OFFERING MEMORANDUM DATED 12/6/2021

Comsero, Inc. dba M.C. Squares
550 Thornton Pkwy Unit 208
Thornton, CO 80229
mcsquares.com

Up to $4,000,000 of

Minimum Investment Amount: $400.15

Comsero, Inc. ("Company" "the company," "we," or "us"), is offering up to $4,000,000 worth of Common Stock. The minimum target amount under this Regulation CF offering is $25,000 (the "Target Amount"). The company must reach its Target Amount of $25,000 by June 30, 2022. Unless the company raises at least the Target Amount of $25,000 under the Regulation CF offering by June 30, 2022, no securities will be sold in this offering, investment commitments will be cancelled, and committed funds will be returned.

Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

This disclosure document contains forward-looking statements and information relating to, among other things, the company, its business plan and strategy, and its industry. These forward-looking statements are based on the beliefs of, assumptions made by, and information currently available to the company's management. When used in this disclosure document and the company offering materials, the words "estimate", "project", "believe", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements. These statements reflect management's current views with respect to future events and are subject to risks and uncertainties that could cause the company's action results to differ materially from those contained in the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements to reflect events or circumstances after such state or to reflect the occurrence of unanticipated events.

In the event that we become a reporting company under the Securities Exchange Act of 1934, we intend to take advantage of the provisions that relate to "Emerging Growth Companies" under the JOBS Act of 2012, including electing to delay compliance with certain new and revised accounting standards under the Sarbanes-Oxley Act of 2002.

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THE COMPANY AND ITS BUSINESS

Overview

Comsero, Inc. was a limited liability company originally founded on January 25, 2016, under the laws of Colorado. The Company converted into a C-corporation under the laws of Delaware on the same date.

Company Overview

Comsero, Inc., (dba M.C. Squares), manufactures and sells ingenious home and office products that inspire people to bring their creative ideas into the real world ...and do it with a touch of style.

Our vision is to create meaningful human connections in a time of increasing separation caused by technology. We are building an ecosystem of thinking tools that empower communication, discovery, and innovation. Our products are designed for the home, office and home office.

Competitors and Industry'

M.C. Squares is at the intersection of two large markets: indoor home decor and office supplies. The office supplies market is roughly a $250B market. The Indoor Home Decor market is a $680B market. Our competitors include Quartet, UBrands, Board Dudes, Expo, Bic, Acco Brands, Mega Brands, and 3M.

Current Stage and Roadmap

Current Development Stage

M.C. Squares began by outsourcing manufacturing to China in 2016. We converted the company to self-manufacturing in late 2017 and re-launched our company in early 2019.

Over the past two years, the company has worked on bringing manufacturing in-house with the key goal to retain more control over our margins and supply chain. This initial transition was completed in August of 2020 when we moved into our new 25,000 square foot facility.

In 2021 we turned our focus towards marketing and launching more product lines. We added a new marketing leader with strong consumer marketing experience. We are currently running $200,000 in monthly revenue, our margins range from 70% to 90% - selling primarily direct to consumers through Amazon and our own website.

Future Roadmap

In the first half of 2022, we will continue our expansion globally under Amazon's Global PartnerProgram, launch 2 new products to further increase our share of wallet online, and develop retail packaging.

In the second half of 2022, we will leverage our relationship with Marshall and Associates to develop retail store presence nationally.

Employees

The company currently has 19 full-time employees and 2 part-time employees.

Regulation

N/A

Intellectual Property

Patents

The Company holds 9 patents:

1. Modulary Stackable Dry Erase Panels and system thereof U.S. Patent No. 10,427,450 (Grant Date: October 1, 2019).

2. Modular Reusable Writing Panels and system thereof U.S. Patent No. 10,702,065 (Grant Date: July 7, 2020)

3. Modular Furniture and Structures U.S. Patent No. 9,930,959 (Grant Date: April 3, 2018)

4. Tablet with Interconnection Features. U.S. Patent Nos. 9,809,049 (Grant Date: November 7, 2017) and 10,245,878 (Grant Date: April 2, 2019)

5. Mounting Bracket U.S. Patent No. D747,955 (Grant Date: January 26,2016

6. Multi-Angular Reconfigurable Hanging Apparatus U.S. Patent No. 10,709,269 (Grant Date: July 14, 2020)

7. Retractable Boundary Apparatus and System U.S. Patent No. 10,926,576 (Grant Date: February 23, 2021)

8. Micro-Suction Reusable And Repositionable Writing Surfaces U.S. Patent No. 11,179,964 (Grant Date: November 23, 2021)

The Company holds 8 trademarks and has two published trademarks

1. Bubblebond (published April 29, 2021) – USA

2. Comsero (registered November 5, 2019) – USA, TM Registration Number: 5,900,366

3. M.C. Squares (registered September 21, 2021) – EU, TM Registration Number: 018471317

4. M.C. Squares (registered October 1, 2021) – UK, TM Registration Number: UK00003641671

5. M.C. Squares (published March 4, 2021) - USA

6. MC Squares & Design (registered October 8, 2018) – USA, TM Registration Number: 5577910

7. Stickies (registered supplemental June 1, 2021) – USA, TM Registration Number: 6,374,884

8. Tackie (registered September 8, 2021) – EU, TM Registration Number: 018471319

9. Tackie (registered October 1, 2021) – UK, TM Registration Number: UK00003641674

10. Tackie (registered November 5, 2019) – USA, TM Registration Number: 5,903,309

Litigation

The company is not involved in any litigation, and its management is not aware of any pending or threatened legal actions relating to its intellectual property, conduct of its business activities, or otherwise.

Property

The company currently leases a 25,000 square foot facility located at 550 Thornton Pkwy Unit 208 Thornton, CO 80229. In this facility, the company manufactures and distributes 95% of all of its SKUs.

Due Diligence

Due diligence by CrowdCheck, Inc.

RISK FACTORS

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the company:

Uncertain Risk

An investment in the Company involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the common stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company' s Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in an investment in the Company.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can beno assurance that the Company will be able to find sufficient demand for our product,that people think it's a better option than a competing product, or that we will able to provide the service at a level that allows the Company to make a profit and still attract business.

Our valuation and our offering price have been established internally and are difficult to assess.

The Company has set the price of its Common Stock at $1.51 per share. Valuations for companies at this stage are generally purely speculative. Our valuation has not been validated by any independent third party and may decrease precipitously in the future. It is a question of whether you, the investor, are willing to pay this price for a percentage ownership of a start-up company. The issuance of additional shares of Common Stock, or additional option grants may dilute the value of your holdings. You should not invest if you disagree with this valuation. See “Dilution” for more information.

You can’t easily resell the securities.

There are restrictions on how you can resell your securities for the next year. More importantly, there is no market for these securities, and there might never be one. It’s unlikely that the company will ever go public or get acquired by a bigger company. That means the money you paid for these securities could be tied up for a long time.

No guarantee of return on investment.
There is no assurance that a purchaser will realize a return on its investment or that it will not lose its entire investment. For this reason, each purchaser should read the Form C and all Exhibits carefully and should consult with its own attorney and business advisor prior to making any investment decision.

If the Company cannot raise sufficient funds it willnot succeed

The Company is offering common stock in the amount of up to 4,000,000 in this offering and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. It is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any project io ns or forward-looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

Developing new products and technologies entails significant risks and uncertainties

Delays or cost overruns in the development of our new products and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design and regulatory hurdles. Any of these events could materially and adversely affect our operating performance and results of operations.

Minority Holder; Securities with Voting Rights

The Common Stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and have agreed to appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as your voting proxy. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying non-voting membership interest as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

This offering involves rolling closings which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that Dalmore instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amendment to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

We face significant market competition

We will compete with larger, established companies who currently have products on the market and/ or various respective product development programs. They may 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 render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

We have existing patents that we might not be able to protect properly

One of the Company's most valuable assets is its intellectual property. The Company owns several trademarks, copyrights, Internet domain names, and trade secrets. We believe a valuable component of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might have been able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright (s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright (s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment inthe Company could be significantly and adversely affected.

