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**FREEDOM LASER, INC.**

**REVIEWED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
*(Unaudited)*

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# INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT .....	1
FINANCIAL STATEMENTS:	
Balance Sheets .....	2
Statements of Operations .....	3
Statements of Changes in Stockholders' Equity .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Freedom Laser, Inc.  
Los Angeles, California

We have reviewed the accompanying financial statements of Freedom Laser, Inc. (the "Company,"), which comprise the balance sheets as of December 31, 2023 and December 31, 2022, and the related statements of operations, statements of changes in stockholders' equity, and cash flows for the years ending December 31, 2023 and December 31, 2022, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 9, 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.

*Set Apart Accountancy Corp.*

April 22, 2024  
Los Angeles, California

**FREEDOM LASER INC.****BALANCE SHEETS****(UNAUDITED)**

<b>As of December 31,</b>	<b>2023</b>	<b>2022</b>
(USD \$ in Dollars)		
<b>ASSETS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 419	\$ 94
<b>Total Current Assets</b>	<b>419</b>	<b>94</b>
<b>Total Assets</b>	<b>\$ 419</b>	<b>\$ 94</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Credit Cards	\$ 1,408	\$ -
Promissory Notes and Loans	12,200	-
<b>Total Current Liabilities</b>	<b>13,608</b>	<b>-</b>
<b>Total Liabilities</b>	<b>13,608</b>	<b>-</b>
<b>STOCKHOLDERS EQUITY</b>		
Common Stock	7	-
Founders Preferred Stock	630	-
Common Stock-Nevada Close Corporation	-	156,574
Additional Paid in Capital	164,229	-
Accumulated Deficit	(178,055)	(156,480)
<b>Total Stockholders' Equity</b>	<b>(13,189)</b>	<b>94</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 419</b>	<b>\$ 94</b>

*See accompanying notes to financial statements.*

**FREEDOM LASER INC.**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

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For Fiscal Year Ended December 31,	2023	2022
(USD \$ in Dollars)		
Net Revenue	\$ -	\$ -
Cost of Goods Sold	-	-
Gross profit	-	-
Operating expenses		
General and Administrative	11,795	6,332
Sales and Marketing	9,305	-
Total operating expenses	21,100	6,332
Operating Income/(Loss)	(21,100)	(6,332)
Interest Expense	410	-
Other Loss/(Income)	65	-
Income/(Loss) before provision for income taxes	(21,575)	(6,332)
Provision/(Benefit) for income taxes	-	-
<b>Net Income/(Net Loss)</b>	<b>\$ (21,575)</b>	<b>\$ (6,332)</b>

*See accompanying notes to financial statements.*

**FREEDOM LASER INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

(in , \$US)	Common Stock		Founders Preferred Stock		Additional Paid In Capital	Common Stock - Nevada Corporation	Accumulated Deficit	Total Shareholder Equity
	Shares	Amount	Shares	Amount				
<b>Balance—December 31, 2021</b>	-	\$ -	-	\$ -	\$ -	\$ 150,346	\$ (150,148)	\$ 198
Issuance of Stock	-	-	-	-	-	6,228	-	6,228
Net income/(loss)	-	-	-	-	-	-	(6,332)	(6,332)
<b>Balance—December 31, 2022</b>	-	\$ -	-	\$ -	\$ -	\$ 156,574	\$ (156,480)	\$ 94
Conversion from Nevada Close Corporation to Delaware Corporation	66,162	7	6,300,000	630	164,229	(156,574)	-	8,292
Net income/(loss)	-	-	-	-	-	-	(21,575)	(21,575)
<b>Balance—December 31, 2023</b>	<b>66,162</b>	<b>\$ 7</b>	<b>6,300,000</b>	<b>\$ 630</b>	<b>\$ 164,229</b>		<b>\$ (178,055)</b>	<b>\$ (13,189)</b>

See accompanying notes to financial statements.

