

**OTC Pink Basic Disclosure Guidelines -
Quarterly Report for period Ending June 30, 2017.**

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

A1 GROUP, INC.

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 2929 E. Commercial Blvd. PH-D
Address 2: Fort Lauderdale, FL 33308
Phone: (954) 440-4678
Email: thart@r3accounting.com
Website(s): None

IR Contact
Address 1: NONE

3) Security Information

Authorized Capital. The designation, powers, including voting rights, preferences and any qualifications, limitations, or restrictions of the classes of Authorized Capital Stock of Corporation are specified as follows: The Corporation is authorized to issue two classes of stock which are designated, respectively, "Common Stock" and "Series A Preferred Stock." The total number of shares of stock which the Corporation shall have authority to issue shall be 1,890,000,000, consisting of: 1,770,000,000 shares of Common Stock, having a \$0.0001 par value per share; 100,000,000. shares of Series "A" Preferred Stock, having a \$0.0001 par value per share; and 20,000,000. shares of Series "B" Preferred Stock, having a \$0.0001 par value per share.

Trading Symbol: AWON.
Exact title and class of securities outstanding: COMMON
CUSIP: 03740J107
Par or Stated Value: \$0.001
Total shares authorized: 750,000,000 as of: 7/3/2017
Total shares outstanding: 187,033,471 as of: 7/3/2017

Shares of Common Stock are entitled to one vote per share.

Additional class of securities (if necessary):
Trading Symbol: NONE

Exact title and class of securities outstanding: Series A Preferred
CUSIP: NONE
Par or Stated Value: \$0.001
Total shares authorized: 5,000,000 as of: 7/3/2017
Total shares outstanding: 5,000,000 as of: 7/3/2017

Shares of Series A Preferred Stock enjoy dividend and liquidation preferences and are convertible into one share of Common Stock at the express election of each such preferred shareholder. At any time, the entire class of Series

A Preferred Stock may be forced converted to Common Stock by a vote or written consent of the holders of at least a simple majority of these Series A Preferred Stock that are then outstanding.

Transfer Agent

Name: Action Stock Transfer Corp.

Address 1: 2469 E. Fort Union Blvd., Suite 214

Address 2: Salt Lake City, UT 84121

Phone: 801-274-1088

Is the Transfer Agent registered under the Exchange Act?* Yes: X No:

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security: None.

Describe any trading suspension orders issued by the SEC in the past 12 months: 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:

No stock splits or stock dividends are anticipated or have occurred in the past 12 months.

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

On September 2, 2015, the Company increased its \$0.001 par value common stock from 75,000,000 to 750,000,000 and established 5,000,000 shares of \$0.001 par value, Series A Preferred stock. The 5,000,000 shares of Series A Preferred stock is convertible, in whole, at any time, into 60% of the then outstanding shares of common stock on a fully diluted basis at the time of conversion.

During the year ended December 31, 2015, the Company issued a net 145,380 shares of common stock due to finalizing the Merger.

The Company agreed to issue TBG Holdings Corp. ("TBG") 40% of the then outstanding shares of common stock then outstanding subject to shareholder approval. On February 11, 2016, the Company and TBG amended their understanding to increase the shares to be issued to equal 60% of the then outstanding shares of common stock to TBG. The issuance of the common stock was not issued until January 6, 2017. The shares issued were 51,740,460. See Note 5.

On February 1, 2017, the Company and TREC Beverages, Inc. ("TREC") executed an exclusive North American Licensing and Distribution Agreement. As part of the agreement, TREC was issued 91,646,401 shares of common stock. The shares are anti-dilutive. The shares were valued at \$0.0085 per share, or \$769,830. As of March 31, 2017, the shares were classified as issuable.

On February 1, 2017, the Company entered into an agreement with Blue Comet, LLC (“Blue Comet”) for business development and general consulting services for a period of one year. Blue Comet was issued 9,332,970 shares of common stock. The shares are anti-dilutive. The shares were valued at \$0.0085 per share, or \$78,397. As of March 31, 2017, the shares were classified as issuable.

B. Any jurisdictions where the offering was registered or qualified: Not applicable to any issuance.

C. The number of shares offered: Not applicable to any issuance.

D. The number of shares sold; Not applicable to any issuance.

E. The price at which the shares were offered, and the amount actually paid to the issuer; Not applicable to any issuance.

F. The trading status of the shares as noted to each above in A.; and

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Yes, as noted above in A.

