

## Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

### MEDSMART GROUP, INC.

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New York, NY 10004  
971.589.4069  
ddogra@milaniongroup.com  
SIC Code 6770

**Quarterly Report**  
**For the Period Ending: June 30, 2022**  
 (the "Reporting Period")

As of August 12, 2022, the number of shares outstanding of our Common Stock was:

51,911,937

As of June 30, 2022, the number of shares outstanding of our Common Stock was:

51,911,937

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

51,911,937

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**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.

In September 2004, the Board of Directors of iVoice, Inc., the former parent of the Company, resolved to pursue the separation of iVoice software business into three publicly owned companies. SpeechSwitch, Inc. ("SpeechSwitch" or "Company") was incorporated under the laws of New Jersey on November 10, 2004 as a wholly owned subsidiary of iVoice, Inc. ("iVoice"). The Company received by assignment all of the interests in and rights and title to, and assumed all of the obligations of, all of the agreements, contracts, understandings and other instruments of iVoice Technology 3, Inc., a Nevada corporation and affiliate of the Company.

On August 4, 2005, the Company received notice from the SEC that the registration statement to effectuate the spin-off of the SpeechSwitch from iVoice was declared effective. On August 5, 2005, the spin-off transaction was accomplished, by the assignment, contribution and conveyance of certain intellectual property, representing the software codes of speech recognition, and certain accrued liabilities and related party debt into Speech Switch. The Class A Common Stock shares of the Company were distributed to iVoice shareholders in the form of a taxable special dividend distribution.

On February 3, 2011, the Company changed its name to Kenergy Scientific, Inc. On September 28, 2017 the Company redomiciled to Wyoming.

On June 23, 2020, the Company signed a Share Acquisition and Exchange Agreement, effective on April 1, 2020, under which 100% of the shares of MedSmart Group, Inc, a Florida corporation ("MedSmart Florida"), were acquired by the Company in exchange of 49,990,000 shares of Company Class B common stock and 1,000,000 shares of Company Class C common stock assigned to Nautilus Health Group Inc. by the former controlling shareholder of the Company, and other performed conditions. On July 6, 2020, the Company filed articles of amendment with the Wyoming Secretary of State to change its name to "MedSmart Group, Inc."

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

2004 - New Jersey - iVoice, Inc  
2005 - New Jersey – SpeechSwitch, Inc. – Spin off/Name change  
2011 - New Jersey- Kenergy Scientific, Inc - Name change  
2017 - Wyoming - Kenergy Scientific, Inc - Change of jurisdiction  
2020 - Wyoming - MedSmart Group, Inc - Name change - Status: active.

Describe any trading suspension orders issued by the SEC 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:

On April 5, 2021, the Company conveyed all assets and substantially all liabilities (including, but not limited to a series of convertible promissory notes in the principal amount of \$395,000) to MedSmart Wellness Centers, Inc., a Florida corporation (the "Conveyance Agreement"). MedSmart Wellness Centers, Inc. ("MWC"), also assumed the lease of the premise located at 20801 Biscayne Boulevard, Aventura, FL 33180, and security deposit of \$18,307. The conveyance also included the transfer of 100% of the shares of MedSmart Florida to MWC. The convertible promissory note in the original amount \$90,000 dated May 7, 2013, with a remaining principal balance of \$70,000, held by Junood Corp. was not transferred under the Conveyance Agreement.

On April 5, 2021, Calvin Lewis, the sole officer and director of the Company resigned and Davinder Dogra was appointed to serve on the board of directors and as sole officer of the Company.

On April 8, 2021, Amina Group Limited purchased an aggregate of Fifty Million (50,000,000) shares of Common B Stock and One Million (1,000,000) shares of Common C Stock of the Company to acquire controlling interest in the Company from shareholders of the Company. Substantially all of the Common B shares and Common C shares were held by an entity controlled by Calvin Lewis. Amina Group Limited is an entity owned and controlled by Davinder Dogra.

Effective July 23, 2021, the Company issued 51,000,000 shares of Class A Common Stock to Amina Group Limited in exchange for 50,000,000 shares of Company Class B Common Stock and 1,000,000 shares of Company Class C Common Stock held by Amina Group Limited (the 50,000,000 shares of Company Class B Common Stock and 1,000,000 shares of Class C Common Stock, collectively, referred to as the "Amina Securities"). Effective July 23, 2021, the Amina Securities were cancelled and returned to the Company's treasury. There are currently no shares of the Company's Class B Common Stock nor Class C Common Stock issued and outstanding. As of the date of filing this disclosure statement there are 51,911,937 shares of Class A Common Stock issued and outstanding.

The Company currently has no operations. Presently, the Company's Chief Executive Officer is keeping the Company active in anticipation of being able to acquire a United Kingdom affiliated business which has revenue and operations. Whether that acquisition occurs will depend upon whether the Company is able to obtain audited financial statements for the years ended December 31, 2020 and 2021. While that will await the efforts and judgment of the Company's independent auditors, the Company believes it can be done. Because of certain matters including the Company's 2019 revenues and the absence of records, an audit for 2019 is not practicable. Assuming the audited financial statements are issued, the Company intends to acquire the related party entity for an unknown number and type of securities; however, any such acquisition will be very dilutive to existing shareholders since the Company is a shell with no operations and the affiliated entity owns an active business with revenues and operations. However, the outcome of management's plans cannot be determined with any degree of certainty.