**FREEDOM LASER INC.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

For Fiscal Year Ended December 31,	2023	2022
(USD \$ in Dollars)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ (21,575)	\$ (6,332)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Changes in operating assets and liabilities:		
Credit Cards	1,408	-
<b>Net cash provided/(used) by operating activities</b>	<b>(20,167)</b>	<b>(6,332)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Net cash provided/(used) in investing activities</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital Contribution	8,292	6,228
Borrowing on Promissory Note	15,000	-
Repayment of Promissory Note	(2,800)	
<b>Net cash provided/(used) by financing activities</b>	<b>20,492</b>	<b>6,228</b>
Change in Cash	325	(104)
Cash—beginning of year	94	198
<b>Cash—end of year</b>	<b>\$ 419</b>	<b>\$ 94</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 410	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

*See accompanying notes to financial statements.*

**FREEDOM LASER INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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**1. NATURE OF OPERATIONS**

Freedom Laser Inc. was incorporated on October 20, 2020 in the state of Nevada. On February 14, 2023, the Company redomiciled to Delaware. The financial statements of Freedom Laser Inc. (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in Los Angeles, California.

The Company is developing a laser-based device that assists users with smoking cessation efforts.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies is presented to assist in understanding the Company’s financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP” and “US GAAP”).

**Basis of Presentation**

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2023 and December 31, 2022, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

**Concentration of Credit Risk**

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

**Advertising and Promotion**

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the years ended December 31, 2023 and December 31, 2022 amounted to \$9,305 and \$0, which is included in sales and marketing expenses.



**FREEDOM LASER INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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**Income Taxes**

Freedom Laser, 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**

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

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

**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.

**FREEDOM LASER INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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

**Subsequent Events**

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through April 22, 2024, which is the date the financial statements were issued.

**3. CAPITALIZATION AND EQUITY TRANSACTIONS**

The Company redomiciled to the state of Delaware on February 14, 2023.

**Common Stock**

The Company is authorized to issue 3,700,000 shares of stock at a par value of \$0.0001. As of December 31, 2023, 66,162 shares have been issued and are outstanding.

**Founders Preferred Stock**

The Company is authorized to issue 6,300,000 shares of founders’ preferred stock. As of December 31, 2023, 6,300,000 shares of founders’ preferred stock were issued and outstanding.

**4. DEBT**

**Promissory Notes & Loans**

During the years presented, the Company entered into promissory notes & loans agreements. The details of the Company’s loans, notes, and the terms are as follows:

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 2023				
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
Promissory Note	\$ 15,000	8.00%	6/22/2022	12/31/2022	\$ 410	-	\$ 12,200	\$ -	\$ 12,200
<b>Total</b>					<b>\$ 410</b>	<b>\$ -</b>	<b>\$ 12,200</b>	<b>\$ -</b>	<b>\$ 12,200</b>

The promissory note maturity was on December 31, 2022. However, the Company renegotiated the loan terms and the loan is now payable on demand from the lender and therefore has been classified as current in the balance sheet. The summary of the future maturities is as follows:

**As of Year Ended December 31, 2023**

2024	\$ 12,200
2025	-
2026	-
2027	-
2028	-
Thereafter	-
<b>Total</b>	<b>\$ 12,200</b>

**FREEDOM LASER INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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**5. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2023 and December 31, 2022 consists of the following:

As of Year Ended December 31,	2023	2022
Net Operating Loss	\$ (6,438)	\$ -
Valuation Allowance	6,438	-
<b>Net Provision for income tax</b>	<b>\$ -</b>	<b>\$ -</b>

Significant components of the Company's deferred tax assets and liabilities at December 31, 2023, and December 31, 2022 are as follows:

As of Year Ended December 31,	2023	2022
Net Operating Loss	\$ (6,438)	\$ -
Valuation Allowance	6,438	-
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2023 and December 31, 2022. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carry-forward period are reduced or increased.

For the fiscal year ending December 31, 2023, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$21,575, and the Company had state net operating loss ("NOL") carryforwards of approximately \$21,575. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2023, and December 31, 2022, 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, 2023, and December 31, 2022, the Company had no accrued interest and penalties related to uncertain tax positions.

**6. RELATED PARTY**

There are no related party transactions.

**FREEDOM LASER INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2023 AND DECEMBER 31, 2022**

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## **7. COMMITMENTS AND CONTINGENCIES**

### **Contingencies**

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or 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, 2023, 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.

## **8. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events for the period from December 31, 2023 through April 22, 2024, which is the date the financial statements were available to be issued.

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

## **9. GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a net operating loss of \$21,100, an operating cash flow loss of \$20,167, and liquid assets in cash of \$419, which is less than a year's worth of cash reserves as of December 31, 2023. These factors normally raise substantial doubt about the Company's ability to continue as a going concern.

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.