC reporting, M&A and IPO experience to BioStem. Michael spent 11 years in at "Big 4" accounting firms having served clients with the health and life sciences industries. He spent almost seven years with the SEC's Enforcement Division, San Francisco Regional Office where he monitored SEC registrant compliance with SEC rules and regulations for companies located from Northern California to Washington State. Michael also held various technical accounting and SEC reporting roles with major technology companies located within the SF Bay Area. He has participated in in six IPOs including Alibaba's $22 billion initial public offering. Michael has significant debt financing experience including a $1 billion convertible debt offering while at Yahoo!, Inc. Michael holds a B.S. in accounting from Rutgers University and holds an active CPA license in the State of Florida. Mr. Fortunato is 55 years of age.

Brandon Poe, Independent Director

Brandon Poe was appointed to the Board of Directors on September 29, 2022. Mr. Poe currently serves as Chief Financial Officer (CFO) of Jumpcode Genomics, a genomic tools company unlocking the power of next-generation sequencing using CRISPRclean technology in the fields of basic research, infectious disease, oncology, and consumer genomics. Previously, Mr. Poe held the position of CFO at Genome Medical, a genomic telehealth provider, where he led all aspects of finance. Prior to Genome Medical, Mr. Poe was Vice President of Finance at Illumina; CFO at Sotera Wireless, a medical device start-up; and Vice President of Finance at Inverness Medical Innovations, a point-of-care diagnostics company acquired by Abbott. Mr. Poe received his bachelor's degree from Bucknell University and his MBA from the University of Chicago Booth School of Business. Mr. Poe is 53 years of age.

Kenneth Warrington, PhD., Independent Director

Kenneth Warrington, Ph.D., has decades of broad expertise across the cell and gene therapy product development continuum from discovery through GMP-compliant manufacturing to support IND-enabling pre-clinical and early-stage clinical programs. He has deep knowledge in advanced therapy manufacturing, including live attenuated and virus-like particle vaccines, live challenge viruses, viral vectors, and cell & gene-modified cell therapies. He served on the faculty at the University of Florida, Pediatrics-Division of Cellular & Molecular Therapy, with a research program focused on AAV vector development and production. Following his transition into industry in 2008, Dr. Warrington has held the lead technical operation and business development roles for global contract testing and manufacturing organizations, including Meridian Life Science, SGS Life Science, and Wuxi Apptec. He was formerly the SVP of Operations and Business Development at BioStem Life Sciences before assuming the role of chairman of the scientific advisory board. Dr. Warrington is currently Head of Strategy & Innovation and a Sr. Director of Business Development at GenScript ProBio, leading their gene & cell therapy CMC services, and Chief Technology Officer at Lacerta Therapeutics. He holds a B.S. in Biology & Chemistry from St. Lawrence University and a Ph.D. in Pharmacology & Experimental Therapeutics from the University of Florida. Dr. Warrington is 51 years of age.

Compensation of Officers and Directors

Beneficial Share Ownership of Officers and Directors as of September 30, 2022:

Name and Business Address*	Position	Shares Beneficially Owned**	Total Options	Total Vested Options	Notes
Jason Matuszewski	President, Chief Executive Officer, and Chairman of the Board	1,410,092	2,250,0000	—	1
Andrew Van Vurst	Chief Operating Officer and Director	1,709,648	2,250,000	—	1
Michael Fortunato	Chief Financial Officer	5,000	200,000	25,000	
Brandon Poe	Director	10,853	—	—	
Kenneth Warrington	Director	—	7,462	7,462	

Notes:
* All officers and directors may be contacted at BioStem Technologies address.
** Beneficial share ownership includes vested options and options scheduled to vest within 60 days of September 30, 2022.

1. Both Messrs. Matuszeski and Van Vurst were each awarded 2,250,000 options with a grant date fair value of $2,256,000, each in July 2022. The awards contain market capitalization vesting triggers. As of September 30, 2022, the vesting triggers had not been satisfied.

The following tables set forth the aggregate compensation paid by BioStem Technologies for services rendered by its Directors and Executive Officers, during the periods indicated:

OFFICERS

Name and Position	Calendar Year Ended	Salary ($)	Bonus ($) (4)	Number of Share Awards	Share Value ($)	Notes
Jason Matuszewski, CEO	2020	$ 200,000	—			(1)
	2021	$ 200,000	—	30,000	$32,100	(1)
	2022	$ 275,000	—	2,250,000	$2,256,000	(2)
Andrew Van Vurst, COO	2020	$ 200,000	—			(1)
	2021	$ 200,000	—	30,000	$32,100	(1)
	2022	$ 275,000	—	2,250,000	$2,256,000	(2)
Michael Fortunato, CFO	2020	$ NA	NA	NA	NA	
	2021	$ 150,000	—	205,000	$207,000	(3)
	2022	$ 200,000	—	—	—	

Notes:

1. For 2020 and 2021, Messrs. Matuszewki and Van Vurst opted to forgo their combined, unpaid cash compensation in the amount of $770,884. The unpaid, cash compensation was converted to 1,101,262 shares of common stock on March 31, 2022.
2. Both Messrs. Matuszeski and Van Vurst were each awarded 2,250,000 options with a grant date fair value of $2,256,000, each in July 2022. The awards contain market capitalization vesting triggers. As of September 30, 2022, the vesting triggers had not been satisfied
3. Mr. Fortunato was hired in August 2021 as the Company's Controller at an annual base salary of $150,000 per year. In addition, Mr. Fortunato was granted 200,000 stock options with a strike price of $1.07 per share. The first 25,000 options vested on December 31, 2021; 50,000 of will vest on December 31, 2022, and the remaining 125,000 options to vest on December 31, 2023. In October 2022, Mr. Fortunato was promoted to CFO at an annual base salary of $200,000 per year. In addition, the Board of Directors has authorized a grant of an additional 100,000 options on January 2, 2023, with a strike price set on the then quoted market price as quoted on the OTC.
4. The Company has no formal bonus plan. However, each officer employment agreement indicates the officer bonus shall be paid in such amounts and on such terms as determined by the Compensation Committee.

