

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Santeon Group Inc**



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Manassas, VA 20110

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www.santeon.com  
info@santeon.com  
SIC CODE: 3629

### **Annual Report** **For the Period Ending: December 31, 2018** **(the "Reporting Period")**

As of December 31, 2018, the number of shares outstanding of our Common Stock was: 7,648,072

As of September 30, 2018, the number of shares outstanding of our Common Stock was: 7,648,072

As of December 31, 2017, the number of shares outstanding of our Common Stock was: 1,943,072

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: ☒

<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 of the issuer and its predecessors (if any)

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

On August 16, 2010, the Company changed its name to Santeon Group Inc.  
On February 2, 2009, the Company changed its name to ubroadcast, Inc.  
On January 24, 2005, the Company changed its name to Diamond I, Inc  
On May 24, 2004, the Company changed its name to AirRover Wi-Fi Corp  
On August 15, 2003 the Company changed its name to Air-Q Wi-Fi Corp  
On April 4, 2002, the Company changed its name to Covenant Financial Corp.  
On June 22, 2000 the Company changed its name to HomeGate Corp.  
On October 19, 1988 the Company changed its name to Spartan Oil Corp.  
The Company was Originally Incorporated on January 5, 1988 as Oliver Owen Corporation.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

January 5, 1988, Delaware. The Company is currently active in the state.

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:

NA

## 2) Security Information

Trading symbol:	<u>SANT</u>	
Exact title and class of securities outstanding:	<u>COMMON</u>	
CUSIP:	<u>80288B209</u>	
Par or stated value:	<u>\$.001</u>	
Total shares authorized:	<u>50,000,000</u>	as of date: <u>December 31, 2018</u>
Total shares outstanding:	<u>7,648,072</u>	as of date: <u>December 31, 2018</u>
Number of shares in the Public Float <sup>2</sup> :	<u>997,012</u>	as of date: <u>December 31, 2018</u>
Total number of shareholders of record:	<u>129</u>	as of date: <u>December 31, 2018</u>

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

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____

### Transfer Agent

Name: Securities Transfer Corp.  
Phone: (469) 633-0101  
Email: \_\_\_\_\_

<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.

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

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

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

None

### 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:  Opening Balance Date <u>12.31.17</u> Common: <u>1,943,072</u> Preferred: <u>0</u>			*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.
<u>05/09/2018</u>	<u>Issuance</u>	<u>185,000</u>	<u>Common</u>	<u>\$3,700</u>	<u>No</u>	<u>Six-Twenty Capital Management, LLC</u> <u>Jason Sunstein</u>	<u>Consulting Agreement 2016</u>	<u>Restricted</u>	<u>Section 4(2)</u>
<u>07/20/2018</u>	<u>Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>\$250K</u>	<u>No</u>	<u>Corum, LLC</u> <u>Karim Abdelghany</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>Section 4(2)</u>
<u>08/13/2018</u>	<u>Issuance</u>	<u>520,000</u>	<u>Common</u>	<u>\$25,000</u>	<u>No</u>	<u>Karim Gamal</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Section 4(2)</u>
Shares Outstanding on Date of This Report:  Ending Balance: Date <u>12/31/2018</u> Common: <u>7,648,072</u> Preferred: <u>0</u>									

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

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

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

## B. Debt Securities, Including Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
12/31/2018	\$70,000.	\$70,000.	—	March 31, 2017	25% Discount	Karim Gamal	Loans

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

## 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: Ashraf Rofail

Title: CEO

Relationship to Issuer: OFFICER

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 Changes in Shareholders' 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.

<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.

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.

**Attached hereto.**

## **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")**

Santeon Group, Inc. ("Santeon", the "Company" or "we" or "our") is a diversified software products and services company specializing in the transformation and optimization of business performance through the deployment or the development of innovative products and services using Agile methods across the commercial, government and consumer sectors. Our innovative products and services enable organizations to optimize performance and maximize value. Our clients include state and local governments, federal agencies and numerous private sector customers.

While our roots are in healthcare, our name means health ("santé" is French for health), we have expanded into a more horizontal solution offering carrying the same principals of building a "healthy" organization. Whether we are building solutions for commercial, government or consumers, the overall performance and health of the organization and how they benefit from our products and services is of the utmost importance.

**B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference**

The Company's principal holdings include a 100% equity interest in Corum LLC, a Delaware limited liability company. The Company reports the results of its operations on a consolidated basis.

