

**UNITED STATES
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 **June 30, 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 **000-55575**

SIGYN THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

47-2573116

(IRS Employer File Number)

2468 Historic Decatur Road Ste., 140, San Diego, California

(Address of principal executive offices)

92106

(zip code)

(619) 353-0800

(Registrant's telephone number, including area code)

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		

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

Common Stock, \$0.0001 Par Value

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. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging Growth Company	<input checked="" type="checkbox"/>

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 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 No

As of August 15, 2022, there were 37,295,813 shares of common stock outstanding.

SIGYN THERAPEUTICS, INC.

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DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Description of Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “seeks,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “would” and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. These risks and uncertainties include, but are not limited to, the factors described in the section captioned “Risk Factors” below. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Such statements may include, but are not limited to, information related to: anticipated operating results; licensing arrangements; relationships with our customers; consumer demand; financial resources and condition; changes in revenues; changes in profitability; changes in accounting treatment; cost of sales; selling, general and administrative expenses; interest expense; the ability to secure materials and subcontractors; the ability to produce the liquidity or enter into agreements to acquire the capital necessary to continue our operations and take advantage of opportunities; legal proceedings and claims.

Also, forward-looking statements represent our estimates and assumptions only as of the date of this report. You should read this report and the documents that we reference and filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

USE OF CERTAIN DEFINED TERMS

Except as otherwise indicated by the context, references in this report to “we,” “us,” “our,” “our Company,” or “the Company” is of Sigyn Therapeutics, Inc.

In addition, unless the context otherwise requires and for the purposes of this report only:

- “Sigyn” refers to Sigyn Therapeutics, Inc., a Delaware corporation;
- “Commission” refers to the Securities and Exchange Commission;
- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended; and
- “Securities Act” refers to the Securities Act of 1933, as amended.

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIGYN THERAPEUTICS, INC. UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Current assets:		
Cash	\$ 7,291	\$ 340,956
Inventories	50,000	50,000
Other current assets	47,706	2,075
Total current assets	<u>104,997</u>	<u>393,031</u>

Property and equipment, net		25,482		28,046
Intangible assets, net		3,900		5,700
Operating lease right-of-use assets, net		240,818		262,771
Other assets		20,711		20,711
Total assets		\$ 395,908		\$ 710,259
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	\$	299,317	\$	39,853
Accrued payroll and payroll taxes		69,842		1,072
Short-term convertible notes payable, less unamortized debt issuance costs of \$333,097 and \$53,614, respectively		945,219		647,202
Current portion of operating lease liabilities		49,545		46,091
Total current liabilities		1,363,923		734,218
Long-term liabilities:				
Operating lease liabilities, net of current portion		215,146		240,625
Total long-term liabilities		215,146		240,625
Total liabilities		1,579,069		974,843
Stockholders' deficit:				
Preferred stock, \$0.0001 par value, 10,000,000 shares authorized; no shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively		-		-
Common stock, \$0.0001 par value, 1,000,000,000 shares authorized; 37,295,813 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively		3,730		3,730
Additional paid-in capital		4,423,239		3,997,445
Accumulated deficit		(5,610,130)		(4,265,759)
Total stockholders' deficit		(1,183,161)		(264,584)
Total liabilities and stockholders' deficit		\$ 395,908		\$ 710,259

See accompanying notes to unaudited condensed consolidated financial statements.

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SIGYN THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021
Net revenues	\$ -	\$ -	\$ -	\$ -
Gross Profit	-	-	-	-
Operating expenses:				
Marketing expenses	381	164,500	131	82,250
Research and development	383,025	256,252	154,683	139,736
General and administrative	758,625	423,163	377,981	219,832
Total operating expenses	1,142,031	843,915	532,795	441,818
Loss from operations	(1,142,031)	(843,915)	(532,795)	(441,818)
Other expense:				
Interest expense	31	-	-	-
Interest expense - debt discount	160,854	236,642	108,597	185,783
Interest expense - original issuance costs	41,455	30,986	24,933	22,260
Total other expense	202,340	267,628	133,530	208,043
Loss before income taxes	(1,344,371)	(1,111,543)	(666,325)	(649,861)
Income taxes	-	-	-	-
Net loss	\$ (1,344,371)	\$ (1,111,543)	\$ (666,325)	\$ (649,861)
Net loss per share, basic and diluted	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding				
Basic and diluted	37,295,803	35,841,627	37,295,803	36,410,334

See accompanying notes to unaudited condensed consolidated financial statements.

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SIGYN THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of December 31, 2020	35,201,513	\$ 3,520	\$ 1,356,799	\$ (1,261,140)	\$ 99,179
Common stock issued to third party for services	47,000	5	82,245	-	82,250

Warrants issued to third parties in conjunction with debt issuance	-	-	113,910	-	113,910
Beneficial conversion feature in conjunction with debt issuance	-	-	86,090	-	86,090
Net loss	-	-	-	(461,682)	(461,682)
Balance as of March 31, 2021	35,248,513	\$ 3,525	\$ 1,639,044	\$ (1,722,822)	\$ (80,253)
Common stock issued to third party for services	47,000	5	82,245	-	82,250
Warrants issued to third parties in conjunction with debt issuance	-	-	34,118	-	34,118
Beneficial conversion feature in conjunction with debt issuance	-	-	15,882	-	15,882
Common stock issued for cash	1,172,000	118	1,464,882	-	1,465,000
Common stock issued to third parties in conjunction with conversion of debt	157,143	16	109,984	-	110,000
Net loss	-	-	-	(649,861)	(649,861)
Balance as of June 30, 2021	36,624,656	\$ 3,663	\$ 3,346,157	\$ (2,372,683)	\$ 977,137
Balance as of December 31, 2021	37,295,803	\$ 3,730	\$ 3,997,445	\$ (4,265,759)	\$ (264,584)
Warrants issued to third parties in conjunction with debt issuance	-	-	162,362	-	162,362
Amortization of warrants issued in connection with a debt modification	-	-	48,699	-	48,699
Net loss	-	-	-	(678,046)	(678,046)
Balance as of March 31, 2022	37,295,803	\$ 3,730	\$ 4,208,506	\$ (4,943,805)	\$ (731,569)
Warrants issued to third parties in conjunction with debt issuance	-	-	168,991	-	168,991
Amortization of warrants issued in connection with a debt modification	-	-	49,240	-	49,240
Fees associated with filing of Form S-1	-	-	(3,498)	-	(3,498)
Net loss	-	-	-	(666,325)	(666,325)
Balance as of June 30, 2022	37,295,803	\$ 3,730	\$ 4,423,239	\$ (5,610,130)	\$ (1,183,161)

See accompanying notes to unaudited condensed consolidated financial statements.

SIGYN THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (1,344,371)	\$ (1,111,543)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	3,423	847
Amortization expense	1,800	14,406
Stock issued for services	-	164,500
Accretion of debt discount	160,854	236,644
Accretion of original issuance costs	41,455	30,986
Changes in operating assets and liabilities:		
Other current assets	(45,631)	(27,370)
Other assets	-	(20,711)
Accounts payable	259,464	24,661
Accrued payroll and payroll taxes	68,698	5,020
Other current liabilities	-	1,026
Net cash used in operating activities	(854,308)	(681,534)
Cash flows from investing activities:		
Purchase of property and equipment	(859)	(2,871)
Net cash used in investing activities	(859)	(2,871)
Cash flows from financing activities:		
Proceeds from short-term convertible notes	525,000	250,000
Repayment of short-term convertible notes	-	(55,000)
Common stock issued for cash	-	1,465,000
Fees associated with filing of Form S-1	(3,498)	-
Net cash provided by financing activities	521,502	1,660,000
Net decrease in cash	(333,665)	975,595
Cash at beginning of period	340,956	84,402
Cash at end of period	\$ 7,291	\$ 1,059,997
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

Non-cash investing and financing activities:

Beneficial conversion feature in conjunction with debt issuance	\$	-	\$	101,972
Amortization of warrants issued in connection with a debt modification	\$	97,939	\$	-
Warrants issued to third parties in conjunction with debt issuance	\$	331,353	\$	148,028
Original issue discount issued in conjunction with debt	\$	52,500	\$	25,000
Common stock issued to third parties in conjunction with conversion of debt	\$	-	\$	110,000

See accompanying notes to unaudited condensed consolidated financial statements.

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SIGYN THERAPEUTICS, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Corporate History and Background

Sigyn Therapeutics, Inc. (“Sigyn” or the “Company”) is a development-stage medical technology company headquartered in San Diego, California. Our focus is directed toward the creation of therapeutic solutions that address unmet needs in global health.

Sigyn Therapy™ is a broad-spectrum blood purification technology to address life-threatening infections and inflammatory disorders for which effective drug therapies are not available. Sigyn Therapy extracts pathogen sources of life-threatening inflammation in concert with dampening down the dysregulated overproduction of inflammatory cytokines (the cytokine storm), which plays a prominent role in each of our candidate treatment indications.

Based on its unprecedented ability to isolate and remove viral pathogens, bacterial toxins, and inflammatory cytokines from the bloodstream, Sigyn Therapy is a candidate to treat pathogen-associated sepsis (leading cause of hospital deaths), community acquired pneumonia (a leading cause of death among infectious diseases), emerging pandemic threats, and hyperinflammation & endotoxemia in end-stage renal disease patients.

Since initiating the development of Sigyn Therapy in 2020, we completed a series of *in vitro* studies that demonstrated the ability of Sigyn Therapy to extract pathogen sources of inflammation from human blood plasma. These include endotoxin (a gram-negative bacterial toxin), peptidoglycan and lipoteichoic acid (gram-positive bacterial toxins), and viral pathogens, including COVID-19.

We also completed studies that demonstrated the ability of Sigyn Therapy to extract inflammatory cytokines from human blood plasma. These include interleukin-1 beta (IL-1b), interleukin-6 (IL-6), and tumor necrosis factor alpha (TNF-a). In a related study, we reduced the circulating presence of 104 nanometer liposomes as a model to evaluate the potential of Sigyn Therapy to address CytoVesicles that transport inflammatory cytokine cargos throughout the bloodstream.

Additionally, we validated the rapid reduction of hepatic (liver) toxins from human blood plasma, which included ammonia, bile acid and bilirubin. Based on these outcomes, we may further investigate the potential of Sigyn Therapy to address acute forms of liver failure.

Subsequent to our *in vitro* milestone achievements, we completed *in vivo* animal studies at the University of Michigan, which demonstrated Sigyn Therapy to be well tolerated. In the studies, Sigyn Therapy was administered via standard dialysis machines utilizing conventional blood-tubing sets, for periods up to six hours in eight porcine (pig) subjects. Important criteria for treatment safety, including hemodynamic parameters, serum chemistries and hematologic measurements, were stable across all eight subjects.

