

Red Line Safety, Inc. (the “Company”) a Delaware Corporation

Financial Statements

For the fiscal year ended August 31, 2025

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Accrual Basis

**Red Line Safety, Inc.**  
**Balance Sheet**  
**As of August 31, 2025**

	Aug 31, 25	Aug 31, 24
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
Five Star Bank Checking	50.00	50.00
Wells Fargo Checking 5425	19,456.55	13,327.57
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Total Checking/Savings	19,506.55	13,377.57
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<b>Other Current Assets</b>		
Loan to Shareholder		
Loan to Matt Baltz	6,000.00	6,000.00
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Total Loan to Shareholder	6,000.00	6,000.00
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Total Other Current Assets	6,000.00	6,000.00
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Total Current Assets	25,506.55	19,377.57
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<b>Fixed Assets</b>		
3D Printer (Dave) 6.1.24	984.00	984.00
Computer (Scott) 7.17.24	2,159.99	2,159.99
V-Nose Enclosed Trailer 7/27/23		
Trailer Flooring 8/7/2023	371.92	371.92
V-Nose Enclosed Trailer 7/27/23 - Other	10,500.93	10,500.93
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Total V-Nose Enclosed Trailer 7/27/23	10,872.85	10,872.85
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Total Fixed Assets	14,016.84	14,016.84
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<b>Other Assets</b>		
NP & International Patent		
IMSAFE Patent	10,072.74	10,072.74
Mini/Gateway Patent	34,838.03	26,958.65
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Total NP & International Patent	44,910.77	37,031.39
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Total Other Assets	44,910.77	37,031.39
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<b>TOTAL ASSETS</b>	<b>84,434.16</b>	<b>70,425.80</b>
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<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Credit Cards</b>		
Capital One CC Parent Reconcile		
Capital One CC (Karen) 3051	4,814.63	4,814.63
Capital One CC (Scott) 7706	145,429.43	131,340.35
Capital One CC Parent Reconcile - Other	-144,619.53	-132,615.78
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Total Capital One CC Parent Reconcile	5,624.53	3,539.20
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Accrual Basis

**Red Line Safety, Inc.**  
**Balance Sheet**  
**As of August 31, 2025**

	Aug 31, 25	Aug 31, 24
Wells Fargo CC 9842	0.00	756.76
Total Credit Cards	5,624.53	4,295.96
<b>Total Current Liabilities</b>	<b>5,624.53</b>	<b>4,295.96</b>
Long Term Liabilities		
Loan From Shareholder		
Scott/Karen Holman	82,635.10	76,227.91
Scott/Karen Holman Payback	-8,144.58	-8,144.58
Total Loan From Shareholder	74,490.52	68,083.33
Total Long Term Liabilities	74,490.52	68,083.33
<b>Total Liabilities</b>	<b>80,115.05</b>	<b>72,379.29</b>
Equity		
Additional Paid-In Capital		
Dave McGillicuddy		
Dave McGillicuddy Payback	-20,000.00	-20,000.00
Dave McGillicuddy - Other	130,000.00	130,000.00
Total Dave McGillicuddy	110,000.00	110,000.00
Sierra Pacific Income Fund		
SPIF Payback	-4,000.00	-4,000.00
Sierra Pacific Income Fund - Other	25,000.00	25,000.00
Total Sierra Pacific Income Fund	21,000.00	21,000.00
Total Additional Paid-In Capital	131,000.00	131,000.00
Capital Stock		
Aaron & Valerie Lott	5,000.00	5,000.00
Gerald & Sharon Shultz	40,000.00	40,000.00
John & Sandra Hensley	28,815.00	28,815.00
Joseph & Julie Gibson	6,000.00	6,000.00
Justin & Stephanie Mendoza	10,000.00	10,000.00
Matt & Angelica Baltz	25,000.00	25,000.00
Matthew & Justine Auer	5,000.00	5,000.00
McCormack Family	51,185.00	51,185.00
Scott & Karen Holman	35,000.00	35,000.00
Tom Chen	10,000.00	10,000.00
Capital Stock - Other	49,820.50	0.00
<b>Total Capital Stock</b>	<b>265,820.50</b>	<b>216,000.00</b>

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Accrual Basis

**Red Line Safety, Inc.**  
**Balance Sheet**  
**As of August 31, 2025**

	Aug 31, 25	Aug 31, 24
Opening Balance Equity	-1,185.00	-1,185.00
Retained Earnings	-347,768.49	-284,525.91
Net Income	-43,547.90	-63,242.58
<b>Total Equity</b>	<b>4,319.11</b>	<b>-1,953.49</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>84,434.16</b>	<b>70,425.80</b>

