

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-56166

Laser Photonics Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

84-3628771

(I.R.S. Employer
Identification No.)

1101 N. Keller Road, Suite G

Orlando, FL

(Address of Principal Executive Offices)

32810

Zip Code

(407) 804 1000

Registrant's Telephone Number, Including Area Code

Not Applicable

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: **NONE**

COMMON STOCK, \$0.01 PAR VALUE

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
<u>Common Stock</u>	<u>LASE</u>	<u>The Nasdaq Stock Market LLC</u>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting Company, or an emerging growth Company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting Company," and "emerging growth Company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
<u>Non-accelerated Filer</u>	<input checked="" type="checkbox"/>	Smaller reporting Company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth Company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act) Yes No

As of May 07, 2024, the registrant had 9,270,427 shares of common stock, par value \$.01 per share, issued and outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LASER PHOTONICS CORPORATION
CONDENSED BALANCE SHEETS

	<u>As of March 31, 2024</u> <u>(Unaudited)</u>	<u>As of December 31, 2023</u> <u>(Audited)</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 5,173,125	\$ 6,201,137
Accounts Receivable, Net	443,309	816,364
Inventory	2,167,000	2,277,816
Other Assets	\$ 114,757	\$ 39,190
Total Current Assets	\$ 7,898,191	\$ 9,334,507
Property, Plant, & Equipment, Net	\$ 1,013,638	\$ 952,811
Intangible Assets, Net	4,195,597	4,279,986
Operating Lease Right-of-Use Asset	\$ 477,363	\$ 597,143
Total Assets	\$ 13,584,789	\$ 15,164,447
Liabilities & Stockholders' Equity		
Current Liabilities:		
Accounts Payable	\$ 306,302	\$ 223,040
Deferred Revenue	772,686	701,234
Current Portion of Operating Lease	314,373	434,152
Accrued Expenses	\$ 79,007	\$ 161,538
Total Current Liabilities	\$ 1,472,368	\$ 1,519,964
Long Term Liabilities:		
Lease liability - less current	\$ 162,991	\$ 162,991
Total Long Term Liabilities	\$ 162,991	\$ 162,991
Total Liabilities	\$ 1,635,359	\$ 1,682,955
Commitments and Contingencies (Note 3)	\$ -	\$ -
Stockholders' Equity:		
Preferred stock Par value \$0.001: 10,000,000 shares authorized. 0 Issued: 0 shares were outstanding as of March 31, 2024, and December 31, 2023	\$ -	\$ -
Common Stock Par Value \$0.001: 100,000,000 shares authorized; 9,253,419 and 7,878,419 issued and outstanding as of March 31, 2024, and December 31, 2023	92,703	\$ 92,533
Additional Paid in Capital	18,110,923	19,097,445
Retained Earnings (Deficit)	(6,228,956)	(5,683,246)
Treasury Stock	(25,240)	(25,240)
Total Stockholders' Equity	\$ 11,949,430	\$ 13,481,492
Total Liabilities & Stockholders' Equity	\$ 13,584,789	\$ 15,164,447

See accompanying notes to financial statements.

LASER PHOTONICS CORPORATION
STATEMENTS OF PROFIT AND LOSS
(UNAUDITED)

	March 31,	
	2024	2023
Net Sales	\$ <u>742,991</u>	\$ <u>676,192</u>
Cost of Sales	<u>357,123</u>	<u>269,897</u>
Gross Profit	\$ <u>385,868</u>	\$ <u>406,295</u>
Operating Expenses:		
Sales & Marketing	\$ <u>136,610</u>	\$ <u>262,925</u>
General & Administrative	<u>356,265</u>	<u>575,866</u>
Depreciation & Amortization	<u>185,316</u>	<u>83,137</u>
Payroll Expenses	<u>208,455</u>	<u>343,702</u>
Research and Development Cost	\$ <u>47,691</u>	\$ <u>40,254</u>
Total Operating Expenses	\$ <u>934,338</u>	\$ <u>1,305,882</u>
Operating Income (Loss)	\$ <u>(548,470)</u>	\$ <u>(899,588)</u>
Other Income (Expenses):		
Total Other Income (Loss)	<u>2,760</u>	<u>(358,017)</u>
Income (Loss) Before Tax	<u>(545,709)</u>	<u>(1,257,605)</u>
Tax Provision	\$ <u>0</u>	\$ <u>0</u>
Net Income (Loss)	\$ <u>(545,709)</u>	\$ <u>(1,257,605)</u>
Income (Loss) per Share:		
Basic	\$ <u>(0.06)</u>	\$ <u>(0.14)</u>
Diluted	\$ <u>(0.06)</u>	\$ <u>(0.14)</u>
WASO	<u>9,270,425</u>	<u>9,008,910</u>

See accompanying notes to financial statements.

