



Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended June 30, 2024 and 2023

(Expressed in United States Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Realbotix Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REALBOTIX CORP.**Unaudited Condensed Consolidated Interim Statements of Financial Position**

(Expressed in United States Dollars)

<i>As at</i>	Note	June 30, 2024	September 30, 2023
Assets			
Current assets			
Cash		\$ 1,597,835	\$ 3,490,634
Accounts receivable and other		-	88,971
Inventory	4	408,193	-
Prepaid expenses		65,425	103,815
		2,071,453	3,683,420
Non-current assets			
Digital assets - cryptocurrency	5	10,575,892	5,783,233
Digital assets - cryptocurrency held as collateral	5	125,000	125,000
Digital assets - non-fungible tokens	5	-	220,047
Intangible assets and goodwill	6	9,135,638	-
Fixed assets		1,272,892	-
Joint venture and associates		276,441	56,394
Total assets		\$ 23,457,316	\$ 9,868,094
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 1,703,075	\$ 768,267
Deferred revenue		1,251,071	-
Loan payable	8	275,000	125,000
		3,229,146	893,267
Non-current liabilities			
Loan payable	8	1,410,595	-
Warrant liability		1,547	52,246
Total liabilities		4,641,288	945,513
Shareholders' equity			
Attributable to owners of the parent			
Share capital	9	29,697,875	24,855,515
Contributed surplus		3,839,404	3,203,749
Equity awards issuable		1,384,818	369,390
Accumulated deficit		(16,154,216)	(19,518,759)
		18,767,881	8,909,895
Attributable to non-owners of the parent			
Non-controlling interest		48,147	12,686
Total shareholder's equity		18,816,028	8,922,581
Total liabilities and shareholders' equity		\$ 23,457,316	\$ 9,868,094

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Approved on behalf of the Board of Directors:

"Andrew Kiguel"

Director

"Jimmy Vaiopoulos"

Director

REALBOTIX CORP.**Unaudited Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)**

(Expressed in United States Dollars, except share amounts)

<i>For the periods ended June 30</i>	Note	Three Months Ended		Nine Months Ended	
		2024	2023	2024	2023
Revenue					
Product sales	12	\$ 238,896	\$ -	\$ 238,896	\$ -
Other revenue	12	73,664	128,728	578,953	583,793
Total revenue		312,560	128,728	817,849	583,793
Expenses					
Operating expenses	13	(1,543,357)	(1,193,293)	(2,879,503)	(2,971,662)
Loss on disposition of digital assets	5	(262,260)	-	(168,649)	(90,552)
Gain (loss) on revaluation of digital assets - cryptocurrencies	5	(1,053,437)	82,699	5,550,849	1,467,636
Operating income (loss)		(2,546,494)	(981,866)	3,320,546	(1,010,785)
Foreign exchange gain (loss)		(6,395)	41,096	(12,163)	89,348
Gain (loss) on revaluation of warrant liability		4,841	39,153	50,699	(2,603)
Net finance income (expense)		(25,295)	-	5,461	15,283
Gain on revaluation of contingency consideration		-	-	-	29,964
Net income (loss)		(2,573,343)	(901,617)	3,364,543	(878,793)
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Fair value change of non-controlling interest		-	705,174	-	1,437,050
Total comprehensive income (loss)		\$ (2,573,343)	\$ (196,443)	\$ 3,364,543	\$ 558,257
Net income (loss) attributable to:					
Non-controlling interests		(70,525)	(209,173)	(83,211)	(401,111)
Owners of Tokens.com		(2,502,819)	(692,444)	3,447,753	(477,682)
		(2,573,343)	(901,617)	3,364,543	(878,793)
Total comprehensive income (loss) attributable to:					
Non-controlling interests		(70,525)	496,001	(83,211)	1,035,939
Owners of Tokens.com		(2,502,819)	(692,444)	3,447,753	(477,682)
		(2,573,343)	(196,443)	3,364,543	558,257
Earnings (Loss) per share					
Basic and diluted		\$ (0.01)	\$ (0.01)	\$ 0.02	\$ (0.00)
Weighted average number of shares outstanding					
Basic and diluted		181,120,427	103,579,763	140,274,979	99,703,985

See accompanying notes to the unaudited condensed consolidated interim financial statements.