5) Financial Statements

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

A. Balance sheet;

B. Statement of income;

C. Statement of cash flows;

D. Financial notes; and

E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service 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 reports separately as described in part (ii) 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 otcq.com in the field below.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer’s Business, Products and Services

Describe the issuer’s business so a potential investor can clearly understand the company. In answering this item,

please include the following:

A. a description of the issuer's business operations;

The issuer's business operations are investing in, partnering with, or licenses with, companies that develop innovative technologies.

B. Date and State (or Jurisdiction) of Incorporation:

Nevada, November 27,2006

C. the issuer's primary and secondary SIC Codes;

6799 – Investors, Not Elsewhere Classified

D. the issuer's fiscal year end date: 12/31

E. principal products or services, and their markets;

The issuer's business operations are investing in, partnering with, or licenses with, companies that develop innovative technologies.

7) Describe the 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.

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 does not have any facilities or properties as of the date of this filing.

8) 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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Name and Position	Shares of Common Stock	Percentage of Class Common	Shares of Series A Preferred Stock	Percentage of Class Series A Preferred Stock
Timothy Hart (a)	51,740,460	15.8%	5,000,000	100%
TREC Beverages, Inc. (b)	91,646,401	49.0%	-	0%
(a) Includes shares owned by TBG Holdings Corp., of which Mr. Hart is a part owner, as well as the sole officer and director of the Company.				
(b) TREC Beverages, Inc. is primarily controlled by Robert Ritondo, which, due to ownership in the Company, is a control person.				

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Name and Position	Shares of Common Stock	Percentage of Class Common	Shares of Series A Preferred Stock	Percentage of Class Series A Preferred Stock
Timothy Hart (a) 2929 E. Commercial Blvd., PH-D Fort Lauderdale, FL 33308	51,740,460	15.8%	5,000,000	100%
TREC Beverages, Inc. 3651 Lindell Road, Suite D Las Vegas, NV 89103	91,646,401	49.0%	-	0%
(a) Includes shares owned by TBG Holdings Corp., of which Mr. Hart is a part owner.				

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Stacey Jenkins, Esq.
Law Office of S.Y. Jenkins, PLLC
460 Aspen Drive
Park City, Utah 84098
syjenkins@gmail.com
T (801) 915-2501

Accountant or Auditor

Name: None
Firm:
Address 1:
Address 2:
Phone:
Email:

Investor Relations Consultant

Name: None
Firm:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: None
Firm:

10) Issuer Certification

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).

The certifications shall follow the format below:

I, Timothy Hart certify that:

1. I have reviewed this June 30, 2017 Quarterly Report Disclosure Statement of A1 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.

July 3, 2017

/s/ *Timothy Hart*, CEO, CFO, Director

AI GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Prepaid expense	\$ 62,500	\$ -
Total Current Assets	<u>62,500</u>	<u>-</u>
Other assets		
Licensing agreement	20,000	-
Total other assets	<u>20,000</u>	<u>-</u>
Total assets	<u><u>\$ 82,500</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Liabilities		
Current Liabilities		
Convertible promissory notes, net of discounts	\$ 407,095	\$ 407,095
Convertible promissory notes, net of discounts, to related party	226,965	-
Notes payable	50,000	50,000
Accounts payable	184,294	156,763
Accounts payable to related party	13,500	109,006
Accrued interest	189,185	124,376
Accrued interest to related party	4,695	-
Derivative liability	239,653	-
Total current liabilities	<u>1,315,387</u>	<u>847,240</u>
Total liabilities	<u>1,315,387</u>	<u>847,240</u>
Commitments and contingencies		
Stockholders' deficit		
Series A preferred stock, \$0.001 par value 5,000,000 shares authorized; 5,000,000 and 0 issued and outstanding at March 31, 2017 and December 31, 2016, respectively	5,000	-
Common stock, \$0.001 par value 750,000,000 shares authorized; 187,033,471 and 34,313,640 issued, issuable and outstanding at March 31, 2017 and December 31, 2016, respectively	187,034	34,314
Additional paid-in capital	678,231	106,930
Subscription receivable	110,850	110,850
Accumulated deficit	<u>(2,214,002)</u>	<u>(1,099,334)</u>
Total stockholders' deficit	<u>(1,232,887)</u>	<u>(847,240)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 82,500</u></u>	<u><u>\$ -</u></u>

See accompanying notes to these unaudited condensed consolidated financial statements