**C. Describe the issuers' principal products or services, and their markets**

Innovation forward is the mindset that drives our product development, service delivery and the solutions we offer our customers. We approach each business opportunity with an open mind and creativity. We are always looking for what is best, not what is traditional or common. We strongly believe our innovation is what sets us apart from our competition and what will set our customers apart from their competition. We continually look ahead at what is of long-term value. We are agile in our thinking but focused in our execution. We are not chasers of what is trendy or what is buzz, we are evaluators of what is sustainable and reliable. Innovation is what drives our business and forward is where we are moving. We are focused on two specific aspects of our operations, specifically securing, and growing the current client base and revenue, as well as new sales through both direct and in-direct sales channels.

It is important that the Company's technology offerings are scalable, easy to implement, attract market leading channel partners, and provide tremendous value for the end customer. We continue to refine our technology assets, making them easier to deploy through partners into targeted vertical markets. Over the past two years, in spite of difficult global financial circumstances and an exceptionally soft business climate, the Company was able to acquire large enterprise customers as well as federal government agencies. As we continue to innovate in new products and services, the Company expects new revenue opportunities to emerge.

## **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.

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 maintains office space at 9108 Church Street, Suite 292, Manassas, VA 20110, with branch offices in Cairo Egypt, and Chennai, India.

## 7) 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, regardless of the number of shares they own. **If any 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 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/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Ashraf Rofail</u>	<u>President, CEO</u>	<u>McLean, VA</u>	<u>5,008,561</u>	<u>Common</u>	65.4%	
<u>*Corum LLC</u>	<u>Shareholder</u>	<u>Wilmington, DE</u>	<u>1,000,000</u>	<u>Common</u>	<u>13%</u>	<u>*Karim Gamal</u> <u>300 Delaware Ave</u> <u>#210-A</u>
<u>*Six Twenty Capital Management, LLC</u>	<u>&gt;5%</u>	<u>San Diego, CA</u>	<u>520,000</u>	<u>Common</u>	<u>6.8%</u>	<u>Jason Sunstein</u>  <u>1501 India St #103102</u> <u>San Diego, CA 92110</u>

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons 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

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

None

## 9) Third Party Providers

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

### Securities Counsel

Name: Andrew Coldicutt  
Firm: Law Office of Andrew Coldicutt, Esq  
Address 1: 1220 Rosecrans Street, PMB 258  
Address 2: San Diego, CA 92106  
Phone: (619) 228-4970  
Email: andrew@coldicuttlaw.com

### Accountant or Auditor

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

### 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, 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: \_\_\_\_\_

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).

The certifications shall follow the format below:

I, Ashraf Rofail certify that:

1. I have reviewed this Annual Disclosure Statement of Santeon 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.

October 22, 2020

/s/ Ashraf Rofail, President and CEO

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

*Principal Financial Officer:*

I, Ashraf Rofail certify that:

1. I have reviewed this Annual Disclosure Statement of Santeon 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.

October 22, 2020, 2020

/s/ Ashraf Rofail, CFO

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





## CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

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# Santeon Group Inc

## Consolidated Financial Statements

### Balance Sheet

Twelve Months Ending December. 31,2018

	<u>Dec 31, 18</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	575
Accounts Receivable	24,176
Other Current Assets	<u>6,183</u>
Total Current Assets	30,934
Fixed Assets	0
Other Assets	
Tax. Accumulated Amortization	<u>-9,890</u>
Total Other Assets	<u>-9,890</u>
<b>TOTAL ASSETS</b>	<b><u>21,044</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	1,306,905
Long Term Liabilities	
Notes Payable	
Investment Note K Gamal	123,555
Note Payable Ashraf Rofail	<u>161,370</u>
Total Notes Payable	<u>284,925</u>
Total Long Term Liabilities	<u>284,925</u>
Total Liabilities	1,591,830
Equity	
Common Stock - Par Value	1,943
Additional Paid in Capital	864,177
Additional Paid In Capital-Stoc	60,465
Retained Earnings	2,529,686
Treasury Stock	-35,200
Net Income	<u>67,515</u>
Total Equity	<u>1,570,786</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>21,044</u></b>