LASER PHOTONICS CORPORATION
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	March 31,	
	2024	2023
Cash Flows From:		
OPERATING ACTIVITIES		
Net Income (Loss)	\$ (545,709)	\$ (1,257,605)
Adjustments to Reconcile Net Income (Loss) to Net Cash Flow from Operating Activities:		
Shares issued for compensation	33,336	-
Distribution to affiliate	(1,019,687)	-
Depreciation & Amortization	185,316	83,137
Change in Operating Assets & Liabilities:		
Accounts Receivable	\$ 373,055	\$ 319,123
Inventory	110,816	(228,129)
Prepays & Other Current Assets	(75,565)	(98,942)
Accounts Payable	83,261	218,608
Accrued Expenses	(82,531)	(351,500)
21030 · Deferred Revenue	71,453	-
Net Cash From (Used In) Operating Activities	\$ (866,257)	\$ (1,315,308)
INVESTING ACTIVITIES		
Purchase of Machinery & Equipment	\$ (2,869)	\$ (1,399)
Affiliate companies	(1)	-
Purchase of R&D Equipment	(4,095)	-
Office & Computer Equipment	(3,738)	(49,402)
Leasehold Improvements	(151,052)	-
Net Cash From (Used In) Investing Activities	\$ (161,754)	\$ (50,801)
FINANCING ACTIVITIES		
Proceeds from Sale of Common Stock	\$ -	\$ -
Net Cash From (Used In) Financing Activities	\$ 0	\$ 0
Net Cash Flow for Period	\$ (1,028,011)	\$ (1,366,109)
Cash - Beginning of Period	\$ 6,201,137	\$ 12,181,799
Cash - End of Period	\$ 5,173,126	\$ 10,815,690
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Shares issued on conversion of debt	-	-
Share issued for purchase of license	-	-
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash Received / Paid During the Period for:		
Income Taxes	\$ -	\$ -
Interest	\$ -	\$ -

See accompanying notes to financial statements

LASER PHOTONICS CORPORATION
STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

Three months ended March 31, 2024

	Preferred Stock		Common Stock		Shares to be issued.		Treasury Stock (Deficit)	Additional Paid-in Capital (Deficit)	Accumulated Gain (Deficit)	Accumulated Comprehensive loss	Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount					
	#	\$	#	\$	#	\$					
As at December 31, 2023 (Audited)	-	-	9,253,419	92,533	-	-	(25,240)	19,097,445	(5,683,246)	-	13,481,492
Net loss	-	-	-	-	-	-	-	-	(545,709)	-	(545,709)
Stock Issued for compensation	-	-	17,008	170	-	-	-	33,165	-	-	33,335
Distributions to affiliate	-	-	-	-	-	-	-	(1,019,687)	-	-	(1,019,687)
Stock issued for compensation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	-	9,270,427	92,703	-	-	(25,240)	18,110,923	(6,228,955)	-	11,949,430

Three months ended March 31, 2023

	Preferred Stock		Common Stock		Shares to be issued.		Treasury Stock (Deficit)	Additional Paid-in Capital (Deficit)	Accumulated Gain (Deficit)	Accumulated Comprehensive loss	Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount					
	#	\$	#	\$	#	\$					
As at December 31, 2022 (Audited)	-	-	7,878,419	78,783	350,000	829,500	-	18,140,520	(1,917,314)	-	17,131,489
Net loss	-	-	-	-	-	-	-	-	(1,257,605)	-	(1,257,605)
As at March 31, 2023	-	-	7,878,419	78,783	350,000	829,500	-	18,140,520	(3,174,919)	-	15,873,884

See accompanying notes to financial statements

LASER PHOTONICS CORPORATION

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

▶ NOTE 1 – BASIS OF PRESENTATION ◀

The accompanying unaudited condensed financial statements and notes of Laser Photonics Corporation (the “Company”) are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, those do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These financial statements should be read in conjunction with the financial statements, notes and significant accounting policies included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Equity activity

The following description of our securities and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and our bylaws that will be in effect on the closing of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the Shares, and preferred stock reflect changes to our capital structure that will be in effect on the closing of this offering.

Preferred Stock

- Par value: \$ 0.001
- Authorized: 10,000,000
- Issued: There were no preferred shares issued and outstanding as of March 31, 2024

Common Stock

- Par value: \$ 0.001
- Authorized: 100,000,000
- Issued: 9,270,427 as of March 31, 2024

On February 2nd 2024 17,000 Shares of Common stock were issued to Jade Barnwell, the former Laser Photonics CFO, under the terms of employment.

Warrants

As of March 31, 2024 there were 180,000 Warrants Outstanding

Options

As of March 31, 2024 there were no Options Issued or Outstanding

Restatement of Q1 2023.

Q1 2023 was unaudited and as we were preparing our Q1 2024 filing we noticed the balances in our ledger did not match what was filed. Our system of record current financials is the basis for the financials as they are presented, not the prior Q1 2023 filing.

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Restatement of Q1 2023 Reconciliation:
 SCHEDULE OF RESTATEMENT OF RECONCILIATION
 Note 1. Restatement of Previously Issued Financial Statements Q1 2023

Balance Sheet	As Filed	Restatement Adjustments	As Restated
Assets			
Cash and cash equivalent	\$ 10,815	\$ 0	\$ 10,816
Accounts receivable, net	\$ 1,747	\$ -1,645	\$ 102
Prepaid expenses and other current assets	\$ 0	\$ 161	\$ 161
Inventory	\$ 1,951	\$ -677	\$ 1,274
Total current assets	\$ 14,513	\$ -2,160	\$ 12,353
Other Assets	\$ 183	\$ -161	\$ 22
PP&E	\$ 652	\$ 463	\$ 1,115
Intangible Assets Net	\$ 2,882	\$ 0	\$ 2,882
Operating Lease Right of Use Asset	\$ 742	\$ 0	\$ 742
		\$ 0	
Total assets	\$ 18,972	\$ -1,858	\$ 17,114
Liabilities			
Current Liabilities			
Accounts payable	\$ 421	\$ -12	\$ 409
Bofa Master CC 7430	\$ 0	\$ 0	\$ 11
Deferred revenue	\$ 0	\$ 0	\$ 0
Current Portion of Operating Lease	\$ 345	\$ 0	\$ 345
Accrued expenses	\$ 1,750	\$ -1,672	\$ 78
Total current liabilities	\$ 2,516	\$ -1,673	\$ 843
Long Term Liabilities			
Lease Liability less current	\$ 397	\$ -52	\$ 345
Total Long Term liabilities	\$ 397	\$ -234	\$ 163
Total Liability	\$ 2,913	\$ -1,907	\$ 1,006
Stockholders' Equity			
Preferred Stock	\$ 0	\$ 0	\$ 0
Common Stock	\$ 78	\$ 0	\$ 78
Shares to be issued	\$ 0	\$ 830	\$ 830
Additional paid-in capital	\$ 18,141	\$ 0	\$ 18,141
Retained Earnings	\$ -728	\$ -1,189	\$ -1,917
Net Income (Loss)	\$ -1,432	\$ 174	\$ -1,258
Total stockholders' equity	\$ 16,059	\$ -185	\$ 15,874
Total liabilities and stockholders' equity	\$ 18,972	\$ -2,092	\$ 16,880