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Unaudited Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in United States Dollars, except for share amounts)

	Number of shares	Share capital	Contributed surplus	Equity awards issuable	Accumulated other comprehensive income	Accumulated deficit	Total attributable to owners of parents	Non-controlling interests	Total
<i>For the fiscal year ended September 30, 2023</i>									
Balance, September 30, 2022	97,926,757	\$ 22,179,575	\$ 3,150,241	\$ -	\$ 909,574	\$ (11,357,087)	\$ 14,882,303	\$ 3,211,014	\$ 18,093,317
Net loss	-	-	-	-	-	(9,730,454)	(9,730,454)	(406,046)	(10,136,500)
Other comprehensive loss	-	-	-	-	(909,574)	909,574	-	-	-
Total comprehensive loss	97,926,757	22,179,575	3,150,241	-	-	(20,177,967)	5,151,849	2,804,968	7,956,817
Other equity movements									
Shares issued on settlement of accounts payable	944,594	132,406	-	-	-	-	132,406	-	132,406
Shares issued on exercise of options	313,300	92,369	(67,305)	-	-	-	25,064	-	25,064
Shares issued for investment	20,576,941	2,451,165	-	341,117	-	659,208	3,451,490	-	3,451,490
Share based payments	-	-	120,813	28,273	-	-	149,086	-	149,086
Non-controlling interest transactions	-	-	-	-	-	-	-	(2,792,282)	(2,792,282)
Balance, September 30, 2023	119,761,592	\$ 24,855,515	\$ 3,203,749	\$ 369,390	\$ -	\$ (19,518,759)	\$ 8,909,895	\$ 12,686	\$ 8,922,581
<i>For the nine months ended June 30, 2024</i>									
Balance, September 30, 2023	119,761,592	\$ 24,855,515	\$ 3,203,749	\$ 369,390	\$ -	\$ (19,518,759)	\$ 8,909,895	\$ 12,686	\$ 8,922,581
Net income	-	-	-	-	-	3,364,542	3,364,542	(83,211)	3,281,332
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	3,364,542	3,364,542	(83,211)	3,281,332
Other equity movements									
Shares issued for business acquisition	75,000,000	4,741,228	611,090	1,015,428	-	-	6,367,746	118,672	6,486,418
Shares issued for RSUs	1,194,000	101,132	-	-	-	-	101,132	-	101,132
Share based payments	-	-	24,565	-	-	-	24,565	-	24,565
Balance, June 30, 2024	195,955,592	\$ 29,697,875	\$ 3,839,404	\$ 1,384,818	\$ -	\$ (16,154,217)	\$ 18,767,880	\$ 48,147	\$ 18,816,028

See accompanying notes to the unaudited condensed consolidated interim financial statements.

REALBOTIX CORP.**Unaudited Condensed Consolidated Interim Statements of Cash Flows**

(Expressed in United States Dollars)

<i>For the nine months ended June 30</i>	Note		2024
Cash provided by (used in):			
Operating activities:			
Net income		\$	3,364,543
Change in non-cash operating items:			
Staking revenue	12		(525,307)
Consulting revenue	12		(40,000)
Sales of digital assets	5		1,154,848
Loss on sale of digital assets	5		168,649
Gain on revaluation of digital assets	5		(5,550,849)
Share based payments			150,923
Gain on revaluation of warrant liability			(50,699)
Foreign exchange loss			12,163
			(1,315,729)
Net change in working capital			(529,586)
Interest received - cash			30,756
Interest paid - cash			(26,258)
Net cash used in operating activities			(1,840,817)
Financing activities			
Repayment of loan	8		(51,982)
Net cash used in financing activities			(51,982)
Decrease in cash			(1,892,799)
Cash, beginning of period			3,490,634
Cash, end of period		\$	1,597,835

Cash interest received of \$30,756 (nine months ended June 30, 2023 – \$nil).

