

SMART CANNABIS CORP.

an Oklahoma corporation
25422 Trabuco Road
Suite 105-297
Lake Forest, CA 92630

(949) 689-062
office@itonisholdings.com
SIC Code 5499

Annual Report

(corrected)

For the period ending: December 31, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

5,050,739,173 as of December 31, 2023 [Current Reporting Period Date or More Recent Date]

4,903,739,173 as of December 31, 2022 [Most Recent Completed Fiscal Year End]

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 Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

The name of the Issuer is Smart Cannabis Corp.

The Company was incorporated in the State of Georgia on August 2, 2005 under the name Nano FM, Inc. On August 24, 2005, Nano FM, Inc. filed Articles of Amendment with the Secretary of State of Georgia changing its corporate name to Crescent Hill Capital Corporation ("CHCC").

On November 5, 2013, CHCC implemented a domicile change from Georgia to Oklahoma by merging into Crescent Hill Capital Corporation, an Oklahoma corporation. On November 5, 2013, CHCC completed the domicile change from Georgia to Oklahoma by filing a Certificate of Merger with the Oklahoma Secretary of State.

On November 5, 2013, Definitive Rest Mattress Company, a California corporation, and the owners of 100% of its issued and outstanding stock, and Definitive Rest (OK), entered into a Share Exchange Agreement, wherein all the shares of Definitive Rest (CA) were exchanged for 45,780,000 restricted shares of Definitive Rest (OK). As a part of the transaction, the shareholders of Definitive Rest (CA) acquired a controlling interest in the Company

On March 10, 2016, the Company changed its name to Zerez Holdings Corp. On August 30, 2017, the Company name was changed to Smart Cannabis Corp. The symbol changed from ZRZH to SCNA on September 5, 2017.

Current State and Date of Incorporation or Registration: Oklahoma, August 2, 2005

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None.

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

None.

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

None.

Address of the issuer's principal executive office:

25422 Trabuco Road, Suite 105-297, Lake Forest, California 92630

Address 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 Corp.
Phone: (469) 633-0101
Email: smith@stctransfer.com
Address: 2901 Dallas Parkway, #380, Plano, TX 75093

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>SCNA</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>83186E101</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>10,000,000,000</u>	as of date: Dec 31, 2023.
Total shares outstanding:	<u>5,050,739,173</u>	as of date: Dec 31, 2023.
Total number of shareholders of record:	<u>80</u>	as of date: Dec 31, 2023.

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer. None.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

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 that do not have a trading symbol). 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>Preferred, Series A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>50,000,000</u>	as of date: Dec 31, 2023.
Total shares outstanding:	<u>400,000</u>	as of date: Dec 31, 2023.
Total number of shareholders of record:	<u>1</u>	as of date: Dec 31, 2023.

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities. None.

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:** Holders of common stock shares are entitled to vote at any meeting of stockholders as allowed by law. The corporation has not declared or authorized any dividends or preemption rights.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.** The corporation has authorized a Series "A" Preferred Stock. The corporation has not declared or authorized any dividends or sinking fund, or any conversion or redemption rights.

Voting: Each share of Series A Preferred Stock entitles the holder to the equal to the greater of (i) Five Thousand (5,000) votes for each share of Series A Preferred Stock or (ii) the number of votes equal to the number of all outstanding shares of Common Stock, plus one additional vote such that the holders of Series A Preferred Stock shall always constitute a majority of the voting rights of the corporation.

Liquidation Rights: Upon the dissolution, liquidation or winding up of the corporation, the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive out of the assets of the corporation the sum of \$0.001 per share before any payment or distribution shall be made on any other class of capital stock of the Company ranking junior to the Series A Preferred Stock.

Conversion or Redemption: Each share of Series A Preferred Stock has no conversion or redemption rights.

Sinking Fund: None.

3. **Describe any other material rights of common or preferred stockholders.** No other.

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.** None.

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 for the two most recently completed fiscal years and any subsequent period.

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 <u>Opening Balance:</u> Date <u>11/30/2019</u> Common: <u>4,903,739,173</u> Preferred: <u>400,000</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	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for	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.

					issuance? (Yes/No)	any entities listed.			
<u>3/29/23</u>	<u>New issuance</u>	<u>147 million</u>	<u>common</u>	<u>\$0.0017</u>	<u>No.</u>	<u>Itonis, Inc. (CEO Mark Cheung)</u>	<u>Purchase of Emesyl Plus</u>	<u>Restricted</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>12/31/2023</u>	Common: <u>5,050,739,173</u> Preferred: <u>400,000</u>								

Example: A company with a fiscal year end of December 31st 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above: None.

