

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Santeon Group Inc



9108 Church Street
Manassas, VA 20108

703-970-9200
<https://www.santeon.com/>
info@santeon.com
SIC Code 3629

Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

7,648,072 as of December 31, 2022

7,648,072 as of December 31, 2021

Shell Status

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "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.

Yes: ☐ No: ☒

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

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

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.

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

January 5, 1988, Delaware - the company is currently active in the state.

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

NA

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

NA

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

9108 Church Street, Suite 292, Manassas, VA 20108

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

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

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation

Phone: (469) 633-0101

Email: NA

Address: _____

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

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, 2022</u>
Total shares outstanding:	<u>7,648,072</u>	as of date: <u>December 31, 2022</u>
Number of shares in the Public Float ² :	<u>997,012</u>	as of date: <u>December 31, 2022</u>
Total number of shareholders of record:	<u>134</u>	as of date: <u>December 31, 2022</u>

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

Trading symbol:	<u>NA</u>	
Exact title and class of securities outstanding:	<u> </u>	
CUSIP:	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	as of date: <u> </u>
Total shares outstanding:	<u> </u>	as of date: <u> </u>
Total number of shareholders of record:	<u> </u>	as of date: <u> </u>

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>NA</u>	
CUSIP (if applicable):	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	as of date: <u> </u>
Total shares outstanding (if applicable):	<u> </u>	as of date: <u> </u>
Total number of shareholders of record (if applicable):	<u> </u>	as of date: <u> </u>

Exact title and class of the security:	<u> </u>	
CUSIP (if applicable):	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	as of date: <u> </u>

² "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.

Total shares outstanding (if applicable): _____ as of date: _____
 Total number of shareholders of record
 (if applicable): _____ as of date: _____

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

One vote per share, dividends, when, and if, declared by Board of Directors. No other rights or privileges

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

____ NA _____

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

____ NA _____

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

____ NA _____

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance _____ Date _____ Common: _____ Preferred: _____	*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. *You must disclose the control person(s) for any entities listed.	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.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:									
Ending _____ Balance									
Ending Balance:									
Date _____ Common: _____ Preferred: _____									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through June 30, 2022 pursuant to the tabular format above.

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

NA

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
12/31/2018	\$70,000.	\$70,000.	NA	March 31, 2017	25% Discount	Karim Gamal	Loans
_____	_____	_____	_____	_____	_____	_____	_____

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

NA

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

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 ("sant  " 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. List any subsidiaries, parent company, or affiliated companies.

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.

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 technological 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.

5) Issuer's Facilities

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

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

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

The Company maintains office space at 9108 Church Street, Suite 292, Manassas, VA 20110, and 11654 Plaza America Drive, Reston, VA 20190, with branch offices in Cairo Egypt, and Chennai, India.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Ashraf M. Rofail</u>	<u>President, CEO</u>	<u>McLean, VA</u>	<u>5,008,561</u>	<u>Common</u>	<u>65.4%</u>	_____
<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 #210-</u> <u>A</u>
<u>*Six Twenty Capital Management, LLC</u>	<u>>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>

7) Legal/Disciplinary History

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

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

NA

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.

NA

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

NA

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.

NA

- 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.

NA

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: William B Barnett
Firm: Barnett & Linn, Attorneys at Law
Address 1: 60 Kavenish Drive
Address 2: Rancho Mirage, CA 92270
Phone: (442) 274-7571
Email: wbarnett@wbarnettlaw.com

Accountant or Auditor

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

Investor Relations

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

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

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

- ☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)³:

Name: Ashraf M Rofail
Title: CEO
Relationship to Issuer: Self

Describe the qualifications of the person or persons who prepared the financial statements: CEO

Provide the following financial statements 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.

- Audit letter, if audited.
- Balance Sheet.
- Statement of Income.
- Statement of Cash Flows.
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

³ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

I, Ashraf M Rofail certify that:

1. I have reviewed this Disclosure Statement for 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.

05/11/2023 [Date]

/s/ Ashraf M Rofail [CEO's Signature]

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

Principal Financial Officer:

I, [identify the certifying individual] certify that:

1. I have reviewed this Disclosure Statement for [identify issuer];
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.