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	As Filed	Restatement Adjustments	As Restated
Statement of operations			
Net Sales	\$ 1,237	\$ -561	\$ 676
Other income	\$ 0	\$ 0	\$ 0
Cost of Sales	\$ 241	\$ 29	\$ 270
Gross Profit	\$ 996	\$ -590	\$ 406
Operating Expenses:			
Sales & Marketing	\$ 1,068	\$ -805	\$ 263
General & Administrative	\$ 1,077	\$ -501	\$ 576
Depreciation & Amortization	\$ 83	\$ 0	\$ 83
Payroll Expenses	\$ 0	\$ 344	\$ 344
Total other Income Expense	\$ 0	\$ 0	\$ 0
Research & Development	\$ 0	\$ 40	\$ 40
Total Operating Expenses	\$ 2,228	\$ -922	\$ 1,306
Operating Income (Loss)	\$ -1,232	\$ 332	\$ -900
Interest Expense	\$ -200	\$ 200	\$ 0
Income (Loss) Before Tax	\$ -1,432	\$ 532	\$ -900
Other income	\$ 0	\$ -358	\$ -358
Net Income (Loss)	\$ -1,432	\$ 174	\$ -1,258
Income (Loss) per Share			
Basic	\$ -0.18	\$ 0.04	\$ -0.14
Diluted	\$ -0.18	\$ 0.04	\$ -0.14
Statement of cash flows			
OPERATING ACTIVITIES			
Net Income (Loss)	\$ -1,432	\$ 174	\$ -1,258
Adjustments to Reconcile Net Income (Loss) to Net Cash Flow from Operating Activities:			
Shares to be issued as consideration for services	\$ 0	\$ 0	\$ 0
Depreciation & Amortization	\$ 83	\$ 0	\$ 83
Lease liability - less current	\$ 0	\$ 0	\$ 0
Operating lease right-of-use	\$ 0	\$ 0	\$ 0
Net Change, Right-of-Use Asset & Liabilities	\$ 0	\$ 0	\$ 0
Change in Operating Assets & Liabilities:			
Accounts Receivable	\$ -400	\$ 719	\$ 319
Other current assets	\$ -110	\$ 110	\$ 0
Inventory	\$ -257	\$ 29	\$ -228
Prepays & Other Current Assets	\$ 0	\$ -98	\$ -98
Stock Account	\$ 0	\$ 0	\$ 0
Accounts Payable	\$ 230	\$ -12	\$ 218
Accrued Expenses	\$ 570	\$ -922	\$ -352
21030 · Deferred Revenue	\$ 0	\$ 0	\$ 0
24240 · Lease liability Current Portion	\$ 0	\$ 0	\$ 0
Net Cash From (Used In) Operating Activities	\$ -1,316	\$ 0	\$ -1,316
INVESTING ACTIVITIES			
Purchase of Long term assets	\$ -51	\$ 49	\$ -2
Leashold improvements	\$ 0	\$ 0	\$ 0
Office & Computer Equipment	\$ 0	\$ -49	\$ -49
Purchase of R&D Equipment	\$ 0	\$ 0	\$ 0
Demonstration Equipment	\$ 0	\$ 0	\$ 0
Purchase of Intangible Assets	\$ 0	\$ 0	\$ 0
Net Cash From (Used In) Investing Activities	\$ -51	\$ 0	\$ -51
FINANCING ACTIVITIES			
Proceeds from (Repayment of) Notes	\$ 0	\$ 0	\$ 0
Proceeds from (Repayment of) PPP Loan	\$ 0	\$ 0	\$ 0
Dividends Paid	\$ 0	\$ 0	\$ 0
Proceeds from Sale of Common Stock	\$ 0	\$ 0	\$ 0
Net Cash From (Used In) Financing Activities	\$ 0	\$ 0	\$ 0
Net Cash Flow for Period	\$ -1,367	\$ 0	\$ -1,367
Cash - Beginning of Period	\$ 12,182	\$ 0	\$ 12,181
Cash - End of Period	\$ 10,816	\$ 0	\$ 10,816
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Shares issued on conversion of debt	\$ 0	\$ 0	\$ 0
Shares issued as consideration for services	\$ 0	\$ 0	\$ 0
Share issued for purchase of license	\$ 0	\$ 0	\$ 0
SUPPLEMENTARY CASH FLOW INFORMATION			
Cash Received / Paid During the Period for:			
Income Taxes	\$ 0	\$ 0	\$ 0
Interest	\$ 0	\$ 0	\$ 0

▶ *NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & USE OF ESTIMATES.* ◀

Our significant accounting policies are provided in “Note 2 – Summary of Significant Accounting Policies” in our Financial Statements 2023 Form 10-K. There have been no material changes to our significant accounting policies from those disclosed in our 2023 Form 10-K for the fiscal year ended December 31, 2023

▶ *Stock Based Compensation* ◀

The Company accounts for stock-based payments in accordance with the provision of ASC 718, which requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the statement of operations based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at dates of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could differ from these estimates. In the opinion of management, our financial statements reflect all adjustments considered necessary by management to fairly state the results of operations, financial position and cash flows of the Company for the periods presented.

