

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

UMC, Inc.

1770 Park Street, Suite 105
Naperville, IL 60563
630-229-6338
www.umcinc.com
info@umcinc.com
SIC code: 7389

Quarterly Report

For the Period Ending: June 30, 2024

Outstanding Shares

The number of shares outstanding of our Common Stock was:

655,275,861 as of June 30, 2024

642,232,383 as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: No:

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

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

United Medicorp Texas, Inc. was incorporated in the State of Texas on March 13, 1989 ("UMC-Texas"). On July 10, 1989, in an exchange of stock, UMC-Texas was acquired by Gamma Resources, Inc., a publicly-owned Delaware shell corporation, which simultaneously changed its name to United Medicorp, Inc. On May 24, 2007, the Company filed "Articles of Amendment to the Articles of Incorporation of United Medicorp Inc. whereby United Medicorp Inc. was renamed UMC, Inc. (the "Company" or "UMC").

The Company has two wholly-owned subsidiaries. United MediCorp LLC, (“UMCL”) formed July 30, 2016, and United MediCorp Acquisitions LLC (“UMAD”), formed July 22, 2020, (collectively, “SUBS”). Through its SUBS, the Company provides accounts receivable management, debt purchasing, and collection services to independent healthcare providers.

Current State and Date of Incorporation or Registration: Delaware
Standing in this jurisdiction: (e.g. active, default, inactive): Active

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

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

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer’s principal executive office:

The address(es) of the issuer’s principal place of business:

Check box if principal executive office and principal place of business are the same address:

1770 Park Street, Suite 105
Naperville, IL 60563

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Transfer Agent

Name: Equiniti Trust Company LLC (formerly American Stock Transfer & Trust, LLC)
Phone: 718-921-8300
Email: cleibell@astfinancial.com
Address: 6201 15th Avenue, Brooklyn, NY 11219

Publicly Quoted or Traded Securities:

Trading symbol:	UMCN	
Exact title and class of securities outstanding:	Common stock	
CUSIP:	902846104	
Par or stated value:	\$0.01	
Total shares authorized:	750,000,000	as of date: <u>June 30, 2024</u>
Total shares outstanding:	655,275,861	as of date: <u>June 30, 2024</u>
Total number of shareholders of record:	184	as of date: <u>June 30, 2024</u>

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Preferred Stock</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>250,000,000</u>	as of date: <u>June 30, 2024</u>
Total shares outstanding:	<u>0</u>	as of date: <u>June 30, 2024</u>
Total number of shareholders of record:	<u>0</u>	as of date: <u>June 30, 2024</u>

Security Description:

1. **For common equity, describe any dividend, voting and preemption rights.**

Common stock – one vote per share, no other rights or privileges.

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

No designations have been completed for the authorized preferred stock. Votes, rights, or privileges of preferred shares will be determined before issuance.

3. **Describe any other material rights of common or preferred stockholders.**

N/A

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date: December 31, 2021 Common: 199,480,092 Preferred: -0-									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
12/21/2023	New Issuance	442,752,291	Common	\$0.01	No	Stevens Financial Group, LLC - Danniell Stevens	Conversion of debt	Restricted	Rule 144
3/29/2024	New Issuance	11,565,217	Common	\$0.0115	No	Stevens Financial Group, LLC - Danniell Stevens	Conversion of debt	Restricted	Rule 144
3/29/2024	New Issuance	1,478,261	Common	\$0.0115	No	Cleston Lord	Conversion of debt	Restricted	Rule 144
Shares Outstanding on Date of This Report <u>Ending Balance:</u>									
Date: <u>June 30, 2024</u> Common: 655,275,861 Preferred: -0-									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company provides accounts receivable management services to healthcare providers. The Company engages proprietary and purchased software to provide collection services to its customers; primarily independent healthcare providers. The Company offers processing and collection services for uncollected "backlog" (aged) receivables that were not initially assigned to the Company. In addition, the Company also offers traditional collection services through its partners.

Management believes that it has developed a line of services that addresses healthcare providers' collection needs. The Company has partnered with other companies that provide enhanced software, computer hardware and maintenance and other valuable services specifically designed to meet the needs of healthcare providers. Management believes these efforts will produce a system that provides the Company's customers with enhanced cash flow.