The loss of one or more of our key personnel or our failure to attract and retain other highly qualified personnel in the future could harm our business

To be successful, the Company requires capable people to run its day-to-day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

The Company is vulnerable to hackers and cyber-attacks

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on COMSERO, INC. or in its computer systems could reduce the ability for Comsero to sell its products for a indefinite period of time. Further, we rely on a third-party technology providers to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology provider or on COMSERO, INC. could harm our reputation and materially negatively impact our financial condition and business.

Any promise of media exposure is beyond the company's control

The company may have upcoming or promised media exposure that will materially impact the company value. Any pending media coverage and its impact on the company value include but are not limited to: media cancelation, rescheduling causing stagnant inventory, interruption by breaking news, poor or negative positioning of the founder, editing that misrepresents the company in an unintentional manner.

Risks Related to COVID-19

The company's results of operations may be negatively impacted by the coronavirus outbreak.
The continued spread of COVID-19 has led to severe disruption and volatility in the global capital markets, which could increase the company's cost of capital and adversely affect its ability to access the capital markets in the future. It is possible that the continued spread of COVID-19 could cause a further economic slowdown or recession or cause other unpredictable events, each of which could adversely affect the company's business, results of operations, or financial condition. The extent to which COVID-19 affects the company's financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 outbreak and the actions to contain the outbreak or treat its impact, among others. Moreover, the COVID-19 outbreak has had and may continue to have indeterminable adverse effects on general commercial activity and the world economy, and the company's business and results of operations could be adversely affected to the extent that COVID-19 or any other pandemic harms the global economy generally.

Actual or threatened epidemics, pandemics, outbreaks, or other public health crises may adversely affect the company's business.
The company's business could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The risk, or public perception of the risk, of a pandemic or media coverage of infectious diseases could adversely affect the value of the Class B Non-Voting Common Stock and the financial condition of the company's investors or prospective investors, resulting in reduced demand for the Class B Non-Voting Common Stock generally. Further, such risks could result in persons avoiding appearing at in-person health care appointments. "Shelter-in-place" or other such orders by governmental entities could also disrupt the company's operations, if those employees of the company who cannot perform their duties from home are unable to report to work.

DIRECTORS, EXECUTIVE OFFICERS

This table shows the principal people on the company's team:

Name	Position	Term of Office	Approx. hours per week (if not full time)
Executive Officers:			
Anthony Franco	Chief Executive Officer	Since January 1, 2013	Full time
Directors:			
Anthony Franco	Director	Since January 1, 2013	
Senior Leadership:			
Ian McConville	Chief Operations Officer	Since September 17th,2018	Full time
Amanda Rubino	Chief Marketing Officer	Since December 2020	Full time

Anthony Franco

Anthony Franco is the founder, the sole director and Chief Executive Officer of the company since January 2013. From April 2016 through January 2021, he served as a mentor to Boomtown Accelerator, assisting startup companies with a focus on software, user experience, marketing, product development, investor pitching, sales, and entrepreneurship.

Ian McConville

Ian McConville currently is the Chief Operations Officer at M.C. Squares. He joined the company in October 2018. From October 2014 to October 2018, Mr. McConville the Program Manager at Rockies Venture Club (RVC) which since 1985 has connected entrepreneurs with angel investors, venture capitalists, service professionals, and other business and funding resources. As Program Manager Ian was responsible for programming and directing these events. Ian graduated Magna Cum Laude from Lehigh University with a degree in Mechanical Engineering.

Amanda Rubino

Since March 2020, Amanda Rubino is the Chief Marketing Officer at M.C. Squares. She previously held a leadership role at PopSockets between June 2017 and February 2020 during the time the brand was named number two on the 2018 Inc. 5000 list. She created the brand's PR and Influencer Marketing department. She has led the public relations and marketing efforts.

OWNERSHIP AND CAPITAL STRUCTURE

Ownership

The following table shows who owns more than 20% of company's voting securities as of December 1, 2021

Name of Beneficial owner	Amount and class of securities held	Percent of voting power prior to the Offering
Anthony Franco	5,000,000 Common Stock	47.39

The following table describes our capital structure as of December 1, 2021

	Shares	Issued & Outstanding	Fully-Diluted Shares
Common Shares:			
Anthony Franco	5,000,000	43.93%	38.82%
Numeria Ventures, LLC	436,700	3.84%	3.39%
Boomtown Fund II LLC	136,500	1.20%	1.06%
Wefunder Investor Group	309,876	2.72%	2.41%
Start Engine Investor Group I	571,357	5.02%	4.44%
Start Engine Investor Group II	272,180	2.39%	2.11%
Total Common Shares Issued & Outstanding	**6,726,613**	**59.10%**	**52.23%**
Preferred Shares:			
Series Seed Preferred Shares			
Anthony Franco	341,160	3.00%	2.65%
Rockies Venture Fund I, L.P.	151,627	1.33%	1.18%
Comsero Investment Group LLC	136,464	1.20%	1.06%
Robert Allison	75,813	0.67%	0.59%

Powder, LLC	38,000	0.33%	0.30%
Kokopelli Capital Fund I, LP	37,907	0.33%	0.29%
Daniel Bodenstein & Ann Horwich-Scholefield	37,907	0.33%	0.29%
Carl J. Bodenstein & Brenda B. Bodenstein	37,907	0.33%	0.29%
Total Series Seed Preferred Shares Issued & Outstanding	**856,785**	**7.53%**	**6.65%**
Series 2018 Preferred Shares			
Anthony Franco	591,344	5.20%	4.59%
Rockies Venture Fund I, L.P.	151,626	1.33%	1.18%
Comsero Investment Group LLC	83,394	0.73%	0.65%
Colorado National Bank Cust. FBO Larry Emmons IRA	75,813	0.67%	0.59%
Total Series 2018 Preferred Shares Issued & Outstanding	**902,177**	**7.93%**	**7.00%**
Series 2019 Preferred Shares			
Anthony Franco	516,895	4.54%	4.01%
Comsero Investment Group LLC	235,021	2.06%	1.82%
Denver Angels SPV 3LLC	359,355	3.16%	2.79%
Total Series 2019 Preferred Shares Issued & Outstanding	**1,111,271**	**9.76%**	**8.63%**
Series 2020 Preferred Shares			
O'Leary Productions USA LLC	1,226,203	10.77%	9.52%
Total Series 2020 Preferred Shares Issued & Outstanding	**1,226,203**	**10.77%**	**9.52%**
Series 2021 Preferred Shares			
Denver Angels 2021 Convertible Note Conversion	362,318	3.18%	2.81%
Comsero Investment Group LLC 2021 Convertible Note Conversion	26,532	0.23%	0.21%
Rockies Venture Fund I, L.P.	21,127	0.19%	0.16%
Rockies Vintage Fund 2021	22,296	0.20%	0.17%
Comsero Investment Group LLC	126,761	1.11%	0.98%
Total Series 2021 Preferred Shares Issued & Outstanding	**559,034**	**4.91%**	**4.34%**
Total Preferred Shares Issued & Outstanding	**4,655,470**		
Total Common & Preferred Shares Issued & Outstanding	**11,382,083**	**100.00%**	
2016 Equity Option Pool			
Issued and Outstanding Option Grants	1,215,000		9.43%
Options Remaining for Issuance	50,000		0.39%
Total Outstanding Options	**1,265,000**		**9.82%**
Warrants:			
Issued and Outstanding Warrants	232,728		1.81%
Total Outstanding Options	**232,728**		**1.81%**
Total Fully-Diluted Shares	**12,879,811**		**100.00%**

USE OF PROCEEDS

The company anticipates using the proceeds from this offering in the following manner:

Purpose or Use of Funds	Allocation After Offering Expenses for a $25,000 Raise	Allocation After Offering Expense for a $4,000,000 Raise
Offering Costs	$14,500	$432,000
Working capital	$0	$968,000
Inventory	$10,500	$1,500,000
Advanced marketing, including internal hiring of marketing resources	$0	$1,000,000
Intellectual Property Filings and Expenses	$0	$100,000

The identified uses of proceeds are subject to change at the sole direction of the officers and directors based on the business needs of the company.

FINANCIAL DISCUSSION

Financial statements

Our financial statements can be found in Exhibit B to the Form C of which this Offering Memorandum forms a part. The financial statements were audited by SetApart Financial Services. ("SetApart"). The following discussion should be read in conjunction with our audited financial statements and the related notes included in this Offering Statement.

