

BioStem Technologies, Inc.

2836 Center Port Circle, Pompano Beach, FL 33064

(954)-380-8342

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info@biostemtech.com

SIC Code: 2836

QUARTERLY REPORT

For the period ending March 31, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

16,703,407 as of March 31, 2025. (Current Reporting Period Date or More Recent Date)

16,653,876 as of December 31, 2024. (Current Reporting Period Date or More Recent Date)

16,251,892 as of December 31, 2023. (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during 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.

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

In answering this item, provide the current name of the issuer and 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.

Current State and Date of Incorporation or Registration: Florida, August 28, 2014

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

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

None

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

None

Address of the issuer's principal executive office:

2836 Center Port Circle, Pompano Beach, FL 33064

Address of the issuer's principal place of business:

Check 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?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

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

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>BSEM</u>	
Exact title and class of securities outstanding:	<u>COMMON</u>	
CUSIP:	<u>090684200</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>975,000</u>	as of date: <u>March 31, 2025</u>
Total shares outstanding:	<u>16,703,407</u>	as of date: <u>March 31, 2025</u>
Total number of shareholders of record:	<u>305</u>	as of date: <u>March 31, 2025</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series A-1 Preferred Stock</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>300</u>	as of date: <u>March 31, 2025</u>
Total shares outstanding:	<u>300</u>	as of date: <u>March 31, 2025</u>
Total number of shareholders of record:	<u>3</u>	as of date: <u>March 31, 2025</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series B-1 Preferred Stock</u>	
CUSIP (if applicable):	<u>NA</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>500,000</u>	as of date: <u>March 31, 2025</u>
Total shares outstanding (if applicable):	<u>5</u>	as of date: <u>March 31, 2025</u>
Total number of shareholders of record (if applicable):	<u>1</u>	as of date: <u>March 31, 2025</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

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.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

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.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any material modifications to rights of holders of the company’s securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any 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 for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date: <u>12/31/2023</u> Common: <u>16,251,892</u> Preferred Series A-1: <u>300</u> Preferred Series B-1: <u>5</u>									
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. *You must disclose the control person(s) for any entities listed.	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.
1/1/2024	New Issuance	194	Common	5.15	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
1/1/2024	New Issuance	194	Common	5.15	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
1/1/2024	New Issuance	194	Common	5.15	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
1/4/2024	New Issuance	2,942	Common	5.17	No	OLYMPUS 3 ACQUISITIONS, LLC / CHRIS LEONE	SECURITY CONVERSION	RESTRICTED	RULE 4(a)(2)
1/8/2024	New Issuance	12,500	Common	2.00	No	WES DE SOUZA	SECURITY CONVERSION	RESTRICTED	RULE 4(a)(2)
1/30/2024	New Issuance	50,000	Common	2.00	No	JOSEPH LOMBAS	SECURITY CONVERSION	RESTRICTED	RULE 4(a)(2)
2/1/2024	New Issuance	167	Common	6.00	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
2/1/2024	New Issuance	167	Common	6.00	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
2/1/2024	New Issuance	167	Common	6.00	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)

2/6/2024	New Issuance	25,000	Common	2.00	No	JOSHUA J. GOODEN	SECURITY CONVERSION	RESTRICTED	RULE 4(a)(2)
3/1/2024	New Issuance	115	Common	8.72	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
3/1/2024	New Issuance	115	Common	8.72	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
3/1/2024	New Issuance	115	Common	8.72	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
4/1/2024	New Issuance	106	Common	9.39	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
4/1/2024	New Issuance	106	Common	9.39	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
4/1/2024	New Issuance	106	Common	9.39	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
4/8/2024	New Issuance	60,000	Common	10.78	No	PCG ADVISORY, INC. / JEFF RAMSOM	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
4/12/2024	Shares Returned to Treasury	(117,359)	Common	N/A	No	MAXIM PARTNERS LLC / CLIFFORD A. TELLER	SHARES RETURNED TO TREASURY	RESTRICTED	RULE 4(a)(2)
5/1/2024	New Issuance	88	Common	11.31	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
5/1/2024	New Issuance	88	Common	11.31	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
5/1/2024	New Issuance	88	Common	11.31	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
6/1/2024	New Issuance	119	Common	8.40	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
6/1/2024	New Issuance	119	Common	8.40	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
6/1/2024	New Issuance	119	Common	8.40	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
7/1/2024	New Issuance	127	Common	7.88	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
7/1/2024	New Issuance	127	Common	7.88	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
7/1/2024	New Issuance	127	Common	7.88	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
7/1/2024	New Issuance	127	Common	7.88	No	OLYMPUS 3 ACQUISITIONS, LLC / CHRIS LEONE	STOCK ISSUED FOR CASH	RESTRICTED	RULE 4(a)(2)

7/1/2024	New Issuance	20,000	Common	2.00	No	EDWARD WALDRON & JULIE WALDRON JTWRs / EDWARD AND JULIE WALDRON TRUSTEES	SECURITY CONVERSION / EXERCISE OF WARRANT	RESTRICTED	RULE 4(a)(2)
7/1/2024	New Issuance	13,334	Common	2.00	No	EMERY WALDRON	SECURITY CONVERSION / EXERCISE OF WARRANT	RESTRICTED	RULE 4(a)(2)
8/1/2024	New Issuance	16,667	Common	2.00	No	BEAR CREEK CAPITAL LLC / RAY OLIVER	SECURITY CONVERSION / EXERCISE OF WARRANT	RESTRICTED	RULE 4(a)(2)
8/1/2024	New Issuance	106	Common	9.43	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
8/1/2024	New Issuance	106	Common	9.43	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
8/1/2024	New Issuance	106	Common	9.43	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
9/1/2024	New Issuance	89	Common	11.24	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
9/1/2024	New Issuance	89	Common	11.24	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
9/1/2024	New Issuance	89	Common	11.24	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
10/1/2024	New Issuance	100	Common	9.99	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
10/1/2024	New Issuance	100	Common	9.99	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
10/1/2024	New Issuance	100	Common	9.99	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
10/30/2024	New Issuance	280,000	Common	1.00	No	ZAHALSKY INVESTMENT HOLDINGS / MICHAEL ZAHALSKY	SECURITY CONVERSION / EXERCISE OF OPTION	RESTRICTED	RULE 4(a)(2)
11/1/2024	New Issuance	77	Common	13.04	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
11/1/2024	New Issuance	77	Common	13.04	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
11/1/2024	New Issuance	77	Common	13.04	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
11/27/2024	New Issuance	3,400	Common	3.38	No	INDRANEEL S . BHATTACHARYA	SECURITY CONVERSION / EXERCISE OF OPTION	RESTRICTED	RULE 4(a)(2)

