
TOMBOT INC

AUDITED FINANCIAL STATEMENTS YEARS ENDED JANUARY 31, 2024 AND 2023

(Expressed in US Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tombot, Inc
Santa Clarita, CA

Opinion

We have audited the financial statements of Tombot, Inc., which comprise the balance sheets as of January 31, 2024, and 2023, the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tombot, Inc. as of January 31, 2024, and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tombot, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Going Concern

As discussed in Note 15, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about Tombot, Inc.'s ability to continue as a going concern for a period of twelve months as of the date of this report.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tombot, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tombot, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

SetApart Accountancy Corp.

September 05, 2024
Los Angeles, California

TOMBOT INC.
BALANCE SHEETS

As of January 31,	2024	2023
(USD \$ in Dollars)		
ASSETS		
Current Assets		
Cash And Cash Equivalents	\$ 1,225,864	\$ 11,883
Prepays And Other Current Assets	38,584	23,217
Total Current Assets	1,264,448	35,100
Right Of Use Assets	48,705	76,829
Property And Equipment, net	1,658	6,890
Intangible Assets, net	40,781	25,723
Total Assets	\$ 1,355,592	\$ 144,542
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 21,909	\$ 41,523
Credit Cards	2,178	1,830
Accrued Expenses, current	2,600	2,600
Payroll Liabilities	51,679	113,495
Right Of Use Liabilities, current	29,531	26,924
Future Equity Obligations	229,514	40,168
Total Current Liabilities	337,411	226,540
Right Of Use Liabilities, non-current	20,974	50,505
Deferred Revenue	48,500	49,371
Total Liabilities	406,885	326,416
STOCKHOLDERS' EQUITY		
Common Stock	795	795
Preferred Stock	714	447
Additional Paid-In Capital	6,866,759	4,753,456
Subscriptions Receivable	(20,000)	-
Accumulated Deficit	(5,899,561)	(4,936,572)
Total Stockholders' Equity	948,707	(181,874)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,355,592	\$ 144,542

See accompanying notes to the financial statements

TOMBOT INC.
STATEMENTS OF OPERATIONS

For The Years Ended January 31,	2024	2023
(USD \$ in Dollars)		
Net Revenue	\$ -	\$ -
Cost Of Goods Sold		
Gross Profit/ (Loss)	-	-
Operating Expenses		
General And Administrative	880,521	1,062,940
Sales And Marketing	6,782	18,155
Research And Development	94,567	402,956
Total Operating Expenses	981,870	1,484,051
Net Operating Loss	(981,870)	(1,484,051)
Interest Income	19,681	459
Loss Before Provision For Income Taxes	(962,189)	(1,483,592)
Provision For Income Taxes	800	3,316
Net Loss	\$ (962,989)	\$ (1,486,908)

See accompanying notes to the financial statements

TOMBOT INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(USD \$ in Dollars)	Preferred Stock		Common Stock		Additional Paid-in Capital	Subscriptions Receivable	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance At January 31, 2022	526,583	\$ 53	7,947,020	\$ 795	\$ 777,225	\$ -	\$ (3,449,664)	\$ (2,671,591)
Stock-Based Compensation	-	-	-	-	23,822	-	-	23,822
Issuance Of Preferred Stock, net	3,939,332	394	-	-	3,952,409	-	-	3,952,803
Net Loss	-	-	-	-	-	-	(1,486,908)	(1,486,908)
Balance At January 31, 2023	4,465,915	\$ 447	7,947,020	\$ 795	\$ 4,753,456	\$ -	\$ (4,936,572)	\$ (181,874)
Stock-Based Compensation	-	-	-	-	23,570	-	-	23,570
Stock Subscriptions Receivable, net	-	-	-	-	-	(20,000)	-	(20,000)
Issuance Of Preferred Stock, net	2,675,715	267	-	-	2,089,733	-	-	2,090,000
Net Loss	-	-	-	-	-	-	(962,989)	(962,989)
Balance At January 31, 2024	7,141,630	\$ 714	7,947,020	\$ 795	\$ 6,866,759	\$ (20,000)	\$ (5,899,561)	\$ 948,707