Results of Operations

Year ended December 31, 2020 compared to year ended December 31, 2019 Revenue

Revenue for fiscal year 2020 was $2,573,574.24, compared to fiscal year 2019 revenue of $615,110.88. Comsero began as a product design company. We designed our products and intellectual property, outsourced the manufacturing, then sold the product under our own brand name. In late 2017, we decided to bring manufacturing in-house. In 2018 we retooled the company to be a vertically integrated enterprise, and the transition was costly. The transition carried through the first half of 2019. Through the second half of 2019 and through 2020 the company has been focused on growth. These efforts have caused revenue to grow 400% over 2019 and 2020 but have also come at a high cost.

Cost of Sales

The sharp uptick in Cost of Sales from 2019 is the primary reason cash flow break- even has eluded Comsero Inc. The company invested heavily into improving the brand and its own website. These are true investments in the future of the company as it continues to transition away from a B2B, education-focused, model to that of a vertically integrated B2C company.

Gross Profit/Margins

2020 gross profit increased by $1,432,840 over 2019. We are currently running about $200,000 in monthly revenue, our gross margins range from 70% to 90% - selling primarily through highend dealers, on our own website, and through Amazon. This improved performance was caused by our business development stage where we have a fully operating manufacturing facility ready to scale, and a marketing and sales engine to take advantage of our growth.

Expenses

The Company's expenses consist of, among other things, general and administrative expenses, research and development, and sales and marketing. Expenses in 2020 increased $2, 145434 from 2019 to be $3,384,048. This related to the company's focus on growth and its transition to a new manufacturing space.

Year ended December 31, 2019 compared to year ended December 31, 2018 Revenue

Revenue for fiscal year 2019 was $610,697, compared to fiscal year 2018 revenue of $184,761. Comsero began as a product design company. We designed our products and intellectual property, outsourced the manufacturing, then sold the product under our own brand name. In late 2017, we decided to bring manufacturing in-house. In 2018 we retooled the company to be a vertically integrated enterprise, and the transition was costly. The transition carried through the first half of 2019.

Cost of Sales

Cost of sales in 2019 was $129,499, a slight increase, from costs of $113,412 in fiscal year 2018. The increase however related to our retooling project which produced higher revenue numbers in 2019.

Gross Profit/Margins

2019 gross profit increased by $409,849 over 2018 gross profit. We are currently running about $200,000 in monthly revenue, our margins range from 70% to 90% - selling primarily through our own internal sales team, through high-end dealers, on our own website and through Amazon. This improved performance was caused by our business development stage where we have a fully operating manufacturing facility ready to scale, and a marketing and sales engine to take advantage of our growth.

Expenses

The Company's expenses consist of, among other things, general and administrative expenses, research and development, and sales and marketing. Expenses in 2019 increased $461,320 from 2018 to be $1,173,253. This related to our re-tooling of the company in 2018 which was a costly transition and this transition carried into 2019.

Historical results and cash flows:

We have spent the last two years creating a manufacturing facility that can scale to what we believe our consumer demand is. That infrastructure was expensive and resource-intensive.

We are now ready for growth at scale. Our previous negative cash-flows are due to infrastructure build-out and market testing. We anticipate positive cash-flows this year coming from our hyper-focus on increasing sales. Therefore, historical results and cash flows are not fully representative of what investors should expect in the future as we begin this new phase of our business.

Liquidity and Capital Resources

At December 31, 2020, the Company had cash of $436,036.00. The Company intends to raise additional funds through an equity financing.

Indebtedness

1. Creditor: Grand Avenue Investments
   Amount Owed: $176,682.00
   Interest Rate: 12.0%
   Maturity Date: March 01, 2022

   On September 2019, the Company issued warrants to purchase a total of 96,970 shares of preferred stock – series seed at $0.7359 price per share in connection with entering into a promissory note agreement. These warrants expire approximately 10 years after the issuance date and are fully vested upon issuance. The grant date fair value of the warrants was $34,552. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: exercise price $0.7359, volatility 85%, 10 year life, 8% dividend yield, and a risk free interest rate of 1.5%. As of December 31, 2019, and 2018, none of the warrants outstanding have been exercised.

2. Creditor: CIT
   Amount Owed: $71,412.00
   Interest Rate: 8.512%

   On June 5, 2020, the company entered a financing agreement with CIT Bank for an equipment in the amount of $71,412, including an interest rate of 1.98%. The loan matures on June 1, 2025 after 60 monthly payments of $1,465.56.

3. Creditor: Highland Capital
   Amount Owed: $217,575.00
   Interest Rate: 4.3%

   On May 7, 2020, the Company entered an equipment finance agreement with Highland Capital Corporation in the amount of $217,575. The loan carries an interest rate of 16% per year and matures on June 1, 2025 after one advance payment in the amount of $21,757.5 and to monthly payments in amount of $3,629.

4. Creditor: Grand Avenue Investments Amount Owed: $120,064.00
   Interest Rate: 12.0%
   Maturity Date: June 1, 2022

   During 2019, the Company issued warrants to purchase a total of 58,182 shares of preferred stock – series seed at $0.7359 price per share in connection with entering into a promissory note agreement. These warrants expire approximately 10 years after the issuance date and are fully vested upon issuance. The grant date fair value of the warrants was $34,552. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: exercise price $0.7359, volatility 85%, 10-year life, 8% dividend yield, and a risk free interest rate of 1.5%. As of December 31, 2019, and 2018, none of the warrants outstanding have been exercised.

5. Creditor: Flat Irons Bank
   Amount Owed: $70,100.00
   Interest Rate: 1.0%
   Maturity Date: April 22, 2022

   On April 12, 2020, the Company received a Paycheck Protection Program(PPP) loan from Flatirons Bank in the amount of $70,100. This loan has been fully forgiven as of February 19, 2021.

6. Creditor: Small Business Administration
   Amount Owed: $340,000.00
   Interest Rate: 3.75%

   On April 20, 2020 the Company entered into a loan agreement with the Small Business Administration in the amount of $340,000. The loan has an interest rate of 3.75% per annum and the installment payment, including principal and interest, of $1,657 per month, and it will begin twelve (12) months from the date of the promissory Note. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory Note if the company decides to keep the loan. The company will use all the proceeds of this Loan solely as working capital.

7. Creditor: Anthony Franco
   Amount Owed: $500,000.00
   Interest Rate: 6.0%
   Maturity Date: January 01, 2031

   In December 2020, the Company's CEO entered into a loan agreement with the Company for $500,000. The loan matures on January 1, 2031 and incurs interest at 6% per annum.

Trends and COVID-19

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the company. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

RELATED PARTY TRANSACTIONS

1. **Anthony Franco**
   Relationship to Company: Officer
   Nature / amount of interest in the transaction: In December 2020, the Company's CEO entered into a loan agreement with the Company for $500,000.
   Material Terms: The loan matures on January 1, 2031 and incurs interest at 6% per annum.

RECENT OFFERINGS OF SECURITIES

We have made the following issuances of securities within the last three years:

1. **Series Seed Preferred Stock**
   Type of security sold: Equity
   Final amount sold: $565,061.56
   Number of Securities Sold: 865,785
   Use of proceeds: Inventory of V1 Product, sales support, operations, product development, IP filings
   Date: January 13,2017
   Offering exemption relied upon: Regulation D 506(b)

2. **Series 2018 Preferred Stock**
   Type of security sold: Equity

Final amount sold: $594,999.34
Number of Securities Sold: 902,177
Use of proceeds: Continuation of manufacturing build-out, operations, product development, IP filings Date: September 01, 2018
Offering exemption relied upon: 506(b)

3. **Series 2019 Preferred Stock**
   Type of security sold: Equity
   Final amount sold: $732,899.78
   Number of Securities Sold: 1,111,271
   Use of proceeds: Increased manufacturing capacity, marketing expansion, operations
   Date: December 16, 2019
   Offering exemption relied upon: Regulation D, 506(b)

4. **Type of security sold: SAFE**
   Final amount sold: $372,750
   Use of proceeds: product launches, IP, Working Capital, Marketing
   Offering exemption relied upon: Regulation CF
   Notes: This SAFE was converted to CrowdSafe Common Stock by the 2020 Reg CF round.