12/1/2024	New Issuance	58	Common	17.35	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
12/1/2024	New Issuance	58	Common	17.35	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
12/1/2024	New Issuance	58	Common	17.35	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	8,469	Common	9.84	No	JASON MATUSZEWSKI	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	1,694	Common	9.84	No	BRANDON POE	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	7,622	Common	9.84	No	ANDREW SMITH-VAN VURST	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	1,694	Common	9.84	No	THOMAS J. DUGAN	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	1,694	Common	9.84	No	PATRICK DALY	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	1,694	Common	9.84	No	Kenneth Warrington	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	4,234	Common	9.84	No	SHAWN MCCARREY	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
12/15/2024	New Issuance	4,234	Common	9.84	No	MICHAEL A FORTUNATO	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
01/01/2025	New Issuance	67	Common	14.83	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
01/01/2025	New Issuance	67	Common	14.83	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
01/01/2025	New Issuance	67	Common	14.83	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
02/01/2025	New Issuance	68	Common	14.80	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
02/01/2025	New Issuance	68	Common	14.80	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)

02/01/2025	New Issuance	68	Common	14.80	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
02/06/2025	New Issuance	16,667	Common	2.00	No	STEVE SIMON	SECURITY CONVERSION / EXERCISE OF WARRANT	RESTRICTED	RULE 4(a)(2)
02/21/2025	New Issuance	417	Common	15.37	No	DAVID GRODIN	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/01/2025	New Issuance	69	Common	14.53	No	JEFFREY K HARRISON	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
03/01/2025	New Issuance	69	Common	14.53	No	SHAUN OPIE	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
03/01/2025	New Issuance	69	Common	14.53	No	PHYSIOMICS SYSTEMS, LLC / DAN SHELLY	COMPENSATION FOR SCIENTIFIC ADVISORY BOARD SERVICES	RESTRICTED	RULE 4(a)(2)
03/07/2025	New Issuance	500	Common	12.17	No	BARRY HASSETT	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	4,234	Common	10.75	No	MICHAEL A FORTUNATO	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	1,694	Common	10.75	No	BRANDON POE	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	8,469	Common	10.75	No	JASON MATUSZEWSKI	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	1,694	Common	10.75	No	KEN WARRINGTON	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	1,694	Common	10.75	No	PATRICK DALY	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	4,234	Common	10.75	No	SHAWN MCCARREY	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	1,694	Common	10.75	No	THOMAS J. DUGAN	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
03/17/2025	New Issuance	7,622	Common	10.75	No	ANDREW SMITH-VAN VURST	SERVICES RENDERED	RESTRICTED	RULE 4(a)(2)
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
<u>Ending Balance:</u>									
Date <u>3/31/2025</u> Common: <u>16,703,407</u> Preferred Series A-1: <u>300</u> Preferred Series B-1: <u>5</u>									

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2024 through December 31, 2025 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

NA

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Outstanding Balance:		N/A	Total Shares:		N/A	N/A		

Any additional material details, including footnotes to the table are below:

N/A

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

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

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's fiscal year end is December 31.

B. List any subsidiaries, parent company, or affiliated companies.

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

The Company has one wholly owned, non-operating subsidiary, Nesvik Pharmaceuticals, Inc. Throughout 2022, the Company owned a controlling interest (90%) in an operating subsidiary, Blue Tech Industries, 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. In January 2023, the Company repurchased the 10% noncontrolling interest in BSLS for 500,000 shares of BSEM Common Stock valued at \$1.63 per share.

In June 2024, the Company created Auxocell Operations Inc (“Auxocell”), a new subsidiary 100% owned by BioStem Technologies. Auxocell is domiciled in Nevada and holds all of the assets acquired in the Auxocell asset acquisition.

C. Describe the issuers’ principal products or services.

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.

5) Issuer’s Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

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 cells, 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. The additional manufacturing capacity is expected to be operational by within the second half of 2024.

The Company also leases certain laboratory and office equipment accounted for as finance leases within the Company’s financial statements.

On March 15, 2024, the Company entered into a thirty-eight month lease for office space commencing on April 1, 2024. The Company occupied its new expanded office space in Fort Lauderdale, Florida.

On April 14, 2025, the Company entered into a twenty-four month lease for office space commencing on May 15, 2025. The Company expanded its new office space in Fort Lauderdale, Florida.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities.

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. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors 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 owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
<u>Jason Matuszewski</u>	<u>Officer, Director and</u> <u>Greater than 5%</u> <u>Stockholder</u>	<u>Boca Raton, FL</u>	<u>1,138,862</u>	<u>Common</u>	<u>6.82%</u>
			<u>100</u>	<u>Preferred A-1</u>	<u>33.33%</u>
			<u>2,250,000</u>	<u>Fully Vested</u> <u>Common</u> <u>Stock Options</u>	
<u>Andrew VanVurst</u>	<u>Officer, Director and</u> <u>Greater than 5%</u> <u>Stockholder</u>	<u>Lighthouse Point,</u> <u>FL</u>	<u>1,446,205</u>	<u>Common</u>	<u>8.66%</u>
			<u>100</u>	<u>Preferred A-1</u>	<u>33.33%</u>
			<u>2,250,000</u>	<u>Vested</u> <u>Common</u> <u>Stock Options</u>	
<u>Henry VanVurst</u>	<u>Greater than 5%</u> <u>Stockholder</u>	<u>Fort Lauderdale,</u> <u>FL</u>	<u>1,243,579</u>	<u>Common</u>	<u>7.44%</u>
			<u>100</u>	<u>Preferred A-1</u>	<u>33.33%</u>
<u>Michael Fortunato</u>	<u>Officer and Director</u>	<u>Pittsburgh, PA</u>	<u>38,468</u>	<u>Common</u>	<u>1.76%</u>
			<u>260,411</u>	<u>Fully Vested</u> <u>Common</u> <u>Stock Options</u>	
<u>Brandon Poe</u>	<u>Director <5%</u>	<u>San Diego, CA</u>	<u>37,266</u>	<u>Common</u>	<u><1%</u>
<u>Kenneth Warrington</u>	<u>Director <5%</u>	<u>Gainesville, FL</u>	<u>3,388</u>	<u>Common</u>	<u><1%</u>
			<u>7,462</u>	<u>Fully Vested</u> <u>Common</u> <u>Stock Options</u>	
<u>Patrick Daly</u>	<u>Director <5%</u>	<u>Raleigh, NC</u>	<u>11,377</u>	<u>Common</u>	<u><1%</u>
<u>Thomas Dugan</u>	<u>Director <5%</u>	<u>Ponte Vedra</u> <u>Beach, FL</u>	<u>15,780</u>	<u>Common</u>	<u><1%</u>
<u>Michael Dietzen</u>	<u>Owner >5%</u>	<u>Fort Lauderdale,</u> <u>FL</u>	<u>1,000,000</u>	<u>Common</u>	<u>5.99%</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