DIRECTORS

Name	Fiscal Year Ended	Director's Fees	Share Awards (#)	Share Value ($)	All Other Compensation	Notes
Brandon Poe	2022	$10,000	10,853	$30,000	—	(1)
Kenneth Warrington	2020	NA	NA	NA	$45,000	(3)
	2021				$45,000	(3)
	2022		7,463	$11,417	$45,000	(2)(3)

Notes:

1. Only 2022 is shown as Mr. Poe was elected to the Board of Directors in July 2022 for a one-year term. As part of is agreement, Mr. Poe was paid a cash payment of $10,000 and was issued 10,853 restricted stock awards worth $30,000 based on the grant date fair value.
2. As noted above, Dr. Warrington was elected to the Board of Directors in March 2022. As part of that appointment, Dr. Warrington received 7,462 fully vested stock options to acquire the Company's Common Stock at a strike price of $1.80 per share. The grant date fair value of this grant was $11,417.
3. Dr. Warrington is also a member of the Company's Scientific Advisory Board ("SAB") for which he receives $45,000 per year.

A. Other Control Persons

GMA Bridge Holdings, LLC ("GMA") holds 700,000 shares, or 5.77%, of the Company's Common Stock as of September 30, 2022. The managing member of GMA is:

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Fred Schaner
255 North Hibiscus Drive
Miami Beach, Florida 33015

Henry Van Vurst, ex-CEO of the Company holds 1,252,250 shares, or 10.33%, of the Company's Common Stock as of September 30, 2022. Mr. Van Vurst resides at:

532 Victoria Terrace
Fort Lauderdale, Florida 33301

B. Legal/Disciplinary History

None of the officers, directors, promoters, or control persons of BioStem Technologies has, in the past five years, been the subject of any of the following:

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

2. Any bankruptcy petition filed by or against any business of which such person was a general partner, or executive officer either at the time of the bankruptcy or within two years prior to that time;

3. 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;

4. A finding or judgment by a court of competent jurisdiction (in a civil action), the Commission or 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,

5. 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.

C. Disclosure of Family Relationships

The CEO's father is also a noteholder of the Company.

Additionally, the COO's father, listed as a control person in Item 11 B. above, is the former CEO of the Company and a shareholder.

D. Disclosure of Related Party Transactions

Related party transactions consist entirely of Note Payable exchange by the Company from loans made by the CEO', the CEO's father and the COO's father. The below table shows the balance of the Notes Payable as of September 30, 2022, and December 31, 2021:

	As of September 30, 2022	As of December 31, 2021
On October 4, 2018, the Company issued a Promissory, to a shareholder and father of the Company's CEO, at an interest rate of eight percent (8%) per annum and a maturity date of December 31, 2021. The note was amended on March 25, 2022.	$ 250,000	$ 250,000
On February 5, 2018, the Company issued a Promissory, to a shareholder and father of the Company's CEO at an interest rate of eight percent (8%) per annum, with a maturity date of December 31, 2021. The note was amended on March 25, 2022[4].	50,000	50,000
Between September 2017 and July 2018, the Company issued various Promissory Notes to the Company's former CEO, at an interest rate of eight percent (8%) per annum all with a maturity date of December 31, 2021. The note was amended on March 25, 2022[4]. In July 2022, the former CEO of the Company converted his outstanding principal and interest due of $240,714 under his convertible note into 343,877 shares of the Company's common stock at $0.70 per share.	—	191,000
On July 12, 2018, the Company issued a promissory note to the Company's CEO for $20,030, accruing interest at a rate of eight percent (8%) per annum with maturity date of December 31, 2021. The note was extended on March 25, 2022 [4]. In May 2022, the Company repaid the note in full.	—	16,861
Total Related Party Notes Payable—Long-term	$ 300,000	$ 507,861

In addition to the above, the Company entered notes payable totaling $3,000,000 with GMA Bridge Fund, LLC ("GMA") as follows:

		As of September 30, 2022		As of December 31, 2021
On July 27, 2018, the Company entered into a Bridge Loan Agreement and Promissory Note, with an interest rate of half a percent (0.50%) per month for the first six months and three quarters a percent (0.75%) per month through the Maturity Date of July 27, 2019. This agreement has not been repaid on the maturity date and is currently in default	$	1,000,000	$	1,000,000
On October 5, 2018, the Company entered into a Bridge Loan Agreement and Promissory Note, with an interest rate of one half a percent (0.50%), per month for the first six months and three quarters a percent (0.75%) per month through the Maturity Date of October 5, 2019. This agreement has not been repaid on the maturity date and is currently in default		2,000,000	$	2,000,000
Total due GMA	$	3,000,000	$	3,000,000

Accrued interest due for these notes is $1,350,000 as of September 30, 2022. Both Notes are currently in default. We are actively negotiating with the creditor to restructure these notes.

E. Disclosure of Conflicts of Interest

None.

Beneficial Owners

As of September 30, 2022, the following persons beneficially own five percent (5%) or more of BioStem Technologies Common Stock:

Name and Address of Shareholder	Number of Shares Owned	Ownership Percentage of Common Stock Outstanding
Jason Matuszewski 20985 Uptown Avenue Apt 207 Boca Raton, FL 33428	1,410,092	11.63%
Andrew Van Vurst 2171 NE 28th St. Lighthouse Point, FL 33064,	1,709,648	14.10%
Henry Van Vurst 532 Victoria Terrace Fort Lauderdale, FL 33301	1,252,250	10.33%
GMA Bridge Fund, LLC (Fred Schaner) 225 North Hibiscus Drive Miami Beach, FL 331396	700,000	5.77%

Item 12—Financial Information for the Issuer's Most Recent Fiscal Period

The most recent fiscal period is as of and for the nine-months ending September 30, 2022, filed with the OTC on November 15, 2022, and is incorporated by reference.

Item 13—Financial Information for Such Part of the two Preceding Fiscal Years as the Issuer

Information required under this item was filed with the OTC on October 7, 2022, and is incorporated by reference.

