

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

**Note 1 Organization and Nature of Operations**

Biostem Technologies, Inc. (the “Company”), was formerly incorporated as Aladdin & Company Trading in Utah on July 7, 2006. Aladdin & Company Trading later changed its name to Caribbean Casino & Gaming Corporation and re-domiciled to Florida on March 2, 2009. Caribbean Casino & Gaming Corporation further changed its name to Caribbean International Holdings, Inc. on January 7, 2013. On August 28, 2014, the Company changed its name to Biostem Technologies Inc.

The Company is devoted to provide goods and services that educate, provide and share with the world the benefits of using stem cell research, nutraceutical and telomere science to promote anti-aging, examine life extension possibilities, and the effects of our products and processes in defeating disease. Currently, the issuer has five wholly owned subsidiaries, under which it operates its business:

- Biostem Wellness, Inc., a Florida corporation, the subsidiary develops and markets nutraceutical products through our own brands, Dr. Dave’s Best and Nesvik Organics as well as other non-proprietary products throughout the U.S. and internationally.
- Biostem Pharmaceuticals, Inc., a Delaware corporation, the subsidiary is the pharmaceutical research and development arm of the Company and will, when fully operational, provide proprietary products and compounds for our clients and for our affiliated companies.
- Biostem Cell Therapy, Inc., a Delaware corporation, the subsidiary will educate future stem cell providers in patented cell treatment protocols, procedures and practices as well as provide new products to our affiliated companies.
- Biostem International Inc. is incorporated to manage international operations in Mexico, Spain and Iceland.
- Biostem Helps, Inc., a Delaware corporation works with non-profit organizations to actively work with people across the globe to engage in combating illness and disease.

The Company is currently selling products through Biostem Wellness, Inc. via two ecommerce platforms, Dr. Dave’s Best and Nesvik Organics. In addition, the Company is continuing to build its stem cell research through Biostem Cell Therapy, Inc.

In 2015, the Company incorporated three subsidiaries in Spain, Iceland, and Mexico. The purpose of the foreign subsidiaries is to start the process of penetrating international markets. The Company is currently conducting business in Mexico offering of cell based therapies and renovating the buildings recently acquired in Iceland. The Company is planning to operate the buildings as a Health & Wellness Resort. As of June 30, 2016, the subsidiary in Spain had no activity.

The Company’s fiscal year end is December 31.

**Note 2 Summary of Significant Accounting Policies**

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

**Going Concern**

As reflected in the accompanying consolidated financial statements, the Company had a net loss of \$(2,683,430) and net cash used in operations of \$(224,172) for the six months ended June 30, 2016; and a working capital deficit of \$(1,548,252) at June 30, 2016. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue its operation is dependent on management's plans, which include the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including convertible debt and/or other term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to incur liabilities with certain related parties to sustain the Company's existence.

The Company may require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company's currently available cash along with anticipated revenues may not be sufficient to meet its cash needs for the near future. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

**Basis of Presentation**

The Company is a biotechnology company focused on the development of anti-aging nutraceutical and cosmeceutical products, stem cell therapies, and educational provider of cell treatment protocols. The Company is a development stage company.

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting.

**Conversion**

The accompanying consolidated financial statements are prepared in US Dollars. The financial statements of foreign subsidiaries are a translation of the statements as prepared in Mexican Peso ("MXN" or "Peso") and Icelandic Krona ("ISK" or "Krona") at the rate of exchange of the foreign currencies to the US Dollar prevailing on June 30, 2016 (MXN 18.8979 = US \$ 1 and ISK 123.2

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

= US \$ 1).

It should be noted that the Mexican Peso and Icelandic Krona amounts, the basis on which the conversion figures were prepared, do not necessarily represent the current cost amounts of the various elements within the financial statements and, also, that it should not be construed from the translation into US Dollar figures that the foreign currency amounts actually represent, or could be converted into Dollars. These financial statements have been prepared for the convenience of the reader. In the event of any discrepancy between the contents of this translation and the foreign original amounts, the foreign original amounts prevail.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Such estimates and assumptions impact both assets and liabilities, including but not limited to: net realizable value of accounts receivable and inventory, estimated useful lives and potential impairment of property and equipment, the valuation of intangible assets, estimate of fair value of share based payments and derivative liabilities, estimates of tax liabilities and estimates of the probability and potential magnitude of contingent liabilities.

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 financial statements, which management considered in formulating its estimate could change in the near term due to one or more future non-conforming events. Accordingly, actual results could differ significantly from estimates.