None

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

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject 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

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

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 to 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

8) **Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Flora Perez, Esq
Firm: Greenberg Traurig PA
Address 1: 401 East Las Olas Blvd, Suite 2000
Address 2: Fort Lauderdale, Florida 33301
Phone: (954) 765-0500
Email: perezf@gtlaw.com

Accountant or Auditor

Name: Ilyssa Blum
Firm: Marcum, LLP
Address 1: 201 East Las Olas Boulevard, 21st Floor
Address 2: Ft. Lauderdale, FL 33301
Phone: (954) 320-8020
Email: Ilyssa.Blum@marcumllp.com

Investor Relations

Name: Jeff Ramson
Firm: PCG Advisory
Address 1: 950 Third Avenue, Suite 2700
Address 2: NY, NY 10022
Phone: (646) 863-6341
Email: jramson@pcgadvisory.com

All other means of Investor Communication:

X (f/k/a Twitter): X BSEM Twitter (https://twitter.com/BSEM_Tech)
Discord: N/A
LinkedIn: X [BSEM LinkedIn Page](#)
Facebook: N/A
[Other - Instagram] X [BSEM Instagram Link](#)

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), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: N/A
Firm: N/A
Nature of Services: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Michael Fortunato, CPA**
Title: **CFO**
Relationship to Issuer: **Officer**

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

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Michael Fortunato, CPA**
Title: **CFO**
Relationship to Issuer: **Officer**

Describe the qualifications of the person or persons who prepared the financial statements:⁶ **The CFO is a licensed CPA and has over 30 years of experience in accounting and financial reporting.**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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.

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

The certifications shall follow the format below:

I, Jason V. Matuszewski certify that:

1. I have reviewed this Disclosure Statement for BioStem Technologies, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 13, 2025

/s/ Jason Matuszewski

Principal Financial Officer:

I, Michael A. Fortunato certify that:

1. I have reviewed this Disclosure Statement for BioStem Technologies, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 13, 2025

/s/ Michael Fortunato



BIOSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2025 and 2024 (Unaudited)

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BioStem Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets

	March 31, 2025 (Unaudited)	December 31, 2024
Current Assets		
Cash and cash equivalents	\$ 26,673,455	\$ 22,832,706
Accounts receivable, net	109,657,309	104,980,085
Inventory	1,972,637	1,824,001
Short-term loan receivable	1,250,000	1,250,000
Prepaid expenses and other current assets	2,479,457	2,874,317
Total current assets	<u>142,032,858</u>	<u>133,761,109</u>
Long-Term Assets		
Property and equipment, net	1,488,128	1,504,578
Construction-in-process	348,503	190,422
Right-of-use assets, net	247,104	271,214
Intangible assets, net	193,270	224,137
Goodwill	244,635	244,635
Deferred tax assets	4,759,016	4,179,632
Total assets	<u>\$ 149,313,514</u>	<u>\$ 140,375,727</u>
Current Liabilities		
Accounts payable and accrued expenses	\$ 4,047,697	\$ 5,289,787
License fees payable (Note 4)	443,850	2,359,575
Bona fide services fee payable (Note 4)	85,525,228	81,873,058
Income tax payable	4,285,551	2,908,730
Accrued interest	2,029,677	1,962,983
Operating lease liabilities	110,653	106,722
Notes payable, net of discount	3,894,122	3,957,744
Other current liabilities	1,155,591	711,361
Total current liabilities	<u>101,492,369</u>	<u>99,169,960</u>
Long-Term Liabilities		
Operating lease liabilities, less current portion	151,280	180,235
Notes payable, less current portion	150,000	150,000
Total long-term liabilities	<u>301,280</u>	<u>330,235</u>
Total liabilities	<u>101,793,649</u>	<u>99,500,195</u>
Commitments and contingencies (Note 11)		
Stockholders' Equity		
Series A-1 convertible preferred stock, \$0.001 par value	-	-
Series B-1 convertible preferred stock, \$0.001 par value authorized, 500,000 shares; issued and outstanding 5 shares as of March 31, 2025 and December 31, 2024, respectively.	-	-
Common stock, \$0.001 par value authorized, 975,000,000 shares issued and outstanding 16,711,012 and 16,661,482 shares as of March 31, 2025 and December 31, 2024, respectively.	16,712	16,662
Additional paid-in capital	56,803,199	54,642,012
Treasury stock, 18,000 shares at cost	(43,346)	(43,346)
Accumulated deficit	(9,256,700)	(13,739,796)
Total stockholders' equity	<u>47,519,865</u>	<u>40,875,532</u>
Total liabilities and stockholders' equity	<u>\$ 149,313,514</u>	<u>\$ 140,375,727</u>

See the Condensed Notes to the Unaudited Consolidated Financial Statements.