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.)
<u>_____</u>	<u>_____</u>	<u>Please see attached Chart "B"</u>				<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above: None.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. 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")

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders

and successful enterprises in various market niches. In March 2023, the Company issued restricted common stock shares to acquire all rights to Emesyl Plus, a homeopathic anti-nausea nasal spray, including manufacturing and selling rights.

B. List any subsidiaries, parent company, or affiliated companies. None.

C. Describe the issuers' principal products or services.

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches. In March 2023, the Company issued restricted common stock shares to acquire all rights to Emesyl Plus, a homeopathic anti-nausea nasal spray, including manufacturing and selling rights.

5) Issuer's Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

None. Issuer is in process of locating new facilities.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	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>Mark Cheung</u>	<u>CEO, CFO</u> <u>Secretary, Director</u>	<u>Lake Forest, CA</u>	400,000	<u>Preferred</u>	<u>100% of outstanding</u>	_____
_____	_____	_____	_____	_____	_____	_____

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

- A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:
1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations); None.
 2. Been the subject of 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, financial- or investment-related, insurance or banking activities; None.
 3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated; None.
 4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or None.
 5. Been the subject 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.
 6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail. 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 to 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. The Company is in litigation pertaining to a \$25,000 convertible promissory note and related issues. The Company is seeking to void the note while the defendants are seeking to enforce said note. The litigation commenced on January 6, 2017 and is pending in the U.S. District Court for the District of Connecticut. The Company believes that it will prevail in this litigation.

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.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	<u>Mark Cheung</u>
Address 1:	<u>25422 Trabuco Road, Suite 105-297</u>
Address 2:	<u>Lake Forest, CA 92630</u>

Phone: _____
Email: markcheung@msn.com

Accountant or Auditor

Name: Jill Twombly (MBA)
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

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

All other means of Investor Communication:

X (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) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Mark Cheung
Title: CEO
Relationship to Issuer: CEO

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

- ☐ IFRS
☒ U.S. GAAP

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

Name: Jill Twombly
Title: Accountant
Relationship to Issuer: Outside retained accountant

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Jill Twombly has an MBA degree in Finance, has over 30 years of experience in corporate accounting and public company financials.

Provide the following qualifying financial statements:

- 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

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer and Chief Financial Officer:

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

The certifications shall follow the format below:

I, Mark Cheung, certify that:

1. I have reviewed this Disclosure Statement for Smart Cannabis Corp.;
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.

April 26, 2024 [Date]

/s/ Mark Cheung [CEO's & CFO's Signature]

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

⁵ 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.

CHART "B" -- Note Schedule December 31, 2023 (Convertible Notes)