▶ *Revenue Recognition* ◀

Under Topic 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of Topic 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Revenue is then recognized for the transaction price allocated to each respective performance obligation when (or as) the performance obligation is satisfied. For our products, revenue is generally recognized upon shipment or pickup by the customer. At this stage, the title on the manufactured equipment is transferred to the customer, and the customer is responsible for transportation expenses, insurance, and any transport-related damage to the equipment in transit. We do not hold any obligation to deliver beyond the collection warehouse, and it is the customers’ contractual responsibility to ensure their goods reach their destination.

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Refunds and returns, which are minimal, are recorded as a reduction of revenue. Payments received from customers before satisfying the above criteria are recorded as unearned income on the combined balance sheets.

Payments received as deposits for specific purchase orders or future laser equipment sales to customers are recognized as customer deposits and included in liabilities on the balance sheet. Customer deposits are recognized as revenue when control over the ordered equipment is transferred to the customer.

All revenues are reported net of any sales discounts or taxes.

Other Revenue Recognition Matters related to Distributors.

Distributors generally have no right to return unsold equipment. However, in limited circumstances, if the company determines that distributor stock is morally aging beyond the company's new model releases, it may accept returns and provide the distributor with credit against their trading account at the company's discretion under its warranty policy. This revenue is recognized on a consignment basis and transfer of control is when an item is sold to end customer at which time the company recognizes revenue.

▶ *Cash and Cash Equivalents* ◀

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less at the date of purchase. Cash and cash equivalents are carried at a cost, which approximates fair value. The company has \$5,039,472 in flexible CD account with Bank of America. The terms on this CD is flexible, having a term of 9 months that automatically renews. Full balance and interest can be withdrawn prior to maturity. A penalty of 7 days interest will be imposed for early withdrawals within the first 6 days of the account term.

Accounts Receivable

Trade accounts receivable are recorded net of allowance for expected uncollectible accounts. The Company extends credit to its customers in the normal course of business and performs ongoing credit evaluations of its customers. All accounts, or portions thereof, that are deemed uncollectible are written off to bad debt expense, as incurred. In addition, most sales orders are not accepted without a substantial deposit. As of March 31, 2024, the balance of collectible accounts was \$443,309. Allowance and amount recognized as bad debt as of March 31, 2024 is \$183,380

▶ *Inventory* ◀

Inventories are stated at a lower of cost or net realizable value using the first-in first-out (FIFO) method. The Company has four principal categories of inventory:

Sales demonstration inventory - Sales demonstration inventory represents completed product used to support our sales force for demonstrations and held for sale. Sales demonstration inventory is held in our demo facilities or by our sales representatives for up to three years, at which time it would be refurbished and transferred to finished goods as used equipment, stated at the lower of cost or net realizable value. The Company expects these refurbished units to remain in finished goods inventory and sold within 12 months at prices that produce reduced gross margins.

Equipment parts inventory - This inventory represents components and raw materials that are currently in the process of being converted to a certifiable lot of saleable products through the manufacturing and/or equipment assembly process. Inventories include parts and components that may be specialized in nature and subject to rapid obsolescence. The Company periodically reviews the quantities and carrying values of inventories to assess whether the inventories are recoverable. Because of the Company's vertical integration, a significant or sudden decrease in sales activity could result in a significant change in the estimates of excess or obsolete inventory valuation. The costs associated with provisions for excess quantities, technological obsolescence, or component rejections are charged to cost of sales as incurred.

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Work in process inventory - Work in process inventory consists of inventory that is partially manufactured or not fully assembled as of the date of these financial statements. This equipment, machines, parts, frames, lasers and assemblies are items not ready for use or resale. Costs are accumulated as work in process until sales ready items are complete when it is moved to finished goods inventory. Amounts in this account represent items at various stages of completion at the date of these financial statements.

Finished goods inventory - Finished goods inventory consists of purchased inventory that were fully manufactured, assembled or in salable condition. Finished goods inventory is comprised of items that are complete and ready for commercial application without further cost other than delivery and setup. Finished goods inventory includes demo and other equipment, lasers, software, machines, parts or assemblies.

▶ At March 31, 2024 and December 31, 2023, respectively, our inventory consisted of the following: ◀

Inventory	As of March 31, 2024	As of December 31,
	Unaudited	2023 (Audited)
Equipment Parts Inventory	\$ 947,647	\$ 862,941
Finished Goods Inventory	882,353	1,033,104
Sales Demo Inventory	210,030	162,958
Work in process Inventory	151,186	243,029
Inventory Reserve	-24,216	-24,216
Total Inventory	\$ 2,167,000	\$ 2,277,816

▶ *Fixed Assets - Plant Machinery and Equipment* ◀

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period.