BioStem Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Revenue, net	\$ 72,528,112	\$ 41,904,213
Cost of goods sold	853,438	2,224,704
Gross profit	<u>71,674,674</u>	<u>39,679,509</u>
Sales and marketing expenses	57,684,468	30,547,721
General and administrative expenses	6,996,765	4,401,069
Research and development expenses	1,690,154	70,748
Depreciation and amortization expense	53,962	51,858
Total operating expenses	<u>66,425,349</u>	<u>35,071,396</u>
Income from operations	<u>5,249,325</u>	<u>4,608,113</u>
Other income (expense):		
Interest income (expense), net	31,617	(163,942)
Other expense	(409)	(1,571)
Other income (expense), net	<u>31,208</u>	<u>(165,513)</u>
Total income from operations before income taxes	<u>5,280,533</u>	<u>4,442,600</u>
Income tax expense	<u>(797,437)</u>	<u>(1,184,687)</u>
Net income	<u>\$ 4,483,096</u>	<u>\$ 3,257,913</u>
Basic net income per share attributable to common stockholders	<u>\$ 0.27</u>	<u>\$ 0.20</u>
Diluted net income per share attributable to common stockholders	<u>\$ 0.17</u>	<u>\$ 0.17</u>
Basic weighted average common shares outstanding	<u>16,673,875</u>	<u>16,316,178</u>
Diluted weighted average common shares outstanding	<u>26,257,562</u>	<u>19,325,117</u>

See the Condensed Notes to the Unaudited Consolidated Financial Statements.

BioStem Technologies, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For Three Months Ended March 31, 2025 and 2024 (Unaudited)

	Series A-1		Series B-1		Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	300	\$ -	5	\$ -	16,661,482	\$ 16,662	\$ 54,642,012	\$ (43,346)	\$ (13,739,796)	\$ 40,875,532
Stock based compensation - stock options	-	-	-	-	-	-	1,732,011	-	-	1,732,011
Stock based compensation - restricted stock	-	-	-	-	32,252	32	386,860	-	-	386,892
Issuance of common stock for services	-	-	-	-	611	1	8,999	-	-	9,000
Issuance of shares for warrant exercise	-	-	-	-	16,667	17	33,317	-	-	33,334
Net income	-	-	-	-	-	-	-	-	4,483,096	4,483,096
Balance as of March 31, 2025	300	\$ -	5	\$ -	16,711,012	\$ 16,712	\$ 56,803,199	\$ (43,346)	\$ (9,256,700)	\$ 47,519,865
	Series A-1		Series B-1		Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023	300	\$ -	5	\$ -	16,214,390	\$ 16,215	\$ 44,306,872	\$ (43,346)	\$ (45,624,117)	\$ (1,344,376)
Stock based compensation - stock options	-	-	-	-	-	-	3,186,332	-	-	3,186,332
Stock based compensation - restricted stock	-	-	-	-	-	-	83,765	-	-	83,765
Issuance of common stock for services	-	-	-	-	1,164	1	8,999	-	-	9,000
Conversion of debt and accrued interest to common stock	-	-	-	-	2,942	3	15,207	-	-	15,210
Issuance of shares for warrant exercise	-	-	-	-	125,000	125	249,875	-	-	250,000
Net income	-	-	-	-	-	-	-	-	3,257,913	3,257,913
Balance as of March 31, 2024	300	\$ -	5	\$ -	16,343,496	\$ 16,344	\$ 47,851,050	\$ (43,346)	\$ (42,366,204)	\$ 5,457,844

See the Condensed Notes to the Unaudited Consolidated Financial Statements.

BioStem Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 4,483,096	\$ 3,257,913
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	23,095	20,991
Amortization expense	30,867	30,867
Amortization of debt discount	38,164	32,035
Amortization of right-of-use assets	24,110	-
Stock-based compensation expense - stock options and restricted stock	2,118,903	3,270,097
Issuance of common stock for services	9,000	9,000
Amortization of prepaid expenses paid with common stock and warrants	409,030	-
Deferred tax benefit	(579,384)	-
Changes in operating assets and liabilities:		
Accounts receivable	(4,677,224)	(30,250,913)
Inventory	(148,636)	(224,085)
Prepaid expenses and other assets	(14,170)	(276,250)
Accounts payable and accrued expenses	(1,242,090)	108,840
License fees payable	(1,915,725)	1,317,300
Bona fide service fee payable	3,652,170	22,052,638
Income tax payable	1,376,821	1,184,687
Accrued interest	66,694	65,037
Other current liabilities	444,230	(43,967)
Operating lease liabilities	(25,024)	-
Net cash provided by operating activities	<u>4,073,927</u>	<u>554,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment and construction-in- process	(164,726)	(12,381)
Net cash used in investing activities	<u>(164,726)</u>	<u>(12,381)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on notes payable	(101,786)	(386,077)
Repayments on finance leases	-	(1,897)
Issuance of stock for warrant exercises	33,334	250,000
Net cash used in financing activities	<u>(68,452)</u>	<u>(137,974)</u>
Cash and cash equivalents:		
Net change during the period	3,840,749	403,835
Balance, beginning of period	22,832,706	239,406
Balance, end of period	<u>\$ 26,673,455</u>	<u>\$ 643,241</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for taxes	\$ -	\$ -
Cash paid for interest	<u>\$ 45,910</u>	<u>\$ 66,870</u>
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of debt and accrued interest to shares of common stock	<u>\$ -</u>	<u>\$ 15,210</u>

See the Condensed Notes to the Unaudited Consolidated Financial Statements

BioStem Technologies, Inc. and Subsidiaries
Condensed Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(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 in Florida on March 2, 2009. On January 7, 2013, Caribbean Casino & Gaming Corporation 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.

Since 2018, the Company’s primary business is 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. The Company markets and distributes products directly to medical professionals, such as podiatrists and plastic surgeons, through direct and indirect salesforces and indirectly through distributors.

The Company’s fiscal year end is December 31.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements of the Company are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). In the opinion of management, the Company has made all necessary adjustments, which include normal recurring adjustments, for a fair statement of the Company’s consolidated financial position and results of operations for the periods presented. Certain information and disclosures included in these interim consolidated financial statements have been condensed or omitted pursuant to the U.S. Securities and Exchange Commission (“SEC”) rules. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, as filed with the Over-the-Counter (“OTC”) Market on April 15, 2025. The results for the three months ended March 31, 2025 and 2024, are not necessarily indicative of the results to be expected for a full year, any other interim periods or any future year or periods.