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	Reason for Issuance (e.g. Loan, Services, etc.)
5/10/2014	\$39,116.44	\$25,000.00	\$14,116.44	5/10/2015	conv at par	CZA -Charles Abujudah	Loan
7/11/2014	\$3,869.18	\$2,500.00	\$1,369.18	7/11/2015	conv at par	CZA -Charles Abujudah	Loan
7/11/2014	\$23,215.07	\$15,000.00	\$8,215.07	7/11/2015	conv at par	Steve Pidliskey	Loan
4/20/2015	\$60,982.41	\$41,480.77	\$19,501.64	4/19/2016	conv at par	Abraham Abu	Loan
7/11/2015	\$7,238.36	\$5,000.00	\$2,238.36	7/10/2016	conv at par	CZA -Charles Abujudah	Loan
7/11/2015	\$7,238.36	\$5,000.00	\$2,238.36	7/10/2016	conv at par	CZA -Charles Abujudah	Loan
9/2/2015	\$7,165.75	\$5,000.00	\$2,165.75	9/1/2016	conv at par	CZA -Charles Abujudah	Loan
9/15/2015	\$7,147.95	\$5,000.00	\$2,147.95	9/14/2016	conv at par	Charles Abujudah	Loan
11/10/2015	\$63,641.10	\$45,000.00	\$18,641.10	11/9/2016	conv at par	Steve Pidliskey	Loan
4/6/2016	\$270,009.04	\$196,556.24	\$73,452.80	4/6/2017	conv at par	Abraham Abu	Loan
2/23/2018	\$112,594.52	\$95,000.00	\$17,594.52	2/23/2019	conv at par	CZA -Charles Abujudah	Loan
6/29/2018	\$12,657.53	\$11,000.00	\$1,657.53	6/29/2019	conv at par	CZA -Charles Abujudah	Loan
8/22/2018	\$113,589.04	\$100,000.00	\$13,589.04	8/22/2019	conv at par	CZA -Charles Abujudah	Loan
1/8/2019	\$11,000.00	\$11,000.00	\$1,075.89	1/8/2020	conv at par	CZA -Charles Abujudah	Loan
4/11/2019	\$35,000.00	\$35,000.00	\$2,531.51	4/10/2020	conv at par	CZA -Charles Abujudah	Loan
4/17/2019	\$29,500.00	\$29,500.00	\$2,085.21	4/16/2020	conv at par	CZA -Charles Abujudah	Loan
12/31/2019	\$12,670.10	\$12,670.00	\$0.00	6/30/2020	conv at par	Intermarket Assocs. - Charlie Abujudeh	Loan
7/30/2021	\$11,908.00	\$11,908.00	\$0.00	7/30/2022	50% discount	OC Sparkle/Abraham Abu	Loan
12/30/2022	\$46,935.41	\$46,935.41	\$0.00	12/30/2023	lesser of \$0.001 or 50% disc	Mark Cheung	Loan
3/31/2023	\$12,443.76	\$12,443.76	\$0.00	3/31/2024	lesser of \$0.001 or 50% disc	Mark Cheung	Loan
6/30/2023	\$6,160.00	\$6,160.00	\$0.00	6/30/2024	lesser of \$0.001 or 50% disc	Mark Cheung	Loan
12/29/2023	\$15,800.00	\$15,800.00	\$0.00	12/29/2024	lesser of \$0.001 or 50% disc	Mark Cheung	Loan
	\$909,882.01	\$732,954.18	\$182,620.33				

Smart Cannabis Corp.
Balance Sheet Unaudited Prev Year Comparison
As of December 31, 2023

	Dec 31, 23	Dec 31, 22	\$ Change	% Change
ASSETS	0.00	0.00	0.00	0.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Convertible Note Payable	639,707.00	639,707.00	0.00	0.0%
Due To Officer	411,205.00	328,471.00	82,734.00	25.19%
Interest Payable	310,560.00	310,560.00	0.00	0.0%
Total Other Current Liabilities	1,361,472.00	1,278,738.00	82,734.00	6.47%
Total Current Liabilities	1,361,472.00	1,278,738.00	82,734.00	6.47%
Total Liabilities	1,361,472.00	1,278,738.00	82,734.00	6.47%
Equity				
Additional Paid In Capital	4,291,225.00	4,291,225.00	0.00	0.0%
Common Stock	50,507.00	49,037.00	1,470.00	3.0%
Preferred Stock	4.00	4.00	0.00	0.0%
Retained Earnings	-5,619,004.00	-5,519,268.00	-99,736.00	-1.81%
Net Income	-84,204.00	-99,736.00	15,532.00	15.57%
Total Equity	-1,361,472.00	-1,278,738.00	-82,734.00	-6.47%
TOTAL LIABILITIES & EQUITY	0.00	0.00	0.00	0.0%

Smart Cannabis Corp.
Profit & Loss Prev Year Comparison
January through December 2023

	Jan - Dec 23	Jan - Dec 22	\$ Change	% Change
Ordinary Income/Expense				
Expense				
General & Administrative	8,100.00	10,800.00	-2,700.00	-25.0%
Legal Expense	15,500.00	0.00	15,500.00	100.0%
Officer Compensation	42,000.00	42,000.00	0.00	0.0%
Professional Fees	18,604.00	46,936.00	-28,332.00	-60.36%
Total Expense	84,204.00	99,736.00	-15,532.00	-15.57%
Net Ordinary Income	-84,204.00	-99,736.00	15,532.00	15.57%
Net Income	-84,204.00	-99,736.00	15,532.00	15.57%

Smart Cannabis Corp.