The data resulting from our *in vivo* and *in vitro* studies is being incorporated into an Investigational Device Exemption (IDE) that we are drafting for submission to the U.S. Food and Drug Administration (“FDA”) to support the potential initiation of human feasibility studies in the United States.

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Merger Transaction

On October 19, 2020, Sigyn Therapeutics, Inc, a Delaware corporation (the “Registrant”) formerly known as Reign Resources Corporation, completed a Share Exchange Agreement (the “Agreement”) with Sigyn Therapeutics, Inc., a private entity incorporated in the State of Delaware on October 19, 2019.

In the Share Exchange Agreement, we acquired 100% of the issued and outstanding shares of privately held Sigyn Therapeutics common stock in exchange for 75% of the fully paid and nonassessable shares of our common stock outstanding (the “Acquisition”). In conjunction with the transaction, we changed our name from Reign Resources Corporation to Sigyn Therapeutics, Inc. pursuant to an amendment to our articles of incorporation that was filed with the State of Delaware. Subsequently, our trading symbol was changed to SIGY. The Acquisition was treated by the Company as a reverse merger in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). For accounting purposes, Sigyn is considered to have acquired Reign Resources Corporation as the accounting acquirer because: (i) Sigyn stockholders own 75% of the combined company, on an as-converted basis, immediately following the Closing Date, (ii) Sigyn directors hold a majority of board seats in the combined company and (iii) Sigyn management held all key positions in the management of the combined company. Accordingly, Sigyn’s historical results of operations will replace Reign Resources Corporation’s historical results of operations for all periods prior to the Acquisition and, for all periods following the Acquisition, the results of operations of the combined company will be included in the Company’s financial statements. The Acquisition was treated as a “tax-free exchange” under Section 368 of the Internal Revenue Code of 1986 and resulted in the private Sigyn Therapeutics corporate entity (established on October 29, 2019) to become a wholly owned subsidiary of Reign Resources Corporation. Among the conditions for closing the acquisition, the Reign Resources Corporation extinguished all previously reported liabilities, its preferred class of shares, and all stock purchase options. As a result, the reported liabilities totaling \$3,429,516 were converted into a total of 7,907,351 common shares. Additionally, assets held on the books of Reign Resources Corporation, such as Gem inventory, was kept in the Company and therefore recorded as assets on the Share Exchange date. Upon the closing of the Acquisition, we appointed James A. Joyce and Craig P. Roberts to serve as members of our Board of Directors.

As of August 15, 2022, we have a total 37,295,813 shares issued and outstanding, of which 11,655,813 shares are held by non-affiliate stockholders.

NOTE 2 – BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include all adjustments necessary for the fair presentation of the Company’s financial position and results of operations for the periods presented.

The Company currently operates in one business segment. The Company is not organized by market and is managed and operated as one business. A single management team reports to the chief operating decision maker, the Chief Executive Officer, who comprehensively manages the entire business. The Company does not currently operate any separate lines of businesses or separate business entities.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. The Company had an accumulated deficit of \$5,610,130 at June 30, 2022 and \$4,265,759 at December 31, 2021, had a working capital deficit of \$1,258,926 and \$341,187 at June 30, 2022 and December 31, 2021, respectively, had a net loss of \$1,344,371 and \$1,111,543 for the six months ended June 30, 2022 and 2021, respectively, and net cash used in operating activities of \$854,308 and \$681,534 for the six months ended June 30, 2022 and 2021, respectively, with no revenue earned since inception, and a lack of operational history. These matters raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to expand operations and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a private offering or an asset sale transaction. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While management believes in the viability of its strategy to generate revenues and in its ability to raise additional funds or transact an asset sale, there can be no assurances to that effect or on terms acceptable to the Company. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to GAAP and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of net sales and expenses during the reported periods. Actual results may differ from those estimates and such differences may be material to the financial statements. The more significant estimates and assumptions by management include among others: common stock valuation, and the recoverability of intangibles. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

Cash

The Company's cash is held in bank accounts in the United States and is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$50,000. The Company has not experienced any cash losses.

Income Taxes

Income taxes are accounted for under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on the Balance Sheets in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. The likelihood that its deferred tax assets will be recovered from future taxable income must be assessed and, to the extent that recovery is not likely, a valuation allowance is established. Changes in the valuation allowance in a period are recorded through the income tax provision in the consolidated Statements of Operations.

ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of ASC 740-10 and currently, the Company does not have a liability for unrecognized income tax benefits.

Advertising and Marketing Costs

Advertising expenses are recorded as general and administrative expenses when they are incurred. The Company had advertising expenses of \$31 and \$381 and \$82,250 and \$164,500 for the three and six months ended June 30, 2022 and 2021, respectively.

Inventories

In conjunction with the October 19, 2020 Share Exchange Agreement, the Company kept the gem inventory of Reign Resources Corporation. Inventories are stated at the lower of cost or market (net realizable value) on a lot basis each quarter. A lot is determined by the cut, clarity, size, and weight of the sapphires. Inventory consists of sapphire jewels that meet rigorous grading criteria and are of cuts and sizes most commonly used in the jewelry industry. As of June 30, 2022 and December 31, 2021, the Company carried primarily loose sapphire jewels, jewelry for sale on our website, and jewelry held as samples. Samples are used to show potential customers what the jewelry would look like. Promotional items given to customers that are not expected to be returned will be removed from inventory and expensed. There have been no promotional items given to customers as of June 30, 2022. The Company performs its own in-house assessment based on gem guide and the current market price for metals to value its inventory on an annual basis or if circumstances dictate sooner to determine if the estimated fair value is greater or less than cost. In addition, the inventory is reviewed each quarter by the Company against industry prices from gem-guide and if there is a potential impairment, the Company would appraise the inventory. The estimated fair value is subject to significant change due to changes in popularity of cut, perceived grade of the clarity of the sapphires, the number, type and size of inclusions, the availability of other similar quality and size sapphires, and other factors. As a result, the internal assessed value of the sapphires could be significantly lower from the current estimated fair value. Loose sapphire jewels do not degrade in quality over time.

Based on the significant advancement of Sigyn Therapy, the Company decided in the 4th quarter of 2021 to assess the value of retail business operations that were a focus of the Company prior to the merger transaction consummated on October 19, 2020.

Related to this assessment, management determined the wholesale liquidation value of its sapphire gem inventory to be 5-10% of the previously reported retail value, based on communications with certified gemologists, the variance between retail and wholesale valuations, and current market conditions. As a result, the Company has valued the inventory at \$50,000 and recorded an impairment of assets of \$536,047 in the year ended December 31, 2021.

Property and Equipment

Property and equipment are carried at cost and are depreciated on a straight-line basis over the estimated useful lives of the assets, generally five years. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition.

Intangible Assets

Intangible assets consist primarily of website development costs. Our intangible assets are being amortized on a straight-line basis over a period of three years.

Impairment of Long-lived Assets

We periodically evaluate whether the carrying value of property, equipment and intangible assets has been impaired when circumstances indicate the carrying value of those assets may not be recoverable. The carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is not recoverable, the impairment loss is measured as the excess of the asset's carrying value over its fair value.

Our impairment analyses require management to apply judgment in estimating future cash flows as well as asset fair values, including forecasting useful lives of the assets, assessing the probability of different outcomes, and selecting the discount rate that reflects the risk inherent in future cash flows. If the carrying value is not recoverable, we assess the fair value of long-lived assets using commonly accepted techniques, and may use more than one method, including, but not limited to, recent third-party comparable sales and discounted cash flow models. If actual results are not consistent with our assumptions and estimates, or our assumptions and estimates change due to new information, we may be exposed to an impairment charge in the future. As of June 30, 2022 and December 31, 2021, the Company had not experienced impairment losses on its long-lived assets.

Fair Value of Financial Instruments

The provisions of accounting guidance, FASB Topic ASC 825 requires all entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of June 30, 2022 and December 31, 2021, the fair value of cash, accounts payable, accrued expenses, and notes payable approximated carrying value due to the short maturity of the instruments, quoted market prices or interest rates which fluctuate with market rates.

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Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, 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 assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities

The carrying value of financial assets and liabilities recorded at fair value are measured on a recurring or nonrecurring basis. Financial assets and liabilities measured on a non-recurring basis are those that are adjusted to fair value when a significant event occurs. There were no financial assets or liabilities carried and measured on a nonrecurring basis during the reporting periods. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared. There have been no transfers between levels.

Debt

The Company issues debt that may have separate warrants, conversion features, or no equity-linked attributes.

Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt under ASC 815, *Derivatives and Hedging*, to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20, *Debt with Conversion and Other Options*, for consideration of any beneficial conversion feature.

Derivative Financial Instruments

The Company evaluates all of its financial instruments, including stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income.

For option-based simple derivative financial instruments, the Company uses the Monte Carlo simulations to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. There were no derivative financial instruments as of June 30, 2022 and December 31, 2021 and no charges or credits to income for the three and six months ended June 30, 2022.

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Debt Issue Costs and Debt Discount

The Company may record debt issue costs and/or debt discounts in connection with raising funds through the issuance of debt. These costs may be paid in the form of cash or equity (such as warrants). These costs are amortized to interest expense through the maturity of the debt. If a conversion of the underlying debt occurs prior to maturity a proportionate share of the unamortized amounts is immediately expensed. Any unamortized debt issue costs and debt discount are presented net of the related debt on the consolidated balance sheets.

Original Issue Discount

For certain convertible debt issued, the Company may provide the debt holder with an original issue discount. The original issue discount would be recorded to debt discount, reducing the face amount of the note and is amortized to interest expense through the maturity of the debt. If a conversion of the underlying debt occurs prior to maturity a proportionate share of the unamortized amounts is immediately expensed. Any unamortized original issue discounts are presented net of the related debt on the consolidated balance sheets.

If the conversion feature does not qualify for either the derivative treatment or as a BCF, the convertible debt is treated as traditional debt.

Basic and diluted earnings per share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted earnings (loss) per share are computed on the basis of the weighted average number of common shares (including common stock subject to redemption) plus dilutive potential common shares outstanding for the reporting period. In periods where losses are reported, the weighted-average number of common stock outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

Basic and diluted earnings (loss) per share are the same since net losses for all periods presented and including the additional potential common shares would have an anti-dilutive effect.