The accompanying condensed unaudited consolidated financial statements include the accounts of BioStem Technologies, Inc. and all its wholly-owned subsidiaries BioStem Life Sciences, Inc. and Nesvik Pharmaceuticals, Inc, which is currently inactive. All intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of these interim unaudited consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated 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 stock-based payments, 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.

BioStem Technologies, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)

Risks and Uncertainties

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

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

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities, when acquired, of three months or less.

Concentrations of Risks

Financial instruments that subject the Company to concentration of risk consist primarily of cash and cash equivalents. The Company maintains its cash balances with large, high-credit quality financial institutions and, at times, such deposits may be more than federally insured limits. The Company's cash and cash equivalents consist of highly liquid investment accounts invested in U.S. Government backed securities. The Company has not experienced any losses on its deposits.

Summary of Significant Accounting Policies

The significant accounting policies applied in the Company's audited financial statements, as disclosed in its annual financial report filed with the OTC on April 15, 2025, are applied consistently in these interim unaudited consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). The ASU focuses on income tax disclosures around effective tax rates and cash income taxes paid. ASU 2023-09 requires public business entities to disclose, on an annual basis, a rate reconciliation presented in both dollars and percentages. The guidance requires the rate reconciliation to include specific categories and provides further guidance on disaggregation of those categories based on a quantitative threshold equal to 5% or more of the amount determined by multiplying pretax income (loss) from continuing operations by the applicable statutory rate. For entities reconciling to the US statutory rate of 21%, this would generally require disclosing any reconciling items that impact the rate by 1.05% or more. ASU 2023-09 is effective for public business entities for annual periods beginning after Dec. 15, 2024 (generally, calendar year 2025) and effective for all other business entities one year later. Entities should adopt this guidance on a prospective basis, though retrospective application is permitted. The adoption of ASU 2023-09 is expected to have a financial statement disclosure impact only and is not expected to have a material impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU2024-03, *Disaggregation of Income Statement Expenses (Subtopic 220-40)* (ASU 2024-03). ASU 2024-03 requires public entities to disaggregate, in a tabular presentation, certain income statement expenses into different categories, such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The guidance is effective for fiscal years beginning after December 15, 2026, with

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early adoption permitted, and may be applied retrospectively. We are currently evaluating the impact of adopting ASU 2024-03 on our consolidated financial statements and related disclosures.

We reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact to the consolidated financial statements.

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

Note 3 - Inventory

Inventory is stated at the lower of cost or estimated net realizable value. Inventory cost is determined by the first-in, first-out ("FIFO") basis. Inventory costs include raw materials, labor and operating overhead which includes supplies, depreciation and amortization of leased lab equipment and other related costs.

The Company performs an assessment of the recoverability of inventory cost during each reporting period, and it provides an allowance for slow-moving, excess, and obsolete inventories to their estimated net realizable value in the period in which the need for an allowance is first identified. Such impairment charges are recorded within cost of goods sold. As of March 31, 2025 and December 31, 2024, the Company did not record any such impairments.

The table below presents the Company's inventory values, by category, as of March 31, 2025 and December 31, 2024, respectively:

	March 31, 2025	December 31, 2024
Raw Materials	\$ 97,399	\$ 176,218
Finished Goods	1,875,238	1,647,783
Total-gross value	1,972,637	1,824,001
Less : valuation allowance	-	-
Total net realizable value	\$ 1,972,637	\$ 1,824,001

Note 4 - Revenue Recognition

The Company records revenue from product sales in accordance with ASC 606 ("ASC 606"), *Revenue from Contracts with Customers*.

The Company recognizes revenue from product sales at a point in time when control of the Company's product has transferred to the customer, which generally occurs upon shipment. Shipping and handling costs are included as a component of revenue. Shipping and handling costs are passed through to customers with an equal offsetting amount included in cost of goods sold.

Revenue is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for the product, which is generally fixed. Based on prior experience, and the nature of the product, variable consideration resulting from product discounts is not material.

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

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Distribution and Services Agreement

In September 2023, the Company executed a distribution and services agreement (“D&S Agreement”) with a large medical distributor located in the United States (the “Distributor”) for the distribution of the Company’s Amnio Wrap 2 (“AW2”) product. The Company licenses the rights to manufacture and commercialize AW2 from an unrelated party and in conjunction with the licensing arrangement, pays a per square centimeter license fee for all AW2 products sold by the Distributor. In October 2024, the Company executed an amendment to the D&S Agreement to expand the product lines that the Distributor will distribute on behalf of the Company and beginning in the fourth quarter of 2024, includes Vendaje AC (“VAC”). No licensing fees are due on VAC as the Company owns the right to manufacture and commercialize VAC.

The Distributor purchases the AW2 product from the Company at a fixed fee per square centimeter (“Sales Price”) with no right of return. Separately, the Distributor invoices the Company monthly for distinct sales, marketing and distribution services it provides on behalf of the Company (“Bona Fide Services Fee or BFSF”).

The BFSF is consideration payable to the Distributor for a distinct service the Distributor is providing to the Company. In accordance with ASC 606-10-32-26, such distinct services provided by a customer are accounted for in the same way that other purchases from suppliers would be accounted for. If the amount of consideration payable to the customer exceeds the fair value of the distinct good or service that the entity receives from the customer, then the entity shall account for such an excess as a reduction of the transaction price.

The Company has determined that the fair value of the BFSF does not exceed the consideration paid to the Distributor for these services. Therefore, the Company records, as revenue, the Sales Price per cm² for all AW2 and VAC products sold to the Distributor upon shipment and recognizes the BFSF as an operating expense within sales and marketing expenses.

During the three months ended March 31, 2025 and 2024, revenues earned from the shipment of AW2 and VAC under the distribution and services agreement were \$72,426,000 and \$41,134,900 and BFSF was \$56,561,092 and \$29,839,998, respectively, which is included in sales and marketing expenses on the unaudited consolidated statement of operations. During the three months ended March 31, 2025 and 2024, revenues under the D&S Agreement were approximately 99% and 98% of total revenue, respectively.

