

GelStat Corporation

333 SE Second Street Suite 2000, Miami, FL 33131

(772) 212-1369
www.gelstat.com
info@gelstat.com

Annual Report

For the period ending 12/31/2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

3,740,434,945 as of 4/30/2026 (*Current Reporting Period Date or More Recent Date*)

3,740,434,945 as of 12/31/2025 (*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 Control of the company has occurred during this reporting period:

Yes: No:

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

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

GelStat Corporation, 333 SE 2ND St. Ste 2000, Miami, FL 33131

Current State and Date of Incorporation or Registration: Delaware 11/13/1991

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

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

Not Applicable

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

None

List any company name change, 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:

333 SE Second Street Suite 2000, Miami, FL 33131

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: Securities Transfer Corporation
Phone: (469) 633-0101
Email: <https://stctransfer.com/contact-stc/>
Address: www.stctransfer.com

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>GSAC</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	<u>368533105</u>
Par or stated value:	<u>0.0001</u>
Total shares authorized:	<u>5,000,000,000</u> as of date: <u>4/24/2026</u>
Total shares outstanding:	<u>3,740,434,945</u> as of date: <u>4/24/2026</u>
Total number of shareholders of record:	<u>314</u> as of date: <u>4/24/2026</u>

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

Not Applicable

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>Preferred</u>
Par or stated value:	<u>0.0001</u>
Total shares authorized:	<u>10,000,000</u> as of date: <u>4/30/2026</u>
Total shares outstanding:	<u>51</u> as of date: <u>4/30/2026</u>
Total number of shareholders of record:	<u>5</u> as of date: <u>4/30/2026</u>

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

Not Applicable

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.

Voting Rights - Each holder of Common Stock is entitled to one vote for each share of Common Stock held of record by such holder on all matters on which shareholders generally are entitled to vote, except as may be otherwise provided in the Articles of Incorporation (including any Certificate filed with the Secretary of State of the State of Florida establishing the terms of a series of Preferred Stock) or by the Florida Business Corporation Act (the "Act"). The holders of Common Stock do not have any cumulative voting rights.

Dividends - Subject to the Act and the rights (if any) of the holders of any outstanding series of Preferred Stock, dividends may be declared and paid on the Common Stock at such time and in such manner as the Board of Directors, in its discretion, shall determine.

Rights and Preferences - The Common Stock has no preemptive rights, conversion rights or other subscription rights, or redemption or sinking fund provisions.

Liquidation - Upon the dissolution, liquidation or winding up of the Company, subject to the rights (if any) of the holders of any outstanding shares of Preferred Stock, the holders of Common Stock are entitled to receive the assets of the Company available for distribution to shareholders ratably in proportion to the number of shares held by them.

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

Shall vote together with the holders of common stock. Voting considers one share of the Series A Preferred Stock shall have voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock and Preferred Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator. Not entitled to dividends; no liquidation rights; not convertible; if only holder ceases to be an officer or director, their shares of Series A Preferred Stock will be cancelled.

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 <u>Opening Balance:</u> Date <u>12/31/23</u> Common: <u>1,809,874,946</u> Preferred: <u>51</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***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.
<u>2/22/2024</u>	<u>New issuance</u>	<u>166.666.667</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Paul W Bucha</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>2/22/2024</u>	<u>New issuance</u>	<u>208.333.333</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Adrian Goldfarb</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>2/22/2024</u>	<u>New issuance</u>	<u>27.780.000</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Jose M Fernandez</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>2/22/2024</u>	<u>New issuance</u>	<u>27.780.000</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Fei Kwong</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>2/22/2024</u>	<u>New issuance</u>	<u>750.000.000</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Javier Acosta</u>	<u>Compensation</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>1/21/2025</u>	<u>New issuance</u>	<u>83.333.333</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Cynthia Bell-Bucha</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>1/21/2025</u>	<u>New issuance</u>	<u>166.666.667</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Adrian Goldfarb</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>1/21/2025</u>	<u>New issuance</u>	<u>83.333.333</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Jose M Fernandez</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>1/21/2025</u>	<u>New issuance</u>	<u>83.333.333</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Fei Kwong</u>	<u>Board Fees</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
<u>1/21/2025</u>	<u>New issuance</u>	<u>333.333.333</u>	<u>Common</u>	<u>0.0003</u>	<u>No</u>	<u>Javier Acosta</u>	<u>Compensation</u>	<u>Restricted</u>	<u>Sec 4(a)(2) & Reg D</u>
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>4/30/26</u> Common: <u>3,740,434,945</u> Preferred: <u>51</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, 2023 through December 31, 2024 pursuant to the tabular format above.

