

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **March 31, 2022**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **333-257890**

**BLOOMIOS, INC.**

**Nevada**  
(State of Incorporation)

**87-4696476**  
(I.R.S. Employer Identification Number)

**201 W Montecito St, Santa Barbara, CA 93101**  
Address of registrant's principal executive offices

**(805) 222-6330**  
Issuer's telephone number

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| None                | None              | None                                      |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). X Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company.

|                         |                          |                           |                          |
|-------------------------|--------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated Filer   | X                        | Smaller reporting company | X                        |
|                         |                          | Emerging Growth Company   | X                        |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes X No

At May 12, 2022, there were 13,111,220 shares of common stock outstanding.

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## FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

We operate in a rapidly changing environment and new risks emerge from time to time. As a result, it is not possible for our management to predict all risks, such as the COVID-19 outbreak and associated business disruptions including delayed clinical trials and laboratory resources, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements included in this report speak only as of the date hereof, and except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.

Our unaudited condensed consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our unaudited consolidated financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to "common shares" refer to shares of our common stock.

As used in this quarterly report, the terms "we", "us", "our" and "our company" mean Bloomios, Inc., unless otherwise indicated.

**PART I — FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

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**Bloomios, Inc.**  
Consolidated Balance Sheet

|  | <u>March 31, 2022</u> | <u>December 31, 2021</u> |
|--|-----------------------|--------------------------|
| <b>Assets</b>  |                       |                          |
| <b>Current Assets:</b>   |                       |                          |
| Cash   | \$ 247,908            | \$ 270,515               |
| Accounts receivable - net  | 73,675                | 55,713                   |
| Inventory  | 413,483               | 512,203                  |
| Prepaid Expenses   | 255,000               | -                        |
| Deposits   | 680,394               | 675,236                  |
| <b>Total Current Assets</b>  | <u>1,670,460</u>      | <u>1,513,667</u>         |
| Property and Equipment - Net   | 1,786,208             | 1,862,310                |
| Loan receivable  | 50,000                | 50,000                   |
| Right of use asset   | 203,543               | 214,198                  |
| Goodwill   | 300,000               | 300,000                  |
| Other assets   | 67,290                | 67,290                   |
| <b>Total Assets</b>  | <u>\$ 4,077,501</u>   | <u>\$ 4,007,465</u>      |
| <b>Liabilities and Stockholders' (Deficit)</b>   |                       |                          |
| <b>Current Liabilities:</b>  |                       |                          |
| Accounts payable - trade   | \$ 1,128,299          | \$ 2,236,298             |
| Accrued expenses   | 257,088               | 213,687                  |
| Accrued Interest related party   | 50,279                | 23,337                   |
| Unearned revenue   | 325,336               | 239,561                  |
| Customer JV account liabilities  | 300,000               | 300,000                  |
| Lease liability current  | 104,020               | 114,675                  |
| Notes payable  | 831,000               | 831,000                  |
| Notes payable - related party  | 292,861               | 91,500                   |
| Notes Payable - Convertibles Related Party   | 1,274,935             | -                        |
| Notes payable - convertibles (net of debt discount)  | 1,598,729             | 1,277,433                |
| <b>Total Current Liabilities</b>   | <u>6,162,547</u>      | <u>5,327,491</u>         |
| <b>Long-Term Debt:</b>   |                       |                          |
| Lease liability  | 99,523                | 99,523                   |
| Notes payable  | 150,000               | 150,000                  |
| <b>Total Liabilities</b>   | <u>6,412,070</u>      | <u>5,577,014</u>         |
| <b>Stockholders' (Deficit)</b>   |                       |                          |
| Preferred series A stock (\$0.00001 par value; 10,000 shares authorized; 10,000 and 0 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively)       | 0                     | 0                        |
| Preferred series B stock (\$0.00001 par value; 800 shares authorized; 800 and 0 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively)             | 0                     | 0                        |
| Preferred series C stock (\$0.00001 par value; 3,000,000 shares authorized; 310,000 and 0 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively)   | 3                     | 3                        |
| Shares to be issued  | -                     | 61,500                   |
| Common stock (\$0.00001 par value; 950,000,000 shares authorized; 12,702,134 and 12,508,011 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively) | 185                   | 144                      |
| Additional paid-in capital   | 5,256,365             | 4,704,193                |
| Accumulated deficit  | (7,591,122)           | (6,335,389)              |
| <b>Total Stockholders' (Deficit)</b>   | <u>(2,334,569)</u>    | <u>(1,569,549)</u>       |
| <b>Total Liabilities and Stockholders' Deficit</b>   | <u>\$ 4,077,501</u>   | <u>\$ 4,007,465</u>      |

*The accompanying notes are an integral part of these financial statements.*

**Bloomios, Inc.**  
Consolidated Statement of Operations  
for the three months ended March 31,

|  | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
| Sales  | \$ 1,494,390          | \$ 2,162,032          |
| Cost of Goods Sold   | 854,283               | 1,126,244             |
| Gross Profit   | <u>640,107</u>        | <u>1,035,788</u>      |
| General and Administrative expense                                       | 356,977               | 210,166               |
| Salaries   | 601,430               | 368,660               |
| Rent   | 101,883               | 129,735               |
| Utilities  | 27,123                | 33,453                |
| Professional fees  | 64,164                | 26,120                |
| Consulting   | 237,948               | 217,352               |
| Depreciation   | 95,174                | 96,106                |
| Share based Expense  | 95,467                | -                     |
| Total Expenses   | <u>1,580,166</u>      | <u>1,081,592</u>      |
| Net Profit From Operations   | <u>(940,059)</u>      | <u>(45,804)</u>       |
| Other Income / (expenses)  |                       |                       |
| Shares issued for inducement   | (82,100)              | -                     |
| Financing Fees   | (47,371)              | (1,492,127)           |
| Interest Expense   | (186,203)             | (30,544)              |
| Net Profit / (Loss) Before Income Taxes                                  | <u>(1,255,733)</u>    | <u>(1,568,475)</u>    |
| Income Tax Expense   | -                     | -                     |
| Net Profit / (Loss)  | <u>\$ (1,255,733)</u> | <u>\$ (1,568,475)</u> |
| NET PROFIT / (LOSS) PER COMMON SHARE - BASIC AND DILUTED                 | <u>\$ (0.10)</u>      | <u>\$ (0.13)</u>      |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED | <u>12,847,729</u>     | <u>12,515,789</u>     |

*The accompanying notes are an integral part of these financial statements.*

**Bloomios Inc.**  
Consolidated Statement of Stockholders Equity  
March 31, 2022

| Description                                    | Common Stock<br>.00001 Par |               | Preferred Stock<br>.00001 Par |             | Shares to<br>be issued | Additional<br>Paid in<br>Capital | Accumulated<br>Deficit | Stock<br>holders'<br>Deficit<br>Totals |
|--|----------------------------|---------------|-------------------------------|-------------|------------------------|----------------------------------|------------------------|--|
|  | Shares                     | Amount        | Shares                        | Amount      |                        |                                  |                        |  |
| <b>December 31, 2020</b>                       | <u>12,508,011</u>          | <u>\$ 125</u> | <u>\$ -</u>                   | <u>\$ -</u> | <u>\$ -</u>            | <u>\$ 3,059,920</u>              | <u>\$ (4,324,061)</u>  | <u>\$ (1,264,016)</u>                  |
| Commitment Shares                              | 116,667                    | 12            | -                             | -           | -                      | 388,489                          | -                      | 388,501                                |
| Warrants issued                                |                            |               | -                             | -           | -                      | 969,849                          | -                      | 969,849                                |
| Net Loss                                       |                            |               |                               |             |                        |                                  | (1,568,475)            | (1,568,475)                            |
| <b>March 31, 2021</b>                          | <u>12,624,678</u>          | <u>\$ 137</u> | <u>\$ -</u>                   | <u>\$ -</u> | <u>\$ -</u>            | <u>\$ 4,418,258</u>              | <u>\$ (5,892,536)</u>  | <u>\$ (1,474,141)</u>                  |
| Preferred shares issued                        |                            |               | 10,800                        | 0           |                        | (0)                              |                        | -                                      |
| Preferred shares issued for debt conversion    |                            |               | 310,000                       | 3           |                        | 299,997                          | -                      | 300,000                                |
| Shares issued for warrant conversion           | 37,456                     | 4             |                               |             |                        | (4)                              |                        | -                                      |
| Net Loss                                       |                            |               |                               |             |                        |                                  | 432,298                | 432,298                                |
| <b>June 30, 2021</b>                           | <u>12,662,134</u>          | <u>\$ 140</u> | <u>\$ 320,800</u>             | <u>\$ 3</u> | <u>\$ -</u>            | <u>\$ 4,718,252</u>              | <u>\$ (5,460,238)</u>  | <u>\$ (741,843)</u>                    |
| Shares to be issued for inducement             | -                          | -             |                               |             | 82,100                 | -                                |                        | 82,100                                 |
| Net Loss                                       |                            |               |                               |             |                        |                                  | (296,209)              | (296,209)                              |
| <b>September 30, 2021</b>                      | <u>12,662,134</u>          | <u>\$ 140</u> | <u>\$ 320,800</u>             | <u>\$ 3</u> | <u>\$ 82,100</u>       | <u>\$ 4,718,252</u>              | <u>\$ (5,756,447)</u>  | <u>\$ (955,952)</u>                    |
| Shares issued for inducement                   | 40,000                     | 4             |                               |             | (20,600)               | 42,196                           |                        | 21,600                                 |
| Warrants Issued                                |                            |               |                               |             |                        | (333,588)                        |                        | (333,588)                              |
| Share based expense for stock options          |                            |               |                               |             |                        | 277,333                          |                        | 277,333                                |
| Net Loss                                       |                            |               |                               |             |                        |                                  | (578,942)              | (578,942)                              |
| <b>December 31, 2021</b>                       | <u>12,702,134</u>          | <u>\$ 144</u> | <u>\$ 320,800</u>             | <u>\$ 3</u> | <u>\$ 61,500</u>       | <u>\$ 4,704,193</u>              | <u>\$ (6,335,389)</u>  | <u>\$ (1,569,549)</u>                  |
| Shares issued for inducement                   | 59,086                     | 6             |                               |             |                        | 60,262                           |                        | 60,268                                 |
| Shares issued for inducement from to be issued | 50,000                     | 5             |                               |             | (61,500)               | 61,495                           |                        | -                                      |
| Warrants Issued                                |                            |               |                               |             |                        | 28,979                           |                        | 28,979                                 |
| Shares issued for prepaid services             | 300,000                    | 30            |                               |             |                        | 305,970                          |                        | 306,000                                |
| Vested Stock options                           |                            |               |                               |             |                        | 95,466                           |                        | 95,466                                 |
| Net Loss                                       |                            |               |                               |             |                        |                                  | (1,255,733)            | (1,255,733)                            |
| <b>March 31, 2022</b>                          | <u>13,111,220</u>          | <u>\$ 185</u> | <u>\$ 320,800</u>             | <u>\$ 3</u> | <u>\$ -</u>            | <u>\$ 5,256,365</u>              | <u>\$ (7,591,122)</u>  | <u>\$ (2,334,569)</u>                  |