As of March 31, 2025 and December 31, 2024, accounts receivable due under this arrangement were \$109,654,870 and \$104,972,462, respectively, and amounts due to Distributor for BFSF were \$85,525,228 and \$81,873,058, respectively, which has been presented as Bona Fide Services Fee payable on the consolidated balance sheets. The BFSF is paid upon receipt of outstanding accounts receivable.

As of March 31, 2025 and December 31, 2024, the amounts outstanding under the licensing arrangement for the AW2 product were \$443,850 and \$2,359,575, respectively, which has been presented as license fees payable on the unaudited consolidated balance sheets.

Disaggregation of Revenue

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

	For the Three Months Ended March 31,	
	2025	2024
Membrane product net revenue	\$ 72,528,112	\$ 41,217,286
Cord product net revenue	-	686,927
Total net revenue	\$ 72,528,112	\$ 41,904,213

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Contract Balances

The following table provides information about the Company's accounts receivables from contracts with customers as of March 31, 2025 and December 31, 2024:

	2025	2024
Accounts receivable	\$ 109,657,309	\$ 104,980,085

Accounts receivable represent the Company's unconditional rights to consideration for product shipped. Contract liabilities represent amounts collected from customers upfront upon placement of an order for product prior to shipment. As of March 31, 2025 and December 31, 2024, the Company had no contract liabilities outstanding.

The Company expects to collect the outstanding balance of current accounts receivable, net within the next twelve months. The Company estimates its allowance for doubtful accounts by evaluating specific receivable balances based on historical collection trends, the age of outstanding receivables, and the credit worthiness of its customers.

Customer Credit Concentration

For the three months ended March 31, 2025 and 2024, one customer, Venture Medical, accounted for approximately 100% of our unaudited consolidated revenue, respectively.

As of March 31, 2025 and December 31, 2024, Venture Medical comprised approximately 100% of our outstanding accounts receivable.

The loss of this customer could have an adverse impact on our financial position and results of operations.

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

Note 5 - Net Income Per Share

Basic net income per share is computed by dividing the net income by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed by adjusting the weighted-average number of common shares outstanding to include outstanding common stock options, restricted stock awards, warrants to purchase common stock, and convertible preferred stock. For periods in which the Company has reported net losses, diluted net loss per share is the same as basic net loss per share because dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

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Basic and dilutive earnings per share is as follows for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net Income available to common shareholders (numerator)	\$ 4,483,096	\$ 3,257,913
Weighted-average number of common shares (denominator)	16,673,875	16,316,178
Basic earnings per common share	\$ 0.27	\$ 0.20
Weighted-average number of common shares	16,673,875	16,316,178
Potential shares of common stock arising from stock options, warrants, and unvested RSU's	9,583,687	3,008,939
Total shares-diluted (denominator)	26,257,562	19,325,117
Diluted earnings per common share	\$ 0.17	\$ 0.17
Anti-dilutive weighted shares excluded from the calculation of earnings per common share	-	-

Note 6 - Property and Equipment and Construction-in-Process

The following table presents property and equipment as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Building	\$ 433,448	\$ 433,448
Building Improvements	800,630	800,630
Land	75,000	75,000
Machinery and Equipment	1,266,017	1,259,372
Computer and Office Equipment	64,702	64,702
Furniture and Fixtures	68,066	68,066
Total property and equipment	2,707,863	2,701,218
Less: Accumulated Depreciation	(1,219,735)	(1,196,640)
Total property and equipment, net	\$ 1,488,128	\$ 1,504,578
Construction-in-process	\$ 348,503	\$ 190,422

Depreciation expense was \$23,095 and \$20,991 for the three months ended March 31, 2025 and 2024, respectively.

Note 7 – Intangible Assets Other Than Goodwill

The Company's intangible assets were acquired in business combinations or asset acquisitions and are 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, intellectual property, and customer relationships.

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

Website and software development costs	5 years
Intellectual property	5 years
Customer relationships	7 years

The following table presents intangible assets other than goodwill as of March 31, 2025 and December 31, 2024:

	As of March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intellectual property	\$ 152,000	\$ 87,952	\$ 64,048
Website and software development costs	225,907	117,756	108,151
Customer relationships	354,000	332,929	21,071
Total	<u>\$ 731,907</u>	<u>\$ 538,637</u>	<u>\$ 193,270</u>

	As of December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intellectual property	\$ 152,000	\$ 81,024	\$ 70,976
Website and software development costs	225,907	106,461	119,446
Customer relationships	354,000	320,285	33,715
Total	<u>\$ 731,907</u>	<u>\$ 507,770</u>	<u>\$ 224,137</u>

During each of the three months ended March 31, 2025 and March 31, 2024, amortization expense was \$30,867 and \$30,867, respectively.

Future expected amortization expense of intangible assets is as follows:

Year Ending December 31,	Amount
2025 (remaining)	\$ 73,505
2026	49,636
2027	56,129
2028	14,000
Total	<u>\$ 193,270</u>

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Note 8 – Notes Payable

The following table presents the carrying value of the Company’s notes payable as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
On July 27, 2018, the Company entered into a Bridge Loan Agreement and Promissory Note, with an interest rate of 0.50% per month for the first six months and 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 0.50%, per month for the first six months and 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 April 29, 2022, the Company entered an \$850,000 mortgage note at 8.25 percent 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, 2025. The loan is secured by the corporate headquarters building with a net book value of approximately \$329,000 as of March 31, 2025. This loan was paid in full subsequent to March 31, 2025.	850,000	850,000
On May 18, 2020, the Company obtained a \$150,000 Economic Injury Disaster Loan. Installment payments, including principal and interest, of \$731 monthly, began 30 months from the promissory note or November 18, 2022. Interest will accrue at an annual rate of 3.75%. Payments made through March 31, 2025 have not exceeded accrued interest amounts.	150,000	150,000
On June 1, 2023, the Company issued a promissory note in the amount of \$750,000 with an interest rate of 12.0% per annum. Between July 1, 2023 and the maturity date of May 25, 2025, the Company is required to make minimum monthly payments of principal and interest of \$35,305 monthly. The Note is an unsecured obligation (2). This note was paid in full subsequent to March 31, 2025.	69,565	171,352
Total notes payable	4,069,565	4,171,352
Less: unamortized discounts	(25,443)	(63,608)
Total notes payable	4,044,122	4,107,744
Less: current portion of notes payable, net of discount	(3,894,122)	(3,957,744)
Notes payable-long-term	\$ 150,000	\$ 150,000