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

None.

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 ⁶	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
6/29/2025	165,000	180,000	9/29/2027	0.0030	0	60,000,000	DuosTech Corp	Purchase
8/17/2025	220,000	240,000	8/17/2027	0.0004	0	600,000,000	K. Savino	Loan
1/1/2026	205,547	257,838	12/31/2027	0.0004	0	644,594,225	A. Goldfarb	Loan
7/22/2024	50,000	55,200	7/22/2026	0.0004	0	138,000,000	J. Fernandez	Loan
Total Outstanding Balance:		733,038		Total Shares:	0	1,442,594,225		

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

None.

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")

Research, development, marketing and branding of innovative advanced technology operations

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

GSAC Engineering Corporation (Subsidiary)

C. Describe the issuers' principal products or services.

Engineering Services and Industrial Security and Control products

⁶ 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.

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.

Minimal contracted facilities.

6) All Officers, Directors, and 5% Beneficial Owners 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% beneficial owner)	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)
Javier G Acosta	CEO	Miami, FL	1,237,822,437	Common	33.1%
Javier G Acosta	CEO	Miami, FL	15	Preferred	29.4%
Adrian G Goldfarb	Chairman	Miami, FL	498,873,994	Common	13.3%
Adrian G Goldfarb	Chairman	Miami, FL	15	Preferred	29.4%
Adrian G Goldfarb	Chairman	Miami, FL	131,481,963	Warrant Common	3.5%
Cythia Bell-Bucha	Director	Miami, FL	274,807,692	Common	7.3%
Cythia Bell-Bucha	Director	Miami, FL	7	Preferred	13.7%
Fei Kwong	Director	Miami, FL	111,113,333	Common	3.0%
Fei Kwong	Director	Miami, FL	7	Preferred	13.7%
Jose M Fernandez	Director	Miami, FL	111,113,333	Common	3.0%
Jose M Fernandez	Director	Miami, FL	7	Preferred	13.7%
Jose M Fernandez	Director	Miami, FL	36,500,000	Warrant Common	1.0%

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);

No.

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;

No.

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;

No.

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

No.

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.

No.

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.

No.

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: Shutts & Bowen LLP
Address 1: 200 S Biscayne Boulevard, Suite 4100
Address 2: Miami, FL 33131
Phone: (305) 358-6300
Email:

Accountant or Auditor

Name:
Firm:
Address 1:
Address 2:
Phone:
Email:

Investor Relations

Name: Tom Colton and John Yi
Firm: Gateway Investor Relations
Address 1:
Address 2:
Phone: (949) 574-3860
Email: GSAC@gatewayir.com

All other means of Investor Communication:

X (Twitter): gsacgroup
Discord:
LinkedIn: <https://www.linkedin.com/company/gelstat-corporation/>
Facebook:
[Other]

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: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____

Phone: _____
Email: _____

9) Disclosure & Financial Information

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

Name: Javier G Acosta
Title: CEO
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: Javier G Acosta
Title: CEO
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements:⁷ CPA

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.

⁷ 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.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Javier G Acosta certify that:

1. I have reviewed this Disclosure Statement for GelStat Corporation;
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.

4/30/2026 [Date]

/s/ Javier G Acosta [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Javier G Acosta certify that:

1. I have reviewed this Disclosure Statement for GelStat Corporation;
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.

4/30/2026 [Date]

/s/ Javier G Acosta [CFO's Signature]