*The accompanying notes are an integral part of these financial statements.*

**Bloomios Inc.**  
**Consolidated Statement of Cashflows**  
for the three months ended March 31,

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Cash provided (used) from operating activities            |                   |                   |
| Net Income (Loss)   | \$ (1,255,734)    | \$ (1,568,475)    |
| Depreciation  | 95,174            | 96,106            |
| Shares issued for inducement                              | 140,247           | -                 |
| Share based expense                                       | 95,467            | -                 |
| Finance fees and debt discount                            | 231,672           | -                 |
| Change in accounts receivable                             | (17,962)          | (17,411)          |
| Change in inventory                                       | 98,720            | 13,142            |
| Shares and warrants issued                                |                   | 1,358,350         |
| Change in other assets                                    | -                 | (3,936)           |
| Change in Accounts Payable and Accrued Expenses           | 174,502           | 212,872           |
| Change in Accrued Expenses - related party                | 26,942            | 3,624             |
| Change in Unearned Revenue                                | 85,775            | (10,952)          |
| Net cash provided (used) from operating activities        | <u>(325,197)</u>  | <u>83,320</u>     |
| Cash used in investing activities                         |                   |                   |
| Purchase of Equipment                                     | (24,230)          | (43,528)          |
| Net cash used in investing activities                     | <u>(24,230)</u>   | <u>(43,528)</u>   |
| Cash provided by financing activities                     |                   |                   |
| Proceeds from Notes Payable                               | 309,700           | 798,109           |
| Payment on notes payable                                  | (132,880)         | -                 |
| Proceeds from (payments to) Notes Payable related parties | 150,000           | (20,000)          |
| Net cash provided by financing activities                 | <u>326,820</u>    | <u>778,109</u>    |
| Net Increase (Decrease) In Cash                           | (22,607)          | 817,901           |
| Cash At Beginning of Period                               | 270,515           | 72,205            |
| Cash At End of Period                                     | <u>\$ 247,908</u> | <u>\$ 890,106</u> |
| Supplemental Cashflow Information                         |                   |                   |
| Interest Paid   | \$ -              | \$ -              |
| Taxes Paid  | \$ -              | \$ -              |

*The accompanying notes are an integral part of these financial statements.*

**Bloomios, Inc.**  
Notes to the Consolidated financial statements  
March 31, 2022

**NOTE 1 - BUSINESS ACTIVITY**

Bloomios, Inc. fka XLR Medical Corp. (the "Company") was organized under the laws of the State of Nevada on February 2, 2001, under the name Relay Mines Limited—subsequently the name of the Company was changed to XLR Medical Corp. After the October 31, 2007, 10Q filing, the management of the Company abandoned the Company and it became a dormant company until 2018 when a new shareholder acquired stock to become the majority shareholder and owner of the Company. The Company's fiscal year end is December 31<sup>st</sup>. On April 12, 2021, the Company amended its name from XLR Medical Corp to Bloomios, Inc., its fiscal year end from January 31 to December 31, authorized the designation of Series A, B and C Preferred Stock, and acquired CBD Brand Partners LLC ("CBDBP").

Bloomios manufactures, markets and distributes U.S. hemp-derived supplements and cosmetic products through wholesale and retail distribution channels in the U.S. through its wholly-owned subsidiary Bloomios Private Label ("BPL"). BPL is an innovative leader in quality manufacturing, processing, sourcing and distributing of cannabidiol products to wholesalers and retailers. BPL provides support at each step from custom formulation, order fulfillment, and brand development. We offer one of the largest collections of customizable hemp-derived products that includes over 80 products across 7 categories in addition to custom formulation and manufacturing services. Our product categories include edibles, tinctures, oils, salves, capsules, balms, lotions, creams, beverages and pet treats.

Bloomios is headquartered in Santa Barbara, California with its operations in Daytona Beach, Florida. Bloomios intends to grow by increasing production capacity and by an acquisition strategy that is currently in development. Currently, Bloomios is principally a business-to-business operation with plans to sell direct-to-consumers in the future.

**NOTE 2 - GOING CONCERN**

The financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the normal course of business. The Company had a total stockholder's deficit of \$2,334,569 and a net loss of \$1,255,733 for the three months ended March 31, 2022. The Company also had an accumulated deficit of \$7,591,122 as of March 31, 2022. Therefore, there is substantial doubt about the ability of the Company to continue as a going concern. There can be no assurance that the Company will achieve its goals and reach profitable operations and is still dependent upon its ability (1) to obtain sufficient debt and/or equity capital and/or (2) to generate positive cash flow from operations.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might arise because of this uncertainty.

To address the aforementioned, management has undertaken the following initiatives: 1) enter into discussions to secure additional equity funding; 2) undertake a program to continue to monitor the Company's ongoing working capital requirements; and 3) focus on maintaining an appropriate level of corporate overhead in line with the Company's available cash resources.

**NOTE 3 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared on a consolidated basis with CBDBP as a wholly owned subsidiary. The consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

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On February 11, 2021, the Company entered into a non-binding Letter of (the "LOI") with CBD Brand Partners, LLC, a Wyoming limited liability company ("CBDBP"). Under the terms of the LOI, the Company agreed to acquire CBDBP as its wholly owned subsidiary by merging CBDBP with the Company (the "Merger"), such that the Company would acquire all of the outstanding membership interests of CBDBP and the holders of the membership interests of CBDBP, immediately prior to the Merger, would receive 10,000 shares of Series A Preferred Stock, 800 shares of Series B Preferred Stock and 1,200,000 shares of Series C Preferred Stock.

On April 12, 2021, the Company completed the acquisition CBDBP. Under the terms of the agreement, the Company issued 10,000 shares of its Series A Preferred Stock at \$0.00001 per share (the par value) and 800 shares of its Series B Preferred Stock at \$0.00001 per share (the par value), and no shares of the Series C Preferred Stock, to the owners of CBDBP as the purchase price.

The acquisition of CBD Brand Partners, LLC, by Bloomios, Inc. (formerly XLR Medical Corp) was treated as a capital transaction because Bloomios was a non-operating public shell company. Pursuant to ASC 805, the transaction does not meet the definition of a business. Therefore, we accounted for the transaction as a capital transaction and the shares issued for the transactions were valued at Par (\$0.00001) and recorded to additional paid in capital, since the net assets of Bloomios, Inc. were negative (~\$30,000).

The financial statements have been prepared on a consolidated basis with CBDBP as a wholly owned subsidiary. The consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates may be materially different from actual financial results. Significant estimates include the recoverability of long-lived assets, the collection of accounts receivable and valuation of inventory and reserves.

### **Cash and Cash Equivalents**

We maintain the majority of our cash accounts at a commercial bank. The total cash balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$ 250,000 per commercial bank, at times we may exceed the FDIC limits. For purposes of the statement of cash flows we consider all cash and highly liquid investments with initial maturities of one year or less to be cash equivalents.