Machinery and Equipment

Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The Company uses other depreciation methods (generally accelerated) for tax purposes where appropriate. The estimated useful lives for significant property and equipment categories are as follows:

Category	Economic Useful Life
Office furniture and fixtures	3-5 years
Machinery and equipment	5-7 years
Intangible Assets	7-15 years

	31-Mar	
	2024	2023
Fixed Assets		
Accumulated Depreciation	\$ (830,883)	\$ (510,132)
Machinery & Equipment	\$ 799,652	\$ 799,094
Office Furniture & Computer Equipment	\$ 81,225	\$ 130,311
Vehicles	\$ 90,959	\$ 9,989
R&D Equipment	\$ 42,068	\$ 37,973
Leasehold improvements	\$ 182,827	\$ -
Demonstration equipment	\$ 647,790	\$ 647,790
Total Fixed Assets	\$ 1,013,638	\$ 1,115,025

Intangible Assets

Intangible assets consist primarily of capitalized equipment design documentation, software costs for equipment manufactured for sale, research, and development, as well as certain patent, trademark and license costs. Capitalized software and equipment design documentation development costs are recorded in accordance with Accounting Standard Codification (“ASC”) 985 “Software” with costs amortized using the straight-line method over a ten-year period. Patent, trademark and license costs are amortized using the straight-line method over their estimated useful lives of 15 years. On an ongoing basis, management reviews the valuation of intangible assets to determine if there has been impairment by comparing the related assets’ carrying value to the undiscounted estimated future cash flows and/or operating income from related operations.

The Company’s intangible assets are deemed to have indefinite lives and, accordingly, are not amortized, but are evaluated for impairment at least annually, but more often whenever changes in facts and circumstances occur which may indicate that the carrying value may not be recoverable.

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The Company employs various core technologies across many different product families and applications in an effort to maximize the impact of our research and development costs and increase economies of scale and to leverage its technology-specific expertise across multiple product platforms. The technologies inherent in its laser equipment products include application documentation, proprietary and custom software developed for operation of its equipment, specific knowledge of supply chain and, mostly important, equipment design documentation, consisting of 3D engineering drawings, bills of materials, wiring diagrams, parts AutoCad drawings, software architecture documentation, etc. Intangible assets were received from a related party, ICT Investments, and therefore transferred and booked by Laser Photonics Corp. at their historical cost.

Intangible Assets	31-Mar	
	2024	2023
Accumulated Amortization	\$ (809,617)	\$ (526,034)
Customer Relationships	\$ 211,000	\$ 211,000
Equipment Design Documentation	\$ 2,675,000	\$ 2,675,000
Operational Software & Website	\$ 339,539	\$ 305,470
Trademarks	\$ 216,800	\$ 216,800
License & Patents	\$ 1,562,875	\$ -
Total Intangible Assets	\$ 4,195,597	\$ 2,882,236

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from use of the assets and their ultimate disposition. In instances where impairment is determined to exist, the Company will write down the asset to its fair value based on the present value of estimated future cash flows.

NOTE 3 – LEASES

Our leases consist of operating leases only related to our two facilities located in Orlando, Florida. The operating leases for our facilities are non-cancelable operating leases and are included in Operating lease right-of-use (“ROU”) asset, Lease liability, and Lease liability – less current portion in our balance sheets. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

	Three Months Ended March 31,	
	2024	2023
Operating Lease Expense	\$ 79,847	\$ 90,609

Current Liabilities

Accounts Payable

Accounts payable consist of short-term liability to our vendors and sub-contractors, who extend credit terms to the Company or deliver goods or services with delayed payment terms. As of March 31, 2024, and December 31, 2023, our accounts payable were recorded at \$306,301 and \$223,040, respectively.

Deferred Revenue

Deferred Revenue is primarily comprised of products that have been made available to key distributors that has not been sold. As of March 31, 2024 the Company had \$ 772,686, and December 31, 2023 the Company’s deferred revenue liabilities were recorded \$701,234.

As of March 31, 2024, there were no loan balances owed by the Company.



	Three months ended on March 31,	
	2024 (Unaudited)	2023 (Unaudited)
Cash flows data:		
Net cash provided by (used in) operating activities	\$ (866,257)	\$ (1,315,308)
Net cash provided by (used in) investing activities	\$ (161,754)	\$ (50,801)
Net cash provided by (used in) financing activities	\$ 0	\$ 0
Net change in cash and cash equivalents	\$ (1,028,011)	\$ (1,366,109)

Net Earnings/Loss per Share

Basic *Earnings/Loss* per share is calculated by dividing the *Earnings/Loss* attributable to stockholders by the weighted-average number of shares outstanding for the period. Diluted *Earnings/Loss* per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings (loss) of the Company. Diluted *Earnings/Loss* per share is computed by dividing the *Earnings/Loss* available to stockholders by the weighted average number of shares outstanding for the period and dilutive potential shares outstanding unless such dilutive potential shares would result in anti-dilution.

▶ *NOTE 4 – STOCKHOLDERS' EQUITY/DEFICIT*



General

The following description of our securities and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and our bylaws that will be in effect on the closing of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the Shares, and preferred stock reflect changes to our capital structure that will be in effect on the closing of this offering.

Preferred Stock

- Par value: \$ 0.001
- Authorized: 10,000,000
- Issued: There were no preferred shares issued and outstanding as of March 31, 2024

Common Stock

- Par value: \$ 0.001
- Authorized: 100,000,000
- Issued: 9,270,427 as of March 31, 2024

On February 2nd 2024 17,000 Shares of Common stock were issued to Jade Barnwell, the former Laser Photonics CFO, under the terms of employment.