The Company offers four primary services: Backlog Accounts Receivable Management Services, UMCPayStream, Bad Debt Collection Services, and a Debt Purchasing Program.

Backlog Accounts Receivable Management Services: Customers using the “Backlog” service engage the Company to collect aged claims that are usually previously filed with an insurance carrier or governmental payer but remain uncollected. When a customer enters into a backlog collection agreement, the customer submits completed insurance claim forms to the Company. The claims are entered into the Company’s claims management and collection system, and the Company’s standard claims processing and collection procedures are applied to collect these backlog claims. The Company believes that this program is attractive to potential backlog collection customers because the Company collects outstanding balances at competitive rates. Backlog collection contracts generally involve a one-time placement of collection claims.

UMCPayStream: Customers contracting to use the UMCPayStream service upload their patient accounts onto a secure, cloud-based collections platform that allows patients three ways of satisfying their outstanding account balance, with little to no human interaction. Patients can elect (1) to pay their balance in full, (2) to pay under a preapproved payment plan, or (3) to negotiate a one-time, immediate, partial payment. Accounts placed on this platform are delinquent and generally have aged less than 180 days from the service date or discharge.

Bad Debt Collection Services: This service involves the third-party collection of accounts written off as bad debt.

Debt Purchasing Program: Healthcare providers participating in the Debt Purchasing Program agree to transfer ownership of accounts, or a portfolio of accounts, to the Company for an agreed-upon price significantly less than the face amount of the account, or portfolio of accounts. UMC and its affiliates assume all risks and receive all collections from such purchases.

In March 2024, the Company acquired a client list / portfolio of accounts receivable balances to pursue collections. During the period ended June 30, 2024, United MediCorp Acquisitions LLC generated \$1,373 from collections.

B. Please list any subsidiaries, parents, or affiliated companies.

United MediCorp LLC, United MediCorp Acquisitions LLC

C. Describe the issuers’ principal products or services.

The Company offers four primary services: Backlog Accounts Receivable Management Services, UMCPayStream, Bad Debt Collection Services, and its Debt Purchasing Program.

5) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company's corporate offices and operations are located in 1,500 square feet of leased office space in Naperville, Illinois. This space is provided rent-free from a related party. The fair value of the occupancy is considered de minimus for reporting purposes. Management believes that its facilities are well-located and are in good condition. The Company's future

facilities requirements will depend upon the success of its business, and management believes that there is adequate office space available should its space requirements increase.

6) Company Insiders (Officers, Directors, and Control Persons)

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Stevens Financial Group, Danniell Stevens has voting control and beneficial ownership	Chairman & CEO	Aurora, Illinois	573,982,343	Common	87.6%	_____
Cleston R. Lord Jr. Esq.	Corporate Secretary	Bronx, New York	8,348,261	Common	1.3%	_____
Benjamin Willingham	Investor	Naperville, Illinois	45,830,000	Common	7.0%	_____
_____	_____	_____	_____	_____	_____	_____

7) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: _____
Firm: _____
Address 1: _____
Address 2: _____

Phone: _____
Email: _____

Accountant or Auditor

Name: Cicely A Parada-Obreque, CPA
Firm: Integrität Audit Accounting & Advisory, LLC
Address 1: 1825 NW Corporate Blvd., Suite 110
Address 2: Boca Raton, FL 33431
Phone: 561.210.7284
Email: cicely@integritatcpa.com

Investor Relations

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

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Vanessa J. Schoenthaler, Partner
Firm: Saul Ewing LLP
Nature of Services: Securities Attorneys
Address 1: 1270 Avenue of the Americas, Ste. 2800
Address 2: New York, New York 10020
Phone: (212) 980-7208
Email: vanessa.schoenthaler@saul.com

Name: Ann Leong, CPA
Firm: KCL Accounting Services, LLC
Nature of Services: Accounting & Bookkeeping services
Address 1: 1255 S. State Street
Address 2: Chicago, IL 60605
Phone: (312) 437-0645
Email: annleo38@yahoo.com

9) Financial Statements

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

Name: Rachel Boulds
Title: Outsourced CPA
Relationship to Issuer: Service Provider

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Rachel Boulds
Title: Outsourced CPA
Relationship to Issuer: Service Provider

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Licensed CPA in the State of Utah.