On July 26, 2022, following approval of the Company's board of directors by written consent dated June 23, 2022, the Company held a special meeting of its shareholders and the shareholders voted on the following proposals (the "Proposals"):

- a change of domicile, or reincorporation, of the Company from the State of Wyoming to the State of Nevada by means of a merger with a newly formed, wholly-owned Nevada subsidiary of the Company (the "Reincorporation");
- in connection with the Reincorporation, a change of the corporate name of the Company to Milanion Group Inc.; and
- in connection with the Reincorporation, eliminate the existing series of preferred stock and class B and class C common stock and create a new class of blank check preferred stock consisting of 5,000,000 shares.

The holder of a majority of the voting power of the Company's outstanding capital stock (owning approximately 99% of the voting power) voted in favor of the Proposals at the special meeting. The Reincorporation and other Proposals shall be effective upon the filing of the articles of merger with the State of Nevada and the State of Wyoming. The Company's board of directors will have the right to abandon all or any of the Proposals, and take no further action towards any of the Proposals, at any time before such filing if for any reason the board of directors determines that it is not advisable to proceed with any of the Proposals.

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

26 Broadway, Suite 934  
New York, NY 10004

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:*

\_\_\_\_\_

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

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

\_\_\_\_\_

## 2) Security Information

Trading symbol: MSGP  
 Exact title and class of securities outstanding: Class A Common  
 CUSIP: 585065105  
 Par or stated value: .01  
 Total shares authorized: 500,000,000 as of date: June 30, 2022  
 Total shares outstanding: 51,911,937 as of date: June 30, 2022  
 Number of shares in the Public Float<sup>2</sup>: 911,937 as of date: June 30, 2022  
 Total number of shareholders of record: 811 as of date: June 30, 2022

None.

All additional class(es) of publicly traded securities (if any):

Transfer Agent

Name: Pacific Stock Transfer  
 Phone: 800-785-7782  
 Email: info@pacificstocktransfer.com  
 Address: 6725 Via Austin PKWY #300 Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

**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**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12.31.20</u> Common Class A: 911,937 <sup>(1)</sup> Common Class B: 50,000,000 Common Class C: 1,000,000			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (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.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<u>7/23/2021</u>	<u>Cancellation Shares returned to treasury</u>	<u>50,000,000</u>	<u>Common B</u>	<u>.01</u>	<u>No</u>	<u>Amina Group Limited/Davinder Dogra</u>	<u>Exchange</u>	<u>Restricted</u>	<u>Exemption</u>
<u>7/23/2021</u>	<u>Cancellation Shares returned to treasury</u>	<u>1,000,000</u>	<u>Common C</u>	<u>.01</u>	<u>No</u>	<u>Amina Group Limited/Davinder Dogra</u>	<u>Exchange</u>	<u>Restricted</u>	<u>Exemption</u>
<u>7/23/2021</u>	<u>New Issuance</u>	<u>51,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	<u>Amina Group Limited/Davinder Dogra</u>	<u>Exchange</u>	<u>Restricted</u>	<u>Exemption</u>
Shares Outstanding on Date of This Report:									
Ending Balance									
Date <u>6-30-22</u>	Common A:	51,911,937							
	Common B:	0							
	Common C:	0							
	Preferred:	0							

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 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 September 30, 2021, pursuant to the tabular format above.

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

- (1) Adjusted to reflect 5,000 to 1 reverse stock split effective July 1, 2020.

#### 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.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

<u>Date of Note Issuance</u>	<u>Outstanding Balance (\$)</u>	<u>Principal Amount at Issuance (\$)</u>	<u>Interest Accrued (\$)</u>	<u>Maturity Date</u>	<u>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</u>	<u>Name of Noteholder (entities must have individual with voting / investment control disclosed).</u>	<u>Reason for Issuance (e.g. Loan, Services, etc.)</u>
<u>5/7/2013</u>	<u>142,667</u>	<u>90,000(1)</u>	<u>72,667</u>	<u>On demand</u>	<u>Conversion at 40% market price</u>	<u>Junood Corp.(2)</u>	<u>Convertible Note</u>

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

- (1) The principal amount outstanding at June 30, 2022 is \$70,000.  
(2) Neesha Lynn Kumar serves as director of Junood Corp. See footnote 5 to the financial statements included with this report.

#### 4) Financial Statements

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

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: **David Hexter**

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Title: **Consultant**  
Relationship to Issuer: **Consultant**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

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Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## 5) 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")

No operations.

While the Company current has no operations, it intends to acquire Milanion Limited, an early stage defense and security technology company, which is controlled by the Company's current chief executive officer and majority shareholder. There are no assurances this acquisition will be completed. During the six months ended June 30, 2022, the Company received aggregate proceeds from advances from an entity controlled by the Company's sole officer and director of \$75,131. The advances are due on demand and bear interest at 6% per annum. As of June 30, 2022, the Company owed \$128,168 in principal and \$3,410 in accrued interest for the advances.

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

None.

- C. Describe the issuers' principal products or services.

None.

## 6) 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.

In April 2021, the Company entered into a month-to-month lease agreement with Opus Virtual Offices LLC located in New York, NY, at the rate of \$99 per month.

## 7) Company Insiders (Officers, Directors, and Control Persons)

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.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

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
Amina Group Limited / Davinder Dogra	Officer/ Director/Owner of more than 5%	Dubai, UAE	51,000,000	Common A	98.2%	(1)

(1) Amina Group Limited is an entity owned and controlled by Davinder Dogra, the Company's sole officer and director.