Item 14—The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure

1. Investment Banker: None.

2. Promoters: None.

3. Disclosure Counsel: Laura Anthony, Esq.
Anthony L.G., PLLC
625 Flagler Drive, #660
West Palm Beach, Florida 33401
Tel: (800) 341-2684
Email: lanthony@anthonypllc.com

4. Auditor: D. Brooks and Associates, CPAs
4440 PGA Blvd., Suite 104
Palm Beach Gardens,
Florida 33410
Tel: (561) 429-6225
Email: info@dbrookscpa.com

Preparation of BioStem Technologies financial statements is the responsibility of BSEM management. BSEM's outside audit firm, D. Brooks and Associates, CPAs ("Brooks"), is responsible for expressing an opinion on these financial statements based on their audit.

Brooks has confirmed to us that Brooks and its personnel are licensed to practice public accounting in the state in which we conduct our business. Brooks is registered with the Public Company Accounting Oversight Board ("PCAOB").

5. Public Relations Consultant: None

6. Investor Relations Consultant: Maxim Jacobs c/o Russo Partners, LLC
12 West 27th Street
New York, NY 10001
Tel: (212) 845-4200
Email: maxim.jacobs@russopartnersllc.com

7. Corporate Secretary: None

8. Any Other Advisor: None.

Item 15—Management's Discussion and Analysis or Plan of Operating.

A) Plan of Operation

Not required as the Company has been operating and reporting on the OTC

B) Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operations of BioStem Technologies, Inc. ("BSEM" or "Company") in conjunction with our December 31, 2021 and December 31 2020 Audited Financial Statements and Notes thereto, filed on the OTC on October 7, 2022 as well as the unaudited September 30, 2002 financial statements and notes thereto filed with the OTC on November 15, 2022, and are incorporated by reference to this Initial Disclosure Statement. This discussion contains forward-looking statements which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," potential," and similar terms. BSEM cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond BSEMs control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in this Initial Disclosure Statement. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements

Business

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.

Overview

The global wound care market size was valued at USD 20.6 billion in 2021 and is projected to expand at a compound annual growth rate (CAGR) of 4.1% from 2022 to 2030.The demand for wound care and wound healing products is increasing owing to increasing number of surgical cases, and rising prevalence of chronic diseases across the globe. Furthermore, increasing incidence of diabetes due to sedentary lifestyle is one of the leading factors contributing to market growth. For instance, according to American Diabetes Association, in 2018, an estimated 34.2 million people, i.e., 10.5% of the total U.S. population, had diabetes. Moreover, nearly 1.6 million U.S. residents had type 1 diabetes, which includes about 187,000 adolescents and children[2].

We generate our revenue primarily from the development, manufacture, and sale of tissue allografts for the advanced wound care market with a focus on the treatment of diabetic, pressure and venous ulcers. We market and distribute our products directly to medical professionals, such as podiatrists and plastic surgeons, through direct and indirect salesforces and indirectly through stocking distributors. In 2020 and the early part of 2021, we also generated revenue from the sale of flowable allografts. The Company, however, has shifted to a membrane allograft strategy and is no longer producing flowable allografts.

Business Highlights for 2020 and 2021

In July 2020, the Company's facilities first became certified by the American Association of Tissue Banks® ("AATB"). The AATB® is the organization that sets standards, inspects facilities, and accredits tissue banks in North America. The AATB® trains and certifies tissue banking specialists. In crafting new federal regulations for tissue banking, the FDA has relied heavily on the expertise of the AATB®. AATB certification. This accreditation follows an intensive review and auditing process, including a thorough on-site inspection by experienced AATB® personnel, of both the facility itself,

[2] Grand View Research report Global Advanced Wound Care Research Report

and all the associated documentation and practices. Accreditation establishes that the level of medical, technical, and administrative performance within the facility meets or exceeds the standards set by the AATB®.

In September 2020, the Company entered a partnership with Veterans Medical Distributors Inc., a Service-Disabled Veteran-Owned Small Business (SDVOSB), that it has been awarded a five-year Federal Supply Schedule (FSS) contract for its VENDAJE™ line of amnion membrane allografts, by the U.S. Department of Veterans Affairs (VA). The FSS contract encompasses all versions of BioStem's dehydrated amniotic membrane allografts. This contract provides VA clinicians, and their patients access to the regenerative wound care benefits at pre-negotiated pricing, with terms and conditions that help streamline the ordering process and reduces healthcare costs.

In September 2021, the Company successfully obtained approval from the Centers for Medicare and Medicaid ("CMS") for a reimbursement code ("Q Code") for its membrane allograft products. Obtaining a Q Code is significant as it allows healthcare providers obtain reimbursement from CMS for patient services utilizing our products.

Components of Our Results of Operations

Net Revenue

For 2020 and 2021, net revenue was generated primarily through the sales of flowable and membrane allografts.

We expect net revenue to increase as we continue to grow, train, and deploy a direct sales force. The deployment of a direct salesforce is a key pillar of our strategic initiatives, as it provides for higher reimbursement on product sold. Without a direct salesforce, we will continue to incur price concessions to wholesalers and/or indirect sales forces with the effect of depressing ASP.

Cost of Goods Sold and Gross Profit

Cost of goods sold represents costs directly related to the production of our products and costs passed through to customers. Cost of goods sold also includes a portion of labor and overhead applied based on the number of production hours. 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.

We expect cost of goods sold to grow in absolute dollars along with increases in revenue. However, our continued shift toward lower cost, tissue allografts continue to benefit our gross margin.

Operating Expenses

Compensation Cost

Compensation costs include employee salaries, wages and related employer taxes but excludes the portion of direct and indirect labor allocated to cost of goods sold. It also includes share-based compensation expense.

Professional Fees

Professional fees include legal, accounting, and outside consulting costs.

General and Administrative Expense

General and administrative expense include operations related expenses such as insurance, repairs and maintenance, office supplies, and software expense.