Provide the following qualifying financial statements:

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

I, Danniell Stevens, certify that:

1. I have reviewed this Disclosure Statement of UMC, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2024

/s/ Danniell Stevens

Principal Financial Officer:

I, Danniell Stevens, certify that:

1. I have reviewed this Disclosure Statement of UMC, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2024

/s/ Danniell Stevens

UMC, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2024

UMC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2024	December 31, 2023
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 30,165	\$ 11,975
Prepaid expense	—	5,112
Total current assets	<u>30,165</u>	<u>17,087</u>
Non Current Assets:		
Collection receivable - collection portfolios, net	20,926	—
Total non current assets	<u>20,926</u>	<u>—</u>
Total assets	<u>\$ 51,091</u>	<u>\$ 17,087</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,688	\$ 13,033
Due to a related party	—	32,100
Total current liabilities	<u>2,688</u>	<u>45,133</u>
Total liabilities	<u>2,688</u>	<u>45,133</u>
Stockholders' equity (deficit):		
Preferred stock, \$0.01 par value; 250,000,000 shares authorized; no shares issued and outstanding,	—	—
Common stock, \$0.01 par value; 750,000,000 and 200,000,000 shares authorized, respectively; 655,275,861 and 642,232,383, shares issued and outstanding, respectively	6,552,759	6,422,324
Additional paid in capital	19,094,145	19,062,952
Accumulated deficit	(25,598,501)	(25,513,322)
Total stockholders' equity (deficit)	<u>48,403</u>	<u>(28,046)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 51,091</u>	<u>\$ 17,087</u>

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

UMC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 1,373	\$ —	\$ 1,373	\$ —
Operating Expenses:				
General and administrative	32,336	14,968	86,026	43,363
Total operating expenses	32,336	14,968	86,026	43,363
Loss from operations	(30,963)	(14,968)	(84,653)	(43,363)
Other Expenses:				
Interest expense	(74)	(147,538)	(526)	(287,665)
Total other expenses	(74)	(147,538)	(526)	(287,665)
Net Loss	\$ (31,037)	\$ (162,506)	\$ (85,179)	\$ (331,028)
Net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding, basic and diluted	655,275,861	199,480,092	648,969,124	199,480,092

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

UMC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Unaudited)

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance, December 31, 2023	642,232,383	\$ 6,422,324	\$ 19,062,952	\$ (25,513,322)	\$ (28,046)
Common stock issued for conversion of debt – related party	13,043,478	130,435	19,565	—	150,000
Contributed rent – related party	—	—	5,814	—	5,814
Net loss	—	—	—	(54,142)	(54,142)
Balance, March 31, 2024	655,275,861	6,552,759	19,088,331	(25,567,464)	73,626
Contributed rent – related party	—	—	5,814	—	5,814
Net loss	—	—	—	(31,037)	(31,037)
Balance, June 30, 2024	<u>655,275,861</u>	<u>\$ 6,552,759</u>	<u>\$ 19,094,145</u>	<u>\$ (25,598,501)</u>	<u>\$ 48,403</u>
<hr/>					
	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance, December 31, 2022	199,480,092	\$ 1,994,801	\$ 19,062,952	\$ (24,975,834)	(3,918,081)
Net loss	—	—	—	(168,522)	(168,522)
Balance, March 31, 2023	199,480,092	1,994,801	19,062,952	(25,144,356)	(4,086,603)
Net loss	—	—	—	(162,506)	(162,506)
Balance, June 30, 2023	<u>199,480,092</u>	<u>\$ 1,994,801</u>	<u>\$ 19,062,952</u>	<u>\$ (25,306,862)</u>	<u>\$ (4,249,109)</u>