## 8) 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. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. 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, or banking activities;

None.

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

None.

4. The entry 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.

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.

On November 11, 2021, the Company received a copy of an Amended Complaint filed in the Circuit Court of the 11th Judicial Circuit in Miami, Florida (the "Lawsuit"), whereby Colossal Enterprise Group., Inc. ("Colossal") and Ashley Rojas ("Rojas," together with Colossal are the "Plaintiffs"), holders of convertible promissory notes in the aggregate principal amount \$295,000 issued by the Company in 2020 (the "Notes"), claimed that the Company breached the terms of the Notes. Furthermore, the Amended Complaint named Davinder Dogra, the Company's current Chief Executive Officer, as a defendant. The Company believes the claims against the Company and Mr. Dogra are without merit, as the Notes were assigned and assumed by Med Smart Florida under the Conveyance Agreement, and the noteholders consented to the assignment and assumption. Accordingly, consistent with the demand of the Company to the Plaintiffs, on November 17, 2021, Davinder Dogra was voluntarily dismissed as a party from the subject lawsuit. Thereafter, on January 3, 2022, each of Colossal and Rojas obtained a Default and Default Final Judgment against the Company for \$127,555.06 and \$272,613.37, respectively (collectively, the "Default Judgments"). The Company maintains that the Default Judgments were improper, should never have been entered, and were required to be vacated as a matter of law. Consistent therewith, on February 3, 2022, the Company filed its Verified Motion to Set Aside Default and Default Final Judgment (the "Motion to Set Aside"). On March 8, 2022, via an Agreed Order, the Motion to Set Aside was granted, such that the Default Judgments (as amended) were vacated (making them a legal nullity) and the Company was dropped as a party to the Lawsuit.

## 9) Third Party Providers

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

### Securities Counsel

Name: Brian A. Pearlman, Esq.  
Firm: Nason, Yeager, Gerson, Harris & Fumero, P.A.  
Address 1: 200 South Andrews Avenue, Suite 901  
Address 2: Fort Lauderdale, FL 33301  
Phone: 954-880-9484  
Email: [bpearlman@nasonyeager.com](mailto:bpearlman@nasonyeager.com)

### Accountant or Auditor

Name: David Hexter  
Firm: David A. Hexter, CPA, P.A.  
Address 1: 4650 Siena Circle  
Address 2: Wellington, FL 33414  
Phone: 954-816-3579  
Email: [dhextercpa@hotmail.com](mailto:dhextercpa@hotmail.com)

### Investor Relations

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

### Other Service Providers

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

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 10) Issuer Certification

*Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Davinder Dogra certify that:

1. I have reviewed this Quarterly Disclosure Statement of MEDSMART GROUP, 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 13, 2022



/s/ Davinder Dogra [CEO's Signature]

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

*Principal Financial Officer:*

I, Davinder Dogra certify that:

1. I have reviewed this Quarterly Disclosure Statement of MEDSMART GROUP, 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 13, 2022

A handwritten signature in black ink, appearing to read 'Davinder Dogra', with a period at the end.

/s/ Davinder Dogra [CFO's Signature]

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

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Current assets:		
Cash	\$ -	\$ -
Prepaid expenses	5,500	-
Total current assets	5,500	-
Total assets	\$ 5,500	\$ -
<b>Liabilities and stockholders' deficit</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,885	\$ 30,943
Accrued interest	76,077	70,414
Convertible notes payable	70,000	70,000
Advances - related parties	128,168	53,037
Income taxes payable	27,678	27,678
Total current liabilities	314,808	252,072
Commitments and contingencies - See Note 8		
Stockholders' deficit:		
Preferred stock - 40,000,000 shares authorized:		
Preferred stock - Series A, \$0.001 par value, 10,000,000 shares designated; no shares issued and outstanding	-	-
Preferred stock - Series B, \$0.001 par value, 5,000,000 shares designated; no shares issued and outstanding	-	-
Preferred stock - Series C, \$0.001 par value, 5,000,000 shares designated; no shares issued and outstanding	-	-
Common stock - 570,000,000 shares authorized:		
Common stock A, par value \$0.01 per share; 500,000,000 shares designated; 51,911,937 shares issued and outstanding	519,119	519,119
Common stock B, par value \$0.01 per share; 50,000,000 shares designated; no shares issued and outstanding	-	-
Common stock C, par value \$0.01 per share; 20,000,000 shares designated; no shares issued and outstanding	-	-
Additional paid-in capital	15,028,172	15,028,172
Accumulated deficit	(15,856,599)	(15,799,363)
Total stockholders' deficit	(309,308)	(252,072)
Total liabilities and stockholders' deficit	\$ 5,500	\$ -

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Revenues	-	-	\$ -	\$ -
Operating expenses:				
General and administrative	27,164	7,196	51,573	16,494
Total operating expenses	27,164	7,196	51,573	16,494
Operating loss	(27,164)	(7,196)	(51,573)	(16,494)
Other income (expense):				
Interest expense	(3,131)	(7,800)	(5,663)	(121,238)
Gain on spin off of subsidiary	-	113,275	-	113,275
Total other income (expense), net	(3,131)	105,475	(5,663)	(7,963)
Loss before income taxes	(30,295)	98,279	(57,236)	(24,457)
Income tax expense (benefit)	-	-	-	-
Net loss	\$ (30,295)	\$ 98,279	\$ (57,236)	\$ (24,457)
Net loss per share:				
Basic	\$ -	\$ 0.11	\$ -	\$ (0.03)
Diluted	\$ -	\$ -	\$ -	\$ (0.03)
Weighted average number of common A shares outstanding:				
Basic	51,911,937	911,937	51,911,937	911,937
Diluted	51,911,937	52,193,687	51,911,937	911,937

The accompanying notes are an integral part of the condensed consolidated financial statements.