A1 GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenue				
Revenue	\$ -	\$ -	\$ -	\$ -
Cost of Goods Sold	-	-	-	-
Gross profit	-	-	-	-
Operating expenses				
Office and general	32	9,000	1,532	18,000
Management fees	-	30,000	-	60,000
Stock-based compensation	-	-	78,397	-
Professional fees	105,000	10,139	137,000	10,721
Total expenses	105,032	49,139	216,929	88,721
Loss from operations	(105,032)	(49,139)	(216,929)	(88,721)
Other income (expenses)				
Interest expense	(20,541)	(17,927)	(69,503)	(48,429)
Impairment of asset	-	-	(749,830)	-
Beneficial conversion feature	(58,856)	-	(76,965)	(4,602)
Change in the fair value of embedded conversion features	(234,052)	-	(1,441)	-
Total other income (expenses)	(313,449)	(17,927)	(897,739)	(53,031)
Net loss	<u>\$ (418,481)</u>	<u>\$ (67,066)</u>	<u>\$ (1,114,668)</u>	<u>\$ (141,752)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.002)</u>	<u>\$ (0.01)</u>	<u>\$ (0.004)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>187,033,471</u>	<u>34,313,640</u>	<u>167,465,612</u>	<u>34,313,640</u>

See accompanying notes to these unaudited condensed consolidated financial statements

A1 GROUP, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30,
(UNAUDITED)

	<u>2017</u>	<u>2016</u>
Operating activities		
Net loss	\$ (1,114,668)	\$ (141,752)
Adjustments to reconcile net loss to net cash used in operating activities:		
Penalty interest on defaulted promissory notes	-	13,659
Impairment of asset	749,830	
Stock-based compensation	78,397	-
Beneficial conversion feature	(76,965)	4,602
Change in the fair value of embedded conversion features	(1,441)	-
Changes in operating assets and liabilities:		
Prepaid expenses	(62,500)	
Accounts payable	27,531	31,427
Accounts payable to related party	23,500	7,294
Accrued interest	64,809	34,770
Accrued interest to related party	4,695	-
Net used in operating activities	<u>(306,812)</u>	<u>(50,000)</u>
Financing activities		
Proceeds from promissory note	-	50,000
Contributions by related party	306,812	-
Net cash provided by financing activities	<u>306,812</u>	<u>50,000</u>
Net increase (decrease) in cash	-	-
Cash at beginning of period	-	-
Cash at end of period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income Taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Non-cash investing and financing activities		
Issuance of Series A preferred stock for consideration	\$ 5,000	\$ -
Issuance of common stock for consideration	\$ 51,740	\$ -
Issuance of common stock for licensing agreement	\$ 769,829	\$ -
Issuance of convertible note payable for services	\$ 150,000	\$ -

See accompanying notes to these unaudited condensed consolidated financial statements

A1 GROUP, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
June 31, 2017
(unaudited)

NOTE 1 – ORGANIZATION AND GOING CONCERN

Organization

The Company was incorporated on November 27, 2006 under the laws of the State of Nevada and extra-provincially registered under the laws of the Province of Ontario on February 2, 2007. On September 28, 2012, the Company with a majority of the shareholders and directors changed its name from Secured Window Blinds, Inc. to Freebutton, Inc. On June 23, 2014, a majority of the corporation's shareholders voted for the corporation to amend its Articles of Incorporation changing the name of the corporation to A1 Group, Inc. ("A1 Group"). A1 Group invests in, partners with, or licenses with companies that develop innovative technologies.

On August 14, 2014, A1 Group (the "Registrant" and "Legal Acquirer") closed, a Share Exchange Agreement (the "Merger"), between and among the Company and A1 Vapors, Inc., a Florida Corporation ("A1 Vapors") ("Accounting Acquirer"), incorporated in the State of Florida, on April 26, 2012. Pursuant to the Merger, the Registrant issued A1 Vapors shareholders a total of 21,000,000 shares of common stock in exchange for 100% of the outstanding shares of A1 Vapors. Prior to the issuance of the 21,000,000 shares, the 21,000,000 shares were returned to treasury leaving the Registrant with 12,844,260 common shares outstanding prior to the Merger. The 21,000,000 common shares issued represented approximately 62.0% of the total issued and outstanding shares of common stock of the Registrant post-closing. As a result, the Company (i) became the 100% parent of A1 Vapors; (ii) assumed the operations of A1 Vapors; (iii) and (iv) experienced a change in control. The terms and conditions of the Merger gave rise to reverse merger accounting whereby A1 Vapors was deemed the acquirer for accounting purposes. Consequently, the assets and liabilities and the historical operations of A1 Vapors prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of A1 Vapors. Our financial statements include the assets and liabilities of both the Company and A1 Vapors.

Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America and applicable to a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

During the six months ended June 30, 2017, the Company recognized no revenue and a net loss of \$1,114,668 and had negative working capital of \$1,252,887 as of June 30, 2017.

In view of these conditions, the ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Historically, the Company has relied upon internally generated funds and funds from the sale of shares of stock, issuance of promissory notes and loans from its shareholders and private investors to finance its operations and growth. Management is planning to raise necessary additional funds for working capital through loans and/or additional sales of its common stock. However, there is no assurance that the Company will be successful in raising additional capital or that such additional funds will be available on acceptable terms, if at all. Should the Company be unable to raise this amount of capital its operating plans will be limited to the amount of capital that it can access. These financial statements do not give effect to any adjustments which will be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

A1 GROUP, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
June 30, 2017
(unaudited)

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, A1 Vapors, Inc. All intercompany transactions and balances have been eliminated in consolidation. The results A1 Vapors are consolidated with the Company's results from and after its acquisition based on guidance from the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 810, "Consolidation" ("ASC 810").

Basis of Presentation

The accompany unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. Certain information and note disclosure normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the amortization period for intangible assets, valuation and impairment valuation of intangible assets, allowance for accounts receivable, depreciable lives of the web site and fixed assets, and valuation of share-based payments.

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.

Revenue Recognition

It is our policy that revenues are recognized in accordance with ASC 605-10. Under ASC 605-10, product revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed and determinable and collectability is reasonably assured. Revenue is recognized at the point of sale for in person purchases and upon shipping for Internet sales.

Accounting for Derivatives

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for. The result of this accounting treatment is that under certain circumstances the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under this accounting standard are reclassified to liability at the fair value of the instrument on the reclassification date.

Impairment of Long-Lived Assets

A1 GROUP, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
June 30, 2017
(unaudited)

The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards ASC 360-10, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows 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 assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Fair Value of Financial Instruments

We adopted ASC Topic 820 for financial instruments measured as fair value on a recurring basis. ASC Topic 820 defines fair value, established a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;

Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Disclosures about fair value of financial instruments, requires disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value. The carrying value of cash and cash equivalents, accounts payable and interest payable approximate their fair value because of the short-term nature of these instruments and their liquidity. It is not practical to determine the fair value of the Company's notes payable due to the complex terms. Management is of the opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of warrants is estimated based on individual characteristics of the warrants. The warrant liability is the only Level 3 fair value measure.

Advertising Costs

The Company accounts for advertising costs in accordance with provisions in ASC 720-35-25 which states that advertising costs can be expensed as incurred or the first time the advertising takes place.

Stock-Based Compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees. The value of the portion of an award that is ultimately expected to vest is recognized

A1 GROUP, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
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as an expense over the requisite service periods using the straight-line attribution method. The Company accounts for non-employee share-based awards in accordance with the measurement and recognition provisions ASC Topic 505-50. The Company estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances and tax loss carry-forwards. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

Net Income (Loss) Per Share

In accordance with ASC 260-10, "Earnings Per Share," basic net earnings (loss) per common share is computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares which may dilute future earnings per share consist of convertible notes convertible into 54,219,892 common shares as of March 31, 2017. Equivalent shares are not utilized when the effect is anti-dilutive.

Effect of Recent Accounting Pronouncements

The Company reviews new accounting standards and updates as issued. No new standards or updates had any material effect on these unaudited financial statements. The accounting pronouncements and updates issued subsequent to the date of these unaudited financial statements that were considered significant by management were evaluated for the potential effect on these unaudited financial statements. Management does not believe any of the subsequent pronouncements will have a material effect on these unaudited financial statements as presented and does not anticipate the need for any future restatement of these unaudited financial statements because of the retro-active application of any accounting pronouncements issued subsequent to March 31, 2017 through the date these unaudited financial statements were issued.

In February 2016, the Financial Accounting Standards Board ("FASB") issued an ASU on lease accounting. The ASU requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. The ASU is effective for reporting periods beginning after December 15, 2018 with early adoption permitted. While the Company is still evaluating the ASU, the Company expects the adoption of the ASU to have a material effect on the Company's financial condition due to the recognition of the lease rights and obligations as assets and liabilities. The Company does not expect the ASU to have a material effect on the Company's results of operations, and the ASU will have no effect on cash flows.

