Biostem Technologies, Inc
A Development Stage Company
Consolidated Balance Sheets
(Unaudited)

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash	$ 411,894	$ 50,941
Accounts receivable	151,536	
Inventory	220,468	-
Other receivable	667	-
Total current assets	784,565	50,941
Property, plant and equipment - net (note 3)	1,341,720	90,780
Other assets:		
Prepaid expense (note 4)	8,327	-
Goodwill	629,537	298,475
Organizational cost - net (note 4)	13,848	-
Acquired trademark - net (note 4)	153,853	-
Other Assets - Security Deposits	4,645	-
Total other assets	810,210	298,475
Total assets	$ 2,936,495	$ 440,196
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable & accrued expenses	$ 780,778	$ 23,860
Convertible debt	-	9,926
Derivative liabilities	-	10,478
Other current liabilities	11,192	10,000
Total current liabilities	791,970	54,264
Long term liabilities:		
Notes payable (note 7)	500,000	12,100
Total long term liabilities	500,000	12,100
Total liabilities	1,291,970	66,364
Stockholders' equity:		
Series A Convertible Preferred Stock (note 8)	500	500
Series B Convertible Preferred Stock (note 8)	500	475
Common stock (note 8)	1,251,792	491,533
Additional paid-in capital (note 8)	3,020,643	129,783
Accumulated deficit	(2,628,910)	(248,460)
Total Stockholders' equity	1,644,525	373,832
Total liabilities and stockholders' equity	$ 2,936,495	$ 440,196

Biostem Technologies, Inc
A Development Stage Company
Consolidated Statements of Operations
Years Ended December 31,
(Unaudited)

	2015	2014
Sales	$ 151,536	$ -
Cost of sales	(66,950)	-
Gross profit	84,586	-
General and administrative expenses	2,446,031	186,144
Loss from operations	(2,361,445)	(186,144)
Other income (expense)		
Other income	882	-
Interest expense	(21,776)	-
Change in fair value of embedded derivative liabilities	1,889	-
Total other expense - net	(19,005)	-
Net loss	$ (2,380,450)	$ (186,144)
Net loss per share - basic	$ (2.05)	$ (0.19)
Weighted average number of common shares outstanding during the year - basic	1,163,673	973,407

For Internal Use Only

Biostem Technologies, Inc
A Development Stage Company
Consolidated Statements of Cash Flows
Years Ended December 31,
(Unaudited)

	2015	2014
Cash flows from operating activities:		
Net loss attributable to Biostem Technologies, Inc	$ (2,380,450)	(186,144)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	44,914	-
Amortization of debt discount	10,074	-
Amortization of other assets	4,174	-
Change in fair value of derivative liabilities	(1,889)	-
Stock issued for services	1,595,333	-
Change in operating assets and liabilities:		
Accounts receivable	(151,536)	-
Inventory	(220,468)	-
Prepaid expenses	(8,327)	(100)
Other receivable	(667)	-
Other	(3,453)	-
Accounts payable & accrued expenses	758,719	750
Net cash used in operating activities	(353,576)	(185,494)
Cash flows from investing activities:		
Purchase of property & equipment	(1,295,855)	-
Trademark	(155,500)	-
Goodwill	(331,062)	
Organizational cost	(16,375)	-
Net cash used in investing activities	(1,798,792)	-
Cash flows from financing activities:		
Repayments of notes payable	(22,100)	(7,000)
Proceeds from notes payable	500,000	8,600
Proceeds from issuance of convertible notes	-	24,509
Proceeds from issuance of stock	2,025,421	159,808
Proceeds from stock subscription	10,000	-
Net cash provided by financing activities	2,513,321	185,917
Increase cash and cash equivalents	360,953	423
Cash and cash equivalents at beginning of period	50,941	-
Cash and cash equivalents at end of period	$ 411,894	$ 423
Supplementary disclosure of non-cash financing activities:		
Stock issuance for prior acquisition - Goodwill	$ (35,670)	$ -
Reclassification of derivative liability to additional paid-in-capital	$ 8,589	$ -
Retirement of 128,979,751 shares	$ (128,980)	$ -
Preferred B Stock issued to compensate retirement of 128,979,751 shares	$ 500	$ -
Retirement of 475,000 Preferred B shares	$ (475)	$ -
Supplementary disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 8,656	$ -
Income taxes	$ -	$ -