Stock Based Compensation

In accordance with ASC No. 718, *Compensation – Stock Compensation* (“ASC 718”), we measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Non-Employee Stock-Based Compensation

In accordance with ASC 505, *Equity Based Payments to Non-Employees*, issuances of the Company’s common stock or warrants for acquiring goods or services are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued to consultants or vendors is determined at the earlier of (i) the date at which a commitment for performance to earn the equity instruments is reached (a “performance commitment” which would include a penalty considered to be of a magnitude that is a sufficiently large disincentive for nonperformance) or (ii) the date at which performance is complete. Although situations may arise in which counter performance may be required over a period of time, the equity award granted to the party performing the service is fully vested and non-forfeitable on the date of the agreement. As a result, in this situation in which vesting periods do not exist as the instruments fully vested on the date of agreement, the Company determines such date to be the measurement date and will record the estimated fair market value of the instruments granted as a prepaid expense and amortize such amount to general and administrative expense in the accompanying statement of operations over the contract period. When it is appropriate for the Company to recognize the cost of a transaction during financial reporting periods prior to the measurement date, for purposes of recognition of costs during those periods, the equity instrument is measured at the then-current fair values at each of those interim financial reporting dates.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. An adjustment has been made to the Unaudited Condensed Consolidated Statements of Operations for three months ended March 31, 2021, to reclass \$93,266 of costs to research and development previously classified in general and administrative. In addition, an adjustment has been made to the Unaudited Condensed Consolidated Balance Sheets as of December 31, 2021, to reclass \$1,072 of other current liabilities previously classified in accrued payroll and payroll taxes.

Concentrations, Risks, and Uncertainties

Business Risk

Substantial business risks and uncertainties are inherent to an entity, including the potential risk of business failure.

The Company is headquartered and operates in the United States. To date, the Company has generated no revenues from operations. There can be no assurance that the Company will be able to raise additional capital and failure to do so would have a material adverse effect on the Company’s financial position, results of operations and cash flows. Also, the success of the Company’s operations is subject to numerous contingencies, some of which are beyond management’s control. Currently, these contingencies include general economic conditions, price of components, competition, and governmental and political conditions.

Interest rate risk

Financial assets and liabilities do not have material interest rate risk.

Credit risk

The Company is exposed to credit risk from its cash in banks. The credit risk on cash in banks is limited because the counterparties are recognized financial institutions.

Seasonality

The business is not subject to substantial seasonal fluctuations.

Major Suppliers

Sigyn Therapy is comprised of components that are supplied by various industry vendors. Additionally, the Company is reliant on third-party organizations to conduct clinical development studies that are necessary to advance Sigyn Therapy toward the marketplace.

Should the relationship with an industry vendor or third-party clinical development organization be interrupted or discontinued, it is believed that alternate component suppliers and third-party clinical development organizations could be identified to support the continued advancement of Sigyn Therapy.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU No. 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, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas. This ASU is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company adopted ASU No. 2020-06 in the first quarter of fiscal 2021, coinciding with the standard's effective date, and had an immaterial impact from this standard.

Other recently issued accounting updates are not expected to have a material impact on the Company's unaudited condensed consolidated financial statements.

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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of:

	Estimated Life	June 30, 2022	December 31, 2021
Office equipment	5 years	\$ 29,040	\$ 28,181
Computer equipment	3 years	3,157	3,157
Accumulated depreciation		(6,715)	(3,292)
		<u>\$ 25,482</u>	<u>\$ 28,046</u>

Depreciation expense was \$1,719 and \$3,423 and \$503 and \$847 for the three and six months ended June 30, 2022 and 2021, respectively, and is classified in general and administrative expenses in the unaudited condensed consolidated Statements of Operations.

NOTE 5 – INTANGIBLE ASSETS

Intangible assets consisted of the following as of:

	Estimated life	June 30, 2022	December 31, 2021
Website	3 years	\$ 10,799	\$ 10,799
Accumulated amortization		(6,899)	(5,099)
		<u>\$ 3,900</u>	<u>\$ 5,700</u>

As of June 30, 2022, estimated future amortization expenses related to intangible assets were as follows:

	Intangible Assets
2022 (remaining 6 months)	\$ 1,800
2023	2,100
	<u>\$ 3,900</u>

The Company had amortization expense of \$900 and \$1,800 and \$4,052 and \$14,406 for the three and six months ended June 30, 2022 and 2021, respectively.

On January 8, 2020, James Joyce, the Company's CEO and Craig Roberts, the Company's CTO, assigned to the Company the rights to patent 62/881,740 pertaining to the devices, systems and methods for the broad-spectrum reduction of pro-inflammatory cytokines in blood.

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NOTE 6 – CONVERTIBLE PROMISSORY DEBENTURES

Convertible notes payable consisted of the following:

	June 30, 2022	December 31, 2021
<i>January 28, 2020 (\$457,380) – 0% interest per annum outstanding principal and interest due October 20, 2022 (“Note 1”)</i>	\$ 457,380	\$ 457,380
<i>June 23, 2020 (\$60,500) – 0% interest per annum outstanding principal and interest due October 20, 2022 (“Note 2”)</i>	60,500	60,500
<i>September 17, 2020 (\$199,650) – 0% interest per annum outstanding principal and interest due October 20, 2022. On October 28, 2021, Osher elected to convert \$16,714 of the aggregate principal amount of the Note of \$199,650, into 42,857 common shares (“Note 3”).</i>	182,936	182,936
<i>March 23, 2022 (\$220,000) – 0% interest per annum outstanding principal and interest due March 23, 2023 (“Note 4”)</i>	220,000	-
<i>April 28, 2022 (\$110,000) – 0% interest per annum outstanding principal and interest due April 28, 2023 (“Note 5”)</i>	110,000	-
<i>May 10, 2022 (\$110,000) – 0% interest per annum outstanding principal and interest due May 10, 2023 (“Note 6”)</i>	110,000	-
<i>June 1, 2022 (\$55,000) – 0% interest per annum outstanding principal and interest due June 1, 2023 (“Note 7”)</i>	55,000	-
<i>June 22, 2020 (\$82,500) – 0% interest per annum outstanding principal and interest due June 22, 2023 (“Note 8”)</i>	82,500	-
Total convertible notes payable	1,278,316	700,816
Original issue discount	(64,659)	(53,614)
Debt discount	(268,438)	-
Total convertible notes payable	<u>\$ 945,219</u>	<u>\$ 647,202</u>

Principal payments on convertible promissory debentures are due as follows:

Year ending December 31,	
2022	\$ 700,816
2023	577,500
	<u>\$ 1,278,316</u>

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Changes in convertible notes were as follows:

	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Totals
Convertible notes payable as of January 1, 2021	\$ 385,000	\$ 50,000	\$ 181,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 616,500
Extension of convertible note payable	72,380	10,500	18,150	-	-	-	-	-	101,030
Exchange of convertible note payable for common stock	-	-	(16,714)	-	-	-	-	-	(16,714)
Convertible notes payable, net, as of December 31, 2021	457,380	60,500	182,936	-	-	-	-	-	700,816
Convertible notes payable issued in 2022	-	-	-	220,000	110,000	110,000	55,000	82,500	577,500
Convertible notes payable as of June 30, 2022	<u>\$ 457,380</u>	<u>\$ 60,500</u>	<u>\$ 182,936</u>	<u>\$ 220,000</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ 55,000</u>	<u>\$ 82,500</u>	<u>\$ 1,278,316</u>

Changes in note discounts were as follows:

	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Totals
Note discounts as of January 1, 2021	\$ 73,418	\$ 5,830	\$ 18,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,832
Note discounts in conjunction with extension of convertible note	41,580	5,500	18,150	-	-	-	-	-	65,230
2021 accretion of note discounts	(80,822)	(6,809)	(21,817)	-	-	-	-	-	(109,448)
Note discounts as of December 31, 2021	34,176	4,521	14,917	-	-	-	-	-	53,614
Note discounts issued in conjunction with debt	-	-	-	182,362	60,874	60,877	31,303	48,437	383,853
2022 accretion of note discounts	(20,620)	(2,727)	(9,000)	(49,462)	(10,507)	(8,506)	(2,487)	(1,061)	(104,370)
Note discounts as of June 30, 2022	<u>\$ 13,556</u>	<u>\$ 1,794</u>	<u>\$ 5,917</u>	<u>\$ 132,900</u>	<u>\$ 50,367</u>	<u>\$ 52,371</u>	<u>\$ 28,816</u>	<u>\$ 47,376</u>	<u>\$ 333,097</u>
Convertible notes payable, net, as of December 31, 2021	<u>\$ 423,204</u>	<u>\$ 55,979</u>	<u>\$ 168,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,202</u>
Convertible notes payable, net, as of June 30, 2022	<u>\$ 443,824</u>	<u>\$ 58,706</u>	<u>\$ 177,019</u>	<u>\$ 87,100</u>	<u>\$ 59,633</u>	<u>\$ 57,629</u>	<u>\$ 26,184</u>	<u>\$ 35,124</u>	<u>\$ 945,219</u>
2021 Effective interest rate	24%	11%	12%	-%	-%	-%	-%	-%	16%
2022 Effective interest rate	5%	5%	5%	22%	10%	8%	5%	1%	8%

Current Noteholders

Osher – \$82,500

On June 22, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$82,500 aggregate principal amount of Note due June 22, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 165,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$75,000 which was issued at a \$7,500 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

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Osher – \$55,000

On June 1, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$55,000 aggregate principal amount of Note due June 1, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 110,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$50,000 which was issued at a \$5,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Brio – \$110,000

On May 10, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Brio Capital Master Fund Ltd. (“Brio”) of (i) \$110,000 aggregate principal amount of Note due May 10, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Osher – \$110,000

On April 28, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$110,000 aggregate principal amount of Note due April 28, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Osher – \$110,000

On March 23, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$110,000 aggregate principal amount of Note due March 23, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Brio – \$110,000

On March 23, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Brio Capital Master Fund Ltd. (“Brio”) of (i) \$110,000 aggregate principal amount of Note due March 23, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

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Osher – \$457,380

On January 28, 2020 (the “Original Issue Date”), the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$385,000 aggregate principal amount of Original Issue Discount Senior Convertible Debenture due January 26, 2021, based on \$1.00 for each \$0.90909 paid by Osher and (ii) five-year Common Stock Purchase Warrants to purchase up to an aggregate of 80,209 shares of the Company’s Common Stock at an exercise price of \$7.00 per share. The aggregate cash subscription amount received by the Company from Osher for the issuance of the note and warrants was \$350,005 which was issued at a \$34,995 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.094 per share, as amended on October 20, 2020, subject to adjustment as provided therein such as stock splits and stock dividends.