NOTE 3 - ENTRY INTO A DEFINITIVE AGREEMENT

Licensing Rights

On February 1, 2017, the Company and TREC Beverages, Inc. ("TREC"), a Nevada corporation, executed an exclusive North American Licensing and Distribution Agreement. TREC's core portfolio beverage item "Slow Cow®" Mind Cooler™. Slow Cow, owned by Boisson Slow Cow, Inc., is currently distributing and developing its products in 20 countries throughout the world. A1 Group will work with TREC to continue its momentum by focusing its efforts on the distribution of Slow Cow in

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the U.S. and continue its broker activities in Canada. As part of the agreement, to compensate TREC for the agreement, TREC was to be issued 91,646,401 shares of common stock. The shares are anti-dilutive. See Note 6. The valuation of the shares was \$769,830. For the period ended June 30, 2017, management analyzed the recordation of the intangible asset, valued at \$769,830, and, using various factors, determined that \$749,830 should be impaired.

NOTE 4 – CONVERTIBLE NOTES PAYABLE AND NOTES PAYABLE

Convertible notes payable and notes payable, all classified as current at June 30, 2017 and December 31, 2016, consist of the following:

	June 30, 2017				December 31, 2016		
	Principal	Debt Discount	Accrued Interest	Total	Principal	Accrued Interest	Total
LG Capital Funding, LLC (a)	\$ 26,500	\$ -	\$ 11,657	\$ 38,157	\$ 26,500	\$ 4,194	\$ 30,694
Adar Bays, LLC (a)	26,500	-	11,657	38,157	26,500	4,194	30,694
Amalfi Coast Capital (a)	307,267	-	112,809	420,076	307,267	103,276	410,543
Amalfi Coast Capital (a)	16,828	-	4,116	20,944	16,828	3,784	20,612
The Wanich Family Trust	50,000	-	8,318	58,318	50,000	5,328	55,328
Typenex Co-Investment, LLC (a)	30,000	-	31,435	61,435	30,000	3,600	33,600
TBG Holdings Corp. (a)(b)	71,106	(25,084)	2,801	48,823	-	-	-
R3 Accounting, LLC (a)(b)	48,000	(16,957)	1,894	32,937	-	-	-
TBG Holdings Corp. (a)(b)	150,000	-	-	150,000	-	-	-
Total	<u>\$726,201</u>	<u>\$ (42,041)</u>	<u>\$184,687</u>	<u>\$868,847</u>	<u>\$457,095</u>	<u>\$124,376</u>	<u>\$581,471</u>

(a) Convertible

(b) Related party

On January 8, 2015, A1 Group sold and LG Capital Funding, LLC ("LG") purchased a convertible promissory note with a face amount of \$26,500 (the "LG Note"). The Company received \$25,000 after paying \$1,500 of legal fees. The LG Note accrues interest of 8%, matures on January 8, 2016 and is convertible into shares of common stock any time 180 days after January 8, 2015 at a conversion price equal to 50% of the lowest closing bid price as quoted on a national exchange for 15 prior trading days including the date on which the Notice of Conversion is received by A1 Group. In no event shall LG effect a conversion if such conversion results in LG beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in shares of common stock at any time at the discretion of LG pursuant to the conversion terms above. In the event of default due to non-payment at maturity, the outstanding principle shall increase by 10% and the interest rate shall increase to 24%. On January 8, 2016, the LG Note was in default as a result of non-payment resulting in the addition of \$2,650 to the principal balance of the LG Note which was recognized as interest expense. As of June 30, 2017, accrued interest was \$11,657.

On January 8, 2015, A1 Group sold and Adar Bays, LLC ("Adar") purchased a convertible promissory note with a face amount of \$26,500 (the "Adar Note"). The Company received \$25,000 after paying \$1,500 of legal fees. The Adar Note accrues interest of 8%, matures on January 8, 2016 and is convertible into shares of common stock any time 180 days after January 8, 2015 at a conversion price equal to 50% of the lowest closing bid price as quoted on a national exchange for 15 prior trading days including the date on which the Notice of Conversion is received by A1 Group. In no event shall Adar effect a conversion if such conversion results in Adar beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in shares of common stock at any time at the discretion of Adar pursuant to the conversion terms above. In the event of default due to non-payment at maturity, the outstanding principle shall increase by 10% and the interest rate shall increase to 24%. On January 8, 2016, the Adar Note fell into default as a result of non-payment resulting in the addition of \$2,650 to the principal balance of the Adar Note which was recognized as interest expense. As of June 30, 2017, accrued interest was \$11,657.