GelStat Corporation
Consolidated Balance Sheets

	December 31, 2025	December 31, 2024
	(Unaudited)	
<u>Assets</u>		
Current Assets		
Cash	\$ 3,956	\$ 8,825
Accounts receivable	16,238	57,063
Marketable securities	1,431	-
Derivative assets, fair value	161,095	-
Total Current Assets	182,720	65,888
Debt securities, held-to-maturity (non current portion)	11,856	-
Intangible Asset, net	75,000	105,000
Total Assets	\$ 269,576	\$ 170,888
<u>Liabilities and Stockholders' Deficit</u>		
Current Liabilities		
Accounts payable	\$ 202,131	\$ 232,365
Accrued expenses	299,615	290,004
Other current liabilities	52,559	20,967
Derivative liabilities, fair value	100,818	-
Deferred revenue	11,097	10,791
Related party Loans (current portion)	23,370	22,970
Convertible note, net of discount	56,953	417,095
Total Current Liabilities	746,543	994,192
Long term Liabilities		
Related party Loans (non current portion)	180,127	169,290
Convertible notes, net (non current portion)	592,957	55,200
Total Long term Liabilities	773,084	224,490
Stockholders' Deficit		
Common stock, \$0.01 par value, 5,000,000,000 shares authorized; 3,740,434,945 and 2,990,434,946 shares issued and outstanding at December 31, 2025 and 2024	37,404,349	29,904,349
Additional paid-in-capital	(17,096,647)	(9,821,647)
Deferred stock compensation	(421,701)	(312,134)
Accumulated deficit	(21,144,937)	(20,818,362)
Accumulated other comprehensive loss	8,885	-
Total Stockholders' Deficit	(1,250,051)	(1,047,794)
Total Liabilities and Stockholders' Deficit	\$ 269,576	\$ 170,888

See accompanying notes to unaudited financial statements

GelStat Corporation
Consolidated Statements of Operations

	For the Year Ended December 31	
	<u>2025</u>	<u>2024</u>
	(Unaudited)	
Revenues	\$ 267,962	\$ 349,730
Cost of goods sold	<u>12,583</u>	<u>115,896</u>
Gross Profit	<u>255,379</u>	<u>233,835</u>
Operating expenses:		
Personnel costs	225,209	190,758
Legal, professional and consulting	19,372	172,104
Selling, general and administrative expenses	94,717	41,040
Stock compensation	127,934	80,434
Amortization expense	<u>30,000</u>	<u>30,000</u>
Total operating expenses	<u>497,232</u>	<u>514,336</u>
Net Loss From Operations	(241,853)	(280,501)
Other income(expense):		
Dividend income	199	-
Interest income	678	-
Interest expense	(80,690)	(93,913)
Other income	1,364	1,467
Loss on sale of investments	<u>(6,273)</u>	<u>-</u>
Total Other expense	<u>(84,722)</u>	<u>(92,446)</u>
Net Loss Before Provision for Income Tax	(326,575)	(372,947)
Provision for Income Taxes	-	-
Net loss	<u>\$ (326,575)</u>	<u>\$ (372,947)</u>
Other comprehensive income (loss)		
Change in unrealized gain (loss) on equity investments	<u>8,885</u>	<u>-</u>
Total other comprehensive income (loss)	<u>8,885</u>	<u>-</u>
Total comprehensive income	<u>\$ (317,690)</u>	<u>\$ (372,947)</u>
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>3,061,314,066</u>	<u>2,990,434,946</u>

See accompanying notes to unaudited 000000financial statements

GelStat Corporation
Consolidated Statement of Stockholders' Deficit
For the Year Ended December 31, 2025 and 2024
(Unaudited)

	Common Stock		Additional	Deferred stock	Accumulated	Accumulated	Total
	\$0.01 Par Value						
	Shares	Amount				Gain (Loss)	Deficit
Balance December 31, 2023	1,809,874,946	18,098,749	1,960,742	(392,568)	(20,445,415)	-	(778,492)
Stock compensation	1,180,560,000	11,805,600	(11,805,600)	80,434	-	-	80,434
Warrants issued for debt conversion	-	-	23,211	-	-	-	23,211
Net loss for the year ended December 31, 2024	-	-	-	-	(372,947)	-	(372,947)
Balance December 31, 2024	2,990,434,946	29,904,349	(9,821,647)	(312,134)	(20,818,362)	-	(1,047,794)
Stock compensation	749,999,999	7,500,000	(7,275,000)	(109,567)	-	-	115,433
Other comprehensive income (loss)	-	-	-	-	-	8,885	8,885
Net loss for the year ended December 31, 2025	-	-	-	-	(326,575)	-	(326,575)
Balance December 31, 2025	3,740,434,945	37,404,349	(17,096,647)	(421,701)	(21,144,937)	8,885	(1,250,051)