5. **Series 2020 Preferred Stock**
   Type of security sold: Equity
   Final amount sold: $50,000.00
   Number of Securities Sold: 1,226,203
   Use of proceeds: Marketing
   Date: July 22, 2020
   Offering exemption relied upon: Regulation D, 506(b)

6. **Common Stock- 2020 Reg CF**
   Type of security sold: Equity
   Final amount sold: $680,076.69
   Number of Securities Sold: 605,062
   Use of proceeds: StartEngine Platform Fees 3.5% of funds Marketing 51.5% of funds Online marketing and PPC campaigns, 1 tradeshow Inventory 25% of funds Purchasing raw materials for in-house manufacturing Research & Development 10% of funds internal product designs and IP work Operations 10% of funds utilized to hire new production staff
   Date: November 18, 2020
   Offering exemption relied upon: Regulation CF

7. **Convertible Note Final amount sold: $438,000.00**
   Date: February 23, 2021
   Use of proceeds: Inventory and marketing
   Offering exemption relied upon - Regulation D, 506(b)
   Notes: This note converted to Series 2021 Preferred Shares at the close of the Series 2021 Preferred Shares close.

8. **Common Stock- 2021 Reg CF**
   Final Amount Sold: $386,495.6
   Number of Securities Sold: 272,180
   Use of proceeds: Inventory and marketing
   Date: October 31, 2021
   Offering exemption relied upon - Regulation CF

9. **Series 2021 Preferred Shares**
   Final Amount Sold: $241,660
   Number of Securities Sold: 170,183.10
   Use of proceeds: Expansion into other sales channels, inventory.
   Date: October 31, 2021
   Offering exemption relied upon - Regulation D, 506(b)

SECURITIES BEING OFFERED AND RIGHTS OF THE SECURITIES OF THE COMPANY

The following descriptions summarize important terms of our capital stock. This summary reflects Company's Certificate of Incorporation and does not purport to be complete and is qualified in its entirety by the Certificate of Incorporation and its Bylaws. For a complete description the company's capital stock, you should refer to our Certificate of Incorporation and our Bylaws and applicable provisions of the Delaware General Corporation Law.

General

The Company has authorized Common Stock, Series Seed Preferred Stock, Series 2018 Preferred Stock, Series 2019 Preferred Stock, Crowd SAFE - Q1 2020, Crowd SAFE - Q1 2020 Early Bird, Series 2020 Preferred Stock, and Convertible Note 1-21. As part of the Regulation Crowdfunding raise, the Company will be offering up to $4,000,000 of Common Stock.

Common Stock

The amount of security authorized is 12,250,000 with a total of 6,454,433 outstanding.

Voting Rights

The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). Please see Material Rights below for voting rights in this offering.

Material Rights in this Offering.

Voting Proxy. Each subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

Liquidation Rights for Common Stock

Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up or Deemed Liquidation Event of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock as provided in Section 1.1, the remaining funds and assets available for distribution to the stockholders of the Corporation shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares of Common Stock held by each such holder.

Please review the rights related to Preferred Stock classes below and in the Certificate of Incorporation attached.

Options

Currently, the total common stock shares issued and outstanding total is 1,265,000.

Series Seed Preferred Stock

The amount of security authorized is 900,000 with a total of 856,785 outstanding.

Voting Rights

The holders of the Company's Preferred Stock shall have one vote per share held, on an as converted to Common Stock basis.

Material Rights

The following rights, powers and privileges, and restrictions, qualifications and limitations, shall apply to the Preferred Stock, it being understood that the Series Seed Preferred Stock, the Series 2018 Preferred Stock and the Series 2019 Preferred Stock, which together constitute the Preferred Stock, shall rank, with respect to dividend rights and rights on liquidation, winding up and dissolution on parity with each other.

Dividend Rights

Holders of the Preferred Stock, in preference to the holders of the Company's Common Stock, are entitled to receive, when and if declared by the Board of Directors, cash dividends at a rate of 8% per annum of the applicable original issue price, as adjusted, as defined in the Articles. The dividends are payable only when declared by the Board of Directors and are non-cumulative.

Liquidation Preference

Upon a liquidation event, as defined in the Articles, before any distribution or payment is made to the holders of the Company's Common Stock, the holders of the Company's Preferred Stock are entitled to an amount equal to the original issue price, plus all declared and unpaid dividends. Upon payment of the full liquidation preference, the remaining assets will be distributed to the holders of Common and Preferred Shares, on an as converted to Common Stock, basis.

Conversion Rights

The Preferred Stock shares are convertible, at the option of the holder, into shares of the Company's Common Stock, based on the conversion rate, as defined in the Articles, and are subject to automatic conversion at the then applicable conversion rate, upon a qualified public offering resulting in proceeds of not less than $10,000,000 or on a date specified by written consent or agreement of the holders of at least a majority of the voting power of the then outstanding shares of Preferred Stock. The number of shares of Common Stock into which the Preferred Stock is convertible is based on dividing the original issue price of the Preferred Stock, by the applicable conversion rate, which is defined as the original issue price, subject to adjustment, as defined in the Articles. The conversion rate is subject to broad based anti-dilution clauses and down round protection.

Preferred Stock Warrants

The total amount outstanding does not include the 232,728 shares to be issued pursuant to outstanding warrants. During 2017, the Company issued warrants to purchase a total of 77,576 shares of preferred stock. During 2019, the Company issued warrants to purchase a total of 155,152 shares of preferred stock – series seed at $0.7359 price per share in connection with entering into a promissory note agreement. These warrants expire approximately 10 years after the issuance date and are fully vested upon issuance. The grant date fair value of the warrants was $34,552. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: exercise price $0.7359, volatility 85%, 10-year life, 8% dividend yield, and a risk free interest rate of 1.5%. As of December 31, 2019, and 2018, none of the warrants outstanding have been exercised.

Series 2018 Preferred Stock

The amount of security authorized is 1,900,000 with a total of 902,177 outstanding.

Voting Rights

The holders of the Company's Preferred Stock shall have one vote per share held, on an as converted to Common Stock basis.

Material Rights

All material rights are pari passu with Series Seed Preferred Stock.

Series 2019 Preferred Stock

The amount of security authorized is 1,200,000 with a total of 1,111,271 outstanding.

Voting Rights

The holders of the Company's Preferred Stock shall have one vote per share held, on an as converted to Common Stock basis.

Material Rights

All material rights are pari passu with Series Seed Preferred Stock.

Crowd SAFE - Q1 2020

The security will convert into Common stock and the terms of the Crowd SAFE - Q1 2020 are outlined below:

Amount outstanding: $260,753.00
Interest Rate: 0.0%
Discount Rate: 0.0%
Valuation Cap: $11,000,000.00
Conversion Trigger: Liquidity Event (although we plan on converting in this funding round)

Material Rights Liquidity Event.

If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will, at its option, either (i) receive a cash payment equal to the purchase amount (subject to the following paragraph) or (ii) automatically receive from the

Company a number of shares of Crowd Safe Common Stock equal to the purchase amount divided by the liquidity price, if the Investor fails to select the cash option. “Liquidity Event” means a Change of Control or an Initial Public Offering.

Crowd SAFE - Q1 2020 Early Bird

The security will convert into Common stock and the terms of the Crowd SAFE - Q1 2020 Early Bird are outlined below:

Amount outstanding: $100,000.00 Interest Rate: 0.0%
Discount Rate: %
Valuation Cap: $9,000,000.00

Conversion Trigger: Liquidity Event (although we plan on converting in this round)

Material Rights Liquidity Event.

If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will, at its option, either (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or (ii) automatically receive from the Company a number of shares of Crowd Safe Common Stock equal to the Purchase Amount divided by the Liquidity Price, if the Investor fails to select the cash option. “Liquidity Event” means a Change of Control or an Initial Public Offering.

Series 2020 Preferred Stock

The amount of security authorized is 1,250,000 with a total of 1,226,203 outstanding.