Results of Operations

The following table sets forth our consolidated results of operations for the years ended December 31, 2021, and 2020:

		December 31, 2021		December 31, 2020
Net Revenue	$	4,340,839	$	2,467,285
Cost of goods sold		1,653,828		1,407,502
Gross profit		2,687,011		1,059,783
Operating Expenses				
Compensation expense		3,199,357		$1,905,390
Professional fees		439,587		$500,139
General and administrative expense		329,870		$470,798
Depreciation and amortization expense		283,902		$268,581
Total operating expenses		4,252,716		3,144,908
Other Operating Income				
Gain (loss) on sale of Wellness		33,925		-
Gain (loss) on sale of QPI				
Gain on sale of Equipment		-		-
Total other operating income		33,925		-
Loss from operations		1,531,780		2,085,125
Other income (expense)				
Interest income		-		2
Legal settlement		(40,000)		-
Interest expense		(525,883)		(546,065)
Gain on forgiveness of PPP loan		655,436		10,000
Non-Operating Income				
Non-Operating Expense		30,448		40,907
Total other income (expense)		120,001		(495,156)
Net loss from operations before income taxes		(1,411,779)		(2,580,281)
Income tax expense (benefit)		-		-
Net income (loss)		(1,411,781)		(2,580,281)
Less: Net income (loss) attributable to noncontrolling interest		33,602		24,689
Net (loss) attributable to BioStem Technologies, Inc.	$	(1,445,383)	$	(2,604,970)
Income / (loss) per share before noncontrolling interest	$	(0.15)	$	(0.28)
Income (loss) per share attributable to noncontrolling interest	$	0.00	$	0.00
Basic and diluted net loss per share attributable to common stockholders of BioStem Technologies, Inc.	$	(0.15)	$	(0.28)
Basic and diluted weighted average common shares outstanding		9,271,627		9,095,427

Comparison of the Years Ended December 31, 2021, and 2020

Net Revenue

	For the years ending December 31,		Change	
	2021	2020	$	%
Net revenue	4,340,839	2,467,285	1,873,554	76%

For the year ended December 31, 2021, total net revenue was $4,340,839, representing an increase of $1,873,554 or 76% as compared to 2020.

In 2021, we continued to execute on our strategic initiatives which included the expansion of our distribution network for sale of our flowable and membrane allograft. We obtained our reimbursement code from CMS beginning in 4th quarter of 2021. Lastly, we were engaged as a contract manufacturer for one company which provided for an additional $1.7 million in revenue over 2020.

We plan to continue to hire, train and develop a direct sales force which will increase net revenue by minimizing the cost of rebates and commissions paid to distributors as well as help to preserve our average selling price ("ASP") as reported to CMS.

Cost of Goods Sold and Gross Margin

	For the years ending December 31,		Change	
	2021	2020	$	%
Cost of goods sold	1,653,828	1,407,502	246,326	18%
Gross margin	2,687,011	1,059,783	1,627,228	154%
Gross margin %	62%	43%		

For the year ended December 31, 2021, cost of goods sold increased by $246,326 or 18% compared to 2020. The overall increase is cost of goods sold is a result of overall increases in sales.

For the year ending December 31, 2021, gross margin increased $1,627,228 or 154% compared to 2020. The overall increase in gross margin is a result of a shift toward lower cost product sales mix in 2021 combined with additional efficiencies gained in our manufacturing process.

We plan to continue our focus on shifting sales efforts to higher gross margin products. Additionally, we actively seek to improve the manufacturing and materials management processes to develop additional efficiencies to lower cost of production and distribution.

Compensation Expense

	For the years ending December 31,		Change	
	2021	2020	$	%
Compensation Expense	3,199,357	1,905,390	1,293,967	68%
% of Total net revenue	74%	77%		

For the year ended December 31, 2021, compensation expense increased by $1,293,967 or 68% compared to 2020. The overall increase is compensation expense is a result of overall increases in headcount, increases in employee benefits and corresponding increases in payroll tax expense. Share-based compensation also increased by $384,000 over 2020. Compensation expense as a percentage of revenue decreased 3% from 2020.

Professional Fees

	For the years ending December 31,		Change	
	2021	2020	$	%
Professional fees	439,587	500,139	(60,552)	-12%
% of Total net revenue	10%	20%		

For the year ended December 31, 2021, professional fees decreased by $60,552 or 12% compared to 2020. The decrease in professional fees resulted primarily from $124,000 less legal fees incurred in 2021 than in 2020. Additional fees were incurred in 2020 for CMS approval of a reimbursement code. This decrease is offset by higher accounting and audit fees in 2021 versus 2020.

We expect to incur more legal and accounting professional fees in the future as we continue to build out the compliance infrastructure needed to become fully reporting, public entity.

General and Administrative Expense

	For the years ending December 31,		Change	
	2021	2020	$	%
General and administrative	329,870	470,798	(140,928)	-30%
% of Total net revenue	8%	19%		

For the year ended December 31, 2021, general and administrative expense decreased by $140,928 or 30% compared to 2020. The overall decrease is due to more overhead, and labor allocated to cost of revenues due to a change from standard to actual inventory costing methodology. The costing methodology change was made on a prospective basis beginning in September 2021.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents, including the issuance of equity. As of December 31, 2021, and 2020, we had $340,333 and $100,199 million in cash, respectively. 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.

As noted in Section E. Related Party Transactions, we are in default of notes totaling $3.0M plus $1.435 million in accrued fees and administrative fees owed to GMA Bridge Fund, LLC. We are in active negotiations with GMA to restructure this note.

We 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.

We also believe that our principal sources of liquidity will allow us to manage the impact of the COVID-19 pandemic on our business operations for the foreseeable future, which could include reductions in revenue and delays in payments from customers, and may again experience, an adverse impact from the ongoing COVID-19 pandemic, including as new variants of COVID-19 emerge. The challenges posed by the COVID-19 pandemic on our business are expected to continue to evolve. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to the pandemic.

We did not have during the periods presented, and we do not currently have, any commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources.