The Company and Osher amended the convertible debt agreement as follows on October 20, 2020:

- The parties amended the Warrants dated January 28, 2020, for the number of warrant shares from 80,209 warrant shares to 4,113,083 warrant shares at an exercise price of \$0.14 per share.
- The parties amended the Note to provide for interest at 8% per annum.
- The parties amended the Note for the maturity date from June 23, 2021 to October 20, 2021.

On October 22, 2021, the Company and Osher amended convertible debt agreements as follows:

- The parties amended the October 20, 2020 Notes for the maturity date from October 20, 2021 to October 20, 2022.
- The parties amended the October 20, 2020 Notes for the aggregate principal amount and accrued interest from \$652,300 to \$717,530 which is issued at a \$65,230 original issue discount from the face value of the October 20, 2020 Notes now due October 20, 2022.
- In exchange for the extension of the Note, the Company issued Osher five-year warrants to purchase an aggregate of 450,000 shares of the Company’s common stock at an exercise price of \$1.00 per share.

Osher – \$60,500 (as amended on October 20, 2020 to \$55,000)

On June 23, 2020 (the “Original Issue Date”), the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$50,000 aggregate principal amount of Original Issue Discount Senior Convertible Debenture (the “Note”) due June 23, 2021, based on \$1.00 for each \$0.90909 paid by Osher and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 10,000 shares of the Company’s Common Stock at an exercise price of \$30.00 per share. The aggregate cash subscription amount received by the Company from Osher for the issuance of the Note and Warrants was \$50,005 which was issued at a \$0 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.39 per share, as amended on October 20, 2020, subject to adjustment as provided therein such as stock splits and stock dividends.

The Company and Osher amended the convertible debt agreement as follows on October 20, 2020:

- The parties amended the Note for the aggregate principal amount from \$50,000 to \$55,000. The aggregate cash subscription amount received by the Company from Osher for the issuance of the Note and Warrants was \$50,005 which was issued at an amended \$4,995 original issue discount from the face value of the Note.
- The parties amended the Warrants dated June 23, 2020, for the number of warrant shares from 10,000 warrant shares to 141,020 warrant shares at an exercise price of \$0.59 per share.
- The parties amended the Note for the maturity date from June 23, 2021 to October 20, 2021.

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On October 22, 2021, the Company and Osher amended convertible debt agreements as follows:

- The parties amended the October 20, 2020 Notes for the maturity date from October 20, 2021 to October 20, 2022.
- The parties amended the October 20, 2020 Notes for the aggregate principal amount and accrued interest from \$652,300 to \$717,530 which is issued at a \$65,230 original issue discount from the face value of the October 20, 2020 Notes now due October 20, 2022.
- In exchange for the extension of the Note, the Company issued Osher five-year warrants to purchase an aggregate of 450,000 shares of the Company’s common stock at an exercise price of \$1.00 per share.

Osher – \$199,650

On September 17, 2020 (the “Original Issue Date”), the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$181,500 aggregate principal amount of Original Issue Discount Senior Convertible Debenture (the “Note”) due September 30, 2021, based on \$1.00 for each \$0.90909 paid by Osher and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 8,250 shares of the Company’s Common Stock at an exercise price of \$30.00 per share. The aggregate cash subscription amount received by the Company from Osher for the issuance of the Note and Warrants was \$165,000 which was issued at a \$16,500 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.39 per share, as amended on October 20, 2020, subject to adjustment as provided therein, such as stock splits and stock dividends.

The Company and Osher amended the convertible debt agreement as follows on October 20, 2020:

- The parties amended the Warrants dated September 17, 2020, for the number of warrant shares from 8,250 warrant shares to 465,366 warrant shares at an exercise price of \$0.59 per share.
- The parties amended the Note for the maturity date from September 30, 2021 to October 20, 2021.

On October 22, 2021, the Company and Osher amended convertible debt agreements as follows:

- The parties amended the October 20, 2020 Notes for the maturity date from October 20, 2021 to October 20, 2022.
- The parties amended the October 20, 2020 Notes for the aggregate principal amount and accrued interest from \$652,300 to \$717,530 which is issued at a \$65,230 original issue discount from the face value of the October 20, 2020 Notes now due October 20, 2022.
- In exchange for the extension of the Note, the Company issued Osher five-year warrants to purchase an aggregate of 450,000 shares of the Company’s common stock at an exercise price of \$1.00 per share.

On October 28, 2021, Osher elected to convert \$16,714 of the aggregate principal amount of the Note of \$199,650, into 42,857 common shares.

Previous Noteholders

Previous notes were detailed in our Form 10-K filed on March 31, 2022. No changes occurred related to these notes during the period covered by this Form 10-Q.

NOTE 7 – STOCKHOLDERS’ DEFICIT

Preferred Stock

The Company authorized 10,000,000 shares of par value \$0.0001 preferred stock, of which none are issued and outstanding at June 30, 2022, and December 31, 2021, respectively.

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Common Stock

The Company has authorized 1,000,000,000 shares of par value \$0.0001 common stock, of which 37,295,813 shares are outstanding as of June 30, 2022, and December 31, 2021, respectively.

Warrants

On October 22, 2021, the Company and Osher amended convertible debt agreements for the maturity date from October 20, 2021 to October 20, 2022. In exchange for the extension of the Note, the Company issued Osher 450,000 warrants to purchase an aggregate of 450,000 shares of the Company’s common stock, valued at \$197,501 (based on the Black Scholes valuation model on the date of grant) (see Note 6). The warrants are exercisable for a period of five years at \$1.00 per share in whole or in part, as either a cash exercise or as a cashless exercise, and fully vest at grant date. The Company is accreting the value of the warrants ratably through October 20, 2022. The Company recorded \$48,699 and \$0 for the three months ended June 30, 2022 and 2021, respectively, and is classified in other expenses in the consolidated Statements of Operations. See Notes 6 and 7 for further warrant discussions.

NOTE 8 – OPERATING LEASES

On May 27, 2021, the Company entered into a sixty-three month lease for its corporate office at \$,955 per month commencing June 15, 2021 maturing September 30, 2026. The Company accounts for this lease in accordance with ASC 842. Adoption of the standard resulted in the initial recognition of operating lease ROU asset of \$90,827 and operating lease liability of \$290,827 as of June 15, 2021.

Operating lease right-of-use (“ROU”) assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company’s incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The operating lease ROU asset includes any lease payments made and excludes lease incentives. Our variable lease payments primarily consist of maintenance and other operating expenses from our real estate leases. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components. We have elected to account for these lease and non-lease components as a single lease component. We are also electing not to apply the recognition requirements to short-term leases of twelve months or less and instead will recognize lease payments as expense on a straight-line basis over the lease term.

The components of lease expense and supplemental cash flow information related to leases for the period are as follows:

In accordance with ASC 842, the components of lease expense were as follows:

	Six Months ended June 30,		Three Months ended June 30,	
	2022	2021	2022	2021
Operating lease expense	\$ 35,838	\$ 3,289	\$ 17,919	\$ 3,289
Short term lease cost	\$ -	\$ -	\$ -	\$ -
Total lease expense	\$ 35,838	\$ 3,289	\$ 17,919	\$ 3,289

In accordance with ASC 842, other information related to leases was as follows:

Six Months Ended June 30	2022	2021
Operating cash flows from operating leases	\$ 35,910	\$ 3,919
Cash paid for amounts included in the measurement of lease liabilities	\$ 35,910	\$ 3,919
Weighted-average remaining lease term—operating leases	4.2 years	5.2 years
Weighted-average discount rate—operating leases	10%	10%

In accordance with ASC 842, maturities of operating lease liabilities as of June 30, 2022 were as follows:

Year ending:	Operating Lease
2022 (remaining 6 months)	\$ 36,803
2023	74,895
2024	77,142
2025	79,456
2026	54,225
Total undiscounted cash flows	\$ 322,521
Reconciliation of lease liabilities:	
Weighted-average remaining lease terms	4.2 years
Weighted-average discount rate	10%
Present values	\$ 264,691
Lease liabilities—current	49,545
Lease liabilities—long-term	215,146
Lease liabilities—total	\$ 264,691
Difference between undiscounted and discounted cash flows	\$ 57,830

Operating lease cost was \$17,919 and \$35,838 and \$3,289 and \$3,289 for the three and six months ended June 30, 2022 and 2021, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

Other than as set forth below, and as disclosed in Notes 5 and 7, there have not been any transaction entered into or been a participant in which a related person had or will have a direct or indirect material interest.

Employment Agreements

Mr. Ferrell was hired March 9, 2022 as the Company's Chief Financial Officer. Mr. Ferrell receives an annual base salary of \$250,000, plus discretionary bonus compensation not to exceed 40% of salary. Mr. Ferrell's employment also provides for medical insurance, disability benefits and three months of severance pay if his employment is terminated without cause or due to a change in control. Additionally, Mr. Ferrell will be granted up to 600,000 options to purchase 600,000 of the Company's common shares upon the implementation of a Company employee option plan. The Company incurred compensation expense of \$63,588 and \$74,004 and \$0 and \$0 and employee benefits of \$6,365 and \$7,716 and \$0 and \$0 for the three and six months ended June 30, 2022 and 2021, respectively.

NOTE 10 – EARNINGS PER SHARE

FASB ASC Topic 260, *Earnings Per Share*, requires a reconciliation of the numerator and denominator of the basic and diluted earnings (loss) per share (EPS) computations.

Basic earnings (loss) per share are computed by dividing net earnings available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. In periods where losses are reported, the weighted-average number of common stock outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

Basic and diluted earnings (loss) per share are the same since net losses for all periods presented and including the additional potential common shares would have an anti-dilutive effect.

The following table sets forth the computation of basic and diluted net income per share:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021
Net loss attributable to the common stockholders	\$ (1,344,371)	\$ (1,111,543)	\$ (666,325)	\$ (649,861)
Basic weighted average outstanding shares of common stock	37,295,803	35,841,627	37,295,803	36,410,334
Dilutive effect of options and warrants	-	-	-	-
Diluted weighted average common stock and common stock equivalents	37,295,803	35,841,627	37,295,803	36,410,334
Loss per share:				
Basic and diluted	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.02)

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal

From time to time, various lawsuits and legal proceedings may arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any legal proceedings or claims that it believes will have a material adverse effect on its business, financial condition or operating results.

NOTE 12 – SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after June 30, 2022 up through the date the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events required to be disclosed as of and for the period ended June 30, 2022 except for the following:

In July 2022, the Company entered into an Original Issue Discount Senior Convertible Debentures (the “July 2022 Notes”) totaling (i) \$313,500 aggregate principal amount of Note (total of \$285,000 cash was received) due in various dates in July 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 627,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The conversion price for the principal in connection with voluntary conversions by the holders of the convertible notes is \$0.50 per share.