MEDSMART GROUP, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022  
(Unaudited)

	Common Stock						Additional Paid-In Capital	Accumulated Deficit	Total
	Common Stock A		Common Stock B		Common Stock C				
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance - March 31, 2022 (Unaudited)</b>	51,911,937	\$ 519,119	-	\$ -	-	\$ -	\$ 15,028,172	\$ (15,826,304)	\$ (279,013)
Net loss	-	-	-	-	-	-	-	(30,295)	(30,295)
<b>Balance - June 30, 2022 (Unaudited)</b>	<u>51,911,937</u>	<u>\$ 519,119</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 15,028,172</u>	<u>\$ (15,856,599)</u>	<u>\$ (309,308)</u>

	Common Stock						Additional Paid-In Capital	Accumulated Deficit	Total
	Common Stock A		Common Stock B		Common Stock C				
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance - December 31, 2021 (Unaudited)</b>	51,911,937	\$ 519,119	-	\$ -	-	\$ -	\$ 15,028,172	\$ (15,799,363)	\$ (252,072)
Net loss	-	-	-	-	-	-	-	(57,236)	(57,236)
<b>Balance - June 30, 2022 (Unaudited)</b>	<u>51,911,937</u>	<u>\$ 519,119</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 15,028,172</u>	<u>\$ (15,856,599)</u>	<u>\$ (309,308)</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021**  
(Unaudited)

	Common Stock						Additional Paid-In Capital	Accumulated Deficit	Total
	Common Stock A		Common Stock B		Common Stock C				
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance - March 31, 2021 (Unaudited)</b>	911,937	\$ 9,119	50,000,000	\$ 500,000	1,000,000	\$ 10,000	\$ 15,111,122	\$ (15,880,866)	\$ (250,625)
Net income	-	-	-	-	-	-	-	98,279	98,279
<b>Balance - June 30, 2021 (Unaudited)</b>	911,937	\$ 9,119	50,000,000	\$ 500,000	1,000,000	\$ 10,000	\$ 15,111,122	\$ (15,782,587)	\$ (152,346)

	Common Stock						Additional Paid-In Capital	Accumulated Deficit	Total
	Common Stock A		Common Stock B		Common Stock C				
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance - December 31, 2020 (Unaudited)</b>	911,937	\$ 9,119	50,000,000	\$ 500,000	1,000,000	\$ 10,000	\$ 15,111,122	\$ (15,758,130)	\$ (127,889)
Net loss	-	-	-	-	-	-	-	(24,457)	(24,457)
<b>Balance - June 30, 2021 (Unaudited)</b>	911,937	\$ 9,119	50,000,000	\$ 500,000	1,000,000	\$ 10,000	\$ 15,111,122	\$ (15,782,587)	\$ (152,346)

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>For the Six Months</b>	
	<b>June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (57,236)	\$ (24,457)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	-	19,038
Gain on spin off of subsidiary	-	(113,275)
Interest and amortization of debt discount	-	121,238
Changes in operating assets and liabilities:		
Prepaid expenses	(5,500)	-
Accounts payable and accrued expenses	(18,058)	300
Accrued interest	5,663	-
<b>Net cash provided by (used in) operating activities</b>	<b>(75,131)</b>	<b>2,844</b>
<b>Cash Flows From Investing Activities:</b>		
Cash disposed of in spin off of subsidiary	-	(128,483)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(128,483)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from advances - related parties	75,131	6,897
Payments of lease obligations	-	(9,741)
<b>Net cash provided by (used in) financing activities</b>	<b>75,131</b>	<b>(2,844)</b>
<b>Net increase (decrease) in cash</b>	<b>-</b>	<b>(128,483)</b>
<b>Cash at beginning of period</b>	<b>-</b>	<b>128,483</b>
<b>Cash at end of period</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Unaudited)**

**NOTE 1 — NATURE OF OPERATIONS**

Overview

MedSmart Group, Inc. (“MedSmart” or the “Company”), was initially incorporated in New Jersey in 2004 as SpeechSwitch, Inc. as a wholly owned subsidiary of iVoice, Inc., an entity established in the software business industry. On February 11, 2011, the Company changed its name to Kenergy Scientific, Inc. From early 2015 to May 2017, the Company operated a series of Hibachi Grill locations. Due to the complexity and interference caused by being a public company, these operations were spun back out to the original owner, who had remained the managing operator of these locations. In September 2017, the Company redomiciled and is now a Wyoming corporation. On June 23, 2020, the Company executed a Share Exchange agreement with MedSmart Group, Inc., a Florida corporation (“MedSmart Florida”), whereby the Company acquired all of the issued and outstanding shares of MedSmart Florida, a Florida-based medical wellness and antiaging centers focused on Men's health, and well-being.

On April 5, 2021, the Company entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the “Conveyance Agreement”) with MedSmart Wellness Centers, Inc. (“MWC”) whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC (See Notes 4-7, Note 10 and Note 11).