See accompanying notes to the financial statements

TOMBOT INC.
STATEMENT OF CASH FLOWS

For The Years Ended January 31,	2024	2023
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss	\$ (962,989)	\$ (1,486,908)
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation	5,232	6,529
Amortization	1,000	1,000
Stock-Based Compensation	23,570	23,822
Changes In Assets And Liabilities:		
Prepaid Expenses And Other Current Assets		
Other Current Assets	(15,367)	7,385
Right Of Use Assets	28,124	(22,827)
Accounts Payable	(19,614)	29,875
Credit Cards	348	1,830
Accrued Expenses	-	(258,996)
Payroll Liabilities	(61,816)	113,495
Right Of Use Liabilities	(26,924)	-
Deferred Revenue	(871)	(518)
Net Cash Used In Operating Activities	(1,029,307)	(1,585,313)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Intangible Assets	(16,058)	(13,552)
Net Cash Used In Investing Activities	(16,058)	(13,552)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance Of SAFE	189,346	40,168
Subscriptions Receivable	(20,000)	-
Issuance Of Preferred Stock	2,090,000	248,231
Net Cash Provided By Financing Activities	2,259,346	288,399
Change In Cash & Cash Equivalents	1,213,981	(1,310,466)
Cash And Cash Equivalents, Beginning Of The Year	11,883	1,322,349
Cash And Cash Equivalents, End Of The Year	\$ 1,225,864	\$ 11,883
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid For Interest	\$ -	\$ 459
Cash Paid For State Income Taxes And Limited Liability Company Fees	\$ 800	\$ 3,316
Conversion Of SAFE Liabilities To Equity	\$ -	\$ 3,976,625

See accompanying notes to the financial statements

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

1. NATURE OF OPERATIONS

Tombot, Inc. (the “Company”) was organized in Delaware on October 13, 2017. The financial statements of Tombot, Inc. (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in Santa Clarita, California.

The company develops advanced robotic emotional support animals and is a pre-revenue startup enterprise. The Company’s target users are seniors with dementia and other individuals suffering from serious mental health disorders. The primary sources of revenue will come from direct ecommerce sales to family members of those suffering from serious mental health disorders and from sales through hospitals, assisted living, skilled nursing, and adult daycare facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted January 31st as its fiscal year-end and basis of reporting.

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of January 31, 2024, and 2023, the Company’s cash and cash equivalents did not exceed FDIC-insured limits.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred, and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal, and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Equipment – Three to Fifteen Years

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset. No such impairment was recorded for the years ended January 31, 2024 and 2023.

Intangible Assets

The Company capitalizes its legal fees and registration costs related to patents and copyrights and legal patent and prosecution fees in connection with internally developed pending patents. When pending patents are issued, patents will be amortized over the expected period to be benefitted, not to exceed the patent lives, which may be as long as 15 years.

Income Taxes

Tombot Inc. is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Concentration of Credit Risk

The Company maintains its cash with major financial institutions located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Risks and Uncertainties

The Company's business and operations are sensitive to general business and economic conditions in the United States and other countries that the Company operates in. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

Revenue Recognition

The Company is currently pre-revenue and will follow the provisions and the disclosure requirements described in ASU 2014-09, also referred to as Topic 606. Revenue recognition, according to Topic 606, is determined using the following steps:

- 1) Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay, and the contract has commercial substance.
- 2) Identification of performance obligations in the contract: Performance obligations consist of a promise in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- 3) Recognition of revenue when, or how, a performance obligation is met: Revenues are recognized when or as control of the promised goods or services is transferred to customers.

The Company is currently in the pre-revenue stage and will earn revenue from the sale of its advanced robotic emotional support animals.

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended January 31, 2024 and 2023 were \$6,782 and \$18,155, respectively, which are included in sales and marketing expenses.

Research and Development Costs

Costs incurred in the research and development of the Company's products are expensed as incurred.

Stock-Based Compensation

The Company accounts for stock-based compensation under the fair value recognition provision which requires that stock-based compensation cost is estimated at the grant date based on the fair value of the award. The Company estimates the fair value of stock options granted using the Black Scholes-option pricing model ("Option Model") and a multiple option award approach. The Option Model includes assumptions regarding dividend yield, expected volatility, expected option term and risk-free interest rates. The assumption used in computing the fair value of stock-based awards reflect the Company's best estimates, but involve uncertainties relating to market and other conditions, many of which are outside of its control. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by the employees who receive stock-based awards.