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

UMC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (85,179)	\$ (331,028)
Adjustments to reconcile net loss to net cash used by operating activities:		
Owner's contributed lease expense	11,628	—
Amortization of allowance for credit losses	(1,373)	—
Changes in assets and liabilities:		
Prepaid	5,112	—
Accounts payable and accrued liabilities	(10,345)	(10,058)
Accrued interest	—	286,090
Net cash used in operating activities	<u>(80,157)</u>	<u>(54,996)</u>
Cash flows from investing activities:		
Purchase of collection portfolios	(20,987)	—
Proceeds from collection receivables	1,434	—
Net cash used in investing activities	<u>(19,553)</u>	<u>—</u>
Cash flows from financing activities:		
Proceeds received from convertible notes payable - related party	117,900	55,000
Net cash provided by financing activities	<u>117,900</u>	<u>55,000</u>
Net change in cash	18,190	4
Cash at beginning period	11,975	2,490
Cash at end of period	<u>\$ 30,165</u>	<u>\$ 2,494</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 526</u>	<u>\$ —</u>
Cash paid for taxes	<u>\$ —</u>	<u>\$ —</u>
Supplemental disclosure of non-cash activity:		
Common stock issued for conversion of amounts due to related parties	<u>\$ 150,000</u>	<u>\$ —</u>

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

UMC, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 — NATURE OF OPERATIONS

United Medicorp Texas, Inc. was incorporated in the State of Texas on March 13, 1989 ("UMC-Texas"). On July 10, 1989, in an exchange of stock, UMC-Texas was acquired by Gamma Resources, Inc., a publicly-owned Delaware shell corporation, which simultaneously changed its name to United Medicorp, Inc. On May 24, 2007, the Company filed "Articles of Amendment to the Articles of Incorporation of United Medicorp Inc., whereby United Medicorp Inc. was renamed UMC, Inc. (the "Company", or "UMC").

The Company has two wholly-owned subsidiaries. United MediCorp LLC ("UMCL") was formed on July 30, 2016, and United MediCorp Acquisitions LLC ("UMAD") was formed on July 22, 2020 (collectively, "SUBS"). Through its SUBS, the Company provides accounts receivable management, debt purchasing, and collection services to independent healthcare providers. The Company's fiscal year-end is December 31.

On March 15, 2024, the Company was issued a Certificate of Authority to transact business in the state of Georgia. The Company plans to conduct collection services in the state of Georgia. A Certificate of Authority to transact business within the state is required because the Company is not incorporated in the state of Georgia.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America or ("U.S. GAAP") as found in the Accounting Standards Codification ("ASC"), and the Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB") and are expressed in US Dollars. Significant accounting policies applicable to the Company are summarized as follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, UMCL and UMAD. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity date of three months or less at the time of purchase to be cash equivalents. The Company has cash and cash equivalents of \$30,165 and \$11,975 as of June 30, 2024 and December 31, 2023, respectively.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Party Transactions

Under ASC 850 “Related Party Transactions” an entity or person is considered to be a “related party” if it has control, significant influence or is a key member of management personnel or affiliate. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company, in accordance with ASC 850 presents disclosures about related party transactions and outstanding balances with related parties. In accordance with SAB Topic 5.T, “Accounting for Expenses or Liabilities Paid by Principal Stockholder(s)”, if a principal stockholder settles an obligation on behalf of the entity, it should be reflected as an expense in the company's financial statements with a corresponding credit to contributed (paid-in) capital, unless the stockholder's action is caused by a relationship or obligation completely unrelated to their position as a stockholder or such action clearly does not benefit the company. Related parties advance funds to sustain operations and a related party provides premises for the Company's operations. The market value of premises provided is material and represents an obligation or expense that benefits the Company, therefore the Company is required to incur this expense at its market value.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America under U.S. GAAP and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. On December 31, 2023, the Company's notes payable approximated their fair value as they were reported at their present value based on their effective interest rates and are carried in Level 3 of the Fair Value Hierarchy.

Derivative Financial Instruments

The Company evaluates its convertible notes to determine if such instruments have 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 in the statements of operations. For stock-based derivative financial instruments, the Company uses a weighted-average Black-Scholes-Merton option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. The Company had a convertible note with a fixed conversion price at \$0.01 per share and no derivative liability value was determinable.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic and Diluted Loss Per Share

Under ASC 260 “Earnings Per Share,” the Company presents basic and diluted earnings (loss) per share (“EPS”) amounts on the face of the statements of operations. Basic EPS is computed by dividing income (loss) available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. There were no potentially dilutive securities outstanding at June 30, 2024 and 2023. Additionally, diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Revenue Recognition

The Company recognizes revenue under ASC 606, “Revenue from Contracts with Customers” and in accordance with ASC 326 “Financial Instruments-Credit Losses”. The core principle of the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when the Company satisfies a performance obligation.