Statement of Cash Flows Unaudited

January through Dec
December 2023

	<u>Jan - Sept 23</u>	<u>Jan - Dec 22</u>	<u>\$ Change</u>	<u>% Change</u>
OPERATING ACTIVITIES				
Net Income	-84,204.00	-99,736.00	15,532.00	-15.57%
Adjustments to reconcile Net Income to net cash provided by operations:				
Due To Officer	<u>82,734.00</u>	<u>99,736.00</u>	<u>(17,002.00)</u>	<u>-17.05%</u>
Net cash provided by Operating Activities	-1,470.00	0.00		
FINANCING ACTIVITIES				
Common Stock	<u>1,470.00</u>	<u>0.00</u>	<u>1,470.00</u>	<u>100.00%</u>
Net cash provided by Financing Activities	<u>1,470.00</u>	<u>0.00</u>	<u>1,470.00</u>	<u>100.00%</u>
Net cash increase for period	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100.00%</u>
Cash at end of period	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>100.00%</u></u>

Smart Cannabis Corp. (SCNA)
Statement of Stockholders' Equity (Unaudited)
As of December 31, 2023

	Preferred Stock		Common Stock		Paid in Capital	Accum Earnings	Total Stockholders Equity
	Shares	Amount	Shares	Amount			
Balance on 12/31/2020	400,000	4	4,903,739,173	49,037	4,291,225	(5,312,065)	(971,799)
Net income (loss) 12/31/2021						(207,203)	(207,203)
Balance on 12/31/2021	400,000	4	4,903,739,173	49,037	4,291,225	(5,519,268)	(1,179,002)
Net income (loss) 3/31/2022						(16,872)	(16,872)
Net income (loss) 6/30/2022						(21,900)	(21,900)
Net income (loss) 9/30/2022						(25,496)	(25,496)
Net income (loss) 12/31/2022						(35,468)	(35,468)
Balance on 12/31/2022	400,000	4	4,903,739,173	49,037	4,291,225	(5,619,004)	(1,278,738)
Net income (loss) 3/31/2023			147,000,000	1,470		(25,644)	(24,174)
Net income (loss) 6/30/2023						(19,360)	(19,360)
Net income (loss) 9/30/2023						(13,200)	(13,200)
Net income (loss) 12/31/2023						(26,000)	(26,000)
Balance on 12/31/2023	400,000	4	5,050,739,173	50,507	4,291,225	(5,703,208)	(1,361,472)

Smart Cannabis Corp.
2023 Notes to Financial Statements
(Prepared by Management)

Note 1. Nature of Operations and Business Activity

Business Activity

Smart Cannabis Corp is an Oklahoma Corporation also registered in California. The Company acquired Next Generation Farming, Inc., a Nevada Corporation, on October 21, 2016, which operated as a wholly owned subsidiary. On October 1, 2021, the Company acquired Budding Botanicals, a sole proprietorship. The Company, however, exited both Next Generation Farming during 2019 and Budding Botanicals during 2020.

In March 2023, the Company issued restricted common stock shares to acquire all rights to Emesyl Plus, a homeopathic anti-nausea nasal spray, including manufacturing and selling rights

FINRA approved a name and symbol change for the Company on September 5, 2017.

The Company promotes intellectual property development, strategic alliances while looking for key acquisitions that can provide revenue and positioning in its target market.

Note 2. Summary of Significant Accounting Principals

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements' presentation

Principles of Consolidation

The accompanying consolidated financial statements include all the accounts of the Company including its wholly owned subsidiary Next Generation Farming, Inc. All intercompany balances and transactions have been eliminated.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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. Accordingly, actual results could differ from those estimates. Such estimates include management's assessments of the carrying value of certain assets, useful lives of assets, and related depreciation and amortization methods applied.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of six months or less are considered cash equivalents. The carrying value of these investments approximates fair value.

Accounts Receivable

Accounts receivable related to the products and services sold are recorded at the time revenue is recognized and are presented on the balance sheet net of allowance for doubtful accounts. The ultimate collection of the receivable may not be known for several months after services have been provided and billed.

The Company has established an allowance for doubtful accounts based upon factors pertaining to the credit risk of specific customers, analyses of current and historical cash collections, and the aging of receivables. Delinquent accounts are written-off when the likelihood for collection is remote and/or when the Company believes collection efforts have been fully exhausted and the Company does not intend to devote any additional efforts to collect the receivable. The Company adjusts their allowance for doubtful accounts balance on a quarterly basis.