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Accrual Basis

**Red Line Safety, Inc.**  
**Profit & Loss**  
September 2024 through August 2025

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	Sep '24 - Aug 25
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Consulting Income</b>	88.66
<b>Pitch Competition Income</b>	8,500.00
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<b>Total Income</b>	8,588.66
<b>Cost of Goods Sold</b>	
<b>Materials &amp; Supplies</b>	169.98
<b>Purchases - Hardware for Resale</b>	1,443.62
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<b>Total COGS</b>	1,613.60
<b>Gross Profit</b>	6,975.06
<b>Expense</b>	
<b>Advertising and Promotion</b>	
<b>Marketing</b>	162.53
<b>Advertising and Promotion - Other</b>	344.17
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<b>Total Advertising and Promotion</b>	506.70
<b>Automobile Expense</b>	
<b>Fuel</b>	3,501.70
<b>Parking &amp; Tolls</b>	271.00
<b>Registration</b>	666.75
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<b>Total Automobile Expense</b>	4,439.45
<b>Client &amp; Executive Gifts</b>	199.95
<b>Computer and Internet Expenses</b>	1,651.47
<b>Dues and Subscriptions</b>	84.00
<b>Event Fees</b>	5,052.21
<b>Insurance Expense</b>	
<b>Trade Show Insurance</b>	49.00
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<b>Total Insurance Expense</b>	49.00
<b>Meals and Entertainment</b>	315.38
<b>Office Supplies</b>	0.00

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Accrual Basis

**Red Line Safety, Inc.**  
**Profit & Loss**  
**September 2024 through August 2025**

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	Sep '24 - Aug 25
Professional Fees	
Accounting	3,616.10
Professional Fees - Other	<u>27,314.00</u>
Total Professional Fees	30,930.10
Supplies	398.98
Taxes Paid	8.00
Telephone Expense	394.75
Travel Expense	
Car Rentals	338.58
Flights	3,153.57
Lodging	3,353.42
Transportation/Ride Share	327.62
Travel Meals	<u>103.07</u>
Total Travel Expense	7,276.26
Total Expense	<u>51,306.25</u>
Net Ordinary Income	-44,331.19
Other Income/Expense	
Other Income	
Bank/CC Rewards	305.07
Returns/Refunds	<u>478.22</u>
Total Other Income	783.29
Net Other Income	<u>783.29</u>
Net Income	<b><u>-43,547.90</u></b>

**Red Line Safety, Inc.**  
**Statement of Cash Flows**  
September 2024 through August 2025

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	<u>Sep '24 - Aug 25</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-43,547.90
Adjustments to reconcile Net Income to net cash provided by operations:	
Capital One CC Parent Reconcile	-12,003.75
Capital One CC Parent Reconcile:Capital One CC (Scott) 7706	14,089.08
Wells Fargo CC 9842	-756.76
Net cash provided by Operating Activities	<u>-42,219.33</u>
<b>INVESTING ACTIVITIES</b>	
NP & International Patent:Mini/Gateway Patent	<u>-7,879.38</u>
Net cash provided by Investing Activities	<u>-7,879.38</u>
<b>FINANCING ACTIVITIES</b>	
Loan From Shareholder:Scott/Karen Holman	6,407.19
Capital Stock	<u>49,820.50</u>
Net cash provided by Financing Activities	<u>56,227.69</u>
Net cash increase for period	6,128.98
Cash at beginning of period	<u>13,377.57</u>
<b>Cash at end of period</b>	<b><u>19,506.55</u></b>

Red Line Safety, Inc.  
Statement of Changes in Equity

	<u>Aug 31, 25</u>
<b>Opening Balance Equity</b>	-1,185.00
<b>Retained Earnings</b>	-347,768.49
<b>Net Income</b>	-43,547.90
<b>Total Equity</b>	<u>4,319.11</u>

*Unaudited*

Red Line Safety, Inc.  
Notes to the Financial Statements  
For the fiscal year ended August 31, 2025  
\$USD

## **1. ORGANIZATION AND PURPOSE**

Red Line Safety, Inc. (the “Company”) is a corporation organized on September 11, 2018 under the laws of Delaware.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements follows:

### **a) Basis of Accounting**

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

### **b) Use of Estimates and Assumptions**

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

### **c) Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

### **d) Legal Fees**

Legal fees consist of legal services provided for the creation of the Company and equity financing.

### **e) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions

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that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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### **3. COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

### **4. SUBSEQUENT EVENT**

The Company has evaluated events and transactions subsequent to the period. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.