The contract with customer is determined as the acquisition agreement with the Seller to pursue collection of patient balances for the fee of whatever amount is collected.

The performance obligation is the service of pursuing collections of the Seller’s patient balances.

The transaction price (sales price the Company is entitled to receive for services) is a range and is determinable upon collections realized. The potential maximum collections would be the present value of the account balance acquired, as demonstrated in the actual account balance list obtained from the Seller and the Buyer’s estimated minimum collections would be the consideration paid for the account. The agreement does not guarantee any collections.

There is a single performance obligation and therefore the allocation to performance obligations would not apply to the nature of revenue.

In consideration that the agreement does not guarantee any collections, revenue would only be recognized after the cost for the account is recuperated, and collections exceeds the cost the Buyer paid for the account.

When determining the transaction price, the Company also considers the effects of all of the following:

- Variable consideration.
- Constraining estimates of variable consideration.
- The existence of a significant financing component in the contract.
- Noncash consideration.
- Consideration payable to a customer.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There is no determinable variable consideration, significant financing component, non-cash consideration or consideration payable to customers.

Collection Services to Independent Healthcare Providers

The Company generates revenues from collection services for balances owed to independent healthcare providers. UMAD acquires patient healthcare account balances with deteriorated credit quality. The accounts acquired by UMAD comprise of unpaid service balances and do not include interest or fees previously assessed. The accounts are sold and transferred to UMAD without recourse, and without representation or warranties of any kind, UMC assumes all risk of collections. The seller agrees to sell, convey, transfer, and assign to UMAD customer accounts for a fee. Contracts executed in March 2024 indicate the fee/purchase consideration is determined at a rate of 4.25% of the balance owed by customers, a significant discount to the face amount. These accounts are trade receivables, financial assets with no effective interest rates, discounts, or premiums. The seller may recall any account, subsequent to the acquisition date, which it or a prior holder of the account determines may be subject to litigation, threatened litigation, adversarial administration or they otherwise determine to be in their interest to recall in order to preserve or defend its right or interests. If such notice is delivered to UMAD, UMAD would immediately cease all communications with account holders, all collection activities, have its tradeline removed from any credit report agencies and update the tradeline status as “Recalled by Seller”. If there is any regulatory adjustment to a balance owed, the seller of these accounts would update UMAD to adjust accordingly. Within 5 business days of UMAD obtaining notice from the seller of an account recall or an agreed repurchase of account/s by the seller, UMAD will transfer all necessary records and rights back to the seller, and the seller is to pay the repurchase price.

In accordance with ASC 326 the acquired customer accounts are determined to be Purchased Financial Assets with Credit Deterioration (PCD). ASC requires special accounting for the acquisition of debt with deteriorated credit quality. At initial recognition, the debt instrument is booked at its present value as “Collections Receivable”, any debt discount or premium is recorded, the cash paid to acquire the instrument is credited and the remaining present value allocated to “Allowance for Credit Losses”. At subsequent measurement, when payments are received for each related debt, the principal would be paid. Collections in excess of the consideration paid for each customer’s account would result in a reversal of the “Allowance for Credit Losses” and the recognition of “Collection Revenues”.

Recent Accounting Pronouncements

ASU 2022-01 “Derivatives and Hedging (Topic 815): Fair Value Hedging -- Portfolio Layer Method”. Effective for public companies for fiscal years beginning after 15 December 2022, including interim periods within those fiscal years.

ASU 2021-08. “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers” “effective for public companies for fiscal years beginning after 15 December 2022, including interim periods within those fiscal years.

ASU 2023-04. “Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121”, Effective upon the issuance date, July 14, 2023.

The Company periodically reviews new accounting standards that are issued. Although some of these accounting standards may be applicable to the Company, the Company has not identified any new standards that it believes merit further discussion or change to adopted policies, and the Company expects that none would have a significant impact on its financial statements.

NOTE 3 — GOING CONCERN

The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. On a consolidated basis, the Company has incurred significant operating losses since inception. For the six months ended June 30, 2024, the Company incurred losses in the amount of \$85,179. As of June 30, 2024, the Company has an accumulated deficit \$25,598,501, working capital of \$27,477, and \$30,165 of cash.