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

# Santeon Group Inc. Consolidated Financial Statements

## Profit & Loss Statement

Twelve Months Ending December 31, 2018

	<u>Jan - Dec 18</u>
Ordinary Income/Expense	
Income	378,805
Cost of Goods Sold	<u>138,592</u>
Gross Profit	240,213
Expense	
General Administrative Expenses	70,084
Depreciation Expense	1,484
Marketing & Bus Development	21,571
Professional Fees	55,821
Travel & Entertainment	<u>27,133</u>
Total Expense	<u>176,093</u>
Net Ordinary Income	64,120
Other Income/Expense	
Other Expense	
Amortization Expense	9,890
Other Expense	<u>-13,285</u>
Total Other Expense	<u>-3,395</u>
Net Other Income	<u>3,395</u>
Net Income	<u><u>67,515</u></u>

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

**Santeon Group Inc.**  
**Consolidated Financial Statements**  
**Statement of Cash Flows**  
January through December 2018

	<u>Jan – Dec 2018</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	67,515
Adjustments to reconcile Net Income to net cash provided by operations:	17,792
Net cash provided by Operating Activities	17,792
<b>INVESTING ACTIVITIES</b>	
Computer & Equipment: Original Cost	-1,484
Computer & Equipment: Accumulated Depreciation	1,484
Tax. Accumulated Amortization	<u>9,890</u>
Net cash provided by Investing Activities	9,890
<b>FINANCING ACTIVITIES</b>	
Loan From Officer - Short Term	1,331
Investment Note K Gamal	123,555
Treasury Stock	-35,200
Converted Note K Gamal	<u>-123,555</u>
Net cash provided by Financing Activities	<u>-33,869</u>
Net cash increase for period	-6,187
Cash at beginning of period	<u>6,763</u>
Cash at end of period	<u><u>575</u></u>

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

# **Santeon Group Inc.**

## **Consolidated Financial Statements**

### **CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

**For the Year ended December 31, 2018**

	<b>12/31/2017</b>	<b>12/31/2018</b>
<b>Common Stock (Shares outstanding 7,648,072)</b>	\$1,943	\$1,943
<b>Paid-in Capital</b>	\$864,177	\$864,177
<b>Net Income</b>	(\$194,295)	\$67,515
<b>Total Equity</b>	(\$1,661,964)	(\$1,694,341)
 <b>Balance Common Shares at June 30, 2018</b>	 1,943,072	
<b>Balance Common Shares at December 31, 2017</b>	1,943,072	

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

**SANTEON GROUP INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2018**

(Unaudited)

**Note 1. Nature and Summary Significant Accounting Policies**

***Nature of Company***

Santeon Group Inc. (“SGI” or the “Company”), a publicly traded Delaware corporation formerly known as Ubroadcast, Inc. (“ubroadcast”), originally formed as a Nevada corporation that was reincorporated under the laws of the State of Delaware in 2009. The Registrant’s subsidiary, SI Acquisitions, Inc., consummated a reverse merger transaction on May 12, 2010 with Santeon, Inc., a privately held Delaware corporation formed in 2001, the accounting acquirer. Upon completion of the reverse merger transaction, the Registrant changed its name to Santeon Group Inc. and the historical financial statements are those of Santeon, Inc., the surviving entity and accounting acquirer. All references that refer to (the “Company” or “SGI” or “we” or “us” or “our”) are Santeon Group Inc., the Registrant, and its wholly owned subsidiaries unless otherwise differentiated. We are a diversified software development and services company specializing in the development of software to facilitate business process management (“BPM”) and document management for the healthcare, environmental/energy, and media sectors. We offer innovative software solutions for that enable organizations to optimize performance and maximize their revenues. Our clients include state and local governments, federal agencies and numerous private sector customers.

Our corporate offices are located in Manassas, Virginia with branch offices in Cairo, Egypt and Chennai, India.

**Basis of Consolidation**

As of December 31, 2018, the Company had one wholly owned subsidiary: Santeon, Inc. with Santeon Egypt and Santeon India Pvt. Ltd. operating as branch offices under Santeon, Inc. The unaudited condensed consolidated financial statements include our accounts and the accounts of our wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2. Software and Software Under Development**

The primary business of the Company is to provide technology products and services that enable organizations to optimize performance and maximize revenues through its BPM software products and services. A substantial number of the employees of the Company are engaged in the development of and further enhancement of the Company’s BPM and IPTV software platforms. The products and services enabled by these software platforms are ultimately sold to customers for their personal use or to partners who then in turn sell the services to their customers.