Cash interest paid of \$26,258 (nine months ended June 30, 2023 - \$nil).

Cash taxes paid of \$nil (nine months ended June 30, 2023 - \$nil).

See accompanying notes to the unaudited condensed consolidated interim financial statements.

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1. NATURE OF OPERATIONS

Realbotix Corp. (the “Company” or “Realbotix”) was incorporated on April 7, 1998, under the laws of British Columbia. The registered office is located at 40 Temperance St, Suite 3200, Toronto, Ontario, M5H 0B4. The Company’s common shares are traded on the TSX Venture Exchange under the symbol “XBOT”, the OTCQB Exchange under the symbol “XBOTF” and the Frankfurt Exchange under the symbol “76M”.

The Company creates customizable, full-bodied, human-like robots with AI integration that improve the human experience through learning, connection, and play. The Company also operates the technology that secures next generation blockchain networks through Proof-of-Stake technology that supports the growth of decentralized finance applications, which are built on top of blockchains.

On July 9, 2024, the Company completed its corporate rebranding and officially changed its name from previously Tokens.com to Realbotix.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION**a) Statement of Compliance**

These unaudited interim condensed consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting. Certain information and note disclosures normally included the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed. These interim financial statements should be read in conjunction with the Company’s September 30, 2023 audited consolidated financial statements.

These interim financial statements were approved and authorized for issue by the Board of Directors on August 27, 2024.

b) Basis of Presentation

These interim financial statements have been prepared on the historical cost basis, with the exception of items that IFRS requires to be carried at fair value. All amounts are presented in United States Dollars (“USD”), unless otherwise stated.

These interim financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred significant operating losses and negative cash flow from operations in recent years. Whether and when the Company can attain profitability and positive cash flows is uncertain. These events and conditions indicate that material uncertainties exist that may cast significant doubt upon the Company’s ability to continue as a going concern.

These interim financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

c) Application of IFRS and use of estimates

IFRS does not currently provide specific guidance to address many aspects of the digital currencies business. The Company is required to make judgments as to the application of IFRS and the selection of its accounting policies. The

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Company has disclosed its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of revenue as well as significant assumptions and judgments. However, if specific guidance is enacted by the IASB in the future, the impact may result in changes to the Company's earnings and financial position as presented.

d) Business combinations

The Company accounts for business combinations using the acquisition method of accounting upon gaining control of an acquired business. Goodwill is calculated as the fair value of consideration paid at the date of acquisition less the fair value of identifiable assets acquired, and liabilities assumed as of the acquisition date, net of non-controlling interests.

e) Consolidation

These interim financial statements include the financial statements of the Company, and its wholly owned robotic subsidiary, Simulacra Corporation ("Simulacra"). All intercompany transactions and balances are eliminated upon consolidation.

f) Functional and presentation currency

Items included in the interim financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates. These interim financial statements have been prepared in USD, which is the functional and presentation currency for the Company and all of its subsidiaries.

g) Uses of estimates and judgements

The preparation of these interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

Significant judgements

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements include the following:

- i. Functional currency - The functional currency of the Company has been assessed by management as USD based on consideration of the currency and economic factors that primarily influence the Company's digital assets, revenues and operating costs, financing, and related transactions. Specifically, the Company considers the currencies in which digital assets are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.
- ii. Digital assets - Digital assets are considered to be identifiable non-monetary assets without physical substance. Management has determined that the digital assets should be accounted for as intangible assets in accordance with IAS 38 Intangible Assets.
- iii. Income taxes - Management exercises judgment to determine the extent to which deferred tax assets are recoverable in the future and have, therefore, not recognized any deferred tax assets in the statements of financial position.

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- iv. Business combinations – Management exercises judgement to assess whether a transaction is a business combination by applying the definition in IFRS 3, which requires that the assets and liabilities assumed constitute a business. If the assets acquired are not a business, the Company accounts for the transaction as an asset acquisition under the relevant standards. Management also exercises judgement in identifying the assets and liabilities acquired in a business combination or asset acquisition, particularly in identifying intangible assets.