Voting Rights

Voting rights: (a) the holders of Series 2020 Preferred Stock, prior to the conversion of such stock to Common Stock, shall not have any voting rights other than those set forth as “protective provisions” under “Voting rights” below, which are subject to a vote of the “Requisite Holders” (as defined below), and (b) if, but for this clause, the number of shares of Common Stock that would be issuable to the holders of Series 2020 Preferred Stock upon the conversion of such stock to Common Stock represents more than 9.99% of the capital stock of the Company on a fully diluted basis, then the Conversion Price for the Series 2020 Preferred Stock applicable to such conversion shall be increased as necessary in order to lower the number of shares of Common Stock so issuable to the holders of Series 2020 Preferred Stock to 9.99%.

Material Rights

The Series 2020 Preferred Stock Shares will rank senior to the Company’s Common Stock and pari passu with other Series Seed Preferred Stock as describe above, with respect to dividends, liquidation and dissolution.

Voting Rights

The Shares will vote together with the Common Stock and not as a separate class except as specifically provided herein or as otherwise required by law. A holder of Shares shall have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such share of Shares. Notwithstanding the foregoing, approval of the Requisite Holders shall be required as follows:

1. For so long as the Investor’s shares represent at least five percent (5%) of the issued and outstanding common stock of the Company other than any such shares that are issued under or pursuant to the Company’s equity incentive or stock option plan:

(a) New equity issuances, other than shares of the Company's capital stock issued at fair market value to an arm's length third party;

(b) Material non-arm's length transactions (including any change in salary, bonus or other compensation paid to a Company shareholder outside of the Company's Employee Option or Equity Incentive Plan who hold more than five percent (5%) of the Company's issued and outstanding capital stock other than any such shares that are issued under or pursuant to the Company's equity incentive or stock option plan), except for Founder Payments, subject to the provisions set forth in the "Proportionate Payments" section above;

2. Amendments to the organizational documents that disproportionately impact the rights or preferences of the Shares, or other actions that could materially and adversely alter the rights of the Shares.

The Investor will be required to reply to requests for approval within five (5) business days of the Company's sending a written request for such approval by email; lack of response within this time period implies approval.

Conversion Rights

Each of the holders of the shares shall have the right to convert such holder's shares, at any time, into shares of Common Stock. The initial conversion rate shall be 1:1 (subject to proportional adjustment for stock splits, stock dividends, combinations, recapitalizations and the like and as described below under "Price-Based Anti- Dilution") and subject to the adjustment described in the "Note" set forth above in the second paragraph of this Term Sheet.

Automatic Conversion: The Shares shall be automatically converted into Common Stock, at the then applicable conversion rate, (i) in the event that the holders of at least a majority of the outstanding shares (the "Requisite Holders") consent to such conversion or (ii) upon the closing of a firmly underwritten public offering of shares of Common Stock for a total offering of not less than $10,000,000 (after deduction of underwriters' commissions and expenses) (a "Qualified IPO").

Right of First Refusal

The Company's Bylaws may contain a right of first refusal providing the Company with the right to purchase any Shares (or the Common Stock into which it may be converted) that a holder thereof proposes to sell to a third party. If the Company does not exercise such right, it shall be assigned to the Investor, who may exercise such right on a pro-rata basis based on the Investor's ownership of the Company comparing the number of the Investor's Shares (on an as-if converted basis) with the number of shares of issued and outstanding capital stock of all Company shareholders who have a right of first refusal relating to such shares of capital stock, provided that, in the Company's reasonable judgment, the Investor's exercise will not interfere with or delay the closing of any financings. Rights of first refusal shall not be exercisable in connection with de minimus transfers and transfers for estate planning purposes.

Convertible Note 1-21

The security will convert into Series seed preferred and the terms of the Convertible Note 1-21 are outlined below:

Amount outstanding: $438,700.00 Maturity Date: February 23, 2023 Interest Rate: 6.0%
Discount Rate: 20.0%

Valuation Cap: $13,600,000.00 Conversion Trigger: Capital Raise

Material Rights

There are no material rights associated with Convertible Note 1-21.

What it Means to be a Minority Holder

As an investor in Common Stock of the company, you will not have any rights in regard to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or company transactions with related parties.

Transferability of securities

For a year, the securities can only be resold:

- In an IPO or other public offering registered with the SEC;
- To the company;
- To an accredited investor; and
- 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.

Transfer Agent

The company has selected KoreConx, Inc., an SEC-registered securities transfer agent, to act as its transfer agent. They will be responsible for keeping track of who owns the company's securities.

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 go down, even though the value of the company may go up. 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, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible bonds, preferred shares or warrants) into stock.

If the company decides 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 the company offers 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. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2020 Jane invests $20,000 for shares that represent 2% of a company valued at $1 million.
- In December the company is doing very well and sells $5 million in shares to venture capitalists on a valuation (before the new investment) of $10 million. Jane now owns only 1.3% of the company but her stake is worth $200,000.
- In June 2021 the company has run into serious problems and in order to stay afloat it raises $1 million at a valuation of only $2 million (the "down round"). Jane now owns only 0.89% of the company and her stake is worth only $26,660.

This type of dilution might also happen upon conversion of convertible notes into shares. Typically, the terms of convertible notes issued by early-stage companies provide that in the event of another round of financing, the holders of the convertible notes get to convert their notes into equity at a "discount" to the price paid by the new investors, i.e., they get more shares than the new investors would for the same price. Additionally, convertible notes may have a "price cap" on the conversion price, which effectively acts as a share price ceiling. Either way, the holders of the convertible notes get more shares for their money than new investors. In the event that the financing is a "down round" the holders of the convertible notes will dilute existing equity holders, and even more than the new investors do, because they get more shares for their money. Investors should pay careful attention to the aggregate total amount of convertible notes that the company has issued (and may issue in the future, and the terms of those notes.

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.

Valuation

As discussed in "Dilution" above, the valuation of the company will determine the amount by which the investor's stake is diluted in the future. An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the company. When the company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is immediately diluted because each share of the same type is worth the same amount, and you paid more for your shares than earlier investors did for theirs.

There are several ways to value a company, and none of them is perfect and all of them involve a certain amount of guesswork. The same method can produce a different valuation if used by a different person.

Liquidation Value — The amount for which the assets of the company can be sold, minus the liabilities owed, e.g., the assets of a bakery include the cake mixers, ingredients, baking tins, etc. The liabilities of a bakery include the cost of rent or mortgage on the bakery. However, this value does not reflect the potential value of a business, e.g., the value of the secret recipe. The value for most startups lies in their potential, as many early-stage companies do not have many assets (they probably need to raise funds through a securities offering in order to purchase some equipment).

Book Value — This is based on analysis of the company's financial statements, usually looking at the company's balance sheet as prepared by its accountants. However, the balance sheet only looks at costs (i.e., what was paid for the asset), and does not consider whether the asset has increased in value over time. In addition, some intangible assets, such as patents, trademarks or trade names, are very valuable but are not usually represented at their market value on the balance sheet.

Earnings Approach — This is based on what the investor will pay (the present value) for what the investor expects to obtain in the future (the future return), taking into account inflation, the lost opportunity to participate in other investments, the risk of not receiving the return. However, predictions of the future are uncertain and valuation of future returns is a best guess.

Different methods of valuation produce a different answer as to what your investment is worth. Typically, liquidation value and book value will produce a lower valuation than the earnings approach. However, the earnings approach is also most likely to be risky as it is based on many assumptions about the future, while the liquidation value and book value are much more conservative.

Future investors (including people seeking to acquire the company) may value the company differently. They may use a different valuation method, or different assumptions about the company's business and its market. Different valuations may mean that the value assigned to your investment changes. It frequently happens that when a large institutional investor such as a venture capitalist makes an investment in a company, it values the company at a lower price than the initial investors did. If this happens, the value of the investment will go down.

How we determined the offering price

The offering price for our current offering was determined based on the following information:

Pre-Money Valuation: $18,000,000

Valuation Details:

Comsero, Inc., dba M.C. Squares, determined the company's pre-money valuation after evaluating several factors of the business.

First, the company has proven its ability to bring products to market at scale and has mitigated risk through previous rounds. We compared this valuation to prior rounds we have conducted via Regulation Crowdfunding and have put that capital to work in order to raise our enterprise value including expanding globally, filing for more intellectual property, growing our capacity, engaging new partners, and launching new products.

Second, the company is a vertically integrated manufacturing and eCommerce company with 80 SKUs across 6 product families. We control our supply chain and our manufacturing processes so that we can adapt to market trends.