See accompanying notes to Unaudited financial statements

GelStat Corporation
Consolidated Statements of Cash Flows

**For the Year Ended
December 31,**

	2025	2024
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (326,575)	\$ (372,947)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible asset	30,000	30,000
Amortization of loan discount	30,634	29,062
Amortization of related party note discount	29,377	36,358
Stock compensation	127,934	80,434
Realized loss on sale of investments	(6,273)	-
Changes in operating assets and liabilities:		
Accounts receivable	40,825	(33,797)
Accounts payable	(30,234)	171,700
Accrued expense	9,611	4,772
Deferred revenue	306	314
Other current liabilities	31,592	(3,063)
Net cash used in operating activities	(62,803)	(57,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt securities, held-to-maturity	(436,129)	-
Sales of debt securities, held-to-maturity	424,880	-
Purchase of marketable securities	(1,431)	-
Purchase of derivative instruments	(675,054)	-
Sales of derivative instruments	600,809	-
Net cash used in investing activities	(86,925)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments- related party	(24,788)	(12,821)
Loan repayments- long term note	(2,808)	-
Proceeds from related party loan	5,370	27,500
Proceeds from long term note	167,085	26,000
Net cash provided by financing activities	144,859	40,679
Net increase (decrease) in cash	(4,869)	(16,488)
Cash - beginning of period	8,825	25,313
Cash - end of period	\$ 3,956	\$ 8,825
<u>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash paid during the year/period for:		
Interest	\$ 19,980	\$ 1,576
Taxes	\$ 21,860	\$ -
<u>SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</u>		
OID issued to the convertible notes	\$ 15,000	\$ -

See accompanying notes to unaudited 000000financial statements

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

NOTE 1 - Business

GelStat Corporation ("the Company" or "GelStat") is a publicly traded company trading under the symbol ("GSAC") that is engaged in research, development, marketing and branding of innovative advanced technology operations. The Company's strategy is to expand through organic growth and strategic acquisitions.

On May 22, 2023 the Company formed GSAC Engineering Corporation, a wholly owned subsidiary of GSAC. The subsidiary is dedicated to developing innovative technologies for clean energy and industrial security. The subsidiary's vision is to create a more sustainable and secure future for its customers and society. The Company is committed to integrating STEM (science, technology, engineering and math) into the Company's processes and products, and believes that STEM skills are essential for solving complex challenges and creating value in the 21st century. On June 29, 2023, GSAC Engineering acquired key intellectual Property of Duos Technologies, Inc. (see Note 4) to give the Company greater opportunities in this sector.

NOTE 2- Liquidity and Going Concern

The financial statements have been prepared on a going-concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of \$326,575 and \$372,947 for the years ended December 31, 2025 and 2024 respectively. The Company had an accumulated deficit of \$21,144,937 and a stockholders' deficit of \$1,250,051 as of December 31, 2025, and used \$62,803 in cash flow from operating activities for the year ended December 31, 2025.

Management believes these conditions raise substantial doubt about the Company's ability to continue as a going concern for the next twelve months from the date these financial statements were issued. The ability to continue as a going concern is dependent upon profitable future operations, positive cash flows, and additional financing.

Management intends to raise money through the issuance of certain debt instruments, including Convertible Notes. During 2025 the Company raised \$167,085 through the execution of loan, which was initially held by a related party and transferred to the Company. The Company intends to continue the offering into 2026 and use the issuance of convertible notes in the foreseeable future to provide liquidity to support its expanded operations. Such funds will enable the Company to develop and market its products and for its working capital needs. Management cannot provide any assurance that the Company will be successful in completing these undertakings and accomplishing any of its plans.

On March 19, 2025, the Company renewed a recurring revenue service contract totaling \$557,094. The Company will receive payments over the 4-year term of the contract ending on January 31, 2029. Annual contract revenue began at \$133,161 and escalate by 3% each following year during the term. The contract requires that the payment be made at the beginning of each contract period.

NOTE 3 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying 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 and includes the accounts of its wholly owned subsidiary GSAC Engineering Corporation.

Management's Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

of revenues and expenses during the reporting periods. The Company's significant estimates include the valuation of the realizability of intangible assets. Actual results could differ from these estimates.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash. The Company places its cash with financial institutions of high credit worthiness. At times, its cash with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and credit worthiness of any party to which it is a credit counterparty, and as such, it believes that any associated credit risk exposures are limited.

Risks and Uncertainties

The Company is undertaking a new business venture that is inherently subject to significant risks and uncertainties, including financial, operational, technological and other risks that could potentially have a risk of business failure.

Cash and Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows.