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

Special Note Regarding Forward Looking Statements.

This quarterly report on Form 10-Q of Sigyn Therapeutics, Inc. for the period ended June 30, 2022 contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward looking statements which, by definition, involve risks and uncertainties. In particular, statements under the Sections; Description of Business, Management’s Discussion and Analysis of Financial Condition and Results of Operations contain forward looking statements. Where in any forward-looking statements, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the cost and effects of legal proceedings.

You should not rely on forward looking statements in this quarterly report. This quarterly report contains forward looking statements that involve risks and uncertainties. We use words such as “anticipates,” “believes,” “plans,” “expects,” “future,” “intends,” and similar expressions to identify these forward-looking statements. Prospective investors should not place undue reliance on these forward-looking statements, which apply only as of the date of this quarterly report. Our actual results could differ materially from those anticipated in these forward-looking statements.

Recent Developments

Convertible Promissory Debentures

July 2022

In July 2022, the Company entered into an Original Issue Discount Senior Convertible Debentures (the “July 2022 Notes”) totaling (i) \$313,500 aggregate principal amount of Note (total of \$285,000 cash was received) due in various dates in July 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 627,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The conversion price for the principal in connection with voluntary conversions by the holders of the convertible notes is \$0.50 per share.

Osher – \$82,500

On June 22, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$82,500 aggregate principal amount of Note due June 22, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 165,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$75,000 which was issued at a \$7,500 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

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Osher – \$55,000

On June 1, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$55,000 aggregate principal amount of Note due June 1, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 110,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$50,000 which was issued at a \$5,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Brio – \$110,000

On May 10, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Brio Capital Master Fund Ltd. (“Brio”) of (i) \$110,000 aggregate principal amount of Note due May 10, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Osher – \$110,000

On April 28, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor

Osher Capital Partners LLC (“Osher”) of (i) \$110,000 aggregate principal amount of Note due April 28, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Osher – \$110,000

On March 23, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Osher Capital Partners LLC (“Osher”) of (i) \$110,000 aggregate principal amount of Note due March 23, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Brio – \$110,000

On March 23, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the “Note”) with respect to the sale and issuance to institutional investor Brio Capital Master Fund Ltd. (“Brio”) of (i) \$110,000 aggregate principal amount of Note due March 23, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants (“Warrants”) to purchase up to an aggregate of 220,000 shares of the Company’s Common Stock at an exercise price of \$0.50 per share. The aggregate cash subscription amount received by the Company from the previous noteholder for the issuance of the Note and Warrants was \$100,000 which was issued at a \$10,000 original issue discount from the face value of the Note. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share, subject to adjustment as provided therein, such as stock splits and stock dividends.

Limited Operating History; Need for Additional Capital

There is limited historical financial information about us on which to base an evaluation of our performance. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, and possible cost overruns due to increases in the cost of services. To become profitable and competitive, we must receive additional capital. We have no assurance that future financing will materialize. If that financing is not available, we may be unable to continue operations.

Business Overview

Sigyn Therapeutics, Inc. (“Sigyn” or the “Company”) is a development-stage medical technology company headquartered in San Diego, California. Our focus is directed toward the creation of therapeutic solutions that address unmet needs in global health.

Sigyn Therapy™ is a broad-spectrum blood purification technology to address life-threatening infections and inflammatory disorders for which effective drug therapies are not available. Sigyn Therapy extracts pathogen sources of life-threatening inflammation in concert with dampening down the dysregulated overproduction of inflammatory cytokines (the cytokine storm), which plays a prominent role in each of our candidate treatment indications.

Based on its unprecedented ability to isolate and remove viral pathogens, bacterial toxins, and inflammatory cytokines from the bloodstream, Sigyn Therapy is a candidate to treat pathogen-associated sepsis (leading cause of hospital deaths), community acquired pneumonia (a leading cause of death among infectious diseases), emerging pandemic threats, and hyperinflammation & endotoxemia in end-stage renal disease patients.

Since initiating the development of Sigyn Therapy in 2020, we completed a series of *in vitro* studies that demonstrated the ability of Sigyn Therapy to extract pathogen sources of inflammation from human blood plasma. These include endotoxin (a gram-negative bacterial toxin), peptidoglycan and lipoteichoic acid (gram-positive bacterial toxins), and viral pathogens, including COVID-19.

We also completed studies that demonstrated the ability of Sigyn Therapy to extract inflammatory cytokines from human blood plasma. These include interleukin-1 beta (IL-1b), interleukin-6 (IL-6), and tumor necrosis factor alpha (TNF-a). In a related study, we reduced the circulating presence of 104 nanometer liposomes as a model to evaluate the potential of Sigyn Therapy to address CytoVesicles that transport inflammatory cytokine cargos throughout the bloodstream.

Additionally, we validated the rapid reduction of hepatic (liver) toxins from human blood plasma, which included ammonia, bile acid and bilirubin. Based on these outcomes, we may further investigate the potential of Sigyn Therapy to address acute forms of liver failure.

Subsequent to our *in vitro* milestone achievements, we completed *in vivo* animal studies at the University of Michigan, which demonstrated Sigyn Therapy to be well tolerated. In the studies, Sigyn Therapy was administered via standard dialysis machines utilizing conventional blood-tubing sets, for periods up to six hours in eight porcine (pig) subjects. Important criteria for treatment safety, including hemodynamic parameters, serum chemistries and hematologic measurements, were stable across all eight subjects.

The data resulting from our *in vivo* and *in vitro* studies is being incorporated into an Investigational Device Exemption (IDE) that we are drafting for submission to the U.S. Food and Drug Administration (“FDA”) to support the potential initiation of human feasibility studies in the United States.

Sigyn Therapy Mechanism of Action

To overcome the limitations of previous drug and device therapies, we designed Sigyn Therapy to have an expansive- mechanism of action. Pre-clinical *in vitro* studies have demonstrated the ability of Sigyn Therapy to deplete the presence of viral pathogens, bacterial toxins, and inflammatory mediators from human blood plasma. Such capabilities establish Sigyn Therapy as a candidate to treat pathogen-associated conditions that precipitate Sepsis, Community Acquired Pneumonia, Emerging Bioterror and Pandemic threats, and End-Stage Renal Disease with endotoxemia and elevated inflammatory cytokine production.

To support widespread implementation, Sigyn Therapy is a single-use disposable device that is deployable on the global infrastructure of hemodialysis and continuous renal replacement therapy (CRRT) machines already located in hospitals and clinics. To reduce the risk of blood clotting and hemolysis, the anticoagulant heparin is administered, which is the standard-of-care drug administered in dialysis and CRRT therapies. During animal studies conducted at the University of Michigan, Sigyn Therapy was deployed for use on a hemodialysis machine manufactured by Fresenius Medical Care, the global leader in the dialysis industry.

Incorporated with Sigyn Therapy is a “cocktail” of adsorbent components formulated to optimize the broad-spectrum extraction of therapeutic targets from the bloodstream. In the medical field, the term “cocktail” is a reference to the simultaneous administration of multiple drugs (a drug cocktail) with differing mechanisms of actions. While drug cocktails are emerging as potential mechanisms to treat cancer, they are proven life-saving countermeasures to treat HIV and Hepatitis-C viral infections. However, dosing of

multi-drug agent cocktails is limited by toxicity and adverse events that can result from deleterious drug interactions.

Sigyn Therapy is not constrained by such limitations as active adsorbent components are maintained within Sigyn Therapy and not introduced into the body. As a result, we are able to incorporate a substantial quantity of adsorbent components to capture therapeutic targets outside of the body as they circulate through Sigyn Therapy. Each adsorbent component has differing capture characteristics that contribute to optimizing the ability of Sigyn Therapy to address a broad-spectrum of pathogenic and inflammatory targets that precipitate the cytokine storm that underlies sepsis and other life-threatening inflammatory disorders.

The adsorbent components incorporated within Sigyn Therapy provide more than 200,000 square meters (~50 acres) of surface area on which to adsorb and remove circulating viruses, bacterial toxins, and inflammatory mediators. Beyond an immense capacity to deplete circulating therapeutic targets, Sigyn Therapy is also highly efficient. Based on blood flow rates of 350ml/min, a patient's entire bloodstream can pass through Sigyn Therapy more than fifteen times during a single four-hour treatment period.

From a technical perspective, Sigyn Therapy is a 325mm long polycarbonate column that internally contains polyethersulphone hollow fibers that have porous walls have a median pore size of ~200 nanometers (nm). As blood flows into Sigyn Therapy, plasma and therapeutic targets below 200nm travel through the porous walls as a result of blood-side pressure. As the hollow fiber bundle within Sigyn Therapy creates a resistance to the flow of blood, a pressure drop is created along the length of the device such that the blood-side pressure is higher at the blood inlet and lower at the blood outlet. This allows for plasma and therapeutic targets to flow away from the blood and into the extra-lumen space (inside the polycarbonate shell, yet outside the hollow-fiber bundle) to interact with Sigyn Therapy's adsorbent components in a low shear force environment. In the distal third of the fiber bundle, the pressure gradient is reversed, which allows for plasma to flow back through the fiber walls to be reconvened into the bloodstream without the presence of therapeutic targets that were captured by adsorbent components housed in the extra-lumen space of Sigyn Therapy.

Overview of Candidate Treatment Indications

Based on data resulting from *in vitro* blood purification studies, our candidate treatment indications include, but are not limited to; pathogen-associated conditions that precipitate Sepsis (leading cause of hospital deaths worldwide), Community Acquired Pneumonia (a leading cause of death among infectious diseases), Emerging Bioterror and Pandemic threats, and End-Stage Renal Disease (ESRD) patients with endotoxemia and elevated inflammatory cytokine production. However, there is no assurance that human feasibility and pivotal studies will demonstrate Sigyn Therapy to be a safe and efficacious treatment for any of our treatment indications.

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End-Stage Renal Disease Endotoxemia and Inflammation

According to the United States Renal Data System (USRDS), more than 550,000 individuals suffer from end-stage renal disease (ESRD), which results in approximately 85 million kidney dialysis treatments being administered in the United States each year. Persistent inflammation is a hallmark feature of ESRD as reflected by the excess production of inflammatory cytokines, including tumor necrosis factor- α (TNF- α), interleukin-1 β (IL-1 β) and interleukin-6 (IL-6), which contribute to increased all-cause mortality. ESRD inflammation also induces intestinal permeability, which allows endotoxin (gram-negative bacterial toxin) to translocate from the gut and into the bloodstream. Beyond fueling further inflammation, endotoxin is potent activator of sepsis, which can lead to multiple organ failure and death.