Stock-based compensation is amortized on a straight-line basis over the requisite service period of the award, which is generally the vesting period. Compensation expense related to performance-based options is recognized if it is determined by the Company that it is probable that the underlying performance conditions will be achieved. The Company has elected to recognize forfeitures as they occur.

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

Deferred Offering Costs

The Company complies with the requirements of FASB ASC 340-10-S99-1 with regard to offering costs. Offering costs are capitalized prior to the completion of an offering. The deferred offering costs are charged to stockholders' equity upon the completion of an offering or to expense if the offering is not completed.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments).

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Subsequent Events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through September 05, 2024, the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

Lease Accounting

Under ASC 842, the Company determines if an arrangement is a lease at inception. The Company has obligations as a lessee for office space with terms in excess of one year. The Company has classified this lease as an operating lease. Operating leases are included in right-of use assets (ROU) and right-of-use liabilities on the balance sheet. ROU assets represent the Company's right to use the leased asset for the lease term and lease liabilities represent obligations to make lease payments, both of which are recognized at the commencement date based on the present value of lease payments over the lease term. As this lease does not provide an implicit rate, the Company estimated its incremental borrowing rate based on the information available, including lease term, to determine the present value of lease payments. Certain of our leases may include options to extend or terminate the original lease term. We generally conclude that we are not reasonably certain to exercise these options due primarily to the length of the original lease term and our assessment that economic incentives are not reasonably certain to be realized. Operating lease expense is recognized on a straight-line basis over the lease term.

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

3. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Accounts payable consist primarily of trade payables. Prepaids and other current assets consist of the following items:

As of January 31,	2024	2023
Prepaid Rent	\$ 2,500	\$ 2,350
Prepaid Other Expenses	31,084	15,867
Security Deposit Receivable	5,000	5,000
Total Prepaids and Other Current Assets	\$ 38,584	\$ 23,217

4. PROPERTY AND EQUIPMENT

Property and equipment consist of:

As of January 31,	2024	2023
Computer And Equipment	\$ 7,079	\$ 7,079
Website	23,807	23,807
Property And Equipment, at cost	30,886	30,886
Accumulated Depreciation	(29,228)	(23,996)
Property And Equipment, net	\$ 1,658	\$ 6,890

Depreciation expenses for property and equipment for the fiscal years ended January 31, 2024, and 2023 were \$5,232 and \$6,529, respectively.

5. INTANGIBLE ASSETS

As of January 31, 2024, and 2023, intangible asset consists of:

As of January 31,	2024	2023
Patents and Copyrights	45,010	28,952
Intangible Assets, at cost	45,010	28,952
Accumulated Amortization	(4,229)	(3,229)
Intangible Assets, net	40,781	25,723

Amortization expenses for patents and copyrights for the fiscal years ended January 31, 2024 and 2023 were \$1,000.

The following table summarizes the estimated future amortization expense relating to the Company's intangible assets as of January 31, 2024:

Period	Amortization Expense
2025	\$ 1,000
2026	1,000
2027	1,000
2028	1,000
2029	1,000
Thereafter	35,781
Total Amortization Expense	\$ 40,781

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

6. DEFERRED REVENUE

In 2020, the Company conducted a Kickstarter campaign to raise funds and increase awareness of their product. The Kickstarter campaign entitles certain customers delivery of the first batch of the Company's products. As of January 31, 2024, and 2023, the balance in the Kickstarter, net of refunds, was \$48,500 and \$49,371, respectively, and have been reported as deferred revenues. During the fiscal years ended January 31, 2024, and 2023, the Company issued refunds totaling \$871 and \$518, respectively.

7. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 50,000,000 shares of Common Shares with a par value of \$0.0001. As of January 31, 2024, and 2023, 7,947,020 shares have been issued and are outstanding.

Preferred Stock

The Company is authorized to issue 15,000,000 shares of Preferred Shares with a \$0.0001 par value. As of January 31, 2024, 3,868,732 shares of the authorized Preferred Stock have been designated as "Series Seed I Preferred Stock"; 865,689 shares have been designated as "Series Seed II Preferred Stock"; 3,500,000 shares have been designated as "Series Seed III Preferred Stock"; and 6,765,579 shares have been designated as "Series Seed IV Preferred Stock".