Cash Flows

The following table summarizes our cash flows for the years ended December 31, 2021, and 2020:

	For the years ending December 31,			
		2021		2020
Net cash use in operating activities	$	(109,538)	$	(611,070)
Net cash used in investing activities		(7,848)		(3,685)
Net cash provided by financing activities		357,421		574,214
Net change in cash	$	240,035	$	(40,541)

Operating Activities

Our largest source of cash provided by operating results in generated from product sales. Our primary uses of cash in operating in operating activities are for personnel-related expenditures, marketing activities, including advertising, legal and accounting fees and amounts paid for raw materials used in our manufacturing process.

Net cash used in operations during 2021 was ($109,538) which resulted from non-cash charges of $786,437 offset by net losses of ($1,411,781) and net cash inflows of $515,806 from changes in assets and liabilities.

Net cash used in operations during 2020 was ($611,070) which resulted from non-cash charges of $877,384 offset by net losses of ($2,580,281) and net cash inflows of $877,384 from changes in assets and liabilities.

Investing Activities

Net cash used in investing activities was (7,848) during 2021 which was primarily purchases of property, plant, and equipment of ($42,848) offset by proceeds of $35,000 from the sale of one of our subsidiaries.

Net cash used in investing activities was ($3,685) during 2020 which is solely related to the purchases of property, plant, and equipment.

We expect investments in property, plant, and equipment to continue into 2022 as we increase capacity of our manufacturing facilities and investment in IT infrastructure.

Financing Activities

Net cash provided by financing activities was $357,421 during 2021 which resulted from proceeds from PPP loan borrowings of $295,500 and issuance of common stock for cash of $125,000 offset by loan repayments of ($21,344) and finance lease repayments of ($41,735).

Net cash provided financing activities was $574,214 during 2020 which resulted from proceeds from PPP loan borrowings of $565,853 and borrowings on convertible notes payable of $75,000 offset by repayments of notes payable of ($13,797) and finance lease repayments of ($52,842).

We expect to continue to fund the operation of the business through both debt and equity offerings at, or above historical levels. We expect to use the proceeds from such debt and equity issuance to fund the ongoing investments into our sales and marketing function, and in particular, the hiring, training, and deployment of a direct salesforce.

Comparison of the Quarter and Year-to-Date Ended September 30, 2022, and 2021

Recent Events

In March 2022, we restructured our outstanding debt with certain unrelated and related parties that had matured. The terms of the restructuring extend the maturity dates of the loans to December 31, 2023, and added certain conversion features at the noteholders' election which allows the noteholders to convert principal and interest into shares of the Company's common stock at a conversion price of $0.70.

We converted $1,217,419 of liabilities into common stock. We continue to explore opportunities to reduce debt on our balance sheet including conversions to equity.

In April 2022, we refinanced our $500,000 promissory note on our corporate headquarters by entering into an interest only, $850,000 mortgage note. The additional capital received from the refinancing is being used for investment into a CRM as well as other sales and marketing initiatives.

Throughout 2022, we continued our focus on making investments into our sales and marketing organization including investments into hiring a direct sales force and related IT infrastructure.

Components of Our Results of Operations

Net Revenue

For 2022, net revenue continues to be generated primarily through the sales of flowable and membrane allografts. In mid-2022, we shifted our strategic focus to membrane allograft sales only.

We expect net revenue to increase as we continue to grow, train, and deploy a direct sales force. The deployment of a direct salesforce is a key pillar of our strategic initiatives as it provides for higher reimbursement on product sold. Without a direct salesforce, we will continue to incur price concessions to wholesalers and/or indirect sales forces with the effect of depressing ASP.

Cost of Goods Sold and Gross Profit

Cost of goods sold represents costs directly related to the production of our products and costs passed through to customers. Cost of goods sold also includes a portion of labor and overhead applied based on the number of production hours. 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.

We expect cost of goods sold to grow in absolute dollars along with increases in revenue. However, our continued shift toward lower cost tissue allografts continue to benefit our gross margin.

Operating Expenses

Compensation Cost

Compensation costs include employee salaries, wages and related employer taxes, but excludes the portion of direct and indirect labor allocated to cost of goods sold. It also includes share-based compensation expense.

Professional Fees

Professional fees include legal, accounting, and outside consulting costs.

General and Administrative Expense

General and administrative expense include operations related expenses such as insurance, repairs and maintenance, office supplies, and software expense.

Results of Operations

The following table sets forth our consolidated results of operations for the three and nine-months ended September 30, 2022, and 2021:

	Three-months ended, September 30, 2022	Three-months ended, September 30, 2021	Nine-months ended, September 30, 2022	Nine-months ended, September 30, 2021
Net Revenue	$ 1,145,755	$ 1,313,103	$ 6,082,116	$ 3,121,787
Cost of goods sold	303,015	539,400	1,010,413	1,184,172
Gross profit	842,740	773,703	5,071,703	1,937,615
Operating Expenses:				
Compensation expense	1,782,715	1,245,995	5,539,342	2,119,556
Professional fees	276,815	130,677	623,844	341,647
General and administrative expenses	355,019	178,815	681,984	334,146
Depreciation and amortization expense	61,978	62,350	185,595	213,854
Total operating expenses	2,476,527	1,617,837	7,030,765	3,009,203
Loss from operations	(1,633,787)	(844,134)	(1,959,062)	(1,071,588)
Other Income (Expense):				
Gain on sale of subsidiary	-	32,035	-	33,925
Interest expense	(110,569)	(135,537)	(358,203)	(401,407)
Gain on forgiveness of loans	-	295,500	-	437,952
Other income, net	2,809	30,553	(2,888)	29,762
Total other income (expense), net	(107,760)	222,551	(361,091)	100,232
Net loss from operations before income taxes	(1,741,547)	(621,583)	(2,320,155)	(971,356)
Income taxes			-	-
Net loss	(1,741,547)	(621,583)	(2,320,155)	(971,356)
Less: Net income attributable to noncontrolling interest	(90,566)	41,078	9,849	36,015
Net loss attributable to BioStem Technologies, Inc.	$ (1,650,981)	$ (662,661)	$ (2,330,004)	$ (1,007,371)
Basic and diluted net loss per share attributable to common stockholders of BioStem Technologies, Inc.	$ (0.14)	$ (0.07)	$ (0.21)	$ (0.11)
Basic and diluted weighted average common shares outstanding	11,985,331	9,194,939	11,123,017	9,253,082

Net Revenue

	For the three-month ending September 30,		Change		For the nine-month ending September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Net revenue	1,145,755	1,313,103	(167,348)	-13%	6,082,116	3,121,787	2,960,329	95%

For the three-month ended September 30, 2022, total net revenue was $1,145,755, representing a decrease of ($167,348) or (13%) as compared to 2021.