### **Accounts Receivable**

We grant credit to our customers and do not require collateral. Our ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by us. Reserves for un-collectable amounts are provided, based on past experience and a specific analysis of the accounts. Although we expect to collect amounts due, actual collections may differ from the estimated amounts. As of March 31, 2022, and December 31, 2021, we had a reserve for potentially un-collectable accounts of \$80,000 and \$0 respectively. Historically, our bad debt write-offs related to these trade accounts have been insignificant.

### **Inventory**

Inventories are valued at the lower of weighted average cost or market value. Our industry experiences changes in technology, changes in market value and availability of raw materials, as well as changing customer demand. We make provisions for estimated excess and obsolete inventories based on regular audits and cycle counts of our on-hand inventory levels and forecasted customer demands and at times additional provisions are made. Any inventory write offs are charged to the reserve account. As of March 31, 2022, and December 31, 2021, we had a reserve for potentially obsolete inventory of \$150,000 and \$0 respectively.

### **Property and Equipment**

Property and equipment are recorded at cost. Assets held under capital leases are recorded at lease inception at the lower of the present value of the minimum lease payments or the fair market value of the related assets. The cost of ordinary maintenance and repairs is charged to operations. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives of the related assets:

### **Long –Lived Assets**

Our management assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment if any, is measured based on fair value and is charged to operations in the period in which long-lived assets impairment is determined by management. There can be no assurance however, that market conditions will not change or demand for our services will continue, which could result in impairment of long-lived assets in the future.

### **Revenue Recognition**

The Company recognizes revenue under ASU No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*," ("*ASC 606*"). *Performance Obligations Satisfied Over Time* FASB ASC 606-10-25-27 through 25-29, 25-36 through 25-37, 55-5 through 55-10

An entity transfers control of a good or service over time and satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

- a) The customer receives and consumes the benefits provided by the entity's performance as the entity performs (as described in FASB ASC 606-10-55-5 through 55-6).
- b) The entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced (as described in FASB ASC 606-10-55-7).
- c) The entity's performance does not create an asset with an alternative use to the entity (see FASB ASC 606-10-25-28), and the entity has an enforceable right to payment for performance completed to date (as described in FASB ASC 606-10-25-29).

*Performance obligations Satisfied at a Point in Time FASB ASC 606-10-25-30*

If a performance obligation is not satisfied over time, the performance obligation is satisfied at a point in time. To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the entity should consider the guidance on control in FASB ASC 606-10-25-23 through 25-26. In addition, it should consider indicators of the transfer of control, which include, but are not limited to, the following:

- a) The entity has a present right to payment for the asset
- b) The customer has legal title to the asset
- c) The entity has transferred physical possession of the asset
- d) The customer has the significant risks and rewards of ownership of the asset
- e) The customer has accepted the asset

The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods and services transferred to the customer. In addition, a) the Company also does not have an alternative use for the asset if the customer were to cancel the contract, and b.) has a fully enforceable right to receive payment for work performed (i.e., customers are required to pay as various milestones and/or timeframes are met).

Also, from time to time we require deposits from our customers. As of March 31, 2022, and December 31, 2021, we had \$325,336 and \$239,561 of deferred revenue, respectively.

**Fair Value of Financial Instruments**

The Financial Accounting Standards Board issued ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), "Fair Value Measurements and Disclosures" for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments consist of cash, prepaid expenses, inventory, accounts payable, convertible notes payable, and advances from related parties. The estimated fair value of cash, prepaid expenses, investments, accounts payable, convertible notes payable and advances from related parties approximate their carrying amounts due to the short-term nature of these instruments.

The carrying amounts of accounts payable and accrued expenses are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

## **Other Comprehensive Income**

We have no material components of other comprehensive income (loss) and accordingly, net loss is equal to comprehensive loss in all periods.

## **Net Profit (Loss) per Common Share**

Basic profit / (loss) per share is computed on the basis of the weighted average number of common shares outstanding. On March 31, 2022, we had outstanding common shares of 13,111,220 used in the calculation of basic earnings per share. Basic Weighted average common shares and equivalents for the three months ended March 31, 2022, and 2021, were 12,847,729 and 12,515,789 respectively. As of March 31, 2022, we had convertible notes to potentially convert into approximately 3,962,826 of additional common shares, 1,386,155 common stock warrants convertible into an additional 1,386,155 common shares and 3,445,000 of employee stock options convertible into additional shares of common stock. Fully diluted weighted average common shares and equivalents for the three months ended March 31, 2022, and 2021, were withheld from the calculation as they were considered anti-dilutive.

## **Research and Development**

We had no amounts of research and development expense during the three months ended March 31, 2022, and 2021.

## **Share-Based Compensation**

The Company has adopted the use of Statement of Financial Accounting Standards No. 123R, "Share -Based Payment" (SFAS No. 123R) (now contained in FASB Codification Topic 718, Compensation- Stock Compensation), which supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance and eliminates the alternative to use Opinion 25's intrinsic value method of accounting that was provided in Statement 123 as originally issued. This Statement requires an entity to measure the cost of employee services received in exchange for an award of an equity instruments, which includes grants of stock options and stock warrants, based on the fair value of the award, measured at the grant date (with limited exceptions). Under this standard, the fair value of each award is estimated on the grant date, using an option -pricing model that meets certain requirements. We use the Black-Scholes option- pricing model to estimate the fair value of our equity awards, including stock options and warrants. The Black -Scholes model meets the requirements of SFAS No. 123R; however, the fair values generated may not reflect their actual fair values, as it does not consider certain factors, such as vesting requirements, employee attrition and transferability limitations. The Black -Scholes model valuation is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We estimate the expected volatility and estimated life of our stock options at grant date based on historical volatility. For the "risk-free interest rate," we use the Constant Maturity Treasury rate on 90-day government securities. The term is equal to the time until the option expires. The dividend yield is not applicable, as the Company has not paid any dividends, nor do we anticipate paying them in the foreseeable future. The fair value of our restricted stock is based on the market value of our free trading common stock, on the grant date calculated using a 20-trading-day average. At the time of grant, the share-based compensation expense is recognized in our financial statements based on awards that are ultimately expected to vest using historical employee attrition rates and the expense is reduced accordingly. It is also adjusted to account for the restricted and thinly traded nature of the shares. The expense is reviewed and adjusted in subsequent periods if actual attrition differs from those estimates.

We re-evaluate the assumptions used to value our share-based awards on a quarterly basis and, if changes warrant different assumptions, the share-based compensation expense could vary significantly from the amount expensed in the past. We may be required to adjust any remaining share- based compensation expense, based on any additions, cancellations or adjustments to the share-based awards. The expense is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. On October 18, 2021, the Company's Board of Directors approved the Bloomios 2021 Incentive Stock Plan. The Company has awarded 3,445,000 of the total 4,000,000 options that are available under the plan. As a result, for the three months ended March 31, 2022, and December 31, 2021, our share-based expense was \$95,467 and \$277,233 respectively.

**Income Taxes**

Federal Income taxes are not currently due since we have had losses since inception.

On December 22, 2018, H.R. 1, originally known as the Tax Cuts and Jobs Act, (the "Tax Act") was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowers the U.S. federal corporate income tax rate ("Federal Tax Rate") from 35% to 21% effective January 1, 2018. The Company will compute its income tax expense for the year ended December 31, 2021, using a Federal Tax Rate of 21%.

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 Income Taxes – Recognition. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard required by ASC 740-10-25-5.

Deferred income tax amounts reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes.

As of March 31, 2022, we had a net operating loss carry-forward of approximately \$(7,591,122), and a deferred tax asset of \$1,594,136 using the statutory rate of 21%. The deferred tax asset may be recognized in future periods, not to exceed 20 years. However, due to the uncertainty of future events we have booked valuation allowance of \$(1,594,136). FASB ASC 740 prescribes recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. On March 31, 2022, the Company had not taken any tax positions that would require disclosure under FASB ASC 740.

|                          | <b>March 31,<br/>2022</b> | <b>December 31,<br/>2021</b> |
|--------------------------|---------------------------|------------------------------|
| Deferred Tax asset       | \$ 1,594,136              | \$ 1,330,432                 |
| Valuation Allowance      | (1,594,136)               | (1,330,432)                  |
| Deferred Tax Asset (Net) | <u>\$ -</u>               | <u>\$ -</u>                  |

**Reclassification**

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported income, total assets, total liabilities or stockholders' equity as previously reported.

**Recently Issued Accounting Standards**

The Company is reviewing the effects of following recent updates. The Company has no expectation that any of these items will have a material effect upon the financial statements.

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments—Credit Losses [codified as Accounting Standards Codification Topic (ASC) 326]. ASC 326 adds to US generally accepted accounting principles (US GAAP) the current expected credit loss (CECL) model, a measurement model based on expected losses rather than incurred losses. Under this new guidance, an entity recognizes its estimate of expected credit losses as an allowance, which the FASB believes will result in more timely recognition of such losses. This will become effective in January 2023 and the impact on the Company is under evaluation.