Marketable Securities

Marketable securities consist primarily of Index call and put options and as well as marketable securities. The Company classifies its marketable securities as available-for-sale securities at the time of purchase and reevaluates such classification at each balance sheet date. Derivative assets and derivative liabilities are recorded in the balance sheet at fair value, with the change in fair value and any realized gains or losses upon purchase or sale recorded within the statement of operations. The Company has classified its investments as current based on the nature of the investments and their availability for use in current operations.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. As of December 31, 2025 and 2024, the Company did not record an allowance for uncollectible accounts.

Intangible Assets

Intangible assets are amortized on a straight-line basis over the estimated useful lives. The Company assesses the potential impairment to its intangible assets when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Revenue Recognition

In accordance with ASC 606 revenue is recognized upon transfer of control of promised products and/or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products and services. The Company recognizes revenue from sales of services over the life of a contract (typically 12 months) beginning the first month after the contract is signed. At the time a contract is signed, service fees are recorded as deferred revenue and are recognized as revenue ratably over the service period.

Cost of Revenue

Cost of revenues consists primarily of product costs and shipping and handling, which are directly attributable to the sale of services.

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

Impairment of Long-Lived Assets

The Company accounts for impairment of long-lived assets in accordance with Accounting Standards Codification (“ASC”) 360, Property, Plant and Equipment (“ASC 360”). Long-lived assets consist primarily of property, plant and equipment. In accordance with ASC 360, the Company periodically evaluates long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When triggering event indicators are present, the Company obtains appraisals on an asset-by-asset basis and will recognize an impairment loss when the sum of the appraised values is less than the carrying amounts of such assets. The appraised values, based on reasonable and supportable assumptions and projections, require subjective judgments. Depending on the assumptions and estimates used, the appraised values projected in the evaluation of long-lived assets can vary within a range of outcomes. The appraisals consider the likelihood of possible outcomes in determining the best estimate for the value of the assets. For the years ended December 31, 2025 and 2024, the Company did not record any impairment losses.

Income Taxes

The Company accounts for income tax using Accounting Standard Codification (“ASC 740”) “Accounting for Income Taxes”, which requires the asset and liability approach for financial accounting and reporting for income taxes. Under this approach, deferred income taxes are provided for the estimated future tax effects attributable to temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases, and for the expected future tax benefits from loss carry-forwards and provisions, if any. Deferred tax assets and liabilities are measured using the enacted tax rates expected in the years of recovery or reversal and the effect from a change in tax rates is recognized in the statement of operations and comprehensive income in the period of enactment. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of, the deferred tax assets will not be realized.

Stock Based Compensation

The Company applies the fair value method of ASC 718, Share Based Payment, in accounting for its stock-based compensation. This accounting standard states that compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period, if any. As the Company does not have sufficient, reliable, and readily determinable values relating to its common stock, the Company has used the stock value pursuant to its most recent sale of stock for purposes of valuing stock-based compensation.

Earnings or Loss per Common Share

Basic earnings or loss per share is calculated as the income or loss attributable to common stockholders divided by the weighted average number of shares outstanding during each period. Diluted earnings or loss per share is calculated by dividing the net income or loss attributable to common shareholders by the diluted weighted average number of shares outstanding during the year. Potentially dilutive securities are excluded from the computation if their effect would be anti-dilutive.

Recent Accounting Pronouncements

There are no other recent accounting pronouncements that are expected to have a material effect on the Company's financial statements.

NOTE 4 – Intangible Assets

On June 29, 2023, the Company acquired certain intellectual property of Duos Technologies, Inc., a Florida corporation. The Company exchanged a note for \$165,000 for the assets which were valued at \$150,000. The

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

differential of \$15,000 was recorded as an original issue discount (OID). The Company estimated the useful life of the technology to be 5 years. As of December 31, 2025, the accumulated amortization totaled \$75,000.

NOTE 5- Investment

On April 10, 2025, the Company entered into a \$167,085 loan agreement with a related party. The loan was originally issued by Banker Healthcare Group LLC, held by a related party and later transferred to the Company. The loan proceeds were invested through Charles Schwab in a diversified mix of financial instruments, including US Treasury, EFTs and options. As of December 31, 2025, the market value of the Company's investment portfolio totaled \$73,564. These investments resulted in an unrealized gain of \$8,885 and a realized loss of \$6,273 for the year ended December 31, 2025.

