

TomBot, Inc.



ANNUAL REPORT

19197 Golden Valley Road, #638

Santa Clarita, CA 91387

0

<https://tombot.com/>

This Annual Report is dated June 3, 2022.

BUSINESS

Tombot is making highly realistic robotic animals designed to stimulate the formation of emotional attachment and relieve the behavioral and psychological symptoms of dementia. Tombot has been awarded a design patent from the USPTO. Tombot has filed utility patent application in the USPTO.

Tombot Puppies have been pre-ordered for residential, assisted living, skilled nursing and acute care applications. Tombot Puppies have also been preordered for seniors subjected to social isolation due to COVID-19, children with Autism, adults with high impact chronic pain, major depressive disorder, anxiety, bipolar disorder, and PTSD. Peer-reviewed studies show that robotic animals positively affect some peoples' ability to cope with stress, anxiety, loneliness, depression and pain, improving quality of life and reducing the need for psychotropic and opioid medications.

Tombot aims to be the first affordable, FDA-regulated robotic animal.

Previous Offerings

Type of security sold: SAFE

Final amount sold: \$250,000.00

Use of proceeds: Research and development expenses

Date: August 21, 2018

Offering exemption relied upon: 506(b)

Type of security sold: SAFE

Final amount sold: \$885,000.00

Use of proceeds: Research and development; Kickstarter crowdfunding campaign; fundraising; test marketing

Date: May 04, 2020

Offering exemption relied upon: 506(b)

Type of security sold: SAFE

Final amount sold: \$2,593,000.00

Use of proceeds: Research and development; fundraising; new hires

Date: April 26, 2021

Offering exemption relied upon: 506(c)

REGULATORY INFORMATION

The company has not previously failed to comply with the requirements of Regulation Crowdfunding;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATION

Operating Results – 2021 Compared to 2020

Circumstances which led to the performance of financial statements:

Tombot is a pre-revenue company.

Fiscal year 2021 - ending January 31, 2022 - compared to fiscal year 2020 - ending January 31, 2021

Revenue

Tombot is reporting no revenue, cost of sales, or gross margins for 2021 or 2020.

Expenses

The big story of 2021 was the inauguration of our 3rd party contract with Synapse for engineering services. Following the achievement of a major funding milestone in April 2021, Tombot was in a position to afford the first phase of this contract to re-engineer the mechanical, electrical, firmware, and cosmetic subsystems and elements of our robot, as we convert our prototype into a production manufacturable robot.

Historical results and cash flows:

Tombot expects to begin shipping robots to customers and generating first revenues in 2024.

For fiscal year 2021 Tombot significantly increased overall research and development expenses. The bulk of these expenses will be attributable to 1) outsourced engineering services; 2) new engineering hires; and 3) founders going on salary.

Tombot leased new office facilities in Q3 of 2021 and resumed full time work from office in Q4 2021.

Tombot saw a sharp increase in G&A expenses in 2021 associated with Regulation Crowdfunding. These expenses included fees to the platform (StartEngine) and marketing expenses surrounding the campaign.

Liquidity and Capital Resources

At December 31, 2021, the Company had cash of \$0.00. [*The Company intends to raise additional funds through an equity financing.*]

Debt

Creditor: Customers

Amount Owed: \$49,899.00

Interest Rate: 0.0%

Maturity Date: January 01, 2024

These are pre-order deposits for products purchases. Tombot will retire the debt as we ship robots to our pre-order customers.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

Our directors and executive officers as of the date hereof, are as follows:

Name: Thomas Edward Stevens

Thomas Edward Stevens's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Executive Officer; President; Chief Financial Officer; Secretary

Dates of Service: October 13, 2017 - Present

Responsibilities: Executive leadership of the company, and the primary office responsible for finance, marketing, sales, clinical studies, and regulatory compliance. Current annual salary: \$150,000. Equity: 6,000,000 shares of common stock.

Position: Chairman - Board of Directors

Dates of Service: October 13, 2017 - Present

Responsibilities: To lead the Board's meetings and to sign Board consents

Name: Henry P. Schorz

Henry P. Schorz's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Technical Officer

Dates of Service: October 13, 2017 - Present

Responsibilities: Top level executive leading the technical development of Tombot's products and services. Current annual salary: \$150,000. Equity: 1,947,020 shares of common stock.

Position: Director - Board of Directors

Dates of Service: August, 2021 - Present

Responsibilities: To participate in Board meetings and vote on Board motions and consents.

Name: Jesse M. Schorz

Jesse M. Schorz's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Operating Officer

Dates of Service: August 27, 2018 - Present

Responsibilities: Top level executive leading all aspects of Tombot operations: supply chain management, logistics, fulfillment, and IT; second in command of all Tombot engineering and other technical activities. Current annual salary: \$150,000.