Sigyn Therapy establishes a candidate strategy to improve the health and quality-of-life of ESRD patients. Beyond its proven ability to deplete endotoxin, TNF- α , IL-1 β , and IL-6 from human blood plasma, Sigyn Therapy can be administered in series with dialysis therapy.

We are currently drafting an Investigational Device Exemption (IDE) for submission to the U.S. Food and Drug Administration ("FDA") related to a human feasibility study of Sigyn Therapy in End-Stage Renal Disease (ESRD) patients with endotoxemia and elevated inflammatory cytokine production. As per the study protocol, Sigyn Therapy will be administered in combination with the regularly scheduled dialysis treatments of enrolled subjects. The primary study objective will be to evaluate the safety of Sigyn Therapy in health compromised ESRD patients. A secondary objective is to quantify changes in circulating levels of endotoxin, tumor necrosis factor- α (TNF- α), interleukin-1 β (IL-1 β), and interleukin-6 (IL-6) before and after each Sigyn Therapy administration. Endotoxin and excess TNF- α , IL-1 β , and IL-6 production are commonly associated with each of our candidate treatment indications, including sepsis and community-acquired pneumonia.

Sepsis

Sepsis is defined as a life-threatening organ dysfunction caused by a dysregulated host response to infection. In January of 2020, a report entitled, "*Global, Regional, and National Sepsis Incidence and Mortality, 1990-2017: Analysis for the Global Burden of Disease Study*," was published in the Journal Lancet. The publication reported 48.9 million cases of sepsis and 11 million deaths in 2017. In that same year, an estimated 20.3 million sepsis cases and 2.9 million deaths were among children younger than 5-years old. The report included a reference that sepsis kills more people around the world than all forms of cancer combined. In the United States, sepsis was reported to be the most common cause of hospital deaths with an annual financial burden that exceeds \$24 billion.

To date, more than 100 human studies have been conducted to evaluate the safety and efficacy of candidate drugs to treat sepsis. With one brief exception (Xigris, Eli Lilly), none of these studies resulted in a market cleared therapy.

As sepsis remains beyond the reach of single-target drugs, there is an emerging interest in multi-mechanism therapies that can target both inflammatory and pathogen associated targets. Sigyn Therapy addresses a broad-spectrum of pathogen sources and the resulting dysregulated cytokine production (the cytokine storm) that is the hallmark of sepsis. Additionally, we believe that inflammatory cytokine cargos transported by CytoVesicles may represent a novel, yet important therapeutic target.

Community Acquired Pneumonia

Community Acquired Pneumonia (CAP) represents a significant opportunity for Sigyn Therapy to reduce the occurrence of sepsis. CAP is a leading cause of death among infectious diseases, the leading cause of death in children under five years of age, and a catalyst for approximately 50% of sepsis and septic shock cases.

In the United States, more than 1.5 million individuals are hospitalized with CAP each year, resulting in an annual financial burden that exceeds \$10 billion.

Statistically, a therapeutic strategy that reduced the incidence of CAP related sepsis and septic shock would save thousands of lives each year. In a study of 4,222 patients, the all-cause mortality for adult patients with CAP was reported to be 6.5% during hospitalization. However, the mortality of patients with CAP related sepsis and septic shock rose to 51% during hospitalization.

CAP is further complicated by the fact that the pathogen sources of CAP are identified in only 38% of patients, based on a study of 2,259 subjects whose pneumonia diagnosis was confirmed by chest x-ray. Of the source pathogens identified in the study, ninety seven percent (97%) were either viral or bacterial in origin.

To reduce the occurrence of CAP related sepsis and septic shock, Sigyn Therapy offers a broad-spectrum mechanism to reduce the circulating presence of viral pathogens and bacterial toxins before and if they are identified as the CAP pathogen source. Additionally, Sigyn Therapy may help to control the excess production of inflammatory cytokines (the cytokine storm) that precipitate sepsis and septic shock.

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Emerging Pandemic Threats

Covid-19 affirmed the use of extracorporeal blood purification as a first-line countermeasures to treat an emerging pandemic threat not addressed with an approved drug or vaccine at the outset of an outbreak. On March 24, 2020, the U.S. Department of Health and Human Services (HHS) declared that the emergence of COVID-19 justified the Emergency-Use Authorization (EUA) of drugs, biological products, and medical devices to combat the pandemic. Within a month of this HHS declaration, FDA awarded an EUA to blood purification therapies from Terumo BCT, ExThera Medical Corporation, CytoSorbents, Inc., and Baxter Healthcare Corporation. In connection with these authorizations, FDA published a statement that blood purification devices may be effective at treating patients with confirmed COVID-19 by reducing various pathogens, cytokines, and other inflammatory mediators from the bloodstream.

Consistent with FDA's statement, Sigyn Therapy is designed to address pathogen sources of life-threatening inflammation in concert with the broad-spectrum depletion of cytokines and other inflammatory mediators from the bloodstream. Based on this mechanism, we believe that Sigyn Therapy provides a candidate strategy to address future pandemic outbreaks, which are increasingly being fueled by a confluence of global warming, urban crowding, and intercontinental travel.

Additionally, as a majority of infectious human viruses are not addressed with a corresponding drug or vaccine, there may be an ongoing need for blood purification technologies that offer to reduce the severity of infection and mitigate the excess production of inflammatory cytokines (the cytokine storm) associated with high mortality in non-pandemic viral infections. In this regard, we believe Sigyn Therapy also aligns with HHS initiatives established through the Public Health Emergency Medical Countermeasure Enterprise (PHEMCE) that support the development of broad-spectrum medical countermeasures that can mitigate the impact of an emerging pandemic or bioterror threat, yet also have viability in established disease indications.

Overview of Presentation

The following Management's Discussion and Analysis ("MD&A") or Plan of Operations includes the following sections:

- Results of Operations
- Liquidity and Capital Resources
- Capital Expenditures
- Going Concern
- Critical Accounting Policies
- Off-Balance Sheet Arrangements

General and administrative expenses consist primarily of personnel costs and professional fees required to support our operations and growth.

Depending on the extent of our future growth, we may experience significant strain on our management, personnel, and information systems. We will need to implement and improve operational, financial, and management information systems. In addition, we are implementing new information systems that will provide better record-keeping, customer service and billing. However, there can be no assurance that our management resources or information systems will be sufficient to manage any future growth in our business, and the failure to do so could have a material adverse effect on our business, results of operations and financial condition.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. An adjustment has been made to the Consolidated Statements of Operations for three months ended March 31, 2021, to reclass \$93,266 of costs to research and development previously classified in general and administrative. In addition, an adjustment has been made to the Unaudited Condensed Consolidated Balance Sheets as of December 31, 2021, to reclass \$1,072 of other current liabilities previously classified in accrued payroll and payroll taxes.

Results of Operations

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

The following discussion represents a comparison of our results of operations for the three months ended June 30, 2022 and 2021. The results of operations for the periods shown in our audited condensed consolidated financial statements are not necessarily indicative of operating results for the entire period. In the opinion of management, the audited condensed consolidated financial statements recognize all adjustments of a normal recurring nature considered necessary to fairly state our financial position, results of operations and cash flows for the periods presented.

	Three Months Ended June 30,	
	2022	2021
Net revenues	\$ -	\$ -
Cost of sales	-	-
Gross Profit	-	-
Operating expenses	532,795	441,818
Other expense	133,530	208,043
Net loss before income taxes and discontinued operations	\$ (666,325)	\$ (649,861)

Net Revenues

For the three months ended June 30, 2022 and 2021, we had no revenues.

Cost of Sales

For the three months ended June 30, 2022 and 2021, we had no cost of sales as we had no revenues.

Operating expenses

Operating expenses increased by \$90,977, or 20.6%, to \$532,795 for three months ended June 30, 2022 from \$441,818 for the three months ended June 30, 2021 primarily due to increases in compensation costs of \$104,592, research and development costs of \$14,947, depreciation costs of \$1,215, rent expenses of \$14,849, consulting fees of \$489, and general and administration costs of \$70,457, offset primarily by a decrease in professional fees of \$28,145, investor relations costs of \$2,156, marketing costs of \$82,119, and

amortization costs of \$3,152, as a result of adding administrative infrastructure for our anticipated business development. In 2022, the Company incurred compensation for its CEO and CTO and hired a Director of Operations resulting in increased compensation costs and increased rent through the lease of office space in June 2021, has decreased marketing costs (primarily the fair value of common stock issued for services in 2021), and has decreased professional fees (primarily legal and audit fees), Research and development costs consist of an increase of \$33,296 attributed to in house efforts and a decrease of \$18,349 to third parties for developmental services and testing.

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For the three months ended June 30, 2022, we had marketing expenses of \$131, research and development costs of \$154,683, and general and administrative expenses of \$377,981 primarily due to professional fees of \$27,947, compensation costs of \$195,432, rent of \$18,672, depreciation costs of \$1,719, amortization costs of \$900, investor relations costs of \$13,886, consulting fees of \$45,874, and general and administration costs of \$73,551, as a result of adding administrative infrastructure for our anticipated business development. In 2022, the Company incurred professional fees (primarily legal and audit fees), incurred compensation for its CEO and CTO and hired a Director of Operations, incurred consulting costs (primarily for public relations and brand awareness), had investor relations costs, and had rent through the lease of office space. Research and development costs consist of \$154,683 attributed to in house efforts.

For the three months ended June 30, 2021, we had marketing expenses of \$82,250, research and development costs of \$139,736, and general and administrative expenses of \$219,832 primarily due to professional fees of \$56,092, compensation costs of \$90,840, rent of \$3,823, depreciation and amortization costs of \$4,555, investor relations costs of \$16,042, consulting fees of \$45,385, and general and administration costs of \$3,095, as a result of adding administrative infrastructure for our anticipated business development. In 2021, the Company incurred marketing costs (primarily the fair value of common stock issued for services), has incurred professional fees (primarily legal and audit fees, and consulting costs), incurred compensation for its CEO and CTO, incurred consulting costs (primarily for public relations and brand awareness), had investor relations costs, and had rent through the lease of office space beginning in June 2021. Research and development costs consist of \$121,387 attributed to in house efforts and \$18,349 to third parties for developmental services and testing.

Other Expense

Other expense for the three months ended June 30, 2022 totaled \$133,530 primarily due to interest expense of \$108,597 in conjunction with accretion of debt discount and interest expense of \$24,933 in conjunction with accretion of original issuance discount, compared to other expense of \$208,043 for the three months ended June 30, 2021 primarily due to interest expense of \$185,783 in conjunction with accretion of debt discount and interest expense of \$22,260 in conjunction with accretion of original issuance discount.