### **Risks and Uncertainties**

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

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

### **Principles of Consolidation**

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

The consolidated financial statements include the accounts of Biostem Technologies, Inc. and the all subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation.

**Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions, and all highly liquid investments with an original maturity of three months or less.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by performing credit checks and actively pursuing past due accounts.

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivable aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company's net balance of accounts receivable for the six months ended June 30, 2016 and for the year ended December 31, 2015:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Accounts Receivable	\$ 15,418	\$ 151,536
Allowance for Doubtful Accounts	—	—
Net Accounts Receivable	<u>\$ 15,418</u>	<u>\$ 151,536</u>

All amounts are deemed collectible at June 30, 2016 and December 31, 2015 and accordingly, the Company has not incurred any bad debt expense at June 30, 2016 and December 31, 2015.

**Inventory**

Inventories consist primarily of anti-aging products, and are stated at cost. The Company values the inventory at the lower costs (using first-in, first-out method) or market value. The Company periodically reviews historical sales activity to determine potentially obsolete items and also evaluates the impact of any anticipated changes in future demand.

At June 30, 2016 and December 31, 2015, the Company had \$122,477 and \$220,468 in inventory,

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

respectively. The Company tracks inventory as it is disposed or scrapped to determine whether additional items on hand should be reduced in value through an allowance method. As of June 30, 2016, the Company has determined that no allowance is required.

**Property, Plant and Equipment**

Property, plant and equipment is stated at cost, less accumulated depreciation, and is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Depreciation of property, plant and equipment is provided utilizing the straight-line method over the estimated useful lives, ranging from 3-39 years of the respective assets. Expenditures for maintenance and repairs are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated using the straight-line method over 39 years.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statements of operations.

**Valuation of Goodwill**

The Company reviews for impairment of Goodwill whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. In the event of impairment, the asset is written down to its fair market value. The Company determined no impairment adjustment was necessary for the periods presented.

**Fair Value of Financial Instruments**

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted process for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Unobservable inputs reflecting the Company’s assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of the Company’s financial assets and liabilities, such as cash, prepaid expenses, other current assets, accounts payable & accrued expenses, and certain notes payable approximate their fair values because of the short maturity of these instruments.

### **Earnings (Loss) Per Share**

Basic net earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common stock, common stock equivalents and potentially dilutive securities outstanding during each period.

The Company uses the “treasury stock” method to determine whether there is a dilutive effect of outstanding convertible debt, option and warrant contracts. For the periods ended June 30, 2016 and December 31, 2015, the Company reflected a net loss and a dilutive net loss, and the effect of considering any common stock equivalents would have been anti-dilutive for the period. Therefore, separate computation of diluted earnings (loss) per share is not presented for the periods presented.

### **Income Tax Provision**

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statements of Operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty (50) percent likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

The Company's tax returns may be subject to examination by the federal and state authorities for the year ended 2015 and prior years.

The Company did not record a provision or benefit for income taxes during the year ended June 30, 2016.

**Recently Issued Accounting Pronouncements**

In May 2014, the FASB and International Accounting Standards Board issued a converged final standard on the recognition of revenue from contracts with customers. This updated guidance provides a framework for addressing revenue recognition issues and replaces almost all existing revenue recognition guidance in current U.S. generally accepted accounting principles. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively, and improve guidance for multiple-element arrangements. This guidance is effective for interim and annual periods beginning after December 15, 2017. Management has not yet evaluated the future impact of this guidance on the Company's financial position, results of operations or cash flows.

In September 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU describes how an entity should assess its ability to meet obligations and sets disclosure requirements for how this information should be disclosed in the financial statements. The standard provides accounting guidance that will be used with existing auditing standards. The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of this guidance will be examined for the year ended December 31, 2016, and if applicable at that time, will require management to make the appropriate disclosures.