Warrants

As of March 31, 2024 there were 180,000 Warrants Outstanding

Options

As of March 31, 2024 there were no Options Issued or Outstanding

▶ **NOTE 5 – RELATED PARTY TRANSACTIONS** ◀

ICT Investments provides the Company accounting services and various management services on an as needed basis. For the three months ended March 31, pursuant to an arrangement with ICT Investment, the Company paid in total \$23,100 and \$68,686, respectively, for various accounting services and management resources. Any distributions between Laser Photonics and ICT must be distributed to affiliate company

ICT Investments owns 4,688,695 shares of the Company’s common stock. Prior to the closing of the Company’s IPO on October 4, 2022, this represented 96.1% of the total shares outstanding. As of December 31, 2022, ICT Investments owns 59.5% of the total shares outstanding. Dmitriy Nikitin is the Managing Partner of ICT Investments and has controlled the Company since its inception. As of the end of 2023 the % is 58.7%

Since the date of incorporation on November 8, 2019, the Company has engaged in the following transactions with our directors, executive officers, holders of more than 5% of its voting securities, and affiliates or immediately family members of its directors, executive officers, and holders of more than 5% of our voting securities, and its co-founders. The Company believes that all these transactions were on terms as favorable as could have been obtained from unrelated third parties.

In October 2020, the Company issued a promissory note 2 to ICT Investments in the principal amount of \$745,438 bearing 6% annual interest with a maturity date of December 31, 2023. This Note was paid in full as of December 31, 2022.

In September 2022, the Company issued a promissory note to ICT Investments in the principal amount of \$100,000 bearing 10% annual interest with a maturity date of September 29, 2023. This note was paid in full as of December 31, 2022.

In April 2023, company issued former CFO 25,000 shares upon departure from the Company.

In October 2023 were issued and transferred 1,000,000 shares to Fonon Technologies Incorporated. In addition, PPE including a Printer, working van, and computer and furniture of \$254,327.84 and \$900,000 of services were transferred to Fonon in support of this transaction. The total amount of \$1,240,000 was distributed in the Equity statement.

During the years ending December 31, 2023, and 2022, the Company paid \$108,268 and \$133,212, respectively, to Dmitriy Nikitin for advisory fees and allowances. During the years ending December 31, 2023, and 2022, the Company paid \$92,526 and \$86,914 to ICT Investments for accounting services and SEC filing related work, accordingly.

During the year ending December 31, 2022, the Company paid \$86,460 to ICT Investments for product components and raw materials.

▶ **NOTE 6 – COMMITMENTS AND CONTINGENCIES** ◀

In October 2021, a lease on 18,000 SF facility was signed with the landlord for three years, terminating on October 31, 2024. The monthly rent for this facility is currently \$15,109. The Company entered into a lease for additional 8000 SF of office space adjacent to the original facility for an additional \$10,000/ month in October 2023. The combined expense monthly expense is \$25,109

In December 2022, we entered into an agreement with 2701 Maitland Building Associates to rent 8,000 sf of additional office space nearby the main facility, for our growing sales and marketing program. The monthly rent for this space is currently \$14,805.

As of January 1, 2020, we adopted ASU 2016-02 employing the cumulative-effect adjustment transition method, resulting in the recognition on our balance sheet of \$597,143 as a right-of-use asset for operating leases, \$434,153 as a current operating lease liability, and \$ 162,990 as a lease liability less the current portion.

▶ The maturity amounts of our lease liabilities are as follows: ◀

Year ending December 31,	Operating Leases	
2024	\$	434,153
2025	\$	162,990
Total	\$	597,143

▶ **NOTE 6 – SUBSEQUENT EVENTS** ◀

The Company’s management has evaluated subsequent events up to April 15, 2024, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has the following events to report.

On February 2nd 2024 17,000 Shares of Common stock were issued to Jade Barnwell, the former Laser Photonics CFO, under the terms of employment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and the notes to those financial statements appearing elsewhere in this Report.

Certain statements in this Report constitute forward-looking statements. These forward-looking statements include statements, which involve risks and uncertainties, regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) anticipated trends in our industry, (d) our future financing plans, and (e) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words "may," "will," "should," "anticipate," "estimate," "plan," "potential," "project," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," or the negative of these words or other variations on these words or comparable terminology. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The "Company," "we," "us," or "our," are references to the business of Laser Photonics Corporation, a Wyoming corporation.

Overview

We are a vertically integrated manufacturing Company for photonics based industrial products and solutions, primarily disruptive laser cleaning technologies. Our vertically integrated operations allow us to reduce development and advanced laser equipment manufacturing time, offer better prices, control quality and protect our proprietary knowhow and technology compared to other laser cleaning companies and companies with competing technologies.

Our principal executive offices are located at 1101 N Keller Rd, Orlando FL, 32810, and our telephone number is (407) 804 1000. Our website address is www.laserphotonics.com. The Company's annual reports, quarterly reports, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), and other information related to the Company, are available, free of charge, on that website as soon as we electronically file those documents with, or otherwise furnish them to, the SEC. The Company's website and the information contained therein, or connected thereto, are not and are not intended to be incorporated into this Quarterly Report on Form 10-Q.

We intend to continue to stay ahead of the technology curve by researching and developing cutting edge products and technologies for both large and small businesses. We view the small companies as an attractive market opportunity since they were previously unable to take advantage of laser processing equipment due to high prices, significant operating costs and the technical complexities of the laser equipment. As a result, we are developing an array of laser cleaning equipment that we have named the CleanTech™ product line, which we believe represents a new generation of high-power laser cleaning systems applicable to numerous material processing operations.

Factors and Trends That Affect Our Operations and Financial Results

In reading our financial statements, you should be aware of the following factors and trends that our management believes are important in understanding our financial performance.