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On March 11, 2014, the Company signed a consolidated extension of the Company's prior convertible promissory notes with Amalfi Coast Capital ("Amalfi"). The amount of the combined convertible promissory notes is \$307,266 with an interest rate of 8% and maturity date of August 28, 2014. The Conversion price share is \$0.10, unless the Company has, before the maturity date, sold its capital stock in financing in which the Company received gross proceeds of an excess of \$1,000,000 at a differing price. As of March 31, 2017, no such offering has occurred. Upon maturity on August 28, 2014, the interest rate increased to 12%. As of June 30, 2017, the promissory note is in default and accruing interest at 12%. As of June 30, 2017, accrued interest was \$121,666.

On June 20, 2014, the Company issued a convertible promissory note to Amalfi in the amount of \$16,828, with an interest rate of 8% and maturity date of December 20, 2014. The issuer of the convertible promissory note has the option to convert all or portion of the note into common shares of the Company at a Conversion price of \$0.10 per share, unless the Company has, between the issue date of the note and its maturity date, sold its capital stock in financing in which the Company received gross proceeds in excess of \$152,000 at a differing price. No such offering has occurred. As of June 30, 2017, the note was in default. As of June 30, 2017, accrued interest was \$4,452.

On February 10, 2016, A1 Group, Inc. sold and The Wanich Family Trust ("Wanich") purchased a promissory note with a face amount of \$50,000 (the "Wanich Note"). The Company received \$50,000. The Wanich Note accrues interest of 12% and is payable upon demand. As of June 30, 2017, accrued interest was \$8,318. On March 3, 2017, the promissory note was modified to be a convertible promissory note. The conversion is at a 50% discount based on the prior 15 trading days lowest bid price.

On February 25, 2015 A1 Group, Inc. entered into a Securities Purchase Agreement ("SPA"), with Typenex Co-Investment, LLC ("Typenex"), for the sale of five convertible promissory notes with the first note in the amount of \$30,000 (the "Typenex Note") and five subsequent notes (the "Subsequent Typenex Notes") in the amount of \$27,500 each. The first note proceeds of \$25,000 are net of \$2,500 of original issue discount ("OID") and \$2,500 of legal fees and notes 2-6 each include a \$2,500 OID. Upon closing of the SPA Typenex funded the Typenex Note and the Company issued a Convertible Promissory Note. The Subsequent Typenex Notes have not been funded. The Typenex Note bears a one-time interest charge of 12% on the 90th day the note is outstanding. The Company may prepay the note within 90 days without penalty and without an interest charge other than the OID. After 90 days, the note may be prepaid upon written consent of Typenex at 125% of the allowed principal and interest amount. The Typenex Note matured in 1 year, and is convertible into common stock, at Typenex's option, at 50% (the "Conversion Factor") of the lowest closing bid price in the 15 trading days immediately preceding the conversion (the "Conversion Price"), provided that if at any time the Company is not DWAC eligible, then the Conversion Factor shall be reduced by 5% for all future Conversions. If at any time the Company is not DTC Eligible, then the Conversion Factor shall be reduced by an additional 5% for all future Conversions. The Conversion Factor is also subject to other reductions set forth in the Typenex Note. In the event of default, the outstanding balance shall be increased by 15% and interest shall accrue at 22% per annum. On May 15, 2015, as a result of failing to file its Form 10-Q for the three months ended March 31, 2015 with the SEC ("Initial Default"), the Company fell into default resulting in the addition of \$4,500 to the principal balance of the Typenex Note which was recognized as interest expense. On August 14, 2015, as a result of failing to file its Form 10-Q for the three and six months ended June 30, 2015 with the SEC, the Company incurred a default resulting in the addition of \$6,123 to the principal balance of the Typenex Note which was recognized as interest expense. On August 21, 2015, as a result of becoming non DWAC eligible, the Company incurred a default resulting in the addition of \$2,357 to the principal balance of the Typenex Note which was recognized as interest expense. On March 2, 2016, as a result of non-payment by the maturity date of the Typenex Note, the Company incurred a default resulting in the addition of \$8,359 to the principal balance of the Typenex Note which was recognized as interest expense. Additionally, due to the Initial Default, the Typenex Note began accruing interest at 22% per annum, compounded daily. The Typenex Note is currently in default. Typenex has agreed to restrict its ability to convert the Typenex Note and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 9.99% of the then issued and outstanding shares of common stock. The Typenex Note is a debt obligation arising other than in the ordinary course of business, which constitutes a direct financial obligation of the Company.