Update 2020-06—Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity. This was issued in August of 2020 and will become effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. We are in the process of evaluating the impact to the Company.

Update 2021-08—Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

Update 2021-03—Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events

Update 2018-17—Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities

**NOTE 4 - EQUITY**

**Capitalization**

The Company is authorized to issue a total of 950,000,000 shares of capital stock, consisting of, 945,000,000 Common Stock and 5,000,000 Preferred Stock.

**Common Stock**

The Company is authorized to issue 945,000,000 shares of Common Stock at \$0.00001 par value per share.

On November 30, 2018, the Company's board of directors and custodian appointed, Bryan Glass as the Company's President, Secretary and Treasurer and authorized the issuance of 12,000,000 shares of stock to Mr. Glass for an aggregate price of \$120.

On March 26, 2021, the Company issued 116,667 in commitment shares for the issuance of a convertible note. On April 21, 2021, the Company issued 37,456 of common stock for the conversion of 40,000 cashless warrants.

On July 9, 2021 we entered into a purchase agreement with Burdell Partners LLC, hereinafter ("BP"), pursuant to which BP has agreed to purchase from us up to an aggregate of \$6,500,000 of our common stock (subject to certain limitations) from time to time over the term of the Purchase Agreement. Also, on July 9, 2021, we entered into a registration rights agreement with BP, which we refer to in this prospectus as the Registration Rights Agreement, pursuant to which we are required to file with the SEC a registration statement that includes this prospectus to register for resale under the Securities Act of 1933, as amended, or the Securities Act, the shares of common stock that have been or may be issued to BP under the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, at the time we signed the Purchase Agreement and the Registration Rights Agreement, we were required to issue 50,000 shares of our common stock (which are yet to be issued) and 50,000 warrants to BP as consideration for its commitment to purchase shares of our common stock under the Purchase Agreement, which we refer to in this prospectus as the Commitment Shares and Commitment Warrants.

We do not have the right to commence any sales of our common stock to BP under the Purchase Agreement until certain conditions set forth in the Purchase Agreement, all of which are outside of BP's control, have been satisfied, including that the SEC has declared effective the registration statement that includes this prospectus. Thereafter, we may, from time to time and at our sole discretion, direct BP to purchase shares of our common stock in amounts up to 100,000 shares on any single business day, subject to a maximum of \$500,000 per purchase, plus other "VWAP Purchases" under certain circumstances. There are no trading volume requirements or restrictions under the Purchase Agreement, and we will control the timing and amount of any sales of our common stock to BP. The purchase price of the shares that may be sold to BP under the Purchase Agreement will be based on the market price of our common stock preceding the time of sale as computed under the Purchase Agreement. The purchase price per share will be equitably adjusted for any reorganization, recapitalization, non-cash dividend, stock split, or other similar transaction occurring during the business days used to compute such price. We may at any time in our sole discretion terminate the Purchase Agreement without fee, penalty or cost upon one business day notice. There are no restrictions on future financings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement or Registration Rights Agreement, other than a prohibition on entering into a "Variable Rate Transaction," as defined in the Purchase Agreement. BP may not assign or transfer its rights and obligations under the Purchase Agreement.

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On August 23, 2021, the Company agreed to issue 20,000 shares of common stock pursuant to an amendment to a senior secured convertible promissory note. The shares were issued on November 1, 2021.

On November 1, 2021, the Company issued 20,000 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

On October 18, 2021, the Company's Board of Directors approved the Bloomios 2021 Incentive Stock Plan. The Company has awarded 3,200,000 of the total 4,000,000 options that are available under the plan.

On January 26, 2022, the Company's S-1 Registration Statement was declared effective.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a service agreement.

On February 17, 2022, the Company issued 30,000 shares of common stock pursuant to an amendment to a secured convertible note.

On February 17, 2022, the Company issued 29,086 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

On February 17, 2022, the Company issued 50,000 commitment shares of common stock pursuant to an equity line of credit agreement.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a Letter of Engagement. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 4.4, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 18, 2022, the Company entered into three agreements with its executives for accrued and unpaid compensation. The agreements are Convertible Promissory Notes accrue interest at a rate of twelve percent (12%) require monthly interest payments beginning July 31, 2022, and mature on January 31, 2025. They are also convertible into common stock at a fixed rate of \$0.54 per share. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 10.5, 10.6 and 10.7, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 24, 2022, the Company entered into a Securities Purchase Agreement with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue discount of \$18,450, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$172,200. The Closing occurred on February 24, 2022, upon the Company receiving the purchase price of \$153,750. The Company is required to make 10 monthly payments beginning April 15, 2022, of \$19,286.40. The Note provides that the Investor may not convert any amount of the Note unless the Note is in default and if that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. Additionally, if the Note is in default there is a 150% penalty. The Note converts at a rate of 25% discount to the lowest trading price for the 10 trading days prior to any such conversion.

The Purchase Agreement contains customary representations and warranties, and the Offering was subject to customary closing conditions. The Shares were offered by the Company pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder.

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The foregoing summaries of the Purchase Agreement and the Note, do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 4.2 and 10.1, respectively, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a service agreement.

On February 17, 2022, the Company issued 30,000 shares of common stock pursuant to an amendment to a secured convertible note.

On February 17, 2022, the Company issued 29,086 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

On February 17, 2022, the Company issued 50,000 commitment shares of common stock pursuant to an equity line of credit agreement that we entered into July 9, 2021.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a Letter of Engagement. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 4.4, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

Total issued and outstanding shares as of March 31, 2022, was 13,111,220.

**Preferred Stock**

The Company is authorized to issue 5,000,000 shares of Preferred stock.

The Company has three (3) classes of preferred Stock. Series A has 10,000 shares authorized, issued and outstanding. Series B has 800 shares authorized, issued and outstanding. Series C has 3,000,000 authorized and 310,000 currently issued and outstanding.

**Series A Convertible Preferred Stock**

The Series A, par value \$0.00001 has 10,000 shares authorized, issued and outstanding. The holders of the Series A are not entitled to dividends. Each share of Series A shall vote on any and all matters related to the Company and each share entitles holder to vote such number of votes equal to 0.0051% of the total number of votes entitled to be cast. For clarification purposes, the holders of all 10,000 shares of Series A have the right to cast an aggregate of 51% of the total number of votes entitled to be cast. The Series A are subject to an automatic conversion and/or redemption in the event the Company completes a qualified financing defined as a financing in which the Company receives gross proceeds of at least \$10 million. If converted, each share of Series A converts into 50 shares of common stock. If redeemed the Company shall pay \$100 per share of Series A.

**Series B Convertible Preferred Stock**

The Series B, par value \$0.00001, has 800 shares authorized, issued and outstanding. The holders of the Series B are entitled to a liquidation preference in that they participate with the common stock on an as converted basis. The holders of Series B are entitled to vote such number of shares as their Series B would be convertible into common stock plus 10% on an as if converted basis at the time of the vote. The Series B may convert into common stock. Each share of Series B will convert into such number of shares by multiplying 0.001 by the aggregate number of the Company's common stock issued and outstanding at the time of conversion. The Series B is subject to automatically convert into common stock in the event of a qualified financing as defined above.

Series C Convertible Preferred Stock

The Series C, par value \$0.00001, has 3,000,000 shares authorized. There are 310,000 shares issued and outstanding. The holders of the Series C are entitled to a liquidation preference in that they participate with the common stock on an as converted basis. The holders of Series C are entitled to vote such number of shares as their Series C would be convertible into common stock on an as if converted basis at the time of the vote. The Series C may convert into common stock based upon the product obtained by dividing the number of shares of Series C by the closing share price of the common stock on the date of conversion. The Series C is subject to automatically convert into common stock in the event of a qualified financing as defined above based upon the conversion formula in the previous sentence.

The Board of Directors of the Corporation is authorized to provide, by resolution, for one or more series of Preferred Stock to be comprised of authorized but unissued shares of Preferred Stock. Except as may be required by law, the shares in any series of Preferred Stock need not be identical to any other series of Preferred Stock. Before any shares of any such series of Preferred Stock are issued, the Board of Directors shall fix, and is hereby expressly empowered to fix, by resolution the rights, preferences and privileges of, and qualifications, restrictions and limitations applicable to, such series.

The Board of Directors is authorized to increase the number of shares of the Preferred Stock designated for any existing series of Preferred Stock by a resolution adding to such series authorized and unissued shares of the Preferred Stock not designated for any other series of Preferred Stock. The Board of Directors is authorized to decrease the number of shares of the Preferred Stock designated for any existing series of Preferred Stock by a resolution, subtracting from such series unissued shares of the Preferred Stock designated for such series.

**NOTE 5 - NOTES PAYABLE**

On February 19, 2019, the Company entered into a promissory note with a related party in the amount of \$17,000, with an interest due at the rates of 8% per annum and a due date of February 19, 2020.