Biostem Technologies, Inc
Consolidated Statements of Stockholders' Equity
Period Ended December 31, 2015 and December 31, 2014

	Series A Convertible Preferred Stock $0.001 Par Value		Series B Convertible Preferred Stock $0.001 Par Value		Treasury Stock $0.001 Par Value		Common Stock Non-Restricted Pre-Reverse Split $0.001 Par Value Post-Reverse Split $0.4 Par Value	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Balance, August 28, 2014	500,000	$ 500	475,005	$ 475	-	$ -	143,969,940	$ 143,970
Common stock issued for Cash	-	-	-	-	-	-	-	-
Common stock issued for Services	-	-	-	-	-	-	-	-
Common stock issued for prior acquisition/ Goodwill								
Issuance of Shares for Cash (Certificate issued on May 5, 2015)	-	-	-	-	-	-		-
Net loss	-	-	-	-	-	-	-	-
Balance, December 31, 2014	500,000	$ 500	475,005	$ 475	-	-	143,969,940	$ 143,970
Retirement of Preferred B	-	-	(475,005)	(475)	-	-	-	-
Common stock issued for Cash (Pre-Reverse Split)	-	-	-	-	-	-	-	-
The Company reaquired 128,979,751 shares	-	-	-	-	(128,979,751)	(128,980)	-	-
Retirement of common stocks - 128,979,751 shares	-	-	-	-	128,979,751	128,980	-	-
Preferred B Stock issued	-	-	500,000	500	-	-	-	-
Net loss	-	-	-	-	-	-	-	-
Balance, January 7, 2015	500,000	$ 500	500,000	$ 500	-	-	143,969,940	$ 143,970
Reverse Split 1:400 on January 27 result in Par Value of 0.4	-	-	-	-	-	-	359,925	-
Common stock issued for Cash (Post-Reverse Split)	-	-	-	-	-	-	-	-
Common stock issued for Services		-	-	-	-	-	-	-
Common stock issued for Conversion	-	-	-	-	-	-	-	-
Reclassification of derivative liabilities associated with Convertible Notes	-	-	-	-	-	-	-	-
Commons stock issued for Acquisition of Assets	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-
Balance, December 31, 2015	**$ 500,000**	**$ 500**	**$ 500,000**	**$ 500**	**$ -**	**$ -**	**$ 359,925**	**$ 143,970**

Common Stock Restricted Pre-Reverse Split $0.001 Par Value Post-Reverse Split $0.4 Par Value Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
311,946,503	$ 311,947	$ -	$ -	$ 456,891
5,000,000	5,000	-	-	5,000
20,000,000	20,000	-	-	20,000
10,400,000	10,400	-		10,400
216,666	217	129,783	-	130,000
-	-	-	(248,460)	(248,460)
347,563,169	$ 347,564	$ 129,783	$ (248,460)	$ 373,832
-	-	475	-	(0)
10,000,000	10,000	-	-	10,000
-	-	128,980	-	-
(128,979,751)	(128,980)	-	-	-
-	-	(500)	-	-
-	-	-	-	-
228,583,418	$ 228,584	$ 258,738	$ (248,460)	$ 383,832
571,459	-	-	-	-
923,927	369,571	959,680	-	1,329,251
1,028,286	411,314	1,184,019		1,595,333
4,207	1,683	20,117	-	21,800
-	-	8,589	-	8,589
241,675	96,670	589,500	-	686,170
-	-	-	(2,380,450)	(2,380,450)
$ 2,769,554	**$ 1,107,822**	**$ 3,020,643**	**$ (2,628,910)**	**$ 1,644,524**