_____ [Date]

_____ [CFO's Signature]

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



CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

INDEX TO THE CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS (Unaudited)

	<u>Page</u>
Consolidated Financial Statements:	
Consolidated Balance Sheets on December 31, 2022	12
Consolidated Statement of Operations for the year ended December 31, 2022	13
Consolidated Statement of Cash Flows for the year ended December 31, 2022	14
Consolidated Statement of Stockholders' Equity for the year ended December 31, 2022	15
Notes to the Condensed Consolidated Financial Statements	17

Santeon Group Inc
Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	311
Accounts Receivable	79,730
Other Current Assets	275,000
Total Current Assets	355,041
Fixed Assets	
Other Assets	0
Assets	75,022
TOTAL ASSETS	<u>430,063</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	632,665
Long Term Liabilities	
Notes Payable	
Investment Note K Gamal	123,555
Ashraf Rofail	345,246
Total Notes Payable	468,801
Total Long-Term Liabilities	468,801
Total Liabilities	1,101,466
Equity	
Common Stock - Par Value	7,648
Additional Paid in Capital	858,472
Additional Paid in Capital-Stock	60,465
Retained Earnings	-1,685,626
Treasury Stock	-47,700
Net Income	135,337
Total Equity	-671,404
TOTAL LIABILITIES & EQUITY	<u>430,062</u>

Santeon Group Inc
Statement of Operations
January through December 2022

	<u>Jan - Dec 22</u>
Ordinary Income/Expense	
Income	
Client Service & Agile Training	326,658
Software Development	<u>1,388,160</u>
Total Income	1,714,818
Cost of Goods Sold	
Egypt Office Cost	<u>1,282,012</u>
Total COGS	<u>1,282,012</u>
Gross Profit	432,806
Expense	
Guaranteed Payment CEO	26,500
General Administrative Expenses	214,522
Marketing & Bus Development	11,843
Professional Fees	24,134
Travel & Entertainment	<u>16,673</u>
Total Expense	<u>293,672</u>
Net Ordinary Income	139,134
Other Income/Expense	
Other Income	13,080
Other Expense	<u>16,877</u>
Net Other Income	<u>-3,797</u>
Net Income	<u><u>135,337</u></u>

Santeon Group Inc
Statement of Cash Flows
January through December 2022

	<u>Jan - Dec 22</u>
OPERATING ACTIVITIES	
Net Income	135,337
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable-Customers	-6,691
Accounts Payable	1,786
Payroll Liabilities-Long Term	-38,229
Makary Settlement Liability	-27,507
Accrued Liability 401K Suro	-14,003
Due to Ilerra	<u>10,705</u>
Net cash provided by Operating Activities	61,398
INVESTING ACTIVITIES	
Tax. Accumulated Amortization	<u>9,890</u>
Net cash provided by Investing Activities	9,890
FINANCING ACTIVITIES	
Notes Payable: Ashraf Rofail	<u>-102,585</u>
Net cash provided by Financing Activities	<u>-102,585</u>
Net cash increase for period	-31,297
Cash at beginning of period	<u>31,607</u>
Cash at end of period	<u><u>310</u></u>

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Santeon Group Inc.
Statement of Stockholders' Equity
(Unaudited)

	Common Stock		Additional Paid in Capital	Treasury Stock	Retained	Total Stock Holders Equity
Balance as of:					164,822	
12/31/2020	50,000,000	7,648	918,937	(47,700)	(1,853,140)	(974,255)
Balance as of:					94,594	
3/31/2021	50,000,000	7,648	918,937	(47,700)	(1,947,734)	(1,068,849)
Balance as of:					(320,241)	
6/30/2021	50,000,000	7,648	918,937	(47,700)	(1,627,493)	(748,607)
Balance as of:					1,857,735	
9/30/2021	50,000,000	7,648	918,937	(47,700)	(1,857,735)	(978,849)
Balance as of:					(182,480)	
12/30/2021	50,000,000	7,648	918,937	(47,700)	(1,675,255)	(796,369)
Balance as of:					(3,141,726)	
3/31/2022	50,000,000	7,648	918,937	(47,700)	1,466,471	2,345,357
Balance as of:					44,864	
6/30/2022	50,000,000	7,648	918,937	(47,700)	1,421,607	2,300,493
Balance as of:					(130,255)	
9/30/2022	50,000,000	7,648	918,937	(47,700)	1,551,862	2,430,748
Balance as of:					1,573	
12/31/2022	50,000,000	7,648	918,937	(47,700)	1,550,289	2,429,175

SANTEON GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ending December 31, 2022

(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 Reston, VA, Cairo, Egypt and Chennai, India.

Basis of Consolidation

As of December 31, 2022, 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, 2020, and March 31, 2022, the Company had outstanding notes payable as follows:

	<u>Sep 30, 2022</u>		<u>Dec 31, 2022</u>
		(Unaudited)	
10% Unsecured Convertible Note - K. Gamal	\$ 123,555	\$	123,555
10% Unsecured Note Ash Rofail	\$ 324,115	\$	345,246
	<hr/>		
Total Notes Payable	\$ 447,670	\$	690,761

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 receivable, accounts payable and accrued expenses and notes payable is of 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.