**Note 3. Notes Payable**

As of December 31, 2018, and December 31, 2017, the Company had outstanding notes payable as follows:

	<b>December 31, 2017</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	
10.00% Unsecured Convertible Note – K Gamal	\$123,555	\$123,555
10.00% Unsecured Note A. Rofail	\$195,461	\$294,925
Total Notes Payable	\$319,016	\$418,480

#### **Note 4. Stockholders' Equity**

##### **Common Stock**

Par Value per Share \$.001

Total Shares Authorized 50,000,000

Total Shares Outstanding 7,648,072

The Company's unaudited condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, which require management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, net revenue, if any, and expenses, and the disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Senior management has discussed the development, selection and disclosure of these estimates with the Board of Directors. Management believes that the accounting estimates employed, and the resulting balances are reasonable; however, actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the consolidated financial statements. Management believes the following critical accounting policies reflect the significant estimates and assumptions used in the preparation of the Consolidated Financial Statements.

##### **Revenue Recognition**

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products and/or services delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not yet been delivered and/or service has not yet been rendered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered and/or service rendered or no refund will be required. ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arrangements ("ASC 605-25"). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing 605-25 on our consolidated financial position and results of operations was not significant.

The Company's sources of revenues include: (1) customized software development, which includes software systems support revenues and are recognized when completed and invoiced to the customer; and (3) software license fees, which includes sales of licenses to use or re-sell pre-existing software, including client consulting, either on a fixed fee or a per end-user fee arrangement and are recognized over the term that the license for use is granted to the customer (one month, one year, etc.).

##### **Cost of Revenue**

The Company accounts for the direct costs of revenue as Cost of Revenue ("COR"). These include, software purchased for resale, the cost of producing and printing training materials, the cost of Agile training professionals, and the labor cost of software developers whose sole job responsibility is developing and supporting software for resale to our customers.

The Company believes the software products developed by its software developers has a significant useful life and thus amortizes the capitalized labor cost of the software developers ("Capitalized Labor") over a five-year period. The Capitalized Labor amortization expense is reflected in the COR line of the consolidated statements of operations. The Company undertakes to periodically evaluate the net carrying value of the Capitalized Labor and resulting amortization expense to determine if the net present value of future cash flows as per ASC 985-20, Software-Costs of Software to be Sold, Leased or Marketed.

##### **Cash**

The Company considers cash to consist of cash on hand and temporary investments having an original maturity of 90 days or less that are readily convertible into cash.

## Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying amount reported in the consolidated balance sheets for accounts receivables, accounts payable and accrued expenses and notes payable approximate fair value because of the immediate or short-term maturity of these financial instruments.

The Company uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. In accordance with Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), the Company groups its assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value.

## Stock-Based Compensation

We account for stock, stock options and warrants using the fair value method promulgated by Accounting Standards Codification subtopic 480-10, Distinguishing Liabilities from Equity ("ASC 480-10") which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Therefore, our results include non-cash compensation expense as a result of the issuance of stock, stock options and warrants and we expect to record additional non-cash compensation expense in the future. We follow Accounting Standards Codification subtopic 718-10, Compensation ("ASC 718-10") which requires that all share-based payments to both employees and non-employees be recognized in the income statement based on their fair values.

## Impairment of Long-Lived Assets

The Company follows ASC 360, "Property, Plant and Equipment" which requires that long-lived assets and certain identifiable intangibles held and used by us be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of the long-lived assets and certain identifiable intangibles will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less disposal costs.

## Newly Issued Accounting Standards

There have been 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 consolidated financial position, results of operations or cash flows.

## Our Capital Needs

Based on contracts in hand and current customer prospects, the Company believes it will be able to sustain and potentially increase its current level of operations in the coming months. We also anticipate that our relatively low level of capital needs will be met through cash generated from operations; however, to achieve our business objectives, we may require additional funding through bank loans, the sale of shares for cash and other fund-raising methods. To date, we have not received a commitment for capital in any amount and we cannot assure you that we will be able to obtain any capital.

## Limitations on Effectiveness of Controls and Procedures

The management does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no



assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

#### **Note 5. Subsequent Events**

We evaluated subsequent events after the balance sheet date through the date the financial statements were issued. We did not identify any additional material events or transactions occurring during this subsequent event reporting period that required further recognition or disclosure in these financial statements.