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

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

**Note 3 Property, Plant and Equipment**

Property, plant and equipment consisted of the following at June 30, 2016 and December 31, 2015:

	<b>June 30, 2016</b> <b>(Unaudited)</b>	<b>December 31, 2015</b> <b>(Unaudited)</b>
Building	\$ 532,478	\$ 486,883
Building Improvements	731,382	305,326
Land	86,000	75,000
Machinery and Equipment	626,656	485,731
Computer and Office Supplies	24,081	13,015
Furniture and Fixtures	28,927	22,900
<b>Total</b>	<b>2,029,524</b>	<b>1,388,855</b>
Less: Accumulated Depreciation	(101,065 )	(47,135 )
<b>Property, Plant and Equipment - net</b>	<b>\$ 1,928,458</b>	<b>\$ 1,341,720</b>

**Note 4 Other Assets**

Other assets consisted of the following at June 30, 2016 and December 31, 2015:

	<b>June 30, 2016</b> <b>(Unaudited)</b>	<b>December 31, 2015</b> <b>(Unaudited)</b>
Prepaid Expense	\$ 8,463	\$ 8,327
Security Deposits	18,813	4,645
Goodwill	597,255	629,537
Acquired Trademark	155,500	155,500
Organization Cost	16,375	16,375
Less: Impairment Charges	—	—
Less: Accumulated Amortization	(10,976 )	(4,174 )
<b>Other Assets - net</b>	<b>\$ 785,430</b>	<b>\$ 810,210</b>

**Note 5 Note Payable**

On October 29, 2015, the Company purchased a property located at Pompano Beach, Florida for \$600,000 including tangible assets. The Company has paid \$100,000 in cash and financing the remaining balance at 5% interest rate. The loan is payable monthly, interest only for the term of the loan at 5%. The loan maturity on April 29, 2017. The property will be mainly used as laboratory

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

for product research and development.

**Note 6 Stockholders' Equity**

**(A) Preferred Stock**

The Company retired 128,979,751 common shares to treasury and issued new Preferred B-1 stock to the investors.

On May 16, 2016, the Company filed with Florida Department of State with an amendment to cancel 499,700 Preferred A-1 shares. After the cancellation of the shares, the Series A-1 consisting of 300 shares at par value of \$0.001 per share.

**(B) Common Stock**

On January 7, 2015, the Company retired 128,979,751 shares of common stock. Furthermore, the Company has amended its Series B-1 shares. The retiring of the 128,979,751 common shares to treasury reduced the total outstanding common shares by approximately 25%.

On January 12, 2015, the Company filed Articles of Amendment to institute a 1:400 reverse split of the common shares. The reverse split was effective on January 27, 2015.

For the years ended December 31, 2015 and December, 31 2014, the Company issued the following common stock (quantity was shown as post 1:400 reverse split):

<u>Transaction Type</u>	<u>Quantity</u>	<u>Valuation</u>	<u>Range of Value per Share</u>
<b>December 31, 2015</b>			
Common stock issued for cash (post 1:400 reverse-split)	(1) 948,927	1,339,251	1.41
Common stock issued for services (post 1:400 reverse-split)	(2) 1,028,286	\$ 1,595,333	\$ 1.55
Common stock issued for acquisition (post 1:400 reverse-split)	(3) 241,675	686,170	2.84

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

Common stock issued for conversion (post 1:400 reverse-split)	(4)	4,207	21,800	5.18
		<u>2,223,095</u>	<u>\$ 3,642,554</u>	<u>\$ 1.41-5.18</u>
<b>June 30, 2016</b>				
Common stock issued for cash (post 1:400 reverse-split)	(5)	92,927	520,263	5.60
Common stock issued for services (post 1:400 reverse-split)	(6)	125,409	1,654,279	13.19
		<u>218,336</u>	<u>\$ 29,002</u>	<u>\$ 5.60-13.19</u>

**(1) Common stock issued for cash (post 1:400 reverse-split)**

Beginning in 2015, the Company issued stock for cash at the price per share in range of \$1.00 and \$7.50. As of December 31, 2015, total shares of 948,927 been issued for total proceeds of \$1,339,251.

**(2) Common stock issued for services (post 1:400 reverse-split)**

In 2015, the Company issued total of 1,028,286 shares for the consulting services performed by third parties, the fair value of the services was \$1,595,333. The Company issued the stock in the range of \$1.00 and \$17.20 per share.

**(3) Common stock issued for acquisition of assets (post 1:400 reverse-split)**

In April 2015, the Company issued 26,675 shares at \$1.34 per share to fulfill the obligations that the Company owed to previous owners for the acquisition of the Company.

In November 2015, the Company issued additional 215,000 shares in the range of \$3.00 and \$3.11 per share for the purpose of acquiring the exclusive right to use the brand name and inventory from the another entities.

**(4) Common stock issued for conversion (post 1:400 reverse-split)**

In December 2015, the Investor agreed to convert the Notes with principal amount of \$20,000 and accrued interest of \$1,800 to Company's common stock. The Company issued 4,207 shares to fulfill the obligations.