Supply Chain. We are experiencing increased lead times for certain parts and components purchased from third party suppliers; particularly electronic components. We, our customers and our suppliers continue to face constraints related to supply chain and logistics, including availability of capacity, materials, air cargo space, sea containers and higher freight rates and import duties. Supply chain and logistics constraints are expected to continue for the foreseeable future and could impact our ability to supply products and our customers' demand for our product or readiness to accept deliveries. Notwithstanding these effects, we believe we have the ability to meet the near-term demand for our products, but the situation is fluid and subject to change.

Net sales. Our net sales have historically fluctuated from quarter to quarter. The increase or decrease in sales from a prior quarter can be affected by the timing of orders received from customers, the shipment, installation and acceptance of products at our customers' facilities. Net sales can be affected by the time taken to qualify our products for use in new applications in the end markets that we serve. Our sales cycle varies substantially, ranging from a period of a few weeks to as long as one year or more, but is typically several months. The adoption of our products by a new customer or qualification in a new application can lead to an increase in net sales for a period, which may then slow until we penetrate new markets or obtain new customers.

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Our business depends substantially upon capital expenditures by end users, particularly by manufacturers using our products for materials processing, which includes general manufacturing, automotive including electric vehicles (EV), other transportation, aerospace, heavy industry, consumer, semiconductor and electronics. Approximately 92% of our revenues for first quarter of 2022 and 91% of our revenues for the full 2021 fiscal year were from customers using our products for materials processing. Although applications within materials processing are broad, the capital equipment market in general is cyclical and historically has experienced sudden and severe downturns. For the foreseeable future, our operations will continue to depend upon capital expenditures by end users of materials processing equipment and will be subject to the broader fluctuations of capital equipment spending.

Gross margin. Our total gross margin in any period can be significantly affected by a number of factors, including net sales, production volumes, competitive factors, product mix, and by other factors such as changes in foreign exchange rates relative to the U.S. Dollar. Many of these factors are not under our control. The following are examples of factors affecting gross margin:

- As our products mature, we can experience additional competition which tends to decrease average selling prices and affects gross margin;
- Our gross margin can be significantly affected by product mix. Within each of our product categories, the gross margin is generally higher for devices with greater average power. These higher power products often have better performance, more difficult specifications to attain and fewer competing products in the marketplace;

Selling and Marketing expenses. In the first quarter of 2024, we invested in Selling and Marketing costs in order to support continued growth in the Company. As the secular shift to laser blasting technology matures, our sales growth becomes more susceptible to the cyclical trends typical of capital equipment manufacturers. Accordingly, our future management of and investments in selling and marketing expenses will also be influenced by these trends, although we may still invest in selling and marketing functions to support sales sustainability even in economic down cycles.

Research and development expenses. We plan to continue to invest in research and development to improve our existing laser blasting technology and equipment and develop new products, systems and applications. We believe that these investments will sustain our position as a leader in the laser blasting industry and will support development of new products that can address new markets and growth opportunities. The amount of research and development expense we incur may vary from period to period.

Service of Laser Blasting Equipment

Liquidity and Capital Resources

The following is a summary of the Company's cash flows provided and (and used in) operating, investing, and financing activities for the quarter's ended in March 31, 2024 and March 31, 2023

	Three months ended on March 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows data:		
Net cash provided by (used in) operating activities	\$ (866,257)	\$ (1,315,308)
Net cash provided by (used in) investing activities	\$ (161,754)	\$ (50,801)
Net cash provided by (used in) financing activities	\$ 0	\$ 0
Net change in cash and cash equivalents	\$ (1,028,011)	\$ (1,366,109)

As of March 31, 2024, the Company had \$5,173,126 in cash, \$2,725,064 in current assets (without cash and cash equivalents) and \$ 1,472,368 in current liabilities.

As a result, on March 31, 2024, the Company had \$6,425,822 in total working capital, compared to \$11,532,113 ___ of total working capital on March 31, 2023.

We will have to meet all the financial disclosure and reporting requirements associated with being a publicly reporting Company. Our management will have to spend additional time on policies and procedures to make sure it is compliant with various regulatory requirements, especially that of Section 404 of the Sarbanes-Oxley Act of 2002. This additional corporate governance time required of management could limit the amount of time our management has to implement our business plan and may delay our anticipated growth plans.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Revenues

Revenue Recognition- Under Topic 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We only apply the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of Topic 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Refunds and returns, which are minimal, are recorded as a reduction of revenue. Payments received by customers prior to our satisfying the above criteria are recorded as unearned income in the combined balance sheets. All revenues were reported net of any sales discounts or taxes.

Inventory — Inventory is stated at the lower of cost (first-in, first-out method) or market value. Inventory includes parts and components that may be specialized in nature and subject to rapid obsolescence. We maintain a reserve for excess or obsolete inventory items. Inventories are written off and charged to cost of goods sold when identified as excess or obsolete. If future sales differ from these forecasts, the valuation of excess and obsolete inventory may change and additional inventory provisions may be required. Because of our vertical integration, a significant or sudden decrease in sales could result in a significant change in the estimates of excess or obsolete inventory valuation. On December 31, 2022, we recorded \$101,698 in Inventory Obsolescence.

For the three months ending March 31, 2024, we recognized revenue of \$742,991, as compared to \$676,192 in revenue for the same period in 2023, an increase of \$66,799. The increase is primarily due to a step up to higher power units, and the expansion of our reach into foreign markets.

	Three months ending March 31,	
	2024	2023
Revenue	\$ 742,991	\$ 676,192

For the three months ending March 31, 2024, our net income was \$(545,470) as compared to \$(1,257,605) in the same period of 2023.

We are entering into laser equipment sales agreements with customers for specific equipment based upon purchase orders and our standard terms and conditions of sale.