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

(2) In connection with the issuance of the \$750,000 promissory note, the lender received 373,134 common stock warrants with an exercise price of \$2.00 and exercise period of five years. The Company recorded a debt discount of \$305,310 based on the relative fair value of the warrants. The fair value of the warrants was determined using a Black-Scholes pricing model and the following assumptions: expected term 3 years, risk free interest rate of 3.98%, and volatility of 107.74%. For the three months ended March 31, 2025 and 2024, the Company recognized amortization expense for this debt discount of \$38,164 and \$32,035, respectively, which is reflected in interest expense on the unaudited consolidated statements of operations. As of March 31, 2025 and December 31, 2024, the unamortized debt discount balance remaining was \$25,443 and \$63,607, respectively.

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Year Ending December 31,	
2025 (remaining)	\$ 3,919,565
2026	-
2027	-
2028	-
2029	-
Thereafter	150,000
Total	4,069,565
<i>Less: unamortized discounts</i>	<i>(25,443)</i>
Total notes payable	\$ 4,044,122

Note 9 – Stockholders’ Equity (Deficit)

Series A-1 Convertible Preferred Shares

The Company has designated 300 shares of preferred stock with a par value of \$0.001 as “Series A-1 Convertible Preferred Shares”.

The Series A-1 Convertible Preferred Shares entitle 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.

Each 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.

As of March 31, 2025 and December 31, 2024, there are 300 shares of Series A-1 Convertible Preferred Shares outstanding.

Series B-1 Convertible Preferred Shares

The Company has designated 500,000 shares of preferred stock with a par value of \$0.001 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 5 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

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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.

As of March 31, 2025 and December 31, 2024, there are 5 shares of Series B-1 Convertible Preferred Shares outstanding.

Common Stock

The Company is authorized to issue 975,000,000 shares of common stock with a par value of \$0.001 per share as of March 31, 2025 and December 31, 2024.

Common Stock Issuances

Three Months Ended March 31, 2025

The Company issued 611 shares of common stock for \$9,000 of services.

The Company issued 16,667 shares of common stock for the exercise of a warrant and received cash proceeds of \$33,334.

Three Months Ended March 31, 2024

The Company issued 1,164 shares of common stock for \$9,000 of services.

The Company issued 125,000 shares of common stock for the exercise of a warrant and received cash proceeds of \$250,000.

The Company issued 2,942 shares of common stock for the conversion of \$15,210 of outstanding debt and accrued interest and repaid \$35,000 to one stockholder.

Note 10 – Stock Based Compensation

Common Stock and Warrants for Services

On April 8, 2024, the Company entered into an agreement with a service provider to provide certain services until December 27, 2025 (the “Service Agreement”) in exchange for 60,000 shares of restricted common stock with a fair value of \$860,400 based on the market price of the Company's common stock on the grant date. Further, the Company issued the service provider a common stock purchase warrant (“Warrant”) which permits the service provider to purchase 50,000, 50,000 and 100,000 shares of the Company’s common stock at a price of \$4.00 per share, \$5.00 per share and \$6.00 per share, respectively. The Warrant is immediately exercisable at any time, in whole or in part, by the service provider from April 8, 2024, to April 8, 2029. The total estimated grant date fair value of the Warrant using the Black-Scholes option pricing model was \$1,943,500 and will be recognized into expense over the term of the service provider’s agreement. The following inputs were utilized in the Black-Scholes option pricing model to estimate the Warrant fair value: common stock price \$10.78, exercise price of \$4 - \$6, volatility of 124.34%, and risk-free rate of 4.43%.

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The initial value of the common stock and warrants were reflected as an increase to additional paid in capital and prepaid expenses in the aggregate amount of \$2,803,900 upon issuance. The fair value of these stock-based payments will be amortized into expense over the service term of the agreement through December 2025. During the three months ended March 31, 2025 and 2024, the Company amortized \$409,030 and \$0 into expense which is classified within general and administrative expense on the consolidated statements of operations.

As of March 31, 2025, the remaining unrecognized prepaid amount related to the common stock and warrants issued for services was \$1,202,765 which has been classified within prepaid expenses and other assets on the unaudited consolidated balance sheets.

The following table presents the Company's common stock warrant activity during the three months ended March 31, 2025:

	Number of Shares Underlying Warrants	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)
Outstanding as of December 31, 2024	2,060,134	\$ 2.26	3.71
Granted	-	\$ -	-
Exercised	(16,667)	\$ 2.00	-
Outstanding and exercisable as of March 31, 2025	<u>2,043,467</u>	<u>\$ 2.27</u>	<u>3.46</u>

Stock Options

The fair value of service-based stock options granted to employees and non-employees is estimated on the grant date using the Black-Scholes valuation model with the following assumptions for the three months ended March 31, 2025 and 2024:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Dividend yield	0%	0%
Expected term	6 years	6 years
Risk-free interest rates	4.02% - 4.42%	3.93% - 4.36%
Expected volatility	104.47% - 106.61%	114.16% - 115.24%

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.

Fair Value of Common Stock – The fair value of common stock is based on the closing price of the Company's common stock, as reported on the OTC on the date of grant.