Basis of Presentation

The interim unaudited condensed financial statements included herein reflect all material adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) which, in the opinion of the Company’s management, are ordinary and necessary for a fair presentation of results for the interim periods. Certain information and footnote disclosures required under generally accepted accounting principles in the United States of America (“GAAP”) have been condensed or omitted. The Company’s management believes the disclosures are adequate to make the information presented not misleading.

The condensed balance sheet information as of December 31, 2021 was derived from the Company’s annual financial statements for the year ended December 31, 2021 (“2021 Annual Report”), filed on April 14, 2022 with the OTC Markets. These interim unaudited condensed financial statements should be read in conjunction with the 2021 Annual Report. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the entire fiscal year or for any other period.

**NOTE 2 — GOING CONCERN AND MANAGEMENT’S LIQUIDITY PLANS**

As of June 30, 2022, the Company had cash of \$0 and a working capital deficit (current liabilities in excess of current assets) of \$309,308. During the six months ended June 30, 2022, the net loss was \$57,236 and net cash used in operating activities was \$75,131. These conditions raise substantial doubt about the Company’s ability to continue as a going concern for one year from the issuance of the consolidated financial statements.

During the six months ended June 30, 2022, the Company received proceeds of \$75,131 from advances from an entity controlled by the Chief Executive Officer.

The Company’s primary source of operating funds since inception has been cash proceeds from operations and funds received from the issuance of debt instruments and advances from an entity controlled by the Chief Executive Officer. The Company expects to incur net losses until such time it develops operations or successfully merges with an operating entity. The Company’s ability to continue its operations is dependent upon its ability to obtain additional capital through public or private equity offerings, debt financings or other sources; however, financing may not be available to the Company on acceptable terms, or at all. The Company’s failure to raise capital as and when needed could have a negative impact on its financial condition and its ability to pursue its business strategy, and the Company may be forced to curtail or cease operations.

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Management's current business plan is primarily to serve as a vehicle for the acquisition of or merger or consolidation with another company (a "target business"). The Company intends to use its available working capital, capital stock, debt, or a combination of these to effect a business combination with a target business which management believes has significant growth potential. In the interim, management plans to fund operations from advances from an entity controlled by the Chief Executive Officer. The Company's continued existence is dependent upon its ability to continue to obtain funding and to acquire or merge with a target business. Presently, the Company's Chief Executive Officer is keeping the Company active in anticipation of being able to acquire a United Kingdom affiliated business which has revenue and operations. Whether that acquisition occurs will depend upon whether the Company is able to obtain audited financial statements for the years ended December 31, 2020 and 2021. While that will await the efforts and judgment of the Company's independent auditors, the Company believes it can be done. Because of certain matters including the Company's 2019 revenues and the absence of records, an audit for 2019 is not practicable. Assuming the audited financial statements are issued, the Company intends to acquire the related party entity for an unknown number and type of securities; however, any such acquisition will be very dilutive to existing shareholders since the Company is a shell with no operations and the affiliated entity owns an active business with revenues and operations. However, the outcome of management's plans cannot be determined with any degree of certainty.

Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business for one year from the date the consolidated financial statements are issued. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. The consolidated financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak of COVID-19 and its effects on our future business opportunities. Because the Company has no operations, the pandemic is not affecting the Company, but it may have an impact on its Chief Executive Officer's affiliated entity that provides funding to the Company. Furthermore, the COVID-19 outbreak has and may continue to impact the Company's ability to raise capital.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, liquidity, and capital resources, and those of the third parties on which the Company relies.

### **NOTE 3 — ACCOUNTING POLICIES**

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates in the accompanying consolidated financial statements include the valuation of loss contingencies and the valuation allowance on deferred tax assets. Actual results may differ from these estimates.

#### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary MedSmart Florida until April 5, 2021, the date on which MedSmart Florida was spun off. All significant intercompany transactions and balances have been eliminated in consolidation.

#### **Fair Value of Financial Instruments**

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The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 825-10, “Financial Instruments” (“ASC 825-10”) requires disclosure of the fair value of certain financial instruments. The estimated fair value of certain financial instruments, including accrued expenses are carried at historical cost basis, which approximates their fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

### **Cash and Cash Equivalents**

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2022 and December 31, 2021. The Company maintains its cash in banks insured by the Federal Deposit Insurance Corporation in accounts that at times may be in excess of the federally insured limit of \$250,000 per bank. At June 30, 2022 and December 31, 2021, the uninsured balances amounted to \$0.

### **Fair Value Measurements**

Fair value is 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. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

### **Property and Equipment**

Property and equipment is recorded at cost. Repairs and maintenance costs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method.

<u>Classification</u>	<u>Estimated Useful Lives</u>
Equipment	5 to 7 years
Furniture and fixtures	4 to 7 years

### **Long-Lived Assets**

The Company reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The test for impairment is required to be performed by management at least annually. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted operating cash flow expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the

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fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

**Income Taxes**

The Company accounts for its income taxes in accordance with accounting principles generally accepted in the United States of America, which requires, among other things, recognition of future tax benefits and liabilities measured at enacted rates attributable to temporary differences between financial statement and income tax bases of assets and liabilities and to net tax operating loss carryforwards to the extent that realization of these benefits is more likely than not. The Company periodically evaluates the realizability of its net deferred tax assets. The Company’s policy is to account for interest and penalties relating to income taxes, if any, in “income tax expense” in its consolidated statements of operations and include accrued interest and penalties within “accrued liabilities” in its consolidated balance sheets, if applicable. For the six months ended June 30, 2022 and 2021, no income tax related interest or penalties were assessed or recorded.