The Company does not expect that existing operational cash flows will be sufficient to fund anticipated operations, this raises substantial doubt about the Company's ability to continue as a going concern. Therefore, the Company will need to raise additional funds and is currently exploring alternative sources of financing. Historically, the Company has raised capital through notes and convertible loans from a related party as an interim measure to finance working capital and will continue to do so. The Company plans to additionally raise capital through the sale of common stock or other securities and short-term loans.

The ability to recognize revenue and ultimately cash receipts is contingent upon, but not limited to, the acceptable performance of the delivered services. If the Company cannot raise additional capital and/or close on some of its revenue producing opportunities in the near term, the carrying value of its assets may be materially impacted. The unaudited consolidated financial statements do not include any adjustments related to the recovery and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

NOTE 4 — CONCENTRATION AND CREDIT RISK

Financial instruments, which potentially subject the Company to credit risk, consist principally of cash. Cash is maintained with a major financial institution in the USA that is creditworthy. The Company maintains cash in a bank account insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). At June 30, 2024 and December 31, 2023, no cash balances were held in excess of federally insured limits.

Currently, the Company's main source of capital to sustain operations comes from its CEO (a principal shareholder) and a related entity controlled by the CEO. On June 30, 2024, no amounts were owed to the CEO and related entities. On December 31, 2023, the amounts owed to the CEO and the related entity were 71.1% of total liabilities.

On June 30, 2024, amounts owed to four vendors are more than 10% of total accounts payable and accrued liabilities. On December 31, 2023, amounts owed to one vendor are more than 10% of total accounts payable and accrued liabilities.

NOTE 5 — PREPAID EXPENSES

As of June 30, 2024, the Company had no prepaids. On December 31, 2023, the Company had \$5,112 prepaid expenses for legal fees, expected to be provided during 2024.

NOTE 6 — COLLECTION RECEIVABLES

On January 4, 2024, UMAD entered into an accounts receivable purchase agreement with an unrelated party to purchase 498 charged-off patient accounts. The total value of accounts receivable purchased was in the amount of \$297,490. The purchase price of these accounts receivable was \$12,643, or 4.25% of the receivable value.

On January 15, 2024, UMAD entered into an accounts receivable purchase agreement with an unrelated party to purchase 116 charged-off patient accounts. The total value of accounts receivable purchased was in the amount of \$64,462. The purchase price of these accounts receivable was \$2,740, or 4.25% of the receivable value.

On March 5, 2024, UMAD entered into an accounts receivable purchase agreement with an unrelated party to purchase 196 charged-off patient accounts. The total value of accounts receivable purchased was in the amount of \$131,850. The purchase price of these accounts receivable was \$5,604, or 4.25% of the receivable value.

On June 30, 2024, total Collections Receivable due is \$492,368, Allowance for Credit Losses is \$471,442, resulting in a net realizable value of \$20,926. The responsiveness of account holders would be assessed at each reporting period to determine if there are adjustments to the Allowance for Credit Losses. Collection revenues of \$1,373 were earned during the interim period ended June 30, 2024, as the Company had begun collections on these accounts and there was a recuperation of \$61 for the costs paid to acquire these accounts.

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities were comprised of the following:

	June 30	December 31, 2023
Trade accounts payable	\$ 2,688	\$ 4,056
Credit cards payable	—	8,977
Total accounts payable and accrued liabilities	<u>\$ 2,688</u>	<u>\$ 13,033</u>

NOTE 8 — RELATED PARTY TRANSACTIONS

The Company had a revolving note payable with Stevens Financial Group (“SFG”) a related party. The note commenced on November 1, 2006. It had an annual interest rate of 15% and interest was compounded annually. Pursuant to the note’s 13th amendment the maturity date was September 30, 2023. It is convertible into common shares at a fixed rate of \$0.01 per share. It is a convertible note originally issued with attached warrants, all of which have been exercised or expired in prior years. The debt of the note principal limit was increased to \$2,000,000 on October 28, 2021, by the note’s 11th amendment. On September 30, 2023, SFG executed a conversion notice to convert \$4,427,523 (interest \$2,427,741 and principal \$1,999,782) into 442,752,291 shares of common stock. The shares were issued to SFG for this conversion on December 21, 2023. No balance was owed for this note on December 31, 2023, or June 30, 2024.