We have seen significant market and revenue growth. Including, 1,300% revenue growth from 2018 to 2020.

Finally, in addition to the above, we factored in our considered unfair advantages: (i) nine issued patents, seven more pending; (ii) ten trademarks; (iii) material exclusivity, (iv) annual manufacturing capacity of over $18 million and (v) estimated anticipated annual revenue for 2021 of between $3,500,000 and $4,000,000

REGULATORY INFORMATION

Disqualification

Neither the company nor any of its officers or managing members are disqualified from relying on Regulation Crowdfunding.

Annual reports

The company has not filed annual reports to date. Any annual reports will be posted on the company's website at M.C. Squares.com (M.C. Squares.com/annual report).

Compliance failure

The Company has not previously failed to comply with the requirements of Regulation Crowdfunding.

INVESTING PROCESS

Information Regarding Length of Time of Offering

Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once the offering period is within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.

Notifications: Investors will receive periodic notifications regarding certain events pertaining to this offering, such as the company reaching its offering target, the company making an early closing, the company making material changes to its Form C, and the offering closing at its target date.

Material Changes: Material changes to an offering include but are not limited to:

A change in minimum offering amount, change in security price, change in management, etc. If an issuing company makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled, and the funds will be returned.

Rolling and Early Closings: The company may elect to undertake rolling closings, or an early closing after it has received investment interests for its target offering amount. During a rolling closing, those investors that have committed funds will be provided five days' notice prior to acceptance of their subscriptions, release of funds to the company, and issuance of securities to the investors. During this time, the company may continue soliciting investors and receiving additional investment commitments. Investors should note that if investors have already received their securities, they will not be required to reconfirm upon the filing of a material amendment to the Form C. In an early closing, the offering will terminate upon the new target date, which must be at least five days from the date of the notice.

Investor Limitations

Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than $107,000, then during any 12-month period, they can invest up to the greater of either $2,200 or 5% of the greater of their annual income or Net worth. If both their annual income and net worth are equal to or more than $107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is greater, but their investments cannot exceed $107,000. If the investor is an "accredited investor" as defined under Rule 501 of Regulation D under the Securities Act, as amended, no investment limits apply.

Updates

Information regarding updates to the offering and to subscribe can be found here, investinmcsquares.com.

COMSERO, INC DBA MCSQUARES

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

(Expressed in United States Dollars)

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Comsero Inc dba mcSquares
Denver, Colorado

Opinion

We have audited the financial statements of Comsero, Inc., dba mcSquares, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, 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 Comsero, Inc., dba mcSquares., as of December 31, 2020 and 2019, 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 Comsero, Inc., dba mcSquares 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.

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 Comsero, Inc., dba mcSquares's ability to continue as a going concern for period of twelve months from the end of the year ended December 31, 2020.

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 Comsero, Inc., dba mcSquares'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 Comsero, Inc., dba mcSquares'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.

Going Concern

As discussed in Note 12, 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.

SetApart FS

April 6, 2021

Los Angeles, California

As of December 31,	2020	2019
(USD $ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 523,751	$ 123,227
Accounts receivable—net	27,239	17,333
Inventories	243,610	75,140
Prepaid expenses and other current assets	131,442	252,528
Total current assets	**926,043**	**468,228**
Property and equipment, net	462,784	127,349
Intangible assets, net	93,483	93,361
Deposits	12,500	-
Total assets	**1,494,810**	**688,938**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	31,238	24,384
Credit card	76,953	17,238
Other current liabilities	1,644	3,537
Short term capital lease	103,741	10,485
Short term note payable	186,629	195,085
Total current liabilities	**400,205**	**250,730**
Note payable	463,806	231,126
Note payable, related party	225,000	-
Capital lease	280,267	121,022
Total liabilities	**1,369,278**	**602,878**
STOCKHOLDERS' EQUITY		
Common stock	649	557
Preferred stock	1,942,961	1,892,961
Additional paid-in capital	2,124,297	726,569
Retained earnings/(Accumulated Deficit)	(3,942,375)	(2,534,028)
Total stockholders' equity	**125,533**	**86,059**
Total liabilities and stockholders' equity	**$ 1,494,810**	**$ 688,937**

See accompanying notes to financial statements.

COMSERO, INC.
STATEMENTS OF OPERATIONS

For Fiscal Year Ended December 31,		2020		2019
(USD $ in Dollars, except per share data)				
Net revenue	$	2,577,037	$	610,697
Cost of goods sold		637,684		129,499
Gross profit		1,939,354		481,198
Operating expenses				
General and administrative		1,259,959		799,730
Research and development		51,171		500
Sales and marketing		1,993,042		373,024
Total operating expenses		3,304,173		1,173,253
Operating income/(loss)		(1,364,819)		(692,055)
Interest expense		74,746		40,683
Other income		(31,218)		
Income/(Loss) before provision for income taxes		(1,408,347)		(732,738)
Provision/(Benefit) for income taxes		-		-
Net income/(Net Loss)	**$**	**(1,408,347)**	**$**	**(732,738)**

See accompanying notes to financial statements.

COMSERO, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For Fiscal Year Ended December 31, 2020 and 2019
(USD $ in Dollars, except per share data)

	Common Stock			Preferred Stock			Additional Paid-In	Accumulated	Total Stockholders'
(in thousands, $US)	**Shares**		**Amount**	**Shares**		**Amount**	**Capital**	**Deficit**	**Equity**
Balance—December 31, 2018	**5,573,200**	**$**	**557**	**1,758,962**	**$**	**1,160,061**	**$ 627,017**	**$ (1,801,290)**	**$ (13,655)**
Net income/(loss)	-		-	-		-	-	(732,738)	(732,738)
Share based compensation							64,999		64,999
Warrant compensation	-		-	-		-	34,552	-	34,552
Issuance of preferred shares	-		-	1,111,271		732,900	-	-	732,900
Balance—December 31, 2019	**5,573,200**	**$**	**557**	**2,870,233**	**$**	**1,892,961**	**$ 726,569**	**$ (2,534,028)**	**$ 86,059**
Net income/(loss)	-		-	-		-	-	(1,408,347)	(1,408,347)
Issuance of common shares	916,619		92	-		-	974,245	-	974,336
Share based compensation	-		-	-		-	423,484	-	423,484
Issuance of preferred shares	-		-	1,226,203		50,000	-	-	50,000
Balance—December 31, 2020	**6,489,819**	**$**	**649**	**4,096,436**	**$**	**1,942,961**	**$ 2,124,297**	**$ (3,942,373)**	**$ 125,533**

See accompanying notes to financial statements.

For Fiscal Year Ended December 31,	2020	2019
(USD $ in Dollars, except per share data)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	$ (1,408,347)	$ (732,738)
Adjustments to reconcile net income to net cash provided/(used) by operating activities:		
Depreciation and amortization	92,514	40,007
Share based Compensation	423,484	64,999
Warrant based compensation	-	34,552
Debt discount and issuance amortization	947	2,727
Changes in operating assets and liabilities:		
Accounts receivable	(9,907)	13,380
Inventory	(168,470)	(31,665)
Prepaid expenses and other current assets	121,086	(252,528)
Accounts payable and accrued expenses	6,854	11,764
Credit cards	59,715	(39,841)
Other current liabilities	(1,893)	1,928
Net cash provided/(used) by operating activities	**(884,017)**	**(887,414)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(427,571)	(32,349)
Purchases of intangible assets	(500)	(795)
Deposits	(12,500)	-
Net cash provided/(used) in investing activities	**(440,571)**	**(33,144)**
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings on Notes	635,100	400,000
Repayment of Notes	(186,824)	(90,054)
Borrowings on Capital Lease	351,955	32,349
Repayments of Capital Lease	(99,455)	(36,857)
Issuance of Common Shares	974,336	-
Issuance of Preferred Shares	50,000	732,900
Net cash provided/(used) by financing activities	**1,725,113**	**1,038,338**
Cash—beginning of year	123,227	5,446
Cash—end of year	**$ 523,751**	**$ 123,227**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 65,066	$ -
Cash paid during the year for income taxes	$ -	$ -

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS

Comsero, Inc., dba mcSquares was previously formed as Comsero, LLC on February 4, 2013 in the state of Colorado. The company converted to a C Corporation, Comsero, Inc on January 25, 2016 in the state of Colorado. The financial statements of mcSquares (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 Denver, Colorado.