**Stock-Based Compensation Expense**

Stock-based compensation expense is measured at the grant date fair value of the award and is expensed over the requisite service period. For stock-based awards to employees, non-employees and directors, the Company calculates the fair value of the award on the date of grant using the Black-Scholes option pricing model, which includes variables such as the expected volatility of the Company’s share price, the exercise behavior of its grantees, interest rates, and dividend yields. These variables are projected based on the Company’s historical data, experience, and other factors. In the case of awards with multiple vesting periods, the Company has elected to use the graded vesting attribution method, which recognizes compensation cost on a straight-line basis over each separately vesting portion of the award as if the award was, in substance, multiple awards.

**Net Loss per Common Share**

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share (“ASC 260-10”). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the “if converted” method.

The computation of basic and diluted income (loss) per share excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share are as follows:

	<b>June 30,</b>	
	<b>2022</b>	<b>2021</b>
Convertible notes	792,595	281,750
Common B shares	-	50,000,000
Common C shares	-	1,000,000
Total potentially dilutive shares	792,595	51,281,750

**Recent Accounting Pronouncements**

In August 2020, the FASB issued ASU 2020-06, which simplifies the guidance on accounting for convertible debt instruments by removing the separation models for: (1) convertible debt with a cash conversion feature; and (2) convertible instruments with a beneficial conversion feature. As a result, the Company will not separately present in equity an embedded conversion feature in such debt. Instead, we will account for a convertible debt instrument wholly as debt, unless certain other conditions are met. We expect the elimination of these models will reduce reported interest expense and increase reported net income for the Company’s convertible instruments falling under the scope of those models before the adoption of ASU 2020-06. Also, ASU 2020-06 requires the application of the if-converted method for calculating diluted earnings per share and the treasury

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stock method will be no longer available. The Company adopted ASU 2020-06 in the first quarter of 2022 utilizing the modified retrospective method. The adoption of this update did not have a material impact on the Company's consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which significantly changes how entities will measure credit losses for most financial assets, including accounts receivable. ASU No. 2016-13 will replace today's "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on expected rather than incurred losses. On November 15, 2019, the FASB delayed the effective date of Topic 326 for certain small public companies and other private companies until fiscal years beginning after December 15, 2022 for SEC filers that are eligible to be smaller reporting companies under the SEC's definition, as well as private companies and not-for-profit entities. The Company does not expect the new guidance will have a material impact on its consolidated financial statements.

There are other various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

**NOTE 4 — RIGHT TO USE ASSETS AND LEASE LIABILITY**

The Company entered into a seven-year lease for a medical office in Aventura, Florida that consisted of 2,000 square feet of space with base rent beginning at \$90,000 per year and escalating to \$106,640 per year plus a pro rata share of the landlord's operating expenses.

On September 10, 2020, the lease commencement date, the Company estimated the lease liability and the right of use assets at present value using the Company's estimated incremental borrowing rate of 11% and determined their initial present values, at inception, of \$466,123. In determining the length of the lease term to its long-term lease, the Company determined there was not an option to extend the lease. Accordingly, in accordance with ASC Topic 842, the Company recorded right to use assets of \$466,123 and lease liability of \$466,123.

On April 5, 2021, the Company entered into the Conveyance Agreement with MWC whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC. As a result, the remaining operating lease right of use assets and operating lease obligations were written off and factored into the gain on spin off of subsidiary (See Note 10). Subsequently, in April 2021, the Company entered into a month-to-month lease agreement with Opus Virtual Offices LLC located in New York, NY at the rate of \$99 per month.

During the six months ended June 30, 2022 and 2021, the Company recognized \$594 and \$1,794, respectively, as rent expense.

**NOTE 5 — CONVERTIBLE NOTES PAYABLE**

On May 7, 2013, the Company issued an unsecured convertible promissory note in the principal amount of \$90,000 that is now due on demand and bears interest at a rate of 9% per annum. The note provides that the investor has the right to convert the outstanding balance of the note into shares of common stock of the Company at a conversion price equal to a sixty percent (60%) discount to the closing price of the Company's common stock on the OTC Markets electronic exchange. On March 29, 2021, this note was assigned from MJ Holdings Group, Inc. (an entity controlled by Jessica Miller) to Junood Corp. As of June 30, 2022 and December 31, 2021, the remaining carrying value of the note was \$70,000. At June 30, 2022 and December 31, 2021, accrued interest on the note was \$72,667 and \$69,543, respectively, and is included in accrued interest on the accompanying balance sheet. The Company is exploring with its counsel whether the note is enforceable.