Use of estimates

- i. Digital assets - Cryptocurrency denominated assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinmarketcap.com. The digital currency market is still a new and highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its cryptocurrency denominated digital assets.
- ii. Digital assets - Non-fungible tokens denominated assets are carried at their cost less any accumulated amortization and impairment losses. Management uses estimates of similar digital properties to evaluate whether there is any impairment to these assets that require recording.
- iii. Share-based compensation - The Company utilizes the Black-Scholes Option Pricing Model ("Black Scholes") method to estimate the fair value of stock options granted to directors, employees, and consultants. The use of Black Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value. The most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has a limited history and is in a unique industry, and historical volatility is not necessarily indicative of future volatility.
- iv. Warrant liability - The Company uses Black Scholes method to determine the fair value of the warrant liability. The Black Scholes method requires significant judgement in determining the fair value such as volatility and risk-free rate. A change in these inputs could lead to significant change in the fair value of the warrant liability.
- v. Impairment of non-financial assets, intangible assets and goodwill - Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions. Assumptions include future revenue, profit margin, and an appropriate discount rate. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development.
- vi. Business combinations and asset acquisitions – Management applies significant estimates in determining the total fair value of consideration in a business combination or asset acquisition, and in allocating that fair value amongst the acquired assets and liabilities at the closing date.

h) Cash

Cash comprises of cash on hand, held at major financial institutions, in addition to cash held in trust, if any.

i) Revenue

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The Company earns staking revenue by delegating digital assets (referred to as a “Delegator”) to be utilized by third parties (“Validators”), who employ Proof-of-Stake (“PoS”) technology to provide blockchain verification services to selected blockchain networks in order to earn staking rewards. The gross staking yields are based on a predetermined formula, specific to each blockchain network, and the timing of the services. As a Delegator, the Company is considered to be an agent in the transaction (with the Validator being the principal) and recognizes staking rewards it receives net of fees charged by the Validator. Revenue is recognized when services have been performed and collection is probable, which is typically when staking rewards are received into the Company’s custody. Staking rewards are measured based on the fair value of the digital currency received, determined using the daily closing price obtained from www.coinmarketcap.com on the date it is earned.

The Company’s subsidiary, Simulacra, earns revenue from selling its products to customers. All purchases require an upfront payment from customers, which is recorded as deferred revenue. When the products have been shipped to customers, the Company recognizes that revenue by reclassing the amount from deferred revenue.

j) Digital assets

Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. Cryptocurrencies are initially recorded at the fair value on both the acquisition date and the date earned as revenue, and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each reporting period. There is no recycling of gains on disposition of digital assets from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse fair value gains previously recorded in other comprehensive income are recorded in profit or loss.

Digital assets consisting of cryptocurrency denominated assets are measured at fair value using the quoted price on www.coinmarketcap.com. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. These assets are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period corresponding to the different assets held by the Company.

Digital assets consisting of non-fungible token denominated assets are measured at cost less impairment losses. These non-fungible tokens are considered to have indefinite lives, and therefore are not amortized but are tested for impairment at the Company’s annual financial reporting period end date.

All digital assets, consisting of both cryptocurrency and non-fungible token denominated, are classified as non-current.

There is currently no specific definitive guidance in IFRS for the accounting for the purchase, sale or exchange of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition and measurement of digital assets. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company’s financial position and earnings. The digital assets are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more valuation indicators.

k) Intangible assets

Intangible assets with finite lives are amortized over their useful lives and reviewed for indicators of impairment at reporting dates. Intangible assets with indefinite lives are not amortized and are tested for impairment at its annual financial reporting period end date.

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Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

Impairment testing

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss. An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

l) Financial instruments**Classification and Measurement**

Financial assets and financial liabilities are initially measured at fair value, adjusted for transaction costs where applicable, and are subsequently accounted for based on their classification as described below. The classification depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

In the periods presented, the Company does not have any financial assets categorized in fair value through profit or loss, or fair value through other comprehensive income.