Comsero, Inc. builds unique products that inspire creativity and cultivate collaboration. We make products that make Whiteboarding better, we create the frameworks that make Whiteboarding effective, and we lead the community of Whiteboarders around the globe.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 are deposited in demand accounts at financial institutions that management believes are creditworthy.

Accounts Receivable

Accounts receivable are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of December 31, 2020, the Company determined that no reserve was necessary.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the first-in, first-out basis. Specific identification and average cost methods are also used primarily for certain packing materials and operating supplies.

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 ranges from five to seven years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the lease term.

Intangible Assets

The company capitalizes its patent and filing fees 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 10 years.

Other intangibles include trademark filing and related attorney fees. Trademark costs are indefinite lived.

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.

Income Taxes

Comsero, 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.

Revenue Recognition

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied. To date, no revenue has been recognized.

The Company recognizes revenue from product sales when the goods have been shipped to the customer and the Company has satisfied its performance obligation.

Operating Leases

Operating leases relate to vehicles and equipment. Rent expense for operating leases is recognized on a straight-line basis over the term of the leases, which ranges from 3 to 5 years.

Capital Leases

Capital leases relate to equipment and is recorded at fair value of the lease payments on the initial contract date. The asset is amortized over the term of the lease, which is generally 5 years.

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 sheets 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 April 6, 2021, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

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 our financial statements.

3. INVENTORY

Inventory was comprised of the following items:

As of Year Ended December 31,	**2020**	**2019**
Raw Materials	$ 66,310	$ -
Work in Process	56,304	-
Finished Goods	120,995	75,140
Total Inventories	**$ 243,610**	**$ 75,140**

4. PROPERTY AND EQUIPMENT

As of December 31, 2020 and 2019, property and equipment consist of:

As of Year Ended December 31,	2020	2019
Computers and printers	$ 61,808	$ 29,823
Machinery and equipment	512,283	178,607
Leasehold improvements	61,910	-
Property and Equipment, at Cost	636,001	208,430
Accumulated depreciation	(173,217)	(81,081)
Property and Equipment, Net	**$ 462,784**	**$ 127,349**

Depreciation expense for property and equipment for the fiscal year ended December 31, 2020 and 2019 was $92,136 and $40,007, respectively.

The Company entered into various capital leases relating to equipment and recorded the fair value of the lease payments on the initial contract date, and is amortizing the assets over the term of the lease.

5. INTANGIBLE ASSETS

In 2019, the Company acquired $795 in Patents. There is no significant residual value and the average amortization period is 10 years.

In 2018, the Company acquired $21,810 in Patents. There is no significant residual value and the average amortization period is 10 years.

In 2018, the Company acquired $344 in Trademarks. There is no significant residual value and the trademarks are indefinite-lived.

The components of the Company's other intangible assets consist of the following definite-lived and indefinite-lived assets:

	December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Intangible Asset, Net
Patents	$ 87,437	$ (1,102)	$ 86,335
Trademarks	7,148	-	7,148
Total	$ 94,585	$ (1,102)	$ 93,483

	December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Intangible Asset, Net
Patents	$ 86,937	$ (724)	$ 86,213
Trademarks	7,148	-	7,148
Total	$ 94,085	$ (724)	$ 93,361

Amortization expense for the year ended December 31, 2020 and 2019 was immaterial. The following table summarizes the estimated amortization expense relating to the Company's intangible assets as of December 31, 2020:

Period	**Amortization Expense**
2021	$ 378
2022	378
2023	378
2024	378
Thereafter	566
Total	**$ 2,078**

6. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company's authorized share capital as of December 31, 2020 consisted of 12,250,000 shares designated as $0.0001 par value common stock. Of the 12,250,000 common shares authorized, 6,489,819 shares were issued and outstanding.

In 2020, the Company issued $370,753 in Crowd SAFEs pursuant to a Regulation CF offering. Upon the Company's subsequent common stock offering (see below), these SAFEs were converted into 311,557 shares of common stock at a price of $1.19 per share.

In 2020, the Company issued 605,062 shares of common stock pursuant to a Regulation CF offering at a price of $1.19 per share. As of December 31, 2020, the Company has approximately $110,000 in escrow and included in prepaid expenses and other current assets in the balance sheet, which will be received in 2021.

Preferred Stock

Series Seed
At December 31, 2020, the Company had 900,000 shares authorized and 865,785 shares issued and outstanding.

Series 2018
At December 31, 2020, the Company had 1,900,000 shares authorized and 902,177 shares issued and outstanding.

Series 2019
In 2019, the Company issued 1,111,271 shares in return for $732,900 in proceeds. At December 31, 2020, the Company had 1,200,000 shares authorized and 1,111,271 shares issued and outstanding.

Series 2020
In 2020, the Company issued 1,226,203 shares in return for $50,000 in proceeds. At December 31, 2020, the Company had 1,250,000 shares authorized and 1,226,203 shares issued and outstanding.

Dividend rights - Holders of the Preferred Stock, in preference to the holders of the Company's Common Stock, are entitled to receive, when and if declared by the Board of Directors, cash dividends at a rate of 8% per annum of the applicable original issue price, as adjusted, as defined in the Articles. The dividends are payable only when declared by the Board of Directors, and are non-cumulative.

Liquidation preference - Upon a liquidation event, as defined in the Articles, before any distribution or payment is made to the holders of the Company's Common Stock, the holders of the Company's Preferred Stock are entitled to an amount equal to the original issue price, plus all declared and unpaid dividends. Upon payment of the full liquidation preference, the remaining assets will be distributed to the holders of Common and Preferred Shares, on an as converted to Common Stock, basis.

Conversion rights - The Preferred Stock shares are convertible, at the option of the holder, into shares of the Company's Common Stock, based on the conversion rate, as defined in the Articles, and are subject to automatic conversion at the then applicable conversion rate, upon a qualified public offering resulting in proceeds of not less than $10,000,000 or on a date specified by written consent or agreement of the holders of at least a majority of the voting power of the then outstanding shares of Preferred Stock. The number of shares of Common Stock into which the Preferred Stock is convertible is based on dividing the original issue price of the Preferred Stock, by the applicable conversion rate, which is defined as the original issue price, subject to adjustment, as defined in the Articles. The conversion rate is subject to broad based anti-dilution clauses and down round protection.

Voting rights - The holders of the Company's Preferred Stock shall have one vote per share held, on an as converted to Common Stock basis.

Preferred Stock Warrants

During 2019, the Company issued warrants to purchase a total of 155,152 shares of preferred stock – series seed at $0.7359 price per share in connection with entering into a promissory note agreement. These warrants expire approximately 10 years after the issuance date and are fully vested upon issuance. The grant date fair value of the warrants was $34,552. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: exercise price $0.7359, volatility 85%, 10 year life, 8% dividend yield, and a risk free interest rate of 1.5%.

As of December 31, 2020 and 2019, none of the warrants outstanding have been exercised.

7. DEBT

Convertible Promissory Notes

In January 2018, the Company entered into a Note and Warrant Purchase Agreement, or the Note Agreement or the Notes, with EVPI Investments I LP, to borrow up to $100,000. The Notes issued pursuant to the agreement bore interest at a simple rate of 12% per annum with the interest payments payable monthly starting January 1, 2018 and a note maturity date of January 1, 2020.

In August 2019, the Company entered into a Note Purchase Agreement, or the Note Agreement or the Notes to loan the Company $250,000, and an additional $150,000. The initial $250,000 promissory note has a 30-month term and carries a fixed interest rate 12% per annum with monthly principal and interest payments of $9,694 due from October

2019 through maturity of March 2022. The second $150,000 promissory note has a 30-month term and carries a fixed interest rate 12% per annum.

During the year ended December 31, 2020 and 2019, the Company recorded annual interest expense of $35,995 and $40,683, respectively, to accrue for interest due on the notes.

The Company recorded the Notes on the balance sheets as follows:

As of December 31,	2020	2019
Principal	$ 232,063	$ 427,159
Net unamortized debt discount	-	(947)
Net Carrying Value	$ 232,063	$ 426,211

The following table outlines future schedule of principal payments:

Period	
2021	169,245
2022	62,818
Total	**$ 232,063**

Related Party Note

In December 2020, the Company's CEO entered into a loan agreement with the Company for $225,000. The loan matures on January 1, 2022 and incurs interest at 6% per annum.