On August 25, 2020, the Company issued an unsecured convertible promissory note in the principal amount of \$200,000 that was due August 25, 2021 and accrued interest at a rate of 12% per annum. Interest was payable in shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar of accrued interest. The investor had the right to convert the outstanding balance of the note at any time into shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar converted. Each share of Series B is convertible into 10 shares of common stock of the Company. As a result of the beneficial conversion feature of the note, debt discount of \$200,000 was recognized with a corresponding increase

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in additional paid-in capital. The debt discount was being amortized to interest expense over the term of the note. Upon the occurrence of an event of default, the remaining principal and accrued interest became immediately due and payable, with interest accruing at 24% per annum on any unpaid amounts. On September 1, 2020, as a result of a breach of covenant 8(n), the principal balance of the note was increased by 20% with a corresponding increase in interest expense. Effective April 5, 2021, the noteholder agreed to the assignment of the promissory note to MedSmart Florida and, accordingly, as a result of the spin off of this subsidiary, both the convertible note payable and accrued interest were written off and factored into the gain on spin off of subsidiary (See Note 10). As of June 30, 2022 and December 31, 2021, the remaining carrying value of the note was \$0. As of June 30, 2022 and December 31, 2021, accrued interest on the note was \$0 (See also Note 8 regarding litigation).

On August 27, 2020, the Company issued an unsecured convertible promissory note in the principal amount of \$100,000 that was due August 27, 2021 and accrued interest at a rate of 12% per annum. Interest was payable in shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar of accrued interest. The investor had the right to convert the outstanding balance of the note at any time into shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar converted. Each share of Series B is convertible into 10 shares of common stock of the Company. As a result of the beneficial conversion feature of the note, debt discount of \$100,000 was recognized with a corresponding increase in additional paid-in capital. The debt discount was being amortized to interest expense over the term of the note. Upon the occurrence of an event of default, the remaining principal and accrued interest became immediately due and payable, with interest accruing at 24% per annum on any unpaid amounts. On September 3, 2020, as a result of a breach of covenant 8(n), the principal balance of the note was increased by 20% with a corresponding increase in interest expense. Effective April 5, 2021, the noteholder agreed to the assignment of the promissory note to MedSmart Florida and, accordingly, as a result of the spin off of this subsidiary, both the convertible note payable and accrued interest were written off and factored into the gain on spin off of subsidiary (See Note 10). As of June 30, 2022 and December 31, 2021, the remaining carrying value of the note was \$0. As of June 30, 2022 and December 31, 2021, accrued interest on the note was \$0.

On October 26, 2020, the Company issued an unsecured convertible promissory note in the principal amount of \$95,000 that was due October 26, 2021 and accrued interest at a rate of 12% per annum. Interest was payable in shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar of accrued interest. The investor had the right to convert the outstanding balance of the note at any time into shares of Series B Preferred Stock of the Company at the rate of one Series B share for each dollar converted. Each share of Series B is convertible into 10 shares of common stock of the Company. As a result of the beneficial conversion feature of the note, debt discount of \$95,000 was recognized with a corresponding increase in additional paid-in capital. The debt discount was being amortized to interest expense over the term of the note. Upon the occurrence of an event of default, the remaining principal and accrued interest became immediately due and payable, with interest accruing at 24% per annum on any unpaid amounts. On November 2, 2020, as a result of a breach of covenant 8(n), the principal balance of the note was increased by 20% with a corresponding increase in interest expense. Effective April 5, 2021, the noteholder agreed to the assignment of the promissory note to MedSmart Florida and, accordingly, as a result of the spin off of this subsidiary, both the convertible note payable and accrued interest were written off and factored into the gain on spin off of subsidiary (See Note 10). As of June 30, 2022 and December 31, 2021, the remaining carrying value of the note was \$0. As of June 30, 2022 and December 31, 2021, accrued interest on the note was \$0 (See also Note 8 regarding litigation).

**NOTE 6 — NOTE PAYABLE**

On June 15, 2020, MedSmart Florida executed the standard loan documents for an Economic Injury Disaster Loan (“EIDL”) from the U.S. Small Business Administration in light of the impact of the COVID-19 pandemic on the Company. Pursuant to that certain Loan Authorization and Agreement (the “SBA Loan Agreement”), the principal amount of the EIDL received was \$50,000, with proceeds to be used for working capital purposes. Interest accrues at the rate of 3.75% per annum. Installment payments, including principal and interest, were due monthly beginning June 15, 2021 (twelve months from the date of the SBA Loan Agreement) in the amount of \$244. On March 15, 2021, the initial payment date was extended 12 months to June 15, 2022. The balance of principal and interest is payable thirty years from the date of the SBA Loan Agreement. On April 5, 2021, the Company entered into the Conveyance Agreement with MWC whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC. As a result, the EIDL and accrued interest were written off and factored into the gain on spin off of subsidiary (See Note 10). At June 30, 2022 and December 31, 2021, the remaining carrying value of the note was \$0. At June 30, 2022 and December 31, 2021, accrued interest on the note was \$0.

**NOTE 7 — ADVANCES – RELATED PARTIES**

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During the six months ended June 30, 2022, the Company received aggregate proceeds from advances from an entity controlled by the Company's Chief Executive Officer of \$75,131. The advances are due on demand and bear interest at 6% per annum. As of June 30, 2022 and December 31, 2021, the Company owed \$128,168 and \$53,037 in principal and \$3,410 and \$871 in accrued interest, respectively, for the advances (See Note 11).

At June 30, 2022 and December 31, 2021, \$0 was owed to a former related party. On April 5, 2021, the Company entered into the Conveyance Agreement with MWC whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC. As a result, the advance was written off and factored into the gain on spin off of subsidiary (See Note 10 and Note 11).