As of the year ended January 31, 2024, the Company has issued 526,583 shares of Series Seed I Preferred Stock, 862,872 shares of Series Seed II Preferred Stock, 2,947,428 shares of Series Seed III Preferred Stock, and 2,804,747 shares of Series Seed IV Preferred Stock.

Preferred and series seed holders vote together as a single class. The consent of a majority of the outstanding series seed holders will be required to effect (a) any change in the rights, powers or privileges of the series seed and (b) the creation of any senior securities. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, each holder of a series of preferred stocks will be entitled to a return of their capital before any distribution or payment is made to common stockholders.

Debt to Equity Conversion

During the fiscal year ended January 31, 2023, the Company converted \$3,976,625 of SAFEs into 3,939,332 shares of Preferred Shares.

8. SHARE-BASED COMPENSATION

In 2017, the Company's board of directors approved a Stock Incentive Plan ("2017 Plan") for employees and consultants of the Company to have the opportunity to acquire shares of the Company's common stock by granting stock options which are intended to qualify as incentive stock options ("Stock Options"). The total number of stocks reserved for the 2017 Plan is 3,016,949. Stock Options granted under the 2017 Plan have ten-year terms. The Stock Options vest over a four-year period.

If the service of a participant is terminated due to death or disability, then the vested portion of the participant's Stock Options may be exercised by such participant or the participant's estate and all unvested portions shall be forfeited. If the participant is terminated for any reason other than due to death or disability, the unvested portion of the option is forfeited without consideration on the termination date while the vested portion expires at the earlier of (1) the close of business at Company headquarters on the date that is three months after the termination date, (2) the expiration date set forth in the option agreement or (3) the date on which the option is cancelled pursuant to a change in control, merger, acquisition, or reorganization. In no event is the option exercisable after the expiration date.

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

Stock option expense for the years ended January 31, 2024 and 2023, was \$23,570 and \$23,822, respectively. Additionally, the total unrecognized stock option expense related to non-vested stock options was \$132,065 on January 31, 2024, which we expect to recognize over the next four years.

The following table illustrates the number and weighted-average exercise prices of, and movements in, stock options during the year ended January 31, 2024.

	Number of Options	Weighted-average Exercise Price	Weighted-average Remaining Life
Outstanding At January 31, 2022	1,402,415	\$ 0.09	7.83
Granted During The Year	-	-	-
Exercised During The Year	-	-	-
Forfeited During The Year	-	-	-
Expired During The Year	-	-	-
Outstanding At January 31, 2023	1,402,415	\$ 0.09	6.83
Granted During The Year	1,273,314	0.21	-
Exercised During The Year	-	-	-
Forfeited During The Year	-	-	-
Expired During The Year	-	-	-
Outstanding At January 31, 2024	2,675,729	\$ 0.15	2.5

Options outstanding on January 31, 2024, had a weighted average remaining life of 7.75 years. The estimated fair value per share price for options granted during the year ended January 31, 2024, was \$0.20.

The stock options were valued using the Black-Scholes pricing model with a range of inputs indicated below:

Expected Life (Years)	6.25
Risk-Free Interest Rate	4.14% - 4.56%
Expected Volatility	49.96%
Annual Dividend Yield	0%
Strike Price (\$)	\$0.20 - \$0.22

The risk-free interest rate assumption for options granted is based upon observed interest rates on the United States government securities appropriate for the expected term of the Company's employee stock options.

The expected term of employee stock options is calculated using the simplified method which takes into consideration the contractual life and vesting terms of the options.

The Company determined the expected volatility assumption for options granted using the historical volatility of comparable public company's Common Stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants, until such time that the Company's Common Stock has enough market history to use historical volatility.

The dividend yield assumption for options granted is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its Common Stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

Management estimated the fair value of Common Stock based on recent sales to third parties. Forfeitures are recognized as incurred.

TOMBOT INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED JANUARY 31, 2024 AND 2023

9. RELATED PARTY TRANSACTIONS

There were no related party transactions as of January 2024 and 2023.