NOTE 6- Debt

Notes Payable

The Company's notes payable relating to financing agreements consists of the following:

<u>Notes Payable</u>	<u>December 31, 2025</u>	<u>Interest rate</u>	<u>December 31, 2024</u>	<u>Interest rate</u>
Related party note payable	\$ 203,497	-	\$ 219,260	-
Less noncurrent portion	<u>180,127</u>		<u>196,290</u>	
Current portion of related party note payable	<u>\$ 23,370</u>		<u>\$ 22,970</u>	
Convertible notes, net of discount	\$ 649,910	-	\$ 472,295	-
Less noncurrent portion	<u>592,957</u>		<u>55,200</u>	
Current portion of convertible notes	<u>\$ 56,953</u>		<u>\$ 417,095</u>	

Related Party

The Company entered into an agreement with a related party on July 31, 2020, whereby the related party loaned the Company the aggregate principal amount of up to \$78,750 in tranches, pursuant to a note, repayable on June 30, 2022. The note carried an annual interest rate of 12% and an Original Issue Discount (OID) of 5%. In addition, the Company issued warrants permitting the related party to purchase for cash 78,750,000 shares of the Company's common stock at a price to be determined once sufficient authorized shares are available for issuance such that these shares did not exceed the amount of available authorized shares. On January 1, 2022, the note was modified to a principal balance of \$132,285 along with \$6,292 of accrued interest and the interest rate was modified to 10% per annum. On September 1, 2023, the note was restructured through the assumption of two personal loans of the lender and a cash payment in the amount of \$3,470, assumption of a total of \$43,997 plus accrued interest, and a conversion of the remaining balance of \$106,003 on terms to be determined.

On January 1, 2024, the note was modified to a two-year convertible note in the amount of \$210,371, convertible into Company Stock at \$0.0004 per share and a warrant with a five-year term, exercisable up to 131,481,963 of common shares and an exercise price of \$0.0004 per share. The modification includes a monthly payment of \$1,250 per month until maturity on December 31, 2025.

On December 2024, the Company received additional funds from related parties totaling \$27,500. As the result of the additional financing, the Company modified the Original Issue Discount (OID) and increased the monthly payment to \$1,500, effective July 1, 2025, for a term of two years. As of December 31, 2025, the outstanding balance was \$198,127. In addition, the Company has \$5,370 due to related parties, primary related to travel expense reimbursements.

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

Convertible notes

On February 23, 2022, the Company issued a \$120,000 convertible note at a discounted price of \$100,000. The note bears an interest rate of 0% per annum and is convertible into common stock of the Company at a fixed conversion rate of \$0.003 per share of common stock. The holder of the note has the right to convert all or part of the principal and interest into common stock. The maturity date of the convertible note was February 26, 2024. In connection with the issuance of the convertible note, the Company issued a common stock purchase warrant to the same investor to purchase up to 10,000,000 shares of common stock. The common stock purchase warrant was exercisable through February 23, 2025, at a rate of \$0.003 per share of common stock. On August 17, 2023, the note was modified to a principal balance of \$240,000 at a discounted price of \$220,000, the sum of original issue discount (OID) is \$40,000 with a conversion of \$0.0004 with a maturity date of August 17, 2025. The Company granted an additional 25% warrant coverage on the new investment with a three-year term and \$0.0004 per share strike price. In September 2025, the loan term was extended by two years with no changes to existing terms and no additional OID. The Company recorded note amortization of \$6,250 and warrants issuance amortization of \$6,761 for the year ended December 31, 2025.

On July 22, 2022, the Company issued 2,000,000 common stock purchase warrants in connection with the issuance of a convertible note in the amount of \$24,000 and received \$20,000 in proceeds after discount and fees. The common stock purchase warrant was exercisable through July 22, 2025, at a rate of \$0.003 per share of common stock. On July 22, 2024, the previous \$24,000 note was modified to a principal balance of \$55,200 at a discounted price of \$50,000, the Company received an additional \$26,000 on July 23, 2024. The additional original issue discount (OID) is \$5,200 with a conversion of \$0.0004. The maturity date of the convertible note is July 22, 2026. In addition, the Company issued a three-year warrant permitting the seller to purchase up to 34,500,000 shares of common stock, at an exercise price of \$0.0004 per share of common stock. The warrant was valued using the Black-Scholes pricing model resulting in a fair value of \$3,072 which is being amortized over the three-year term of the warrant using the straight-line method. The Company recorded note amortization of \$2,600 and warrant insurance amortization of \$1,024 as of December 31, 2025.

On June 14, 2023, the Company issued a two-year \$41,158 convertible note to a vendor as a result of a settlement agreement for warehouse space. The note bears an interest rate of 0% per annum and is convertible into common stock of the Company at a fixed conversion rate of \$0.003 per share of common stock. In September 2025, the note term was extended by two years with no changes to existing terms and no additional OID.

As described in Note 4, the Company issued a two-year \$165,000 convertible note which carries an original issue discount (OID) of 10%. The note bears an interest rate of 0% per annum and is convertible into common stock of the Company at a fixed conversion rate of \$0.003 per share of common stock. In addition, the Company issued a five-year warrant permitting the seller to purchase up to 55,000,000 shares of common stock, at a rate of \$0.01 per share of common stock. The warrant was valued using the Black-Scholes pricing model resulting in a fair value of \$22,155 which is being amortized over the five-year term of the note using the straight-line method. On June 25, 2025, the Company amended the loan agreement to increase the principal amount from \$165,000 to \$180,000 and extend the maturity date to June 29, 2027. The additional \$15,000 was treated as additional original issue discount (OID). The Company recorded note amortization of \$7,500 and warrants insurance amortization of \$5,539 for the years ended December 31, 2025.

As described in Note 5, the Company entered into a \$167,085 loan agreement with a related party. The loan was originally issued by Banker Healthcare Group LLC, held by a related party and later transferred to the Company. The loan matures in 12 years and requires monthly payment of \$2,838 including interest. In addition, the loan includes an original issue discount (OID) of \$17,297 which is being amortized over the life of the loan. As of December 31, 2025, the outstanding balance was \$164,277 and \$961 of OID amortization.

NOTE 7 – Accrued Salary

GELSTAT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Unaudited)

As of December 31, 2025 and 2024, the Company has accrued salary of \$290,004 for each year to its CEO.

On January 30, 2023, the Board of Directors approved a bonus in the amount of \$100,000 payable in stock to its CEO and \$198,000 in total to the members of the Board, \$298,000 of which was payable in stock at the closing price on January 30, 2023, of \$0.000975 per share, with vesting over 5 years.

On January 15, 2024, the Board of Directors ratified a previously awarded equity grant of 750,000,000 shares to its CEO and an aggregate 430,560,000 shares to its Board of Directors. On February 22, 2024, the Company issued 1,180,560,000 shares. All such shares are subject to 5-year vesting. As a result, the Company recorded deferred stock compensation of \$312,134 or approximately \$0.0003 per share for the year ended December 31, 2024 and stock compensation expense of \$80,434 for the shares that vested during the year ended December 31, 2024.

On January 15, 2025, the Board of Directors ratified a previously awarded equity grant of 333,333,334 shares to its CEO and an aggregate 458,333,336 shares to its Board of Directors. On January 21, 2025, the Company issued 749,999,999 shares. The remaining 41,666,667 shares are pending to be issued. All such shares are subject to 5-year vesting. As a result the Company recorded deferred stock compensation of \$421,701 or approximately \$0.0003 per share for the year ended December 31, 2025, and stock compensation expense of \$127,934 for the shares that vested, and stock payable of \$12,500 during the year ended December 31, 2025.

NOTE 8– Shareholders’ Equity

On January 15, 2024, the Board of Directors ratified a previously awarded equity grant of 750,000,000 shares to its CEO and an aggregate 430,560,000 shares to its Board of Directors. On February 22, 2024, the Company issued 1,180,560,000 shares. All such shares are subject to 5-year vesting. As a result, the Company recorded deferred stock compensation of \$312,134 or approximately \$0.0003 per share for the year ended December 31, 2024 and stock compensation expense of \$80,434 for the shares that vested during the year ended December 31, 2024.

On January 15, 2025, the Board of Directors ratified a previously awarded equity grant of 333,333,334 shares to its CEO and an aggregate 458,333,336 shares to its Board of Directors. On January 21, 2025, the Company issued 749,999,999 shares. The remaining 41,666,667 shares are pending to be issued. All such shares are subject to 5-year vesting. As a result the Company recorded deferred stock compensation of \$421,701 or approximately \$0.0003 per share for the year ended December 31, 2025, and stock compensation expense of \$127,934 for the shares that vested, and stock payable of \$12,500 during the year ended December 31, 2025.

NOTE 9 – Subsequent Events

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the consolidated financial statements were issued for potential recognition or disclosure. The Company did not identify any subsequent events that would have required adjustment or disclosure in the consolidated financial statements.