**NOTE 8 — COMMITMENTS AND CONTINGENCIES**

**Legal Matters**

On November 11, 2021, the Company received a copy of an Amended Complaint filed in the Circuit Court of the 11th Judicial Circuit in Miami, Florida (the "Lawsuit"), whereby Colossal Enterprise Group, Inc. ("Colossal") and Ashley Rojas ("Rojas," together with Colossal are the "Plaintiffs"), holders of convertible promissory notes in the aggregate principal amount \$295,000 issued by the Company in 2020 (the "Notes"), claimed that the Company breached the terms of the Notes. Furthermore, the Amended Complaint named Davinder Dogra, the Company's current Chief Executive Officer, as a defendant. The Company believes the claims against the Company and Mr. Dogra are without merit, as the Notes were assigned and assumed by Med Smart Florida under the Conveyance Agreement, and the noteholders consented to the assignment and assumption. Accordingly, consistent with the demand of the Company to the Plaintiffs, on November 17, 2021, Davinder Dogra was voluntarily dismissed as a party from the subject lawsuit. On January 3, 2022, in connection with the Lawsuit, each of Colossal and Rojas obtained a Default and Default Final Judgment against the Company for \$127,555.06 and \$272,613.37, respectively (collectively, the "Default Judgments"). The Company maintains that the Default Judgments were improper, should never have been entered, and were required to be vacated as a matter of law. Consistent therewith, on February 3, 2022, the Company filed its Verified Motion to Set Aside Default and Default Final Judgment (the "Motion to Set Aside"). On March 8, 2022, via an Agreed Order, the Motion to Set Aside was granted, such that the Default Judgments (as amended) were vacated (making them a legal nullity) and the Company was dropped as a party to the Lawsuit.

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity. There was no outstanding litigation as of June 30, 2022 other than that described above.

**NOTE 9 — STOCKHOLDERS' DEFICIT**

**Preferred Stock**

On February 1, 2021, the Company amended its Articles of Incorporation to change the number of authorized preferred shares to 40,000,000 shares of preferred stock, of which 10,000,000 shares were designated Series A preferred, 5,000,000 shares were designated Series B preferred and 5,000,000 shares were designated Series C preferred, which has been reflected retroactively in the accompanying consolidated financial statements.

Each share of Series A preferred stock has a stated value of \$0.001 per share, has voting rights of the common stock on a 1 for 1,000 basis, and is convertible into 100 shares of common stock, subject to certain adjustments.

Each share of Series B preferred stock has a stated value of \$0.001 per share, has no voting rights except as related to the Series B, and is convertible into 10 shares of common stock, subject to certain adjustments.

Each share of Series C preferred stock has a stated value of \$0.001 per share, has no voting rights except as related to the Series C, and is convertible into 3 shares of common stock, subject to certain adjustments.

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(Unaudited)**

At June 30, 2022 and December 31, 2021, there were no shares of preferred stock issued and outstanding.

**Common Stock**

On July 23, 2021, the Company issued 50,000,000 Common A shares in exchange for the return to the Company of all 50,000,000 Common B shares held by Amina Group Limited. The Common B shares were retired by the Company and returned to treasury. Amina Group Limited is an affiliate of the Company's Chief Executive Officer. Effective July 23, 2021, there are no shares of Common B shares issued or outstanding.

On July 23, 2021, the Company issued 1,000,000 Common A shares in exchange for the return to the Company of all 1,000,000 Common C shares held by Amina Group Limited. The Common C shares were retired by the Company and returned to treasury. Amina Group Limited is an affiliate of the Company's Chief Executive Officer. Effective July 23, 2021, there are no shares of Common C shares issued or outstanding.

At June 30, 2022 and December 31, 2021, there were 51,911,937 shares of common stock outstanding.

**NOTE 10 — SPIN OFF OF SUBSIDIARY**

On April 5, 2021, the Company entered into the Conveyance Agreement with MWC whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC. Accordingly, the following assets and liabilities were removed from the consolidated balance sheet.

	(Assets) Liabilities Removed
Cash	(128,483)
Property and equipment, net	(146,198)
Operating lease right of use assets, net	(439,672)
Security deposit	(18,307)
Accrued interest	33,677
Convertible notes payable, net	303,644
Advances - related parties	1,147
Operating lease obligations	457,467
Note payable	50,000
Gain on spin off of subsidiary	<u>113,275</u>

On April 5, 2021, upon closing of the Conveyance Agreement, the Company transferred all of the shares it held in its wholly owned subsidiary MedSmart Florida to MWC, so that MWC became the sole shareholder of MedSmart Florida. Accordingly, MedSmart Florida is no longer a subsidiary of the Company.

**NOTE 11 — RELATED PARTY TRANSACTIONS**

During the six months ended June 30, 2022, the Company received aggregate proceeds from advances from an entity controlled by the Company's Chief Executive Officer of \$75,131. The advances are due on demand and bear interest at 6% per annum. As of June 30, 2022 and December 31, 2021, the Company owed \$128,168 and \$53,037 in principal and \$3,410 and \$871 in accrued interest, respectively, for the advances (See Note 7).

At June 30, 2022 and December 31, 2021, \$0 was owed to a former related party. On April 5, 2021, the Company entered into the Conveyance Agreement with MWC whereby the Company spun off its wholly owned subsidiary MedSmart Florida to MWC. As a result, the advance was written off and factored into the gain on spin off of subsidiary (See Note 7 and Note 10).

**NOTE 12 — SUBSEQUENT EVENTS**

**MEDSMART GROUP, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(Unaudited)**

The Company evaluated events that have occurred after the balance sheet date but before the unaudited consolidated financial statements were issued.