All funds advanced by Danniell Stevens or SFG to assist with operations with an obligation for repayment, but are not under the note payable agreement, are non-interest bearing and due on demand. As of December 31, 2023, the amount due to SFG from such advances was \$32,100. During the six months ended June 30, 2024, the Company received an additional \$100,900 of funds from SFG to maintain operations, resulting in \$133,000 owed to SFG during the six months ended June 30, 2024. On March 29, 2024, the Company issued 11,565,217 common shares with a fixed conversion rate at \$0.0115 per share in exchange for total amounts owed to SFG as of June 30, 2024. On June 30, 2024, no amount was due to SFG or Danniell Stevens.

During the six months ended June 30, 2024, Cleston Lord, the Corporate Secretary, funded the Company \$17,000 in support of its operations. The loan is non-interest bearing and due on demand. On March 29, 2024, the Company issued 1,478,261 common shares with a fixed conversion rate at \$0.0115 per share in exchange for all amounts owed to Cleston Lord. On June 30, 2024, no amount was due to Cleston Lord.

On January 1, 2024, the Company entered into a rent-free, month-to-month lease arrangement with Danniell Stevens to occupy 1,500 square feet of office space located in Naperville, Illinois. The lease arrangement is not in writing. In accordance with SAB Topic 5.T, if a principal stockholder settles an obligation on behalf of the Company, which benefits the Company, it should be reflected as an expense in the company's financial statements with a corresponding credit to contributed (paid-in) capital, at its market value. The property potentially rents for \$1,938 per month. Therefore, the Company incurred a lease expense and contributed capital of \$5,814 and \$11,628 during the three and six months ended June 30, 2024, respectively.

NOTE 9 – PREFERRED STOCK

On December 26, 2023, the Company filed, amended and restated its Certificate of Incorporation with the Secretary of State of the State of Delaware, which created 250,000,000 shares of preferred stock, par value of \$0.01 per share. No shares have been issued as of June 30, 2024.

The Company has 250,000,000 preferred shares authorized at par value of \$0.01 per share. As of June 30, 2024 and December 31, 2023, no preferred shares were issued and outstanding.

NOTE 10 — COMMON STOCK

On December 26, 2023, the Company filed, amended and restated its Certificate of Incorporation with the Secretary of State of the State of Delaware, increasing the authorized number of common shares to 750,000,000 from 200,000,000. The par value remains at \$0.01 per share.

As of June 30, 2024 and December 31, 2023, there were 655,275,861 and 642,232,383 common shares issued and outstanding, respectively.

See Note 8 for issuance of shares to related parties.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

From time to time, the Company may be a defendant in pending or threatened legal proceedings arising in the normal course of its business. Management is not aware of any pending, threatened, or asserted claims.

On February 14, 2023, the Company entered into a Buyer Consultant Agreement (“Agreement”) between United MediCorp Acquisitions LLC and an unrelated entity (“the Consultant”) whereby the Company will receive consulting services in the area of finding potential sellers of debt portfolios, that it may be interested in purchasing. The Agreement has an initial one-year term that automatically renews for another year unless either party provides the other party written notice of termination, which would be effective only on the expiration of the current term. As compensation for the services performed, the Company will pay the Consultant a fee of 5% of the gross funded amount for all charged-off portfolios purchased and 2% of the gross funded amount for all performing portfolios purchased.

On March 15, 2024, the Company was issued a Certificate of Authority to transact business in the state of Georgia. The Company plans to conduct collection services in the state of Georgia. A Certificate of Authority to transact business within the state is required because the Company is not incorporated in the state of Georgia.

See Note 6 – Collection Receivable

See Note 8 – for details of Related Party Transactions.

NOTE 12 — SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring through August 14, 2024, the date these unaudited consolidated financial statements were issued and determined that the following material subsequent events are required subsequent disclosures.

On August 10, 2024, the Company was issued Certificates of Authority to transact business in the states of Alabama, Iowa and Kentucky. On August 13, 2024, the Company was issued Certificate of Authority to transact business in the states of Delaware, Indiana, South Carolina, New Jersey and Vermont. It has applications pending for Certificates of Authority to conduct business in the states of Florida, Kansas, Louisiana, Ohio and Utah.

The unaudited consolidated financial statements do not include any adjustments that may result from these conditions. Management is not aware of any other events that have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in the unaudited consolidated financial statements.