For the nine-month ended September 30, 2022, total net revenue was $6,082,116, representing an increase of $2,960,329 or 95% as compared to 2021.

In 2022, we continued to execute on our strategic initiatives which included the expansion of our distribution network for sale of our membrane allograft products. We expanded penetration into other CMS reimbursement centers.

We plan to continue to hire, train and develop a direct sales force which will increase net revenue by minimizing the cost of rebates and commissions paid to distributors as well as help to preserve our average selling price ("ASP") as reported to CMS.

Cost of Goods Sold and Gross Margin

	For the three-month ending September 30,		Change		For the nine-month ending September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Cost of goods sold	303,015	539,400	(236,385)	-44%	1,010,413	1,184,172	(173,759)	-15%
Gross margin	842,740	773,703	69,037	9%	5,071,703	1,937,615	3,134,088	162%
Gross margin %	74%	59%			83%	62%		

For the three-months ended September 30, 2022, cost of goods sold decreased by ($236,385) or (44%) compared to 2021. The overall decrease in cost of goods sold is a result of lower sales in the three-months ended September 30, 2022, as well as a shift to lower cost membrane allograft sales.

For the three-months ended September 30, 2022, gross margin increased $69,037 or 9% compared to 2021. The overall increase in gross margin is a result of a shift toward lower cost product sales mix in 2022 combined with additional efficiencies gained in our manufacturing process.

For the nine-month ended September 30, 2022, cost of goods sold decreased by ($173,759) or (15%) compared to 2021. The overall decrease is cost of goods sold is a result of overall increases in sales of lower cost, membrane allograft products.

For the nine-month ended September 30, 2022, gross margin increased $3,134,088 or 162% compared to 2021. The overall increase in gross margin is a result of a shift toward lower cost product sales mix in 2022 combined with additional efficiencies gained in our manufacturing process.

We plan to continue our sales and product mix to higher gross margin products. Additionally, we actively seek to improve the manufacturing and materials management processes to develop additional efficiencies to lower cost of production and distribution.

Compensation Expense

	For the three-month ending September 30,		Change		For the nine-month ending September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Compensation Expense	1,782,715	1,245,995	536,720	43%	5,539,342	2,119,556	3,419,786	161%
% of Total net revenue	156%	95%			91%	68%		

For the three-month ended September 30, 2022, compensation expense increased by $536,720 or 43% compared to 2021. The overall increase in compensation expense is a result of overall increases in headcount, increases in employee benefits and corresponding increases in payroll tax expense.

For the nine-month ended September 30, 2022, compensation expense increased by $3,419,786 or 161% compared to 2021. The overall increase is compensation expense is a result of overall increases in headcount, increases in employee benefits and corresponding increases in payroll tax expense. Share-based compensation also increased by $2,283,551 over 2021. Compensation expense as a percentage of revenue increased 23% from 2021.

Professional Fees

	For the three-month ending September 30,		Change		For the nine-month ending September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Professional fees	276,815	130,677	146,138	112%	623,844	341,647	282,197	83%
% of Total net revenue	24%	10%			10%	11%		

For the three-month ended September 30, 2022, professional fees increased by $146,138 or 112% compared to 2021. The increase in professional fees resulted primarily from legal fees and outside accounting fees incurred in 2022 than in 2021.

For the nine-month ended September 30, 2022, professional fees increased by $282,197 or 83% compared to 2021. The increase in professional fees resulted primarily from $285,667 more in legal and outside accounting fees incurred in 2022 than in 2021.

We expect to incur more legal and accounting professional fees in the future as we continue to build out the compliance infrastructure needed to become fully reporting, public entity.

General and Administrative Expense

	For the three-month ending September 30,		Change		For the nine-month ending September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
General and administrative	355,019	178,815	176,204	99%	681,984	334,146	347,838	104%
% of Total net revenue	31%	14%			11%	11%		

For the three-month ended September 30, 2022, general and administrative expense increased by $176,204 or 99% compared to the same period in 2021. The overall increase is due to an increase in software licenses and media communications.

For the nine-month ended September 30, 2022, general and administrative expense increased by $347,838 or 104% compared to 2021. The overall increase is due to an increase in software licenses, media communications, & write off bad debt.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents, including the issuance of equity. As of September 30, 2022, and 2021, we had $1.041 and $0.346 million in cash, respectively. 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.

As noted in, Section E. Related Party Transactions, we are in default of notes totaling $3.0M plus $1.435 million in accrued fees and administrative fees owed to GMA Bridge Fund, LLC. We are in active negotiations with GMA to restructure this note.

We 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.

We also believe that our principal sources of liquidity will allow us to manage the impact of the COVID-19 pandemic on our business operations for the foreseeable future, which could include reductions in revenue and delays in payments from customers, and may again experience, an adverse impact from the ongoing COVID-19 pandemic, including as new variants of COVID-19 emerge. The challenges posed by the COVID-19 pandemic on our business are expected to continue to evolve. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to the pandemic.

We did not have during the periods presented, and we do not currently have, any commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources.

Cash Flows

The following table summarizes our cash flows for the nine-months ended September 30, 2022, and 2021:

	For the nine-month ending September 30,			
		2022		2021
Net cash use in operating activities	$	761,635	$	(130,980)
Net cash used in investing activities		(395,397)		(1,195)
Net cash provided by financing activities		334,882		378,752
Net change in cash	$	701,120	$	246,577

Operating Activities

Our largest source of cash provided by operating results in generated from product sales. Our primary uses of cash in operating in operating activities are for personnel-related expenditures, marketing activities, including advertising, legal and accounting fees and amounts paid for raw materials used in our manufacturing process.