On June 30, 2019, the Company entered into a promissory note with a related party in the amount of \$9,300, with an interest due at the rates of 8% per annum and a due date of June 30, 2020. On April 7, 2021, this note was paid in full.

On June 30, 2019, the Company entered into a promissory note with a related party in the amount of \$14,500, with an interest due at the rates of 8% per annum and a due date of March 30, 2020.

On February 29, 2020, the Company entered into a promissory note with a related party in the amount of \$531,000, with an interest due at the rates of 9.9% per annum and a due date of January 1, 2021.

On February 29, 2020, the Company entered into a promissory note with a related party in the amount of \$60,000, with an interest due at the rates of 8% per annum and a due date of February 29, 2021.

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On May 5, 2020, the Company entered into a promissory note under the Payroll Protection Program in the amount of \$310,000, with an interest due at the rates of 1% per annum and a due date of August 15, 2022. On April 16, 2021, this loan has been forgiven in full.

On July 8, 2020, the company entered into an SBA promissory note in the amount of \$150,000, with an interest due at the rates of 3.75% per annum and a due date of August 15, 2022.

On June 4, 2020, the Company entered into a promissory note with a third party in the amount of \$20,000, with an interest due at the rates of 8% per annum and a due date of September 5, 2020. This note was offset against an account receivable in the fourth quarter of 2020, and the balance due as of June 30, 2021, was \$0.

On June 5, 2020, the Company entered into a promissory note with a third party in the amount of \$10,000, with an interest due at the rates of 8% per annum and a due date of June 30, 2020. This note was offset against an account receivable in the fourth quarter of 2020 and the balance is \$0.

On June 8, 2020, the Company entered into a promissory note with a related party in the amount of \$10,000, with an interest due at the rates of 8% per annum and a due date of September 8, 2020. The balance due is \$0.

On June 11, 2020, the Company entered into a promissory note with a related party in the amount of \$10,000, with an interest due at the rates of 8% per annum and a due date of September 11, 2020. The balance due is \$0.

On July 27, 2020, the Company entered into a promissory note with a third-party in the amount of \$300,000, with an interest due at the rates of 9% per annum and a due date of August 15, 2022.

The prior majority shareholder, Bryan Glass contributed \$26,864 for expenses and fees to reinstate the Company. This money was booked as a capital contribution.

On January 5, 2021, the company entered into a promissory note in the amount of \$20,331 with an interest rate of 8% per annum and a due date of April 5, 2021. On April 5, 2021, this note was paid in full.

On March 25, 2021, the Company entered into a 11% secured convertible promissory note with a third-party with a total commitment of \$1,666,667 and the first tranche advanced on that date of \$777,778. Pursuant to the agreement, the Company issued the lender 116,667 shares of common stock, 116,667 5-year warrants with an exercise price of \$1.50 and 116,667 5-year warrants with an exercise price of \$2.00. The note had an original issue discount of \$77,778.

On January 11, 2019, the Company entered into Lease Services Agreement with a third-party company whereby the Company received funds in the amount of \$300,000 as an advance on future services. The Company and third-party desired to reach an amicable settlement to the agreement and agreed on April 2, 2021, to enter into a settlement and mutual release agreement whereby the Company was released from its obligations and the third-party company received 310,000 shares of the Company's Series C Convertible Preferred Stock

On November 30, 2020, the Company entered into a 6% secured convertible promissory note with a third-party in the amount of \$203,000.00. Pursuant to the agreement, the Company issued the lender 350,000 5-year warrants with an exercise price of \$1.00. On January 19, 2021, we issued the lender an additional 100,000 warrants on the same terms as the previous warrants, as a penalty pursuant to the agreement. Subsequently, on April 2, 2021, the Company and lender entered into a pay-off letter agreement in the amount of \$252,875.00 and the Company paid the amount on April 6, 2021. The balance due on this note was \$0.

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On July 11, 2021, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Senior Secured Promissory Note (the "Note") with first priority over all current and future indebtedness of the Company and any subsidiaries, whether such subsidiaries exist on the issue date or are created or acquired thereafter, excluding the note between the Company and Leonite Capital LLC., in the aggregate principal amount of up to \$1,100,000 or so much as has been advanced in one or more tranches. The Note carries an original issue discount of \$100,000, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the potential aggregate purchase price of the Note is \$ 1,000,000. The initial tranche was paid upon closing in an amount of \$500,000, resulting in a current face value of the Note of \$550,000. The maturity date of each tranche of the Note is twelve months after the payment of such tranche. The Note provides that the Investor may not convert any amount of the Note that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. The Note is secured with all of the assets of the Company, as described in the Security Agreement attached as Exhibit 10.3 to this Form S-1. The Purchase Agreement contains customary representations and warranties, and the Offering was subject to customary closing conditions. The Shares were offered by the Company pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder. The Company is obligated to register the shares of common stock underlying the Note and the Warrants (as described below), within 90 days from the date of the Purchase Agreement.

As additional consideration for the purchase of the Note, the Company agreed to issue to the Investor Warrants (the "Warrants"). The Warrants shall be issued upon the advance of each tranche by the Investor to the Company, exercisable for an amount of the Company's common stock equal to the purchase price of such tranche divided by three. The Warrants have a term of 60 months, and contain full ratchet anti-dilution protection provisions, and have an exercise price of \$1.75 per share for 142,857 of the Warrants, and \$2.25 per share for 111,111 of the Warrants. If at any time after the six-month anniversary of the issue date of the Warrants, the market price of one share of the Company's common stock is greater than the exercise price of such Warrant, and there is not an effective registration statement registering the resale of the shares of common stock underlying the Warrants, then the Warrants may be exercised by means of a cashless exercise. The Warrants do not allow for any exercise that would result in the beneficial ownership of greater than 4.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to such exercise, with the exception that the beneficial ownership limitation may be increased or decreased upon no less than 61 days prior notice.

The foregoing summaries of the Purchase Agreement, Purchase Warrant, Registration Rights, Securities Purchase Agreement, Secured Promissory Note, the Warrants and the Pledge and Security Agreement do not purport to be complete and are subject to, and qualified in their entirety by, such documents filed with the Securities and Exchange Commission on July 14, 2021, as exhibits to the Company's S-1 Registration Statement as Exhibits 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, and 10.12, respectively.

On November 30, 2021, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue discount of \$25,000, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$275,000. The Closing occurred on December 3, 2021, upon the Company receiving the purchase price of \$250,000. The maturity date of each tranche of the Note is nine months after the payment. The Note provides that the Investor may not convert any amount of the Note that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. The Note converts at a fixed rate of \$1.08 into common stock unless there is a default under the agreements.

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The Purchase Agreement contains customary representations and warranties, and the Offering was subject to customary closing conditions. The Shares were offered by the Company pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder. The Company is obligated to register the shares of common stock underlying the Note and the Warrants (as described below), within 90 days from the date of the Purchase Agreement.

### Warrants

As additional consideration for the purchase of the Note, the Company agreed to issue to the Investor Warrants (the "Warrants"). The Warrants shall be issued upon the advance of each tranche by the Investor to the Company, exercisable for an amount of the Company's common stock equal to the purchase price of such tranche divided by three. The Warrants have a term of 60 months, and contain full-ratchet anti-dilution protection provisions, and have an exercise price of \$1.08 per share for 250,000 Warrants. If at any time after the six-month anniversary of the issue date of the Warrants, the market price of one share of the Company's common stock is greater than the exercise price of such Warrant, and there is not an effective registration statement registering the resale of the shares of common stock underlying the Warrants, then the Warrants may be exercised by means of a cashless exercise. The Warrants do not allow for any exercise that would result in the beneficial ownership of greater than 4.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to such exercise, with the exception that the beneficial ownership limitation may be increased or decreased upon no less than 61 days prior notice.

The foregoing summaries of the Purchase Agreement, the Note, the Warrants and the Security Agreement do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 10.1, 10.2, and 4.1, respectively, on Form 8-K filed on December 3, 2021, which are incorporated herein by reference.

On December 29, 2021, the Company entered into a promissory note with a related party in the amount of \$150,000, with an interest due at the rates of 12% per annum and is due upon demand. The foregoing summary of the promissory note does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 4.1, to Form 10-K filed with the SEC on April 15, 2022, which is incorporated herein by reference.

On February 18, 2022, the Company entered into three agreements with its executives for accrued and unpaid compensation. The agreements are Convertible Promissory Notes accrue interest at a rate of twelve percent (12%) require monthly interest payments beginning July 31, 2022 and mature on January 31, 2025. They are also convertible into common stock at a fixed rate of \$0.54 per share. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 10.5, 10.6 and 10.7, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 24, 2022, the Company entered into a Securities Purchase Agreement with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue discount of \$18,450, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$172,200. The Closing occurred on February 24, 2022, upon the Company receiving the purchase price of \$153,750. The Company is required to make 10 monthly payments beginning April 15, 2022, of \$19,286.40. The Note provides that the Investor may not convert any amount of the Note unless the Note is in default and if that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. Additionally, if the Note is in default there is a 150% penalty. The Note converts at a rate of 25% discount to the lowest trading price for the 10 trading days prior to any such conversion.