Net loss before income taxes

Net loss before income taxes and discontinued operations for the three months ended June 30, 2022 totaled \$666,325 primarily due to (increases/decreases) in compensation costs, professional fees, marketing costs, investor relations costs, consulting fees, research and development costs, rent, and general and administration costs compared to a loss of \$649,861 for the three months ended June 30, 2021 primarily due to (increases/decreases) in compensation costs, professional fees, marketing costs, investor relations, consulting fees, research and development costs, rent, and general and administration costs.

Assets and Liabilities

Assets were \$395,908 as of June 30, 2022. Assets consisted primarily of cash of \$7,291, inventories of \$50,000, other current assets of \$47,706, equipment of \$25,482, intangible assets of \$3,900, operating lease right-of-use assets of \$240,818, and other assets of \$20,711. Liabilities were \$1,579,069 as of June 30, 2022. Liabilities consisted primarily of accounts payable of \$299,317, accrued payroll and payroll taxes of \$69,842, convertible notes of \$945,219, net of \$333,097 of unamortized debt discount and debt issuance costs, and operating lease liabilities of \$264,691.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

The following discussion represents a comparison of our results of operations for the six months ended June 30, 2022 and 2021. The results of operations for the periods shown in our audited condensed consolidated financial statements are not necessarily indicative of operating results for the entire period. In the opinion of management, the audited condensed consolidated financial statements recognize all adjustments of a normal recurring nature considered necessary to fairly state our financial position, results of operations and cash flows for the periods presented.

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	Six Months Ended June 30,	
	2022	2021
Net revenues	\$ -	\$ -
Cost of sales	-	-
Gross Profit	-	-
Operating expenses	1,142,031	843,915
Other expense	202,340	267,628
Net loss before income taxes and discontinued operations	\$ (1,344,371)	\$ (1,111,543)

Net Revenues

For the six months ended June 30, 2022 and 2021, we had no revenues.

Cost of Sales

For the six months ended June 30, 2022 and 2021, we had no cost of sales as we had no revenues.

Operating expenses

Operating expenses increased by \$298,116, or 35.3%, to \$1,142,031 for six months ended June 30, 2022 from \$843,915 for the six months ended June 30, 2021 primarily due to increases in professional fees of \$57,465, compensation costs of \$144,802, research and development costs of \$126,773, depreciation costs of \$2,575, rent expenses of \$32,318, consulting fees of \$27,130, and general and administration costs of \$112,329, offset primarily by a decrease in investor relations costs of \$28,551, marketing costs of \$164,119, and amortization costs of \$12,606, as a result of adding administrative infrastructure for our anticipated business development. In 2022, the Company has incurred an increase in professional fees (primarily audit fees), incurred a full year of compensation for its CEO and CTO and hired a Director of Operations resulting in increased compensation costs, increased consulting costs (primarily for public relations and brand awareness), has increased investor relations costs (primarily the fair value of common stock issued for services), and increased rent through the lease of office space in June 2021. Research and development costs consist of an increase of \$175,842 attributed to in house efforts and \$138,810 to third parties for developmental services and testing.

For the six months ended June 30, 2022, we had marketing expenses of \$381, research and development costs of \$383,025, and general and administrative expenses of \$758,625 primarily due to professional fees of \$131,441, compensation costs of \$340,327, rent of \$36,591, depreciation costs of \$3,423, amortization costs of \$1,800, investor relations costs of \$23,991, consulting fees of \$103,125, and general and administration costs of \$117,927, as a result of adding administrative infrastructure for our anticipated business development. In 2022, the Company has incurred professional fees (primarily legal and audit fees), incurred compensation for its CEO and CTO and hired a Director of Operations, incurred consulting costs (primarily for public relations and brand awareness), had investor relations costs (primarily the fair value of common stock issued for services), and had rent through the lease of office space. Research and development costs consist of \$567,748 attributed to in house efforts and \$166,266 to third parties for developmental services and testing.

For the six months ended June 30, 2021, we had marketing expenses of \$164,500, research and development costs of \$256,252, and general and administrative expenses of \$423,163 primarily due to professional fees of \$73,976, compensation costs of \$195,525, rent of \$4,273, depreciation and amortization costs of \$15,254, investor relations costs of \$52,542, consulting fees of \$75,995, and general and administration costs of \$5,598, as a result of adding administrative infrastructure for our anticipated business development. In 2021, the Company has incurred professional fees (primarily legal and audit fees, and consulting costs), and incurred compensation for its CEO and CTO. Research and development costs consist of \$391,906 attributed to in house efforts and \$27,456 to third parties for developmental services and testing.

Other Expense

Other expense for the six months ended June 30, 2022 totaled \$202,340 primarily due to interest expense of \$160,854 in conjunction with accretion of debt discount and interest expense of \$41,455 in conjunction with accretion of original issuance discount, compared to other expense of \$267,628 for the six months ended June 30, 2021 primarily due to interest expense of \$236,642 in conjunction with accretion of debt discount and interest expense of \$30,986 in conjunction with accretion of original issuance discount.

Net loss before income taxes

Net loss before income taxes and discontinued operations for the six months ended June 30, 2022 totaled \$1,344,371 primarily due to (increases/decreases) in compensation costs, professional fees, marketing costs, investor relations costs, consulting fees, research and development costs, rent, and general and administration costs compared to a loss of \$1,111,543 for the six months ended June 30, 2021 primarily due to (increases/decreases) in compensation costs, professional fees, marketing costs, investor relations, consulting fees, research and development costs, rent, and general and administration costs.

Liquidity and Capital Resources

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. The Company had an accumulated deficit of \$5,610,130 at June 30, 2022, had a working capital deficit of \$1,258,926 and \$341,187 at June 30, 2022 and December 31, 2021, respectively, had a net loss of \$666,325 and \$1,344,371 and \$649,861 and \$1,111,543 for the three and six months ended June 30, 2022 and 2021, respectively, and net cash used in operating activities of \$854,308 and \$681,534 for the six months ended June 30, 2022 and 2021, respectively, with no revenue earned since inception, and a lack of operational history. These matters raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to expand operations and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a private offering or an asset sale transaction. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While management believes in the viability of its strategy to generate revenues and in its ability to raise additional funds or transact an asset sale, there can be no assurances to that effect or on terms acceptable to the Company. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The condensed consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

General— Overall, we had a decrease in cash flows for the six months ended June 30, 2022 of \$333,665 resulting from cash used in operating activities of \$854,308 and cash used in investing activities of \$859, offset partially by cash provided by financing activities of \$521,502.

The following is a summary of our cash flows provided by (used in) operating, investing, and financing activities during the periods indicated:

	Six Months Ended June 30,	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ (854,308)	\$ (681,534)
Investing activities	(859)	(2,871)
Financing activities	521,502	1,660,000
	<u>\$ (333,665)</u>	<u>\$ 975,595</u>

Cash Flows from Operating Activities— For the six months ended June 30, 2022, net cash used in operations was \$854,308 compared to net cash used in operations of \$681,534 for the six months ended June 30, 2021. Net cash used in operations was primarily due to a net loss of \$1,344,371 for six months ended June 30, 2022 and the changes in operating assets and liabilities of \$282,531, primarily due to the increase in accounts payable of \$259,464 and accrued payroll and payroll taxes of \$68,770, offset partially by other current liabilities of \$72 and other current assets of \$45,631. In addition, net cash used in operating activities includes adjustments to reconcile net profit from depreciation expense of \$3,423, amortization expense of \$1,800, accretion of original issuance costs of \$41,455, and accretion of debt discount of \$160,854.

For the six months ended June 30, 2021, net cash used in operations was \$681,534. Net cash used in operations was primarily due to a net loss of \$1,111,543 for six months ended June 30, 2021 and the changes in operating assets and liabilities of \$17,374, primarily due to the increase in accounts payable of \$24,661, accrued payroll and payroll taxes of \$5,020, and other current liabilities of \$1,026, offset partially by other current assets of \$27,370 and other assets of \$20,711. In addition, net cash used in operating activities includes adjustments to reconcile net profit from depreciation expense of \$847, amortization expense of \$14,406, stock issued for services of \$164,500, accretion of original issuance costs of \$30,986, and accretion of debt discount of \$236,644.

Cash Flows from Investing Activities— For the six months ended June 30, 2022, net cash used in investing activities was \$859 due to the purchase of property and equipment compared to cash used in investing activities of \$2,871 for the six months ended June 30, 2020 due to the purchase of property and equipment.

Cash Flows from Financing Activities— For the six months ended June 30, 2022, net cash provided by financing was \$521,502, due to proceeds from short term convertible notes of \$525,000 and fees associated with the filing of the Company's Form S-1 of \$3,498 compared to cash provided by financing activities of \$1,660,000 for the six months

ended June 30, 2020 due to proceeds from common stock issued for cash of \$1,465,000 and short term convertible notes \$250,000, and repayment of short term convertible notes of \$55,000.

Financing – We expect that our current working capital position, together with our expected future cash flows from operations will be insufficient to fund our operations in the ordinary course of business, anticipated capital expenditures, debt payment requirements and other contractual obligations for at least the next twelve months. However, this belief is based upon many assumptions and is subject to numerous risks, and there can be no assurance that we will not require additional funding in the future.

We have no present agreements or commitments with respect to any material acquisitions of other businesses, products, product rights or technologies or any other material capital expenditures. However, we will continue to evaluate acquisitions of and/or investments in products, technologies, capital equipment or improvements or companies that complement our business and may make such acquisitions and/or investments in the future. Accordingly, we may need to obtain additional sources of capital in the future to finance any such acquisitions and/or investments. We may not be able to obtain such financing on commercially reasonable terms, if at all. Due to the ongoing global economic crisis, we believe it may be difficult to obtain additional financing if needed. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stockholders, in the case of equity financing.

Capital Expenditures

We expect to purchase approximately \$30,000 of equipment in connection with the expansion of our business during the next twelve months.

Fiscal year end

Our fiscal year end is December 31.

Critical Accounting Policies

Refer to Note 3 in the accompanying notes to the unaudited condensed consolidated financial statements for critical accounting policies.

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Recent Accounting Pronouncements

Refer to Note 3 in the accompanying notes to the condensed consolidated financial statements.