PPP Loan

In April 2020, the Company entered into a loan with a lender in an aggregate principal amount of $70,100 pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP Loan is evidenced by a promissory note ("Note"). Subject to the terms of the Note, the PPP Loan bears interest at a fixed rate of one percent (1%) per annum, with the first six months of interest deferred, has an initial term of two years, and is unsecured and guaranteed by the Small Business Administration. The Company may apply to the Lender for forgiveness of the PPP Loan, with the amount which may be forgiven equal to the sum of payroll costs, covered rent, and covered utility payments incurred by the Company during the applicable forgiveness period, calculated in accordance with the terms of the CARES Act. The loan proceeds were used for payroll and other covered payments and is expected to be forgiven in 2021 based on current information available; however, formal forgiveness has not yet occurred as of the date of these financial statements.

SBA EIDL

On April 20, 2020 the Company entered into a loan agreement with the Small Business Administration in the amount of $340,000 pursuant to the Economic Injury Disaster Loan (EIDL) assistance program. The loan has an interest rate of 3.75% per annum and the installment payment, including principal and interest, of $1,657 per month, will begin twelve months from the date of the note. The balance of principal and interest will be payable thirty years from the date of the note if the Company decides to keep the loan.

8. INCOME TAXES

The provision for income taxes for the year ended December 31, 2020 and 2019 consists of the following:

As of Year Ended December 31,	2020	2019
Net Operating Loss	$ (170,955)	$ (15,226)
Valuation Allowance	170,955	15,226
Net Provision for income tax	$ -	$ -

Significant components of the Company's deferred tax assets and liabilities at December 31, 2020, are as follows:

As of Year Ended December 31,	2020	2019
Net Operating Loss	$ (893,475)	$ (532,516)
Valuation Allowance	893,475	532,516
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, full valuation allowance has been set against its net deferred tax assets as of December 31, 2020. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

As of December 31, 2020, the Company had federal net operating loss ("NOL") carryforwards of approximately $732,018. The Company had state NOL carryforwards of approximately $161,404. 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. Under the provisions of the Internal Revenue Code, the NOLs and tax credit carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. NOLs and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. The Company has not performed a comprehensive Section 382 study to determine any potential loss limitation with regard to the NOL carryforwards and tax credits.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2020, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2020, the Company had no accrued interest and penalties related to uncertain tax positions.

The Company is subject to examination for its US federal and Colorado jurisdictions for each year in which a tax return was filed.

9. SHARE-BASED COMPENSATION

During 2016, the Company authorized the 2016 Equity Incentive Plan (which may be referred to as the "Plan"). The Company reserved 1,250,000 shares of its Common Stock pursuant to the Plan, which provides for the grant of shares of stock options, stock appreciation rights, and stock awards (performance shares) to employees, non-employee directors, and non-employee consultants. The option exercise price generally may not be less than the underlying stock's fair market value at the date of the grant and generally have a term of ten years. The amounts granted each calendar year to an employee or nonemployee is limited depending on the type of award. As of December 31, 2020, 389,500 shares are still available to be issued under the Plan.

Stock Options

In 2019, the Company granted 479,954 stock options under the Plan to various employees with a total grant date fair value of approximately $289,917. The granted options had an exercise price of $0.20, expire in approximately ten years, and ranged from immediate vesting, to vesting over a four-year period.

In 2020, the Company granted 515,046 stock options under the Plan to various employees with a total grant date fair value of approximately $309,544. The granted options had an exercise price of $0.20, expire in approximately ten years, and ranged from immediate vesting, to vesting over a four-year period.

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

As of December 31,	2020	2019
Expected life (years)	10.00	10.00
Risk-free interest rate	0.62%	2.69%
Expected volatility	85%	85%
Annual dividend yield	0%	0%

Expected volatility - There is currently no active external or internal market for the Company's shares of Common Stock. The Company uses the volatility of a publicly traded peer group to estimate the volatility assumption used in the Black-Scholes option pricing model. The volatility is estimated for a period consistent with the expected term of the options.

Expected Dividend Yield - The Company has assumed a 0% dividend yield because management does not anticipate the Company will pay regular dividends.

Expected stock option term - The expected term for employee stock options represents the period that the stock options are expected to be outstanding. As the Company does not have sufficient history to estimate the expected life based upon past experience, giving consideration to contractual terms and vesting provisions of the stock-based awards, the expected term was determined utilizing the shortcut method in Staff Accounting Bulletin Topic 107 which is basically the average of the vesting term and the contractual life for the stock option granted. The Company's expected term for non-employee options represents the contractual life of the award.

Risk-free interest rate - The Company based the risk-free interest rate used on the implied yield currently available on U.S. Treasury zero-coupon issued with a remaining term equivalent to the expected term of the stock options.

Forfeiture rate - The Company records forfeitures in the period incurred.

A summary of the Company's stock options activity and related information is as follows:

	Number of Awards	Weighted Average Exercise	Weighted Average Contract Term (in years)
Outstanding at December 31, 2018	1,034,500	$ 0.17	8.81
Granted	479,954	$ 0.20	
Exercised	-		
Expired/Cancelled	-		
Outstanding at December 31, 2019	1,514,454	$ 0.18	7.12
Granted	515,046	$ 0.20	
Exercised	-		
Expired/Cancelled	(584,500)	$ 0.14	
Outstanding at December 31, 2020	1,445,000	$ 0.20	7.88
Exercisable Options at December 31, 2020	1,445,000		

Stock option expense for the years ended December 31, 2020 and 2019 was $423,484 and $64,999, respectively. Unrecognized stock option expense was $230,659 at December 31, 2020.

10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases vehicles and equipment under operating lease arrangements expiring in 2021.

In June 2020 the Company signed a seven-year lease agreement for office and warehouse space in Denver, Colorado. The agreement expires in September 2027. Monthly base rent for the first three years of the lease is $12,500 per month, and $25,000 per month for the remaining term. Upon executing the lease, the Company paid a security deposit of $12,500.

The aggregate minimum annual lease payments under operating leases in effect on December 31, 2020, are as follows:

Year	Obligation
2021	$ 150,644
2022	150,000
2023	225,000
2024	300,000
Thereafter	750,000
Total future minimum operating lease payments	**$ 1,575,644**

Rent expense for the year ended December 2020 and 2019 was $45,161 and $8,079, respectively.

Capital Lease

The Company entered into various capital lease arrangements for financing tooling and computer equipment. The lease periods are five years. The repayments are made monthly and there is an option to purchase the assets at the end of the leases.

Future minimum lease payments under these capital leases as of December 31, 2020 were as follows:

Year		Obligation
2021		125,672
2022		114,837
2023		85,898
2024		78,594
2025		27,163
Total minimum future obligation	**$**	**432,164**

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses 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 December 31, 2020, 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.

11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 6, 2021, the date the financial statements were available to be issued.

In February and March 2021, the Company entered into convertible promissory note agreements for total proceeds of $438,700. The notes have a two-year term and bear interest at a rate of 6% per annum. In the event the Company consummates a Qualified Financing on or before the repayment date, the principal balance and all accrued and unpaid interest of the notes shall automatically convert into a number of shares of Qualified Financing Securities equal to the quotient obtained by dividing (i) the aggregate amount of the principal and accrued and unpaid interest on this Note, by (ii) the Qualified Financing Conversion Price. The Conversion Price is the lesser of: (i) the product obtained by multiplying (a) the Discount Multiplier (.80), by (b) the highest cash price per share paid by Investors purchasing Equity Securities in the Qualified Financing; or (ii) the quotient obtained by dividing (a) the Valuation Cap ($13,600,00) , by (b) the number of dilutive shares of common stock outstanding.

In February 2021, the Company started a Regulation CF offering on StartEngine for the issuance of shares of commons stock. Through the issuance date, the Company has raised gross proceeds of approximately $68,000.

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

12. 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 incurred losses from operations, and had an accumulated deficit of $3,942,375 and $2,534,028 as of December 31, 2020 and 2019, respectively.

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.