Inventory

The Company's inventory consists of raw material valued under the FIFO method, stated and the lower of cost or market value and the specific identification method of finished goods when appropriate.

Property Plant, & Equipment

Property, plant, and equipment are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Expenditures for major additions and betterments are capitalized in amounts greater or equal to \$500. Depreciation of equipment is computed by the straight-line method (after considering their respective estimated residual values) over the assets estimated useful life of three (3), five (5), or seven (7) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Leasehold Improvements

Leasehold improvements are stated at cost less accumulated amortization. The Company records amortization using the straight-line method over the life of the lease, of which 4 years remain. Maintenance and repair costs are expensed as they are incurred while renewals and improvements which extend the useful life of an asset are capitalized. At the time of retirement or disposal of property and equipment, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

Income Taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the 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 enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”) with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Earnings (loss) Per Share

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

The Company considers the shares that would be issued for convertible debt at par value to be dilutive and has increased diluted shares outstanding by 80,944,528,685 for December 31, 2021, and 2020, respectively. The dilutive shares were not considered in the calculation of earnings per share as they were antidilutive.

Fair Value of Financial Instruments

The Company adopted the provisions of FASB ASC 820 (the “Fair Value Topic”) which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.

B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximates the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements.

Impairment of Intangible Assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, such as intellectual property are required to be reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of December 31, 2022 year end.

Commitments & Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition, the Company records allowances for accounts receivable that are estimated to not be collected.

Revenues sales contracts are recognized over the length of the contract term based upon percentage of completion. The difference between the gross cash receipts collected and the recognized revenue from those sales during the respective reporting period will appear as deferred revenue.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

Recent Accounting Pronouncements

Company management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3. Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Under current operations the Company requires capital for its operational and marketing activities to take place. The Company's ability to raise additional capital through the future issuances of common stock is unknown. Obtaining additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations.

While the Company is attempting to improve operations, and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations over the next year. Management intends to increase revenues and raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and increase revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan.

The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the company cannot continue in existence.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4. Common Stock

The Company had no stock transactions during the year ended December 31, 2022. During this fiscal year ending December 31, 2023, the Company issued 147 million shares of restricted Common Stock to acquire Emesyl Plus, an anti-nausea spray homeopathic product.

Note 5. Notes Payable and Convertible Notes Payable

Notes Payable and Convertible Notes payable balances were \$909,882.01 as of the end of this Reporting Period, which includes notes payable to Officers of the Issuer. All notes bear interest at 10% per annum and are convertible into the Company's common stock at par value.

Note 6. Acquisition of Budding Botanical

On October 1, 2019, the Company acquired Budding Botanicals a California based sole proprietorship that produces and sells CBD products. The acquisition was for the 1,500,000,000 shares of the company stock. The stock has not been issued as of the balance sheet date, so the Company recorded a share payable account to reflect the liability associated with the acquisition.

Following are the assets and liabilities exchanged. The Company reviewed the value of the Goodwill associated with the transaction and made no adjustment to the Goodwill acquired.

Acquisition of Budding Botanicals

Cash balances transferred	27,265
Inventory	56,234
Goodwill	606,501
Share Liability	(690,000)

The Company closed Budding Botanicals on December 31, 2020. The Company had a gain of \$3,821 on the closure. The shares for the acquisition were never issued.

Note 7. Income Taxes

The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, "*Income Taxes*", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred taxes arise from temporary differences in the recognition of certain expenses for tax and financial reporting purposes. As of this Reporting Period, the company had significant timing differences for tax reporting purposes for the non-cash recognition of liabilities due for committed shares in excess of authorized shares, shares issued for services, and shares issued for compensation. The expenses related to these liabilities are treated as permanent differences between financial and tax reporting.

As of this Reporting Period, management determined that realization of these loss carry forward benefits is not assured and has provided a valuation allowance for the entire amount of such benefits,

Note 8. Commitments and Contingencies

The Company is in litigation pertaining to a \$25,000 convertible promissory note and related issues. The Company is seeking to void the note while the defendants are seeking to enforce said note. The litigation commenced on January 6, 2017 and is pending in the U.S. District Court for the District of Connecticut. The Company believes that it will prevail in this litigation.

The Company settled a claim made by the prior CEO of Smart Cannabis in the amount of \$68,000 during 2021.