10. LEASES

The company determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the company has the right to obtain substantially all of the economic benefits from the use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the company's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest the company would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. The company's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Variable lease expenses include payments related to the usage of the leased asset (utilities, real estate taxes, insurance, and variable common area maintenance) and are expensed as incurred. The company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The remaining lease term is 1 year and 8 months.
The average discount rate is 2.87%

The components of lease expense are:

For the Year Ended January 31,	2024	2023
Interest Expense	\$ 1,069	\$ 1,876
Amortization Expense	28,931	28,124

11. SIMPLE AGREEMENT FOR FUTURE EQUITY

SAFE(s)

The details of the Company's Simple Agreements for Future Equity ("SAFE") and the terms are as follows:

As of January 31, 2024				
Simple Agreement for Future Equity	Borrowing Period	Valuation Cap	Discount	Fair Value
SAFEs - IV	Fiscal Year 2023-2024	\$ 17,500,000	15.70%	\$229,514

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The SAFE agreements include provisions whereas the Company is required to settle the SAFEs with the investors in the event of equity financing, liquidation or Company dissolution. Settlements include issuing shares of capital stocks, cash payments or both as defined in the SAFE agreements.

SAFE instruments, generally, have characteristics of both liability and equity. However, in accordance with ASC Topic 480, the SAFE is determined to be a liability that meets the definition of a derivative. Subsequent to the initial measurement, the fair value of the SAFE is remeasured to fair value at each reporting date. The estimated fair value is calculated based on the present value of the estimated premium to be paid under different settlement methods using the weighted probability of each potential settlement outcome. The Company determined that the contract value of the SAFEs as of January 31, 2024 and 2023 in the amount of \$229,514 and \$44,502, respectively, approximates the fair value. SAFE issuance costs of \$4,733 were capitalized against the fair value of the SAFEs.

If there is an Equity Financing before the expiration or termination of this instrument, the Company will automatically issue to the Investor either: (1) a number of shares of Seed Series IV Preferred Stock equal to the Purchase Amount divided by the price per share of the Standard Preferred Stock, if the pre-money valuation is less than or equal to the Valuation Cap; or (2) a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Safe Price, if the pre-money valuation is greater than the Valuation Cap. If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will, at its option, either a) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or b) automatically receive from the Company a number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price, if the Investor fails to select the cash option. If there is a Dissolution Event before this instrument expires or terminates, the Company will pay an amount equal to the Purchase Amount due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event. The SAFE will expire and upon either the issuance of stock to the investor pursuant to above or payment. Since the SAFEs are potentially settleable in cash, the Company has decided to classify them as a liability.

12. INCOME TAXES

The provision for income taxes for the years ended January 31, 2024 and 2023 consists of the following:

For the Year Ended January 31,	2024	2023
Net Operating Loss	\$ 287,356	\$ 443,693
Valuation Allowance	(287,356)	(443,693)
Net Provision For Income Tax	\$ -	\$ -

Significant components of the Company's deferred tax assets and liabilities on January 31, 2024, and 2023 are as follows:

As of January 31,	2024	2023
Net Operating Loss	\$ 5,899,561	\$ 4,936,572
Valuation Allowance	(5,899,561)	(4,936,572)
Total Deferred Tax Asset	\$ -	\$ -

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax assets, and, as a result, a full valuation allowance has been set against its net deferred tax assets as of January 31, 2024, and 2023. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carry-forward period are reduced or increased.

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For the fiscal years ending January 31, 2024, and 2023, the Company had a federal cumulative net operating loss ("NOL") carryforwards of \$5,899,561 and \$4,936,572, respectively, and the Company had state net operating loss ("NOL") carryforwards of approximately \$5,899,561 and \$4,936,572, respectively. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of January 31, 2024 and 2023, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of January 31, 2024, and 2023, the Company had no accrued interest and penalties related to uncertain tax positions.

13. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or loss of permits that could result in the Company ceasing operations.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of January 31, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from January 31, 2024, through September 05, 2024, which is the date the financial statements were available to be issued.

As of August 27, 2024, the Company has raised an additional \$165,000 through the issuance of Preferred Stock through a fourth tranche of seed funding.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

15. 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. The Company has a net operating loss of \$981,870, an operating cash outflow of \$1,029,307, and liquid assets in cash of \$1,225,864, which is less than a year's worth of cash reserves as of January 31, 2024. These factors normally raise a substantial doubt about the Company's ability to continue as a going concern.

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The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results.

Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.