Off-Balance Sheet Arrangements

As of June 30, 2022, we have not entered into any transaction, agreement or other contractual arrangement with an entity unconsolidated under which it has:

- a retained or contingent interest in assets transferred to the unconsolidated entity or similar arrangement that serves as credit;
- liquidity or market risk support to such entity for such assets;
- an obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument; or
- an obligation, including a contingent obligation, arising out of a variable interest in an unconsolidated entity that is held by, and material to us, where such entity provides financing, liquidity, market risk or credit risk support to or engages in leasing, hedging, or research and development services with us.

Inflation

We do not believe that inflation has had a material effect on our results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information that would be required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including to our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our CEO and Chief Financial Officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures as defined in SEC Rules 13a-15(e) and 15d-15(e) as of the end of the period covered by this report. Based on such evaluation, management identified deficiencies that were determined to be a material weakness.

Management's Report on Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act). Management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013). Based on that assessment, management believes that, as of June 30, 2022, the Company's internal control over financial reporting was ineffective based on the COSO criteria, due to the following material weaknesses listed below.

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The specific material weaknesses identified by the company's management as of end of the period covered by this report include the following:

- we have not performed a risk assessment and mapped our processes to control objectives;
- we have not implemented comprehensive entity-level internal controls;
- we have not implemented adequate system and manual controls; and
- we do not have sufficient segregation of duties. As such, the officers approve their own related business expense reimbursements

Despite the material weaknesses reported above, our management believes that our condensed consolidated financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented and that this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

This report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Commission that permit us to provide only management's report in this report.

Management's Remediation Plan

The weaknesses and their related risks are not uncommon in a company of our size because of the limitations in the size and number of staff. Due to our size and nature, segregation of all conflicting duties has not always been possible and may not be economically feasible.

However, we plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes in the current fiscal year as resources allow:

- (i) appoint additional qualified personnel to address inadequate segregation of duties and implement modifications to our financial controls to address such inadequacies;
- (ii) hire a new Big 4 CFO with experience working in publicly traded companies and hire a staff person to support the CFO, which was accomplished in March 2022.

The remediation efforts set out herein will be implemented in the 2022 fiscal year. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

Management believes that despite our material weaknesses set forth above, our condensed consolidated financial statements for the six months ended June 30, 2022 are fairly stated, in all material respects, in accordance with U.S. GAAP.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the six months ending June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not currently involved in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future. To the best of our knowledge, none of our directors, officers or affiliates is involved in a legal proceeding adverse to our business or has a material interest adverse to our business.

ITEM 1A. RISK FACTORS.

We are a Smaller Reporting Company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

In July 2022, the Company entered into an Original Issue Discount Senior Convertible Debentures (the "July 2022 Notes") totaling (i) \$313,500 aggregate principal amount of Note (total of \$285,000 cash was received) due in various dates in July 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants ("Warrants") to purchase up to an aggregate of 627,000 shares of the Company's Common Stock at an exercise price of \$0.50 per share. The conversion price for the principal in connection with voluntary conversions by the holders of the convertible notes is \$0.50 per share.

On June 22, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the "Note") totaling (i) \$82,500 aggregate principal amount of Note due June 22, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants ("Warrants") to purchase up to an aggregate of 165,000 shares of the Company's Common Stock at an exercise price of \$0.50 per share. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share.

On June 1, 2022, the Company entered into an Original Issue Discount Senior Convertible Debenture (the "Note") totaling (i) \$55,000 aggregate principal amount of Note due June 1, 2023 based on \$1.00 for each \$0.90909 paid by the previous noteholder and (ii) five-year Common Stock Purchase Warrants ("Warrants") to purchase up to an aggregate of 110,000 shares of the Company's Common Stock at an exercise price of \$0.50 per share. The conversion price for the principal in connection with voluntary conversions by a holder of the convertible notes is \$0.50 per share.

These issuances have been made pursuant to transactions exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities from the Federal Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. During the quarter ended June 30, 2022, we did not have any projects that were in production and as such, were not subject to regulation by MSHA under the Mine Act.

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ITEM 5. OTHER INFORMATION.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1*	Amended and Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on December 22, 2015 and as currently in effect. (Filed as Exhibit 3.1 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
3.2*	Bylaws of the Registrant, as currently in effect (Filed as Exhibit 3.2 to the Registration Statement on Form S-1 filed by the Registrant on May 27, 2015, and incorporated herein by reference).
10.1**	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers (Filed as Exhibit 10.1 to the Registration Statement on Form S-1 filed by the Registrant on May 27, 2015, and incorporated herein by reference).
10.2**	Employment Agreement, dated April 1, 2015, between the Registrant and Joseph Segelman (Filed as Exhibit 10.2 to the Registration Statement on Form S-1 filed by the Registrant on May 27, 2015, and incorporated herein by reference).
10.3**	Employment Agreement, dated April 1, 2015, between the Registrant and Chaya Segelman (Filed as Exhibit 10.3 to the Registration Statement on Form S-1 filed by the Registrant on May 27, 2015, and incorporated herein by reference).
10.4**	2015 Equity Incentive Plan, as amended and currently not in effect (Filed as Exhibit 10.8 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.5**	Share Option Agreement, dated May 1, 2015, between the Registrant and Joseph Segelman (Filed as Exhibit 10.5 to the Registration Statement on Form S-1 filed by the Registrant on May 27, 2015, and incorporated herein by reference).
10.6*	Securities Purchase Agreement dated as of December 23, 2015 by and among the Registrant and the Purchasers defined and identified therein (Filed as Exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.7*	Form of Secured Convertible Note issued under the Securities Purchase Agreement included as Exhibit 10.6 (Filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.8*	Security Agreement dated as December 23, 2015 by and among the Company and the Collateral Agent and Secured Parties defined and identified therein. (Filed as Exhibit 10.3 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.9*	Corporate Guaranty dated as December 23, 2015 entered into by Australian Sapphire Corporation as guarantor for the benefit of the Collateral Agent and the Lenders defined and identified therein. (Filed as Exhibit 10.4 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.10*	Guarantor Security Agreement dated as December 23, 2015 by and among Australian Sapphire Corporation as guarantor and the Collateral Agent and Secured Parties defined and identified therein delivered in connection with the Corporate Guaranty included as Exhibit 10.9. (Filed as Exhibit 10.5 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.11*	Personal Guaranty dated as December 23, 2015 entered into by Joseph Segelman as guarantor for the benefit of the Collateral Agent and the Lenders defined and identified therein. (Filed as Exhibit 10.6 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
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10.12*	Form of Common Stock Purchase Warrant issued under the Securities Purchase Agreement included as Exhibit 10.6 (Filed as Exhibit 10.7 to the Current Report on Form 8-K filed by the Registrant on December 24, 2015 and incorporated herein by reference)
10.13*	Asset Purchase Agreement dated December 1, 2016 (Filed as Exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant on December 1, 2016 and incorporated herein by reference)
10.14*	Assignment and Assumption Agreement under the Asset Purchase Agreement dated December 1, 2016 (Filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on December 1, 2016 and incorporated herein by reference)
10.15*	Bill of Sale under the Asset Purchase Agreement dated December 1, 2016 (Filed as Exhibit 10.3 to the Current Report on Form 8-K filed by the Registrant on December 1, 2016 and incorporated herein by reference)
10.16*	Confidentiality and Proprietary Rights Agreement under the Asset Purchase Agreement dated December 1, 2016 (Filed as Exhibit 10.4 to the Current Report on Form 8-K filed by the Registrant on December 1, 2016 and incorporated herein by reference)
10.17*	Intellectual Property Assignment Agreement under the Asset Purchase Agreement dated December 1, 2016 (Filed as Exhibit 10.5 to the Current Report on Form 8-K filed by the Registrant on December 1, 2016 and incorporated herein by reference)
10.18*	Securities Purchase Agreement dated as of November 10, 2016 by and among the Registrant and the Purchasers defined and identified therein (Filed as Exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant on November 10, 2016 and incorporated herein by reference)
10.19*	Form of Secured Convertible Note issued under the Securities Purchase Agreement included as Exhibit 10.1 (Filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant on November 10, 2016 and incorporated herein by reference)
10.20*	Form of Common Stock Purchase Warrant issued under the Securities Purchase Agreement included as Exhibit 10.1 (Filed as Exhibit 10.7 to the Current Report on Form 8-K filed by the Registrant on November 10, 2016 and incorporated herein by reference)
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification by Principal Financial and Accounting Officer pursuant to Rule 13a-14(a).
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 [Certification by Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101.INS Inline XBRL Instance 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 Label Linkbase Document
101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
* Previously filed.
+ Management contract or compensatory plan

All references to Registrant's Forms 8-K, 10-K and 10-Q include reference to File No. 333-204486

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SIGNATURES

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

**Sign Therapeutics, Inc.
a Delaware corporation**

Dated: August 15, 2022

By: /s/ James Joyce
James Joyce
Chief Executive Officer and Director (Principal Executive Officer)

Dated: August 15, 2022

By: /s/ Jeremy Ferrell
Jeremy Ferrell
Chief Financial Officer (Principal Financial and Accounting Officer)

Dated: August 15, 2022

By: /s/ Craig Roberts
Craig Roberts
Chief Technology Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ James Joyce</u> James Joyce	<u>Chief Executive Officer and Director</u> (Principal Executive Officer)	August 15, 2022
<u>/s/ Jeremy Ferrell</u> Jeremy Ferrell	<u>Chief Financial Officer</u> (Principal Financial and Accounting Officer)	August 15, 2022
<u>/s/ Craig Roberts</u> Craig Roberts	<u>CTO and Director</u>	August 15, 2022

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EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, James Joyce, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sigyn Therapeutics, 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. I am 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. 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.

Date: August 15, 2022

/s/ James Joyce

James Joyce

Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Jeremy Ferrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sigyn Therapeutics, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I 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. 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.

Date: August 15, 2022

/s/ Jeremy Ferrell

Jeremy Ferrell

Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 32.1

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 Sigyn Therapeutics, Inc. (the "Company") on Form 10-Q for the six months ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Joyce, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer of the Company with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be disclosed, distributed or used by any person or for any reason other than as specifically required by law.

/s/ James Joyce

James Joyce

Chief Executive Officer (Principal Executive Officer)

August 15, 2022

EXHIBIT 32.2

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 Sigyn Therapeutics, Inc. (the "Company") on Form 10-Q for the six months ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeremy Ferrell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by the Report.

This certificate is being made for the exclusive purpose of compliance by the Chief Financial Officer of the Company with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be disclosed, distributed or used by any person or for any reason other than as specifically required by law.

/s/ Jeremy Ferrell

Jeremy Ferrell

Chief Financial Officer (Principal Financial and Accounting Officer)

August 15, 2022