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The Purchase Agreement contains customary representations and warranties, and the Offering was subject to customary closing conditions. The Shares were offered by the Company pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder.

The foregoing summaries of the Purchase Agreement and the Note, do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 4.2 and 10.1, respectively, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On March 31, 2022, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue of \$12,500, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$137,500. The Closing occurred on March 31, 2022, upon the Company receiving the purchase price of \$125,000. The maturity date of each tranche of the Note is nine months after the payment. The Note provides that the Investor may not convert any amount of the Note that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. The Note converts at a fixed rate of \$1.25 into common stock unless there is a default under the agreements. The Company is obligated to register the shares of common stock underlying the Note and the Warrants (as described below), within 90 days from the date of the Purchase Agreement.

## Warrants

As additional consideration for the purchase of the Note, the Company agreed to issue to the Investor Warrants (the "Warrants"). The Warrants shall be issued upon the advance of each tranche by the Investor to the Company, exercisable for an amount of the Company's common stock equal to the purchase price of such tranche divided by three. The Warrants have a term of 60 months, and contain full ratchet anti-dilution protection provisions, and have an exercise price of \$1.75 per share for 39,285 of the Warrants, and \$2.25 per share for 30,555 of the Warrants. If at any time after the six-month anniversary of the issue date of the Warrants, the market price of one share of the Company's common stock is greater than the exercise price of such Warrant, and there is not an effective registration statement registering the resale of the shares of common stock underlying the Warrants, then the Warrants may be exercised by means of a cashless exercise. The Warrants do not allow for any exercise that would result in the beneficial ownership of greater than 4.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to such exercise, with the exception that the beneficial ownership limitation may be increased or decreased upon no less than 61 days prior notice.

The foregoing summaries of the Purchase Agreement and the Note, do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 4.3, 10.2, 10.2 and 10.4, respectively, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

In accordance with ASC 855, the Company has analyzed its operations subsequent to March 31, 2022, through the date these financial statements were issued, and has determined that it does not have any other material subsequent events to disclose in these financial statements.

## **NOTE 6 – WARRANTS**

On November 30, 2020, we issued 350,000 five-year common stock warrants exercisable at \$1.00 per share.

On November 30, 2020, we issued 40,000 five-year common stock warrants exercisable at \$0.264 per share.

On January 19, 2021, we issued 100,000 five-year common stock warrants exercisable at \$1.00 per share.

On March 22, 2021, we issued 116,667 five-year common stock warrants exercisable at \$1.50 per share.

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On March 22, 2021, we issued 116,667 five-year common stock warrants exercisable at \$2.00 per share.

On March 26, 2021, we issued 16,971 five-year common stock warrants exercisable at \$3.30 per share.

On April 21, 2021, the Company issued 37,456 of common stock for the conversion of 40,000 cashless warrants.

On July 9, 2021, we issued 50,000 five-year common stock warrants exercisable at \$2.00 per share.

On July 11, 2021, we issued 142,857 five-year common stock warrants exercisable at \$1.75 per share.

On July 11, 2021, we issued 111,111 five-year common stock warrants exercisable at \$2.00 per share.

On July 12, 2021, we issued 6,494 five-year common stock warrants exercisable at \$1.925 per share.

On July 12, 2021, we issued 5,051 five-year common stock warrants exercisable at \$2.475 per share.

On July 12, 2021, we issued 3,247 five-year common stock warrants exercisable at \$1.925 per share.

On July 12, 2021, we issued 2,525 five-year common stock warrants exercisable at \$2.475 per share.

On July 12, 2021, we issued 3,247 five-year common stock warrants exercisable at \$1.925 per share.

On July 12, 2021, we issued 2,526 five-year common stock warrants exercisable at \$2.475 per share.

On November 30, 2021, we issued 250,000 five-year common stock warrants exercisable at \$1.08 per share.

On November 30, 2021, we issued 23,570 five-year common stock warrants exercisable at \$1.188 per share.

On March 1, 2022, we issued 11,097 five-year common stock warrants exercisable at \$1.12 per share.

On March 31, 2022, we issued 39,285 five-year common stock warrants exercisable at \$1.75 per share.

On March 31, 2022, we issued 30,555 five-year common stock warrants exercisable at \$2.25 per share.

On March 31, 2022, we issued 4,286 five-year common stock warrants exercisable at \$1.75 per share.

|                               | Warrants -<br>Common Share<br>Equivalents | Weighted<br>Average<br>Exercise price | Warrants<br>exercisable -<br>Common Share<br>Equivalents | Weighted<br>Average<br>Exercise price |
|-------------------------------|---|---------------------------------------|--|---------------------------------------|
| Outstanding December 31, 2020 | 390,000                                   | \$ 0.920                              | 390,000  | 0.920                                 |
| Additions                     | 950,932                                   | 1.65                                  | 950,932  | 1.65                                  |
| Converted                     | (40,000)                                  | 0.260                                 |  | 0.260                                 |
| Expired                       | -   | -                                     | -  |                                       |
| Outstanding December 31, 2021 | 1,300,932                                 | \$ 1.43                               | 1,300,932  | 1.43                                  |
| Additions                     | 85,223                                    | 1.85                                  | 85,223   | 1.85                                  |
| Converted                     | -   | -                                     |  | -                                     |
| Expired                       | -   | -                                     | -  |                                       |
| Outstanding March 31, 2022    | 1,386,155                                 | \$ 1.46                               | 1,386,155  | 1.46                                  |

**NOTE 7 – SUBSEQUENT EVENTS**

On May 2, 2022, the Company entered into an amendment to a senior secured convertible promissory note pursuant to which the Company agreed to issue 60,000 shares of common stock and increase the principal amount due under the note by \$30,000.

In accordance with ASC 855, the Company has analyzed its operations subsequent to March 31, 2022, through the date these financial statements were issued, and has determined that it does not have any other material subsequent events to disclose in these financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Statements, other than historical facts, contained in this Quarterly Report on Form 10-Q, including statements of potential acquisitions and our strategies, plans and objectives, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Although we believe that our forward-looking statements are based on reasonable assumptions, we caution that such statements are subject to a wide range of risks, trends and uncertainties that could cause actual results to differ materially from those projected. Among those risks, trends and uncertainties are important factors that could cause actual results to differ materially from the forward looking statements, including, but not limited to; the time management devotes to identifying a target business; management's ability to consummate a business combination; the financial condition of the target company with which we may enter a business combination; the effect of existing and future laws; governmental regulations; political and economic conditions; and conditions in the capital markets. We undertake no duty to update or revise these forward-looking statements.*

*When used in this Form 10-Q, the words, "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons.*

### Overview

Prior to the acquisition of CBD Brand Partners, the Company was engaged in the identification of suitable opportunities for a business transaction.

On April 12, 2021, the Company completed the acquisition of CBDBP.

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The Company is an integrated, seed-to-shelf operation which includes the growing, processing, extraction, and manufacture of cannabidiol ("CBD") products. The Company believes that it is positioned to become an industry leader. It maintains the highest standards, is GMP certified and tracks its products utilizing a proprietary system to maintain chain of custody and to ensure the safety and efficacy of its products. The Company continues to make improvements in order to build on and maintain its competitive advantage.

On April 19, 2021, the Company filed what is commonly called a Super 8K that provides the information that would be filed via a Form 10 registration. Upon making that filing with the SEC disclosing the cessation of the Company's status as a shell company. Due to the Company's former shell status, certain exemptions are not available for different mandated periods of time. The Company is prohibited from using Form S-8 until sixty calendar days after the date it filed its Super 8K. Additionally, Rule 144 under the Act provides an exemption from the registration requirements of the Securities Act and allows the holders of restricted securities to sell their securities utilizing one of the provisions of this Rule. However, Rule 144 specifically precludes reliance by holders of securities of shell companies such as ours has been historically classified or any issuer that has been at any time previously a shell company, except if the following conditions are met:

- The issuer of the securities that was formerly a shell company has ceased to be a shell company;
- The issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- The issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than current reports on Form 8-K; and
- At least one year has elapsed from the time that the issuer filed current comprehensive disclosure with the SEC reflecting its status as an entity that is not a shell company.

The Company has met all of the conditions above with the exception of the final one which will not be met until one year has elapsed.

Our common stock is a "penny stock," as defined in Rule 3a51-1 promulgated by the SEC under the Exchange Act. The penny stock rules require a broker-dealer, among other things, prior to a transaction in penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. A broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that the broker-dealer, not otherwise exempt from such rules, must make a special written determination that the penny stock is suitable for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure rules have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. So long as our common stock is subject to the penny stock rules, it may be more difficult for us and you to sell your common stock.

*Emerging Growth Company*

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We intend to take advantage of all of these exemptions.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, and delay compliance with new or revised accounting standards until those standards are applicable to private companies. We have elected to take advantage of the benefits of this extended transition period.