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The Typenex Note also provides for penalties and rescission rights if we do not deliver shares of our common stock upon conversion within the required timeframes. Additionally, the Company granted Typenex a warrant to purchase shares of the Company's common stock equal to \$30,000 divided by the Conversion Price; as such number may be adjusted from time to time pursuant to the terms of the Typenex Note. Accordingly, the warrant is included on the balance sheet as a warrant liability. As of June 30, 2017, accrued interest was \$31,435.

On March 3, 2017, the Company converted the payable of \$71,006 owed to TBG Holdings Corp. ("TBG") into a convertible promissory note. The note is due on September 3, 2017 and bears interest of 12%. The note is convertible with a 50% discount based on the prior 15 trading days lowest bid price. The note has a debt discount of \$71,006. As of June 30, 2017, \$46,022 has been amortized. As of June 30, 2017, accrued interest was \$2,801. See Note 5.

On March 3, 2017, the Company converted the payable of \$48,000 owed to R3 Accounting, LLC ("R3") into a convertible promissory note. The note is due on September 3, 2017 and bears interest of 12%. The note is convertible with a 50% discount based on the prior 15 trading days lowest bid price. The note has a debt discount of \$48,000. As of June 30, 2017, \$31,043 has been amortized. As of June 30, 2017, accrued interest was \$1,894. See Note 5.

On April 25, 2017, the Company executed a promissory note to TBG Holdings Corp. for \$150,000. The note matures on December 31, 2017. The note is non-interest bearing and the imputed interest is immaterial. The note is for services, both past and future, through April 2018. See Note 5.

NOTE 5 – RELATED PARTY TRANSACTIONS

On June 23, 2015, the Company engaged TBG to assist with debt restructuring, business development and advise the Company regarding financial matters, financial strategy, corporate strategic planning and public market awareness and to provide such other services as agreed by both parties. TBG provided the Company with a \$100,000 credit line. In exchange for their services, the Company agreed to pay TBG a first month's fee of \$25,000 and \$10,000 per month thereafter. Additionally, the Company agreed to issue TBG 40% of the then outstanding shares of common stock then outstanding subject to shareholder approval. On February 11, 2016, the Company and TBG amended their understanding to increase the shares to be issued to equal 60% of the then outstanding shares of common stock and to also issue 100% of the Series A preferred stock to TBG. Additionally, the existing officers and directors agreed to resign and appoint Timothy Hart ("Hart") as the new sole Director and sole Officer. TBG is owned, in part, by Hart. The issuance of the common stock and Series A preferred stock was not issued until January 6, 2017 and January 11, 2017, respectively. See Note 5.

On August 31, 2015, the Company, TBG and Harrison Holdings, LLC ("Harrison," collectively, the "Parties") entered into an agreement whereby Harrison will provide assistance with debt restructuring, business development and advise the Company regarding financial matters, financial strategy, corporate strategic planning and public market awareness and to provide such other services as agreed by both parties along with TBG. The Parties agreed to compensate Harrison by splitting the fees agreed to between TBG and the Company whereby each of Harrison and TBG will each receive an initial fee of \$12,500 and \$5,000 per month thereafter.

Beginning in September 2015, the Company entered into a sublease for the rent of office space with R3, a professional services firm owned by Hart. The lease is month-to-month with rent of \$3,000 due on the first of the month. The rent was charged through December 31, 2016.

On March 3, 2017, the Company converted the payable of \$71,006 owed to TBG Holdings Corp. ("TBG") into a convertible promissory note. The note is due on September 3, 2017 and bears interest of 12%. The note is convertible with a 50% discount based on the prior 15 trading days lowest bid price. The note has a debt discount of \$71,006. As of June 30, 2017, \$46,022 has been amortized. As of June 30, 2017, accrued interest was \$2,801. See Note 5.

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On March 3, 2017, the Company converted the payable of \$48,000 owed to R3 Accounting, LLC ("R3") into a convertible promissory note. The note is due on September 3, 2017 and bears interest of 12%. The note is convertible with a 50% discount based on the prior 15 trading days lowest bid price. The note has a debt discount of \$48,000. As of June 30, 2017, \$31,043 has been amortized. As of June 30, 2017, accrued interest was \$1,894. See Note 5.