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The following table summarizes activity under the Company’s stock option plans for service-based and market-based stock options during the three months ended March 31, 2025:

	<u>Number of Shares</u> <u>Underlying Options</u>	<u>Weighted Average</u> <u>Exercise Price</u>	<u>Weighted</u> <u>Average</u> <u>Remaining</u> <u>Term (Years)</u>	<u>Intrinsic</u> <u>Value</u>
Outstanding as of December 31, 2024	6,074,062	\$ 2.45	7.61	\$ 69,204,153
Granted	370,311	\$ 10.64	-	-
Forfeited	(92,776)	\$ 5.64	-	-
Exercised	-	\$ -	-	-
Outstanding as of March 31, 2025	6,351,597	\$ 2.88	7.48	\$ 69,670,788
Exercisable as of March 31, 2025	5,520,003	\$ 2.05	7.23	\$ 23,639,849

The weighted-average grant date fair value of options granted during the three months ended March 31, 2025 and 2024, was \$8.83 and \$6.11, respectively. During the three months ended March 31, 2025 and 2024, the Company recognized \$1,732,011 and \$3,186,332, respectively, of stock-based compensation in connection with service-based and market-based option grants (see below) which is included in general and administrative expenses on the condensed unaudited consolidated statements of operations. As of March 31, 2025 total unrecognized stock-based compensation expense for service-based option grants was \$5,800,077, which is expected to be recognized over a straight-line basis over a weighted-average period of 2.88 years.

Intrinsic value is measured based on the closing market price of Company’s common stock on the OTC market as of March 31, 2025 and the options exercise price times the number of options outstanding or exercisable whose exercise price is below the market price.

Market-Based Stock Option Grants

In October 2022, the Board of Directors granted 2,250,000 options at an exercise price of \$2.00, to both the Company’s Chief Executive Officer (“CEO”) and Chief Operating officer (“COO”) for a total of 4,500,000 options with vesting based on Sustained Market Capitalization targets. As of March 31, 2025, the Sustained Market Capitalization targets had been met and all 4,500,000 options were vested and exercisable. During the three months ended March 31, 2025, \$1,438,538 of stock-based compensation expense was recognized related to these market-based option grants.

Restricted Stock Units (“RSUs”)

During the three months ended March 31, 2025, RSU grants were to key employees and the Company’s CEO and COO were granted 198,807 and 114,314, respectively. The RSUs granted to the key employees vest as follows: 25% on the first anniversary of the grant date with quarterly vesting over two (2) years thereafter through March 2028. The CEO and COOs RSUs vest as follows: 33% on the first anniversary of the grant date with quarterly vesting for two (2) years thereafter through March 2028.

As of December 31, 2024, the unvested RSUs related to RSUs granted on September 14, 2024 to our CEO, COO, CFO, CCO, independent members of the Board of Directors and two key employees. The RSUs have an aggregate grant date fair value of approximately \$3.9 million and will vest quarterly over three (3) years through September 2027 commencing on the date of grant except for the RSUs issued to the key employees which vest quarter over four (4) years through December 2028 commencing on the date of grant.

The fair value of restricted stock is based on the closing price of the Company’s common stock on the OTC market on the date of grant.

The following table summarizes the restricted stock unit activity during the three months ended March 31, 2025:

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	Shares Outstanding	Weighted Average Grant Date Fair Value	
Unvested balance - December 31, 2024	359,351	\$	10.01
Granted	361,917	\$	10.55
Vested	(32,252)	\$	9.96
Unvested balance - March 31, 2025	689,016	\$	10.28

During the three months ended March 31, 2025 and 2024, we recognized stock-based compensation on the restricted stock units of \$386,860 and \$83,765, respectively. As of March 31, 2025, unrecognized stock-based compensation was \$7,094,021 which will be recognized through March 2028.

Note 11 – Commitments and Contingencies

Legal Matters

From time to time, claims are made against the Company in the ordinary course of business, which could result in litigation. Claims and associated litigation are subject to inherent uncertainties and unfavorable outcomes could occur, such as monetary damages, fines, penalties, or injunctions prohibiting the Company from selling one or more products or engaging in other activities. The occurrence of an unfavorable outcome in any specific period could have a material adverse effect on the Company’s results of operations for that period or future periods. The Company is not presently a party to any pending or threatened legal proceedings.

Note 12 – Federal and State Income Taxes

The Company recorded an income tax expense of approximately \$1.38 million and \$1.18 million from continuing operations for the three months ended March 31, 2025 and 2024, respectively.

During the year-ended 2024, the Company utilized all their federal and state net operating losses (“NOL”) and thus have no NOL carryforwards remaining for 2025.

The Company’s effective tax rate (“ETF”) for the three months ended March 31, 2025 and 2024 was 25.99% and 25.46%, respectively. The Company’s ETR increased from the first quarter of 2024 due to the change in permanent adjustments, which was partially offset by the benefit of decreased apportionment to the state of Florida.

Note 13 – Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly provided to the CODM in deciding how to allocate resources to an individual segment and in assessing performance. The Company’s Chief Executive Officer comprises the Company’s CODM. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. The CODM uses consolidated revenue, gross profit, net income(loss) and to assess performance, evaluate cost optimization, and allocate resources, including personnel-related and financial or capital resources, in the annual budget and forecasting process, as well as budget-to-actual variances on a monthly basis. As such, the Company has determined that it operates as one operating and reportable segment. Segment assets, liabilities and shareholders’ equity (deficit) is presented the same as disclosed on the consolidated balance sheets.

BioStem Technologies, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)

The following tables set forth significant expense categories and other specified amounts included in consolidated net income that are otherwise regularly provided to the CODM for the three months ended March 31, 2025 and 2024:

	March 31,	
	2025	2024
Revenue	\$ 72,528,112	\$ 41,904,213
Cost of goods sold	853,438	2,224,704
Segment profit	71,674,674	39,679,509
General and administrative	808,037	162,938
Research and development	1,385,734	26,795
Sales and marketing	797,134	544,061
Bona fide services fee	56,561,092	29,839,998
Professional fees	2,315,786	496,143
Compensation and related	4,503,604	3,949,603
Depreciation and amortization	53,962	51,858
Interest expense (income), net	(31,617)	163,942
Other expense	409	1,571
Income tax expense	797,437	1,184,687
Segment expense	67,191,578	36,421,596
Segment net income	\$ 4,483,096	\$ 3,257,913

Note 14 - Subsequent Events

The Company has evaluated all transactions and events after the balance sheet date through May 9, 2025 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.

As disclosed in Note 8, we repaid two outstanding notes payable with principal outstanding as of March 31, 2025 aggregating \$919,565 and all accrued interest outstanding at time of repayment.

In May 2025, the Compensation Committee approved an increase in base salary for Michael Fortunato to an annualized base salary of \$350,000.