**(5) Common stock issued for cash (post 1:400 reverse-split)**

In first and second quarter of 2016, the Company issued stock for cash at the price in the range of \$4.87 and \$7.50 per share. As of June 30, 2016, total shares of 92,927 been issued for total proceeds of \$520,263.

**(6) Common stock issued for services (post 1:400 reverse-split)**

In first and second quarter of 2016, the Company issued total of 125,409 shares, including signing bonus of

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

100,000 shares (note 7), for the services performed by third parties. The Company issued the stock in the range of \$10.15 and \$15.00 per share.

**(C) Common Stock to be Issued**

As of June 30, 2016, common stock subscription of \$30,000 was received from the investor; however, the Company has not yet issue the shares to the investors by June 30, 2016. The Company will issue the shares in third quarter.

**(D) Additional Paid in Capital**

The net proceeds in excess of the par value of \$0.40 are recorded as Additional Paid in Capital. For the period ended June 30, 2016, total cash proceeds of \$483,092, total services rendered by third parties and signing bonus of \$1,604,116 had been recorded as Additional Paid in Capital.

As mentioned above in subsection A, the cancellation of 499,700 shares or \$499.70 was allocated to Additional Paid in Capital for the purpose of reflecting the par value of \$0.001 per share according to the amendment filed with Florida Department of State.

**Note 7 Commitments and Contingencies**

**Operating Lease**

In October, 2014, the Company executed a 36-month lease for a new corporate headquarters with an annual base rent of \$27,164 annually through 2017. The Company paid a security deposit of \$2,157.

In February, 2016, the Company entered a new 18-month lease with an annual base rent of \$16,727 through 2017. The Company paid a security deposit of \$1,433. The new space would be used active pharmaceutical repackaging and distribution.

**Employment Agreements**

In January 2015, the Company entered into new employment agreement with three officers. According to the new employment agreements, the new salary increased to the range of \$180,000 and \$250,000 annually and effective January 1, 2015.

In May 2016, the Company entered into two employment agreements with two new officers, Chief Technology Officer and President of one of the subsidiaries. According to the employment agreements, in addition to their annual salary as described on the employment agreement, each officer will be entitled to the signing bonus of 50,000 shares of restricted common capital stock of the Company. In addition, one of the officers would receive additional of 50,000 shares of restricted common capital stock upon the completion of twelve months of service. The other officer will be entitled an additional 50,000 shares on January 1, 2017 and an additional 50,000 shares on

**Biostem Technologies, Inc**  
**Notes to Consolidated Financials**  
**For the Six Months Ended June 30, 2016 and**  
**Year Ended December 31, 2015**

January 1, 2018.

**Consulting Agreements**

In December 2014, the Company entered into a consulting agreement with an advisor on anti-aging products. According to the consulting agreement, the Company will pay for the services the sum of \$1,250 per month with a one-time issuance of 10,000,000 shares of restricted common capital stock (the total shares had been reduced to 25,000 shares upon reverse split).

In 2015, the Company entered consulting agreements with other consultants (“Consultants”). According to the consulting agreements, the Consultants are engaged to provide services for the development of anti-aging products, nutraceutical and pharmaceutical distribution, developing marketing plans, strategies, analyzing market data and other product development. The services performed by the Consultants would be compensated by the issuance of Company restricted common stock in range of 30,000 and 100,000 shares. One of these agreements had a term of thirty-six (36) months, and the Company will issue 100,000 shares each anniversary date for the next two (2) years.

On March 11, 2016, the Company entered consulting agreements with an outside consultant (“Consultant”). According to the consulting agreements, the Consultant is engaged to refine the Company’s overall business strategy and funding strategy. In addition, the consultant engaged to develop a scalable funding program. The services performed by the Consultant would be compensated at \$10,000 per month and the Company would grant the Consultant of 99,200 restricted shares upon commencement of the agreement. The initial term of this agreement would be three months and automatically renew for additional one-month until either party terminates the agreement.

**Note 8 Subsequent Events**

BioStem Helps Inc. has executed a name change to Quality Pharma Ingredients Inc. (QPI) on August 3<sup>rd</sup>, 2016. QPI will enter into the repackaging and distribution of active pharmaceutical ingredients at the 4751 NE 11<sup>th</sup> Ave. Oakland Park, FL location. QPI will also enter a net revenue share contract with PLI, a pharmaceutical marketing and sales agency.