On April 25, 2017, the Company executed a promissory note to TBG Holdings Corp. for \$150,000. The note matures on December 31, 2017. The note is non-interest bearing and the imputed interest is immaterial. The note is for services, both past and future, through April 2018. See Note 4.

NOTE 6 – STOCKHOLDERS' EQUITY

Preferred Stock

On September 2, 2015, the Company, with the approval of a majority vote of its Board of Directors, approved the filing of a Certificate of Designation establishing the designations, preferences, limitations and relative rights of the Company's Series A preferred stock (the "Series A Designation" and the "Series A Preferred Stock"). The terms of the Certificate of Designation of the Series A Preferred Stock, which was filed with the State of Nevada, include the right to vote in aggregate, on all shareholder matters equal to one vote per share of Series A Preferred Stock. The Series A Preferred Stock shares, in their aggregate, are convertible, in whole, at any time, into 60% of the then outstanding shares of common stock on a fully diluted basis at the time of the conversion. There are 5,000,000 shares of \$0.001 par value, Series A preferred stock.

On February 11, 2016, the Company and TBG amended their understanding to increase the shares to be issued to equal 60% of the then outstanding shares of common stock and to also issue 100% of the Series A preferred stock to TBG. The issuance of the 5,000,000 shares of Series A preferred stock was not issued until January 11, 2017. See Note 5.

Common Stock

The Company's common stock, with a par value of \$0.001, has 750,000,000 shares authorized.

On August 14, 2014, A1 Group, Inc. closed the Merger. Pursuant to the Merger, the Registrant issued A1 Vapors shareholders a total of 21,000,000 shares of common stock in exchange for 100% of the outstanding shares of A1 Vapors. Prior to the issuance of the 21,000,000 shares, the 21,000,000 shares were returned to treasury leaving the Registrant with 12,844,260 common shares outstanding prior to the Merger. As a result of the Merger and reverse merger accounting, 12,844,260 common shares were deemed issued pursuant to the Merger valued at \$342,231 in net liabilities assumed of A1 Group, Inc. and including a subscription receivable representing 272,336 common shares valued at \$60,850 and \$436,925 in liabilities.

On September 25, 2014, the Company received \$22,800 in Subscription receivables to issue 152,000 common shares through a private placement at \$0.15 per share. The shares have not yet been issued.

On October 6, 2014, the Company received \$27,200 in Subscription receivables to issue 181,333 common shares through a private placement at \$0.15 per share. The shares have not yet been issued.

On December 23, 2014, the Company issued 324,000 common shares in the conversion of \$32,400 of Convertible Promissory Notes and accrued interest at \$0.10 per share.

On September 2, 2015, the Company increased its \$0.001 par value common stock from 75,000,000 to 750,000,000 and established 5,000,000 shares of \$0.001 par value, Series A Preferred stock. The 5,000,000 shares of Series A Preferred stock is convertible, in whole, at any time, into 60% of the then outstanding shares of common stock on a fully diluted basis at the time of conversion.

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During the year ended December 31, 2015, the Company issued a net 145,380 shares of common stock due to finalizing the Merger.

The Company agreed to issue TBG 40% of the then outstanding shares of common stock then outstanding subject to shareholder approval. On February 11, 2016, the Company and TBG amended their understanding to increase the shares to be issued to equal 60% of the then outstanding shares of common stock to TBG. The issuance of the common stock was not issued until January 6, 2017. The shares issued were 51,740,460. See Note 5.

On February 1, 2017, the Company and TREC executed an exclusive North American Licensing and Distribution Agreement. As part of the agreement, TREC was issued 91,646,401 shares of common stock. The shares are anti-dilutive. See Note 3. The shares were valued at \$0.0085 per share, or \$769,830. As of March 31, 2017, the shares were classified as issuable. See Note 6.

On February 1, 2017, the Company entered into an agreement with Blue Comet, LLC ("Blue Comet") for business development and general consulting services for a period of one year. Blue Comet was issued 9,332,970 shares of common stock. The shares are anti-dilutive. The shares were valued at \$0.0085 per share, or \$78,397. As of March 31, 2017, the shares were classified as issuable.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of the date of this report, there were no pending or threatened lawsuits.

NOTE 8 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the financial statements were issued and filed. The Company has determined that there are no other such events that warrant disclosure or recognition in the financial statements.