

LABOR SMART, INC.
SUPPLEMENTAL REPORT
SUBSEQUENT EVENTS

June 6, 2025

Sale of Subsidiary

On June 3, 2025, LTNC and its wholly-owned subsidiary Next Gen Distribution, LLC, entered into agreements wherein LTNC sold all rights, title, and interest in Creager Mercantile Co. (A Denver Corporation (doing business as Creager Business Depot) by way of a share purchase agreement with Prima Verde, LLC (A Nevada Limited Liability Company). LTNC was the owner of 100% of the shares of Creager at the time of the agreements. Prima Verde has purchased all 100% of the shares owned by LTNC. Creager has resigned from the board of LTNC. In consideration of the funds still owed to Creager from the original share purchase, LTNC will issue Creager one hundred and fifty million (150,000,000) restricted common or equivalent preferred shares of LTNC.

Next Gen Distribution, LLC has simultaneously purchased all assets and equipment at a Florida bottling facility and will assume its lease obligation. The equipment has an approximate value of \$2,000,000.

The purchase accounting adjustments associated with the Creager purchase will be recorded in the current quarter ending June 30, 2025.

The Board of Directors of LTNC feel it is in the best interest of the shareholders to effectuate these deals and are moving forward with immediate sales of its products from the Florida Facility, capitalizing on its most recent licensing agreement, which will be announced in the coming days.