We could be an "emerging growth company" until the last day of the first fiscal year following the fifth anniversary of our first common equity offering, although circumstances could cause us to lose that status earlier if our annual revenues exceed \$1.0 billion, if we issue more than \$1.0 billion in non-convertible debt in any three-year period or if we become a "large-accelerated filer" as defined in Rule 12b-2 under the Exchange Act.

*Smaller Reporting Company*

We also qualify as a "smaller reporting company" under Rule 12b-2 of the Exchange Act, which is defined as a company with a public equity float of less than \$250 million or less than \$100 million in annual revenues and no public float or a public float of less than \$700 million. To the extent that we remain a smaller reporting company, we will have reduced disclosure requirements for our public filings, including: (1) less extensive narrative disclosure than required of other reporting companies, particularly in the description of executive compensation and (2) the requirement to provide only two years of audited financial statements, instead of three years. In addition, until such time as the public float of our common stock exceeds \$75 million, we will be a non-accelerated filer and will not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes Oxley Act.

**Results of Operations**

*Results of Operations during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021*

During the three months ended March 31, 2022, and 2021, Our net revenue for the three months ended March 31, 2022, was \$1,494,390 compared to \$2,162,032, for the same period in 2021.

Our cost of goods sold for the three months ended March 31, 2022, was \$854,283, compared to \$1,126,244 for the same period in 2021.

Our general and administrative expense for the three months ended March 31, 2022, was \$356,977, compared to \$210,166 for the same period in 2021. This increase was mainly due to the acquisition.

Our salary expense for the three months ended March 31, 2022, was \$601,430 compared to \$368,660 for the same period in 2021. This increase was mainly due to the acquisition.

Our rent expense for the three months ended March 31, 2022, was \$101,883, compared to \$129,735 for the same period in 2021.

Our utilities expense for the three months ended March 31, 2022, was \$27,123, compared to \$33,453 the same period in 2021.

Our professional fees expense for the three months ended March 31, 2022, was \$64,164, compared to \$26,120 for the same period in 2021. This increase was mainly due to the acquisition of CBDBP.

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Our consulting expense for the three months ended March 31, 2022, was \$237,948 compared to \$217,352 for the same period in 2021. This increase was mainly due to acquisition and related expenses.

Our depreciation expense for the three months ended March 31, 2022, was \$95,174, compared to \$96,106 for the same period in 2021. This increase was mainly due to the issuance of our employee stock options.

Our share-based expense for the three months ended March 31, 2022, was \$95,174, compared to \$0 for the same period in 2021. This increase was mainly due to the issuance of our employee stock options.

Our shares issued for inducement expense for the three months ended March 31, 2022, was \$82,100, compared to \$0 for the same period in 2021. This increase was mainly due to the issuance of commitment shares.

Our financing fees expense for the three months ended March 31, 2022, was \$47,371, compared to \$1,492,127 for the same period in 2021. This decrease was mainly due to the issuance of commitment shares and common stock warrants in 2021.

Our Interest expense for the three months ended March 31, 2022, was \$186,203, compared to \$30,544 for the same period in 2021. This increase was mainly due to the acquisition of CBDBP.

Our net loss for the three months ended March 31, 2022, was \$1,255,733 compared to \$1,568,475 for the same period in 2021. This increase was mainly due to the factors listed above.

### **Liquidity and Capital Resources**

As of March 31, 2022, the Company current assets of \$1,670,460 and total assets of \$4,077,501 As of December 31, 2021, the Company current assets of \$1,513,667 and total assets of \$4,007,465.

As of March 31, 2022, the Company current liabilities of \$6,162,547 and total Liabilities of \$6,412,070 As of December 31, 2021, the Company current liabilities of \$5,327,491 and total liabilities of \$5,577,014

The Company has funded its operations from contributions made by management and outside investors. The Company has a funding agreement with a third-party investor as discussed above; however, the investor's obligation to provide additional capital is solely at the third-party's discretion.

At present, the Company has business operations which management believes are sufficient to allow the Company to maintain operations. The Company's cash requirements to continue to grow the Company may exceed cash flow from operations requiring the Company to seek additional capital sources. If we require additional financing, we cannot predict whether equity or debt financing will become available at terms acceptable to us, if at all. The Company depends upon services provided by management to fulfill its filing obligations under the Exchange Act.

The following table summarizes our cash flows for the three months ended March 31, 2022 and 2021.

|  | <b>2022</b>  | <b>2021</b> |
|--|--------------|-------------|
| Net cash provided (used) from operating activities | \$ (325,197) | \$ 83,320   |
| Net cash used in investing activities              | (24,230)     | (43,528)    |
| Net cash provided by financing activities          | 326,820      | 778,109     |
| Net Increase (Decrease) In Cash                    | \$ (22,607)  | \$ 817,901  |

### **Going Concern**

Our modest revenues, continuing operating losses and lack of operating capital create substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on growing its revenues and minimizing our expenses, its ability to obtain capital from our affiliates to fund our operations, generate cash from the sale of its securities and attain future profitable operations. Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirements and ongoing operations; however, there can be no assurance the Company will be successful in these efforts.

**Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

**Contractual Obligations**

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, the Company is not required to provide the information required by this Item.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

*Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Principal Executive Officer and the Principal Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the date of this report.

*Changes in Internal Controls*

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15 and 15d-15 under the Exchange Act) during the three months ended March 31, 2022, that would have materially affected, or been reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings.

There are presently no material pending legal proceedings to which the Company is a party or as to which any of its property is subject, and no such proceedings are known to the Company to be threatened or contemplated against it. The Company is currently a party to two arbitrations and has a default judgment against it that has just become known to the Company. Our counsel is filing an action to have the judgment set aside and to either litigate or reach a resolution. These items are not of a material nature to the Company.

### Item 1A. Risk Factors.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On January 19, 2021, we issued 100,000 five-year common stock warrants exercisable at \$1.00 per share.

On March 25, 2021, the Company issued an investor 116,667 shares of its common stock as additional consideration pursuant to a Senior Secured Promissory Note. The proceeds of the note were used for repayment of obligations and general working capital.

On March 25, 2021, we issued 116,667 five-year common stock warrants exercisable at \$1.50 per share.

On March 25, 2021, we issued 116,667 five-year common stock warrants exercisable at \$2.00 per share.

On March 26, 2021, we issued 16,971 five-year common stock warrants exercisable at \$3.30 per share.

On July 9, 2021, we entered into a purchase agreement with Burdell Partners LLC, hereinafter ("BP"), pursuant to which BP has agreed to purchase from us up to an aggregate of \$6,500,000 of our common stock (subject to certain limitations) from time to time over the term of the Purchase Agreement. Also, on July 9, 2021, we entered into a registration rights agreement with BP, which we refer to in this prospectus as the Registration Rights Agreement, pursuant to which we are required to file with the SEC a registration statement that includes this prospectus to register for resale under the Securities Act of 1933, as amended, or the Securities Act, the shares of common stock that have been or may be issued to BP under the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, at the time we signed the Purchase Agreement and the Registration Rights Agreement, we were required to issue 50,000 shares of our common stock (which are yet to be issued) and 50,000 warrants to BP as consideration for its commitment to purchase shares of our common stock under the Purchase Agreement, which we refer to in this prospectus as the Commitment Shares and Commitment Warrants.

We do not have the right to commence any sales of our common stock to BP under the Purchase Agreement until certain conditions set forth in the Purchase Agreement, all of which are outside of BP's control, have been satisfied, including that the SEC has declared effective the registration statement that includes this prospectus. Thereafter, we may, from time to time and at our sole discretion, direct BP to purchase shares of our common stock in amounts up to 100,000 shares on any single business day, subject to a maximum of \$500,000 per purchase, plus other "VWAP Purchases" under certain circumstances. There are no trading volume requirements or restrictions under the Purchase Agreement, and we will control the timing and amount of any sales of our common stock to BP. The purchase price of the shares that may be sold to BP under the Purchase Agreement will be based on the market price of our common stock preceding the time of sale as computed under the Purchase Agreement. The purchase price per share will be equitably adjusted for any reorganization, recapitalization, non-cash dividend, stock split, or other similar transaction occurring during the business days used to compute such price. We may at any time in our sole discretion terminate the Purchase Agreement without fee, penalty or cost upon one business day notice. There are no restrictions on future financings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement or Registration Rights Agreement, other than a prohibition on entering into a "Variable Rate Transaction," as defined in the Purchase Agreement. BP may not assign or transfer its rights and obligations under the Purchase Agreement.

On August 23, 2021, the Company agreed to issue 20,000 shares of common stock pursuant to an amendment to a senior secured convertible promissory note. The shares were issued on November 1, 2021.

On November 1, 2021, the Company issued 20,000 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

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On October 18, 2021, the Company's Board of Directors approved the Bloomios 2021 Incentive Stock Plan. As of March 31, 2022, the Company has awarded 3,445,000 of the total 4,000,000 options that are available under the plan.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a service agreement.

On February 17, 2022, the Company issued 30,000 shares of common stock pursuant to an amendment to a secured convertible note.