Under our customer contracts or/and purchase orders, we transfer title and risk of loss to the customer and recognize revenue upon shipment. Our customers do not have extended payment terms or rights of return under these contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**Summary Financial Information – Non-GAAP EBITDA**

	3 Months Ending March 31,	
	2024	2023
Other financial data (unaudited):		
EBITDA(1)	\$ (360,394)	\$ (1,174,468)
Adjusted EBITDA(2)	\$ (360,394)	\$ (1,174,468)

In addition to providing financial measurements based on generally accepted accounting principles in the United States (“GAAP”), we provide the following additional financial metrics that are not prepared in accordance with GAAP (non-GAAP): EBITDA and adjusted EBITDA. Management uses these non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. We believe that these non-GAAP financial measures help us to identify underlying trends in our business that could otherwise be masked by the effect of certain expenses that we exclude in the calculations of the non-GAAP financial measures.

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Accordingly, we believe that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

These non-GAAP financial measures do not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures, because they do not include all the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other non-GAAP measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

- (1) EBITDA is a non-GAAP financial measure used by management, lenders, and certain investors as a supplemental measure in the evaluation of some aspects of a corporation's financial position and core operating performance. Investors sometimes use EBITDA, as it allows for some level of comparability of profitability trends between those businesses differing as to capital structure and capital intensity by removing the impacts of depreciation and amortization. EBITDA also does not include changes in major working capital items, such as receivables, inventory and payables, which can also indicate a significant need for, or source of, cash. Since decisions regarding capital investment and financing and changes in working capital components can have a significant impact on cash flow, EBITDA is not necessarily a good indicator of a business's cash flows. We use EBITDA for evaluating the relative underlying performance of our core operations and for planning purposes. We calculate EBITDA by adjusting net income to exclude net interest expense, income tax expense or benefit, depreciation and amortization, thus the term "Earnings Before Interest, Taxes, Depreciation and Amortization" and the acronym "EBITDA."
- (2) Adjusted EBITDA is defined as net income (loss) as reported in our consolidated statements of income excluding the impact of (i) interest expense; (ii) income tax provision; (iii) depreciation and amortization; (iv) stock-based compensation expense; (v) accretion of debt discounts; (vi) other income - forgiveness of Paycheck Protection Program loan; (vii) other financing costs; (viii) loss on extinguishment of debt; (ix) warrant inducement expense; (x) amortization of right-of-use assets; and (xi) change in fair value of derivative liabilities. Our Adjusted EBITDA measure eliminates potential differences in performance caused by variations in capital structures (affecting finance costs), tax positions, the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). We also exclude certain one-time and non-cash costs. Our definition of Adjusted EBITDA may differ from similarly titled measures used by other companies, and any such differences could be material.

We believe EBITDA and Adjusted EBITDA are helpful for investors to better understand our underlying business operations. The following table adjusts Net Income to EBITDA and Adjusted EBITDA for the three months ending March 31, 2024, and 2023.

	Three Months Ending March 31,	
	2024	2023
Reconciliation of EBITDA:		
Net Income (Loss)	\$ (545,709)	\$ (1,257,605)
Add (deduct):		
Interest expense	-	-
Taxes	-	-
Other	-	-
Depreciation & Amortization	185,316	83,137
EBITDA(1)	(360,394)	(1,174,468)
Other adjustments	\$ -	\$ -
Adjusted EBITDA(2)	\$ (360,394)	\$ (1,174,468)

Subsequent Events

None

Off-Balance Sheet Arrangements

As of March 31, 2024, we did not have any off-balance sheet arrangements.

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Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a “smaller reporting Company,” as defined by Rule 229.10(f)(1).

We have not utilized any derivative financial instruments such as futures contracts, options and swaps, forward foreign exchange contracts or interest rate swaps and futures. We believe that adequate controls are in place to monitor any hedging activities. We do not have any borrowings and, consequently, we are not affected by changes in market interest rates. We do not currently have any sales or own assets and operate facilities in countries outside the United States and, consequently, we are not affected by foreign currency fluctuations or exchange rate changes. Overall, we believe that our exposure to interest rate risk and foreign currency exchange rate changes is not material to our financial condition or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Disclosures Control and Procedures

Under the supervision of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), our management has evaluated the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this Quarterly Report on Form 10-Q (the “Evaluation Date”). Based upon that evaluation, our CEO and CFO have concluded that, as of the Evaluation Date, our disclosure controls and procedures are not effective. Management is implementing controls and procedures during 2024 to bring to effective.

Changes in Internal Controls over Financial Reporting

There was no material change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not involved in any legal proceedings, including routine litigation arising in the normal course of business that we believe will have a material adverse effect on our business, financial condition or results of operations.

ITEM 1A. RISK FACTORS

Not applicable to a smaller reporting Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no sales of unregistered securities during the reported period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

31.1 [Rule 13\(a\)-14\(a\)/15\(d\)-14\(a\) Certification of principal executive officer](#)

31.2 [Rule 13\(a\)-14\(a\)/15\(d\)-14\(a\) Certification of principal financial and accounting officer](#)

32.1 [Section 1350 Certification of principal executive officer](#)

32.2 [Section 1350 Certification of principal financial and accounting officer](#)

101* Inline XBRL data files of Financial Statements and Notes contained in this Quarterly Report on Form 10-Q.

* In accordance with Regulation S-T, the Interactive Data Files in Exhibit 101 to the Quarterly Report on Form 10-Q shall be deemed “furnished” and not “filed.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Laser Photonics Corporation

Date: May 15, 2024

By: /s/ Wayne Tupuola
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2024

By: /s/ Carlos Sardinias
Chief Financial Officer
(Principal Financial and Accounting Officer)