Position: Director - Board of Directors

Dates of Service: August, 2021 - Present

Responsibilities: To participate in Board meetings and vote on Board motions and consents.

Name: Ric Edelman

Positions and offices currently held with the issuer:

Position: Director - Board of Directors

Dates of Service: August, 2021 - Present

Responsibilities: To participate in Board meetings and vote on Board motions and consents.

Name: Jay Goss

Positions and offices currently held with the issuer:

Position: Director - Board of Directors

Dates of Service: August, 2021 - Present

Responsibilities: To participate in Board meetings and vote on Board motions and consents.

PRINCIPAL SECURITY HOLDERS

Set forth below is information regarding the beneficial ownership of our Common Stock, our only outstanding class of capital stock, as of December 31, 2021, by (i) each person whom we know owned, beneficially, more than 10% of the outstanding shares of our Common Stock, and (ii) all of the current officers and directors as a group. We believe that, except as noted below, each named beneficial owner has sole voting and investment power with respect to the shares listed. Unless otherwise indicated herein, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned.

Title of class: Common Stock

Stockholder Name: Thomas E. Stevens

Amount and nature of Beneficial ownership: 6,000,000

Percent of class: 64.18

Title of class: Common Stock

Stockholder Name: Henry P. Schorz

Amount and nature of Beneficial ownership: 1,947,020

Percent of class: 20.83

Title of class: Common Stock

Stockholder Name: Jesse M. Schorz

Amount and nature of Beneficial ownership: 1,402,415

Percent of class: 15.0

RELATED PARTY TRANSACTIONS

Name of Entity: Stevens Family Trust

Relationship to Company: Thomas Stevens is Trustee of Stevens Family Trust and 20%+ Owner in issuer

Nature / amount of interest in the transaction: Investor in Tombot

Material Terms: There are two tranches of transactions: I. In 2018, Stevens Family Trust invested a total of \$250,000 in five separate SAFEs at \$2.7M Cap. II. Later in 2018 and 2019, Stevens Family Trust loaned a total of \$250,000 in three separate promissory notes. The \$250,000 in promissory notes plus interest were converted in 2020 to a \$290,000 SAFE, with an \$11M Cap.

OUR SECURITIES

The company has authorized Common Stock, Preferred Stock, Series Pre-Seed SAFE, Series Seed SAFE I, Series Seed SAFE II, Series Seed I Preferred, Series Seed II Preferred, and Series Seed III Preferred. As part of the Regulation Crowdfunding raise, the Company offered up to 3,225,806 of Series Seed I Preferred.

Common Stock

The amount of security authorized is 50,000,000 with a total of 9,349,435 outstanding.

Voting Rights

Each stockholder is entitled to one vote for each share of capital stock held by such stockholder.

Material Rights

There are no material rights associated with Common Stock.

Preferred Stock

The amount of security authorized is 7,963,918 with a total of 0 outstanding.

Voting Rights

Series Seed vote together with the common as a single class on an as converted to common basis. In addition, the consent of a majority of the outstanding Series Seed will be required to effect (a) any change in the rights, powers or privileges of the Series Seed set forth in the articles of incorporation in a way that adversely affects the Series Seed and (b) the creation of any senior securities.

Material Rights

Major investors (who invest at least \$25,000) will have customary information and participation rights.

Series Pre-Seed SAFE

The security will convert into Preferred shares and the terms of the Series Pre-Seed SAFE are outlined below:

Amount outstanding: \$250,000.00

Interest Rate: %

Discount Rate: 85.0%

Valuation Cap: \$2,700,000.00

Conversion Trigger: \$1M or more raised in a priced equity round

Material Rights

2x liquidation preferences.

Series Seed SAFE I

The security will convert into Preferred shares and the terms of the Series Seed SAFE I are outlined below:

Amount outstanding: \$885,000.00

Interest Rate: %

Discount Rate: 85.0%

Valuation Cap: \$11,000,000.00

Conversion Trigger: \$1M or more raised in a paced equity round

Material Rights

2x liquidation preferences; Most Favored Nations for price and discount.

Series Seed SAFE II

The security will convert into Preferred shares and the terms of the Series Seed SAFE II are outlined below:

Amount outstanding: \$2,593,000.00

Interest Rate: %

Discount Rate: 85.0%

Valuation Cap: \$11,000,000.00

Conversion Trigger: \$1M or more raised in paced equity round

Material Rights

2x liquidation preferences

Series Seed I Preferred

The amount of security authorized is 3,868,732 with a total of 574,970 outstanding.

Voting Rights

Series Seed vote together with the common as a single class on an as converted to common basis. In addition, the consent of a majority of the outstanding Series Seed will be required to effect (a) any change in the rights, powers or privileges of the Series Seed set forth in the

articles of incorporation in a way that adversely affects the Series Seed and (b) the creation of any senior securities.