Net cash provided by operations during nine-months ended September 30, 2022, was $761,635 which resulted from non-cash charges of $3,589,493 offset by net losses of ($2,320,155) and net cash outflows of ($507,706) from changes in assets and liabilities.

Net cash used in operations during nine-months ended September 30, 2021, was ($130,980) which resulted from non-cash charges of $945,424 offset by net losses of ($971,356) and net cash inflows of $364,346 from changes in assets and liabilities.

Investing Activities

Net cash used in investing during nine-months ended September 30, 2022, was ($395,397) which was primarily purchases of property, plant, and equipment of ($199,487) & purchases of internal-use software ($195,910).

Net cash used in investing during nine-months ended September 30, 2021, was ($1,195) which was primarily purchases of property, plant, and equipment of ($36,195) offset by proceeds of $35,000 from the sale of one of our subsidiaries.

We expect investments in property, plant, and equipment to continue into 2022, as we increase capacity of our manufacturing facilities and investment in IT infrastructure.

Financing Activities

Net cash provided by financing activities during nine-months ended September 30, 2022, was $334,882 which resulted from proceeds from loan borrowings of $850,000, issuance of common stock for cash $50,000 and $13,639 in new finance leases offset by loan repayments of ($532,622) and finance lease repayments of ($45,135).

Net cash provided by financing during nine-months ended September 30, 2021, was $378,752 which resulted from proceeds from PPP loan borrowings of $295,500 and issuance of common stock for cash $125,000 offset by repayments of notes payable of ($11,225) and finance lease repayments of ($30,523).

We expect to continue to fund the operation of the business through both debt and equity offerings at, or above historical levels. We expect to use the proceeds from such debt and equity issuance to fund the ongoing investments into our sales and marketing function, and in particular, the hiring, training, and deployment of a direct salesforce.

A) Off-Balance Sheet Arrangements

Implementation of CRM

As part of our commitment to invest in a direct salesforce, the Company has entered a thirty-month commitment with a SaaS CRM provider for a total of $392,000 for CRM software licenses and platform. The SaaS provider will bill $13,066 monthly beginning January 2023.

Part E. Issuance History

Item 16— List of Securities offerings and shares issued for service in the past two years.

A) The table below represents issuances of securities which resulted in changes to the total shares outstanding by the Company (1) within the two-year period ending on the last day of the Company's most recent fiscal year and (2) since the last day of the Company's most recent fiscal year.

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/20 Common 9,083,929 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 144
3/15/21	New Issuance	22,223	Common	1.35	No	James Wurm	Compensation	Restricted	Rule 144
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	Rule 144
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	Common	1.40	No	Imre Borsanyi CPA / Imre Borsanyi	Services Valued at $7,500	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 Luo 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	2,534	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
3/31/2022	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

7/1/2022	New Issuance	522	Common	2.30	No	JEFFREY K HARRISON	Services	Restricted	Rule 144
7/1/2022	New Issuance	522	Common	2.30	No	SHAUN OPIE	Services	Restricted	Rule 144
7/1/2022	New Issuance	8,333	Common	2.30	No	HOWARD GOSTFRAND	Compensation	Restricted	Rule 144
7/1/2022	New Issuance	522	Common	2.30	No	BRANT D. WATSON REVOCABLE LIVING TRUST	Services	Restricted	Rule 144
7/1/2022	New Issuance	522	Common	2.30	No	PHYSIOMICS SYSTEMS, LLC / Dan Shelly	Services	Restricted	Rule 144
7/1/2022	New Issuance	8337	Common	2.30	No	HOWARD GOSTFRAND	Compensation	Restricted	Rule 144
7/29/2022	New Issuance	343,877	Common	2.30	No	HENRY W VAN VURST IV	Conversion	Restricted	Rule 144
8/1/2022	New Issuance	436	Common	2.80	No	JEFFREY K HARRISON	Services	Restricted	Rule 144
8/1/2022	New Issuance	436	Common	2.80	No	SHAUN OPIE	Services	Restricted	Rule 144
8/1/2022	New Issuance	436	Common	2.80	No	PHYSIOMICS SYSTEMS, LLC / Dan Shelly	Services	Restricted	Rule 144
8/1/2022	New Issuance	436	Common	2.80	No	BRANT D. WATSON REVOCABLE LIVING TRUST	Services	Restricted	Rule 144
8/10/2022	New Issuance	50000	Common	2.80	No	MIRTHA FONTE-OKUNSKI	Purchased	Restricted	506B
9/1/2022	New Issuance	357	Common	3.20	No	JEFFREY K HARRISON	Services	Restricted	Rule 144
9/1/2022	New Issuance	357	Common	3.20	No	SHAUN OPIE	Services	Restricted	Rule 144
9/1/2022	New Issuance	357	Common	3.20	No	PHYSIOMICS SYSTEMS, LLC / Dan Shelly	Services	Restricted	Rule 144
9/1/2022	New Issuance	357	Common	3.20	No	BRANT D. WATSON REVOCABLE LIVING TRUST	Services	Restricted	Rule 144
9/7/2022	New Issuance	10853	Common	3.20	No	BRANDON POE	Compensation	Restricted	Rule 144
Shares Outstanding on Date of This Report: Ending Balance: Date 9/30/22 Common: 12,124,169 Preferred A-1: 300 Preferred B-1: 5									

A. The following table presents the carrying value of the Company's notes payable as of September 30, 2022, and December 31, 2021:

		As of September 30, 2022		As of December 31, 2021
On July 27, 2018, the Company entered into a Bridge Loan Agreement and Promissory Note, with an interest rate of one-half a percent (0.50%) per month for the first six months and three-quarters a percent (0.75%) per month through the Maturity Date of July 27, 2019. This agreement has not been repaid on the maturity date and is currently in default. [(1)]	$	1,000,000	$	1,000,000
On October 5, 2018, the Company entered into a Bridge Loan Agreement and Promissory Note, with an interest rate of one-half a percent (0.50%), per month for the first six months and three-quarters a percent (0.75%) per month through the Maturity Date of October 5, 2019. This agreement has not been repaid on the maturity date and is currently in default. [(1)]		2,000,000		2,000,000
On February 2, 2018, the Company issued a Promissory Note and Mortgage to refinance an original mortgage that had matured in April 2017. Under the refinanced mortgage terms, the loan bore interest at twelve percent (12%) per annum, matured February 28, 2019, and required monthly payments of interest and real estate taxes. This loan was extended several times through April 2022 and was eventually refinanced on a long-term basis with the mortgage note entered on April 29, 2022 (see next line). [(2)]		—		500,000
On April 29, 2022, the Company entered an $850,000 mortgage note at eight and one quarter percent (8.25%) per annum with a maturity date of May 1, 2024. Between June 1, 2022, and the maturity date, the Company is required to make monthly interest only payments of $6,021 with a balloon payment of $850,000 due May 1, 2024. The loan is secured by the corporate headquarters building.		850,000		—
On December 5, 2018, the Company issued a $250,000 Promissory Note, which originally bore interest at a rate of eighteen percent (18%) per annum and matured on August 30, 2019. In March 2020, the Promissory Note was amended, and the interest rate was reduced to eight percent (8%) per annum and the maturity date extended to March 5, 2022. The loan was extended again on March 24, 2022 and converted into shares of common stock on March 29, 2022. [(3)]		—		102,735
On April 30, 2020, the Company obtained a $263,400 Paycheck Protection Program (PPP) Term Note with PNC Bank. The loan was subject to forgiveness if certain criteria were met. Any amounts not forgiven are due over five (5) years at an interest rate of one percent (1%) per annum. In 2021, $193,354 of the note was forgiven.		49,810		63,820
On May 18, 2020, the Company obtained a $150,000 Economic Injury Disaster Loan. Installment payments, including principal and interest, of $731 monthly, will begin 30 months from the promissory note or November 18, 2022. Interest will accrue at an annual rate of three and three quarters percent (3.75%).		150,000		150,000
On May 17, 2019, a convertible note with original principal of $400,000, was amended and restated to include in the principal unpaid interest to date of $73,450 and require interest only payments of $4,733.50 per month at a rate of twelve percent (12%) per annum with a maturity of June 1, 2022. The conversion option in the original promissory note was also eliminated. On March 31, 2022, the note was modified to extend the maturity date of the note to December 31, 2023, and to provide for the noteholder to convert this note into shares of the Company's common stock at a $0.70 conversion price.		—		473,350
Total		4,049,810		4,289,905
Less: current portion of notes payable		(3,000,000)		(3,000,000)
Notes payable-long-term	$	1,049,810	$	1,289,905

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

(2) In March 2022, this mortgage was refinanced on a long-term basis with principal now due in 2024. Therefore, the principal outstanding has been reflected as a long-term liability as of September 30, 2022, and December 31, 2021.

(3) These notes were amended in March 2022, to extend the maturity date to December 31, 2023. Therefore, the principal outstanding has been reflected as a long-term liability as of September 30, 2022, and December 31, 2021.

Related Party Notes Payable—Long-Term

The following table presents the carrying value of related party notes payable as of September 30, 2022, and December 31, 2021:

	As of September 30, 2022	As of December 31, 2021
On October 4, 2018, the Company issued a Promissory, to a shareholder and father of the Company's CEO, at an interest rate of eight percent (8%) per annum and a maturity date of December 31, 2021. The note was amended on March 25, 2022. (4)	$ 250,000	$ 250,000
On February 5, 2018, the Company issued a Promissory, to a shareholder and father of the Company's CEO at an interest rate of eight percent (8%) percent per annum, with a maturity date of December 31, 2021. The note was amended on March 25, 2022. (4)	50,000	50,000
Between September 2017 and July 2018, the Company issued various Promissory Notes to the Company's former CEO, at an interest rate of eight percent (8%) per annum all with a maturity date of December 31, 2021. The note was amended on March 25, 2022. (4) In July 2022, the former CEO of the Company converted his outstanding principal and interest due of $240,714 under his convertible note into 343,877 shares of the Company's common stock at $0.70 per share.	—	191,000
On July 12, 2018, the Company issued a promissory note to the Company's CEO for $20,030, accruing interest at a rate of eight percent (8%) per annum with maturity date of December 31, 2021. The note was extended on March 25, 2022. (4) In May 2022, the Company repaid the note in full.	—	16,861
Total Related Party Notes Payable—Long-term	$ 300,000	$ 507,861

Convertible Notes Payable—Long-Term

The table below presents convertible notes payable as of September 30, 2022, and December 31, 2021:

		As of September 30, 2022		As of December 31, 2021
On May 17, 2019, a convertible note with original principal of $400,000, was amended and restated to include in the principal unpaid interest to date of $73,450 and require interest only payments of $4,733.50 per month at a rate of twelve percent (12%) per annum with a maturity of June 1, 2022. The conversion option in the original promissory note was also eliminated. On March 31, 2022, the note was modified to extend the maturity date of the note to December 31, 2023, and to provide for the noteholder to convert this note into shares of the Company's common stock at a $0.70 conversion price. [5]	$	473,350	$	—
Total Convertible Notes Payable	$	473,350	$	—

[5] This note was amended on March 25, 2022, to extend the maturity date to December 31, 2023, therefore, the principal outstanding has been reflected as a long-term liability as of September 30, 2022, and December 31, 2021.

Part F. Exhibits

Item 17—Material Contracts

See Item 17 Exhibits

Item 18—Articles of Incorporation and Bylaws

Item 18 Exhibits

Item 19—Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

NONE

Item 20—Issuer's Certifications

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 Initial Company Information and Disclosure Statement ("Statement") of BioStem Technologies, Inc.

2. Based on my knowledge, this 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 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.

November 28 ,2022 [Date]

/s/ Jason Matuszewski [CEO's Signature]

Principal Financial Officer:

I, Michael A. Fortunato certify that:

1. I have reviewed this Initial Company Information and Disclosure Statement ("Statement") of BioStem Technologies, Inc.

2. Based on my knowledge, this 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 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.

November 28, 2022 [Date]

/s/ Michael A. Fortunato [CFO's Signature]