On February 17, 2022, the Company issued 29,086 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

On February 17, 2022, the Company issued 50,000 commitment shares of common stock pursuant to an equity line of credit agreement.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a Letter of Engagement. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 4.4, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 18, 2022, the Company entered into three agreements with its executives for accrued and unpaid compensation. The agreements are Convertible Promissory Notes accrue interest at a rate of twelve percent (12%) require monthly interest payments beginning July 31, 2022, and mature on January 31, 2025. They are also convertible into common stock at a fixed rate of \$0.54 per share. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 10.5, 10.6 and 10.7, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 24, 2022, the Company entered into a Securities Purchase Agreement with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue discount of \$18,450, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$172,200. The Closing occurred on February 24, 2022, upon the Company receiving the purchase price of \$153,750. The Company is required to make 10 monthly payments beginning April 15, 2022, of \$19,286.40. The Note provides that the Investor may not convert any amount of the Note unless the Note is in default and if that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. Additionally, if the Note is in default there is a 150% penalty. The Note converts at a rate of 25% discount to the lowest trading price for the 10 trading days prior to any such conversion.

The Purchase Agreement contains customary representations and warranties, and the Offering was subject to customary closing conditions. The Shares were offered by the Company pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder.

The foregoing summaries of the Purchase Agreement and the Note, do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 4.2 and 10.1, respectively, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a service agreement.

On February 17, 2022, the Company issued 30,000 shares of common stock pursuant to an amendment to a secured convertible note.

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On February 17, 2022, the Company issued 29,086 shares of common stock pursuant to an amendment to a senior secured convertible promissory note.

On February 17, 2022, the Company issued 50,000 commitment shares of common stock pursuant to an equity line of credit agreement.

On February 17, 2022, the Company issued 300,000 shares of common stock pursuant to a Letter of Engagement. The foregoing summary of the Letter of Engagement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, such document attached as Exhibit 4.4, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

On March 31, 2022, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with a non-affiliated accredited investor (the "Investor"), pursuant to which the Company agreed to issue and sell directly to the Investor in a private offering (the "Offering"), a Convertible Promissory Note (the "Note") with the Company. The Note carries an original issue of \$12,500, to cover the Investor's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the purchase and sale of the Note, which is included in the principal balance of the Note. As a result of the original issuance discount, the aggregate principle of the Note is \$137,500. The Closing occurred on March 31, 2022, upon the Company receiving the purchase price of \$125,000. The maturity date of each tranche of the Note is nine months after the payment. The Note provides that the Investor may not convert any amount of the Note that would result in the beneficial ownership of greater than 4.99% of the outstanding shares of the Company, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the Investor, with not less than 61 days prior notice. The Note converts at a fixed rate of \$1.25 into common stock unless there is a default under the agreements. The Company is obligated to register the shares of common stock underlying the Note and the Warrants (as described below), within 90 days from the date of the Purchase Agreement.

## Warrants

As additional consideration for the purchase of the Note, the Company agreed to issue to the Investor Warrants (the Warrants"). The Warrants shall be issued upon the advance of each tranche by the Investor to the Company, exercisable for an amount of the Company's common stock equal to the purchase price of such tranche divided by three. The Warrants have a term of 60 months, and contain full ratchet anti-dilution protection provisions, and have an exercise price of \$1.75 per share for 39,285 of the Warrants, and \$ 2.25 per share for 30,555 of the Warrants. If at any time after the six-month anniversary of the issue date of the Warrants, the market price of one share of the Company's common stock is greater than the exercise price of such Warrant, and there is not an effective registration statement registering the resale of the shares of common stock underlying the Warrants, then the Warrants may be exercised by means of a cashless exercise. The Warrants do not allow for any exercise that would result in the beneficial ownership of greater than 4.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to such exercise, with the exception that the beneficial ownership limitation may be increased or decreased upon no less than 61 days prior notice.

The foregoing summaries of the Purchase Agreement and the Note, do not purport to be complete and are subject to, and qualified in their entirety by, such documents attached as Exhibits 4.3, 10.2, 10.2 and 10.4, respectively, to Form 10-K filed with the SEC on April 15, 2022, which are incorporated herein by reference.

### **Item 3. Defaults Upon Senior Securities.**

None.

### **Item 4. Mine Safety Disclosures.**

N/A

### **Item 5. Other Information.**

None.

**Item 6. Exhibits.**

The following documents are incorporated by reference:

- (1) Exhibits.

| Exhibit No.            | Description of Exhibit   | Location Reference |
|------------------------|--|--------------------|
| <a href="#">2.1</a>    | <a href="#">Agreement and Plan of Merger between Relay Mines Limited and TSI Med Acquisition Corp., dated as of September 13, 2004.</a>  | 2                  |
| <a href="#">3.1</a>    | <a href="#">Articles of Merger for Relay Mines Limited and TSI Med Acquisition Corp.</a>   | 2                  |
| <a href="#">3.2</a>    | <a href="#">Articles of Incorporation for Relay Mines Limited.</a>   | 1                  |
| <a href="#">3.3</a>    | <a href="#">Certificate of Change dated November 30, 2006 providing for the reduction in the number of authorized shares of common stock from 100,000,000 shares to 2,000,000 shares and the corresponding reverse split of outstanding shares of common stock so that every fifty shares of common stock outstanding are exchanged for one share of common stock.</a> | 3                  |
| <a href="#">3.4</a>    | <a href="#">Bylaws, As Amended, for Relay Mines Limited.</a>   | 2                  |
| <a href="#">3.5</a>    | <a href="#">Certificate of Change dated March 26, 2013 to amend the Articles of Incorporation to increase the number of authorized shares of common stock from 2,000,000 shares to 950,000,000 shares.</a>   | 6                  |
| <a href="#">3.6</a>    | <a href="#">Certificate of Amendment by Custodian, dated December 6, 2018.</a>   | 5                  |
| <a href="#">3.7</a>    | <a href="#">Certificate of Reinstatement with the state of Nevada, filed December 6, 2018.</a>   | 5                  |
| <a href="#">14.1</a>   | <a href="#">Code of Ethics.</a>  | 4                  |
| <a href="#">99.1</a>   | <a href="#">Audit Committee Charter.</a>   | 4                  |
| <a href="#">99.2</a>   | <a href="#">Disclosure Committee Charter.</a>  | 4                  |
| <a href="#">31.1*</a>  | <a href="#">Certification of the Company's Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  | *                  |
| <a href="#">31.2*</a>  | <a href="#">Certification of the Company's Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  | *                  |
| <a href="#">32.1**</a> | <a href="#">Certification of the Company's Principal Executive Officer Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</a>   | *                  |
| <a href="#">32.2**</a> | <a href="#">Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</a>   | *                  |
| 101.INS                | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).   |                    |
| 101.SCH                | Inline XBRL Taxonomy Extension Schema Document.  |                    |
| 101.CAL                | Inline XBRL Taxonomy Extension Calculation Linkbase Document.  |                    |
| 101.DEF                | Inline XBRL Taxonomy Extension Definition Linkbase Document.   |                    |
| 101.LAB                | Inline XBRL Taxonomy Extension Labels Linkbase Document.   |                    |
| 101.PRE                | Inline XBRL Taxonomy Extension Presentation Linkbase Document.   |                    |
| 104                    | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).  |                    |

- (1) Incorporated by reference from registration statement on Form SB-2 filed on May 1, 2001.
- (2) Incorporated by reference from current report on Form 8-K filed on September 17, 2004.
- (3) Incorporated by reference from Quarterly Report on Form 10-QSB for the nine months ended October 31, 2006 filed on December 15, 2006.
- (4) Incorporated by reference from Annual Report on Form 10-KSB for the year ended June 30, 2003 filed on September 12, 2003.
- (5) Previously filed as an exhibit to the Company's Registration Statement on Form 10 filed on April 30, 2019.
- (6) Incorporated by reference from the Company's Registration Statement on Form 10/A filed on June 18, 2019.
- \* Filed herewith.

\* Pursuant to Commission Release No. 33-8238, this certification will be treated as "accompanying" this Quarterly Report on Form 10-Q and not "filed" as part of such report for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of Section 18 of the Securities Exchange Act of 1934, as amended, and this certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**BLOOMIOS, INC.**

Date: May 12, 2022

By: /s/ Michael Hill  
Michael Hill  
Chief Executive Officer

Date: May 12, 2022

By: /s/ John Bennett  
John Bennett  
Chief Financial Officer

## CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Hill, certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2022, of Bloomios Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 12, 2022

By: /s/ Michael Hill

Michael Hill, Chief Executive Officer,  
principal executive officer

## CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Bennett, certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2022, of Bloomios Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 12, 2022

By: /s/ John Bennett

John Bennett, Chief Financial Officer,  
principal financial and accounting officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bloomios, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Michael Hill, Chief Executive Officer, of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial conditions and results of operations of the Company.

May 12, 2022

By: /s/ Michael Hill

Michael Hill  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bloomios, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, John Bennett, Chief Financial Officer, of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial conditions and results of operations of the Company.

May 12, 2022

By: /s/ John Bennett  
John Bennett  
Chief Financial Officer