Material Rights

Major investors (who invest at least \$25,000) will have customary information and participation rights.

Series Seed II Preferred

The amount of security authorized is 865,689 with a total of 0 outstanding.

Voting Rights

Series Seed vote together with the common as a single class on an as converted to common basis. In addition, the consent of a majority of the outstanding Series Seed will be required to effect (a) any change in the rights, powers or privileges of the Series Seed set forth in the articles of incorporation in a way that adversely affects the Series Seed and (b) the creation of any senior securities.

Material Rights

Major investors (who invest at least \$25,000) will have customary information and participation rights.

Series Seed III Preferred

The amount of security authorized is 2,301,661 with a total of 0 outstanding.

Voting Rights

Series Seed vote together with the common as a single class on an as converted to common basis. In addition, the consent of a majority of the outstanding Series Seed will be required to effect (a) any change in the rights, powers or privileges of the Series Seed set forth in the articles of incorporation in a way that adversely affects the Series Seed and (b) the creation of any senior securities.

Material Rights

Major investors (who invest at least \$25,000) will have customary information and participation rights.

What it means to be a minority holder

As a minority holder you will have limited ability, if at all, to influence our policies or any other corporate matter, including the election of directors, changes to our company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the company or of assets of the company or transactions with related parties.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will decrease, even though the value of the company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

RISK FACTORS

Our patents and other intellectual property could be unenforceable or ineffective.

One of the Company's most valuable assets is its intellectual property. We currently hold 34 issued patents and the license to two additional patents, the Miller patents, as well as a number of trademarks, copyrights, Internet domain names, and trade secrets. We have 11 additional patents pending. We believe the most valuable component of our intellectual property portfolio is our patents and that much of the Company's current value depends on the strength of these patents. The Company intends to continue to file additional patent applications and build its intellectual property portfolio as we discover new technologies related to elliptical cycling and fitness.

There are several potential competitors who are better positioned than we are to take the majority of the market

We will compete with larger, established [PRODUCTS] who currently have products on the markets and/or various respective product development programs. They have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will not render our technology or products obsolete or that the [PRODUCT] developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that that competition will intensify.

This is a brand-new company.

It has no history, no clients, no revenues. If you are investing in this company, it's because you think the [PRODUCT] is a good idea, that the IP Company will be able to secure the intellectual property rights to the [PRODUCT] and that the company will secure the exclusive marketing and manufacture rights to the [PRODUCT] from the IP Company, that we will be able to successfully market, manufacture and sell the [PRODUCT], that we can price it right and sell it to enough people so that the company will succeed. We have yet to sell any vessels and we plan to market a vessel that has no commercial contemporaries. Further, we have never turned a profit and there is no assurance that we will ever be profitable

Even if we raise the maximum sought in this offering, we may need to raise extensive funds in order to be able to start manufacturing operations.

We estimate that we will require at least \$[X] million to commence commercial production of the [PRODUCT]. We believe that we will be able to finance the commercial production of the [PRODUCT] through pre-payment for orders. If we are unable to do so we may need to raise money from bank loans, future sales of securities or some combination thereof.

You can't easily resell the securities.

One of the Company's most valuable assets is its intellectual property. We currently hold 34 issued patents and the license to two additional patents, the Miller patents, as well as a number of trademarks, copyrights, Internet domain names, and trade secrets. We have 11 additional patents pending. We believe the most valuable component of our intellectual property portfolio is our patents and that much of the Company's current value depends on the strength of these patents. The Company intends to continue to file additional patent applications and build its intellectual property portfolio as we discover new technologies related to elliptical cycling and fitness.

Our financial review includes a going concern note.

Our ability to continue as a going concern for the next twelve months is dependent upon our ability to generate sufficient cash flows from operations to meet our obligations, and/or to obtain additional capital financing from our members and/or third parties. No assurance can be given that we will be successful in these efforts. These factors, among others, raise substantial doubt about our ability to continue as a going concern for a reasonable period of time.

Any valuation at this stage is pure speculation.

No one is saying the company is worth a specific amount. They can't. It's a question of whether you, the investor, want to pay this price for this security. Don't think you can make that call? Then don't invest.

Our business projections are only estimates.

There can be no assurance that the company will meet those projections. There can be no assurance that the company (and you will only make money) if there is sufficient demand for product, people think it's a better option than the competition and [PRODUCT] has priced the services at a level that allows the company to make a profit and still attract business.

RESTRICTIONS ON TRANSFER

The common stock sold in the Regulation CF offering, may not be transferred by any purchaser, for a period of one-year beginning when the securities were issued, unless such securities are transferred:

- (1) to the Company;
- (2) to an accredited investor;
- (3) as part of an offering registered with the SEC; or
- (4) to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

SIGNATURES

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100-503), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned, on June 3, 2022.

TomBot, Inc.

By */s/ Thomas Edward Stevens*

Name: TomBot, Inc

Title: CEO

Exhibit A

FINANCIAL STATEMENTS

Balance Sheet

Tombot, Inc. As of January 31, 2022 Accrual Basis

JAN 31, 2022

Assets

Current Assets

Cash and cash equivalents	1,322,349
Prepaid expenses and other current assets	25,602
Total Current Assets	1,347,951

Equipment, net	13,419
Intangible assets, net	18,171
Total Assets	1,379,541

Liabilities and Equity

Liabilities

Current Liabilities

Accounts payable	11,648
Accrued expenses	255,850
Total Current Liabilities	267,498

Deferred revenue	49,889
Total Liabilities	317,387

Shareholders' Equity

Common stock, par value \$0.0001, 10,000,000 shares authorized, 6,000,000 shares issued and outstanding	600
Additional paid-in capital	151,023
SAFE instruments	3,728,000
Series A preferred stock	711,449
Accumulated deficit	(3,528,918)
Total Equity	1,062,154

Total Liabilities and Shareholders' Equity	1,379,541
---	------------------

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Statement of Operations

Tombot, Inc.

For the year ended January 31, 2022

Accrual Basis

2022

Net Revenue	-
Operating Expenses	
Research and development	985,979
Salaries and wages	539,488
Selling, general and administrative	146,098
Legal fees	90,384
Marketing and advertising	68,681
Accounting fees	63,365
Consulting fees	62,181
Board of advisors	25,000
Stock-based compensation	19,852
Depreciation	6,628
Amortization	1,000
Total Operating Expenses	2,008,656
Operating Loss	(2,008,656)
Other Income	
Gain on extinguishment of Paycheck Protection Program loan	23,757
Total Other Income	23,757
Provision for Income Taxes	
Income taxes expense	(1,900)
Total Provision for Income Taxes	(1,900)
Net Loss	(1,986,799)

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Statement of Shareholders' Equity

Tombot, Inc.

For the year ended January 31, 2022

Accrual Basis

	Common Stock		Additional paid-in capital	SAFE Instruments	Series A Preferred Stock	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balances at January 31, 2021, as previously stated	6,000,000	\$ 600	\$ -	\$ 1,658,000	\$ -	\$ (1,435,201)	\$ 223,399
Prior period adjustments	-	-	106,171	-	-	(106,918)	(747)
Balances at January 31, 2021, restated	6,000,000	600	106,171	1,658,000	-	(1,542,119)	222,652
Stock-based compensation	-	-	19,852	-	-	-	19,852
Issuance of stock warrants	-	-	25,000	-	-	-	25,000
Issuance of SAFE instruments	-	-	-	2,070,000	-	-	2,070,000
Issuance of Series A preferred stock	-	-	-	-	711,449	-	711,449
Net loss	-	-	-	-	-	(1,986,799)	(1,986,799)
Balances at January 31, 2022	6,000,000	\$ 600	\$ 151,023	\$ 3,728,000	\$ 711,449	\$ (3,528,918)	\$ 1,062,154

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Statement of Cash Flows

Tombot, Inc.

For the year ended January 31, 2022

Accrual Basis

Cash Flows from Operating Activities

Net Loss	\$ (1,986,799)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	7,628
Stock-based compensation	19,852
Changes in assets and liabilities:	
Prepaid expenses and other current assets	(22,662)
Accounts payable	7,548
Accrued expenses	254,080
Deferred revenue	(1,923)
Gain on extinguishment of Paycheck Protection Program loan	(23,757)

Net Cash Used in Operating Activities

(1,746,033)

Cash Flows from Investing Activities

Purchase of equipment	(4,451)
-----------------------	---------

Total Cash Used in Investing Activities

(4,451)

Cash Flows from Financing Activities

Payments on related party note payable	(15,740)
Issuance of common stock	600
Issuance of stock warrant	25,000
Issuance of SAFE instruments	2,070,000
Issuance of Series A preferred stock	711,450

Net Cash Provided by Financing Activities

2,791,310

Net Increase in Cash and Cash Equivalents

1,040,826

Cash and Cash Equivalents, Beginning of Year

281,523

Cash and Cash Equivalents, End of Year

\$ 1,322,349

Supplemental Cash Flow Information

Cash paid for interest	\$ -
Cash paid for state income taxes and limited liability company fees	<u>\$ 1,900</u>

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CERTIFICATION

I, Thomas Edward Stevens, Principal Executive Officer of TomBot, Inc., hereby certify that the financial statements of TomBot, Inc. included in this Report are true and complete in all material respects.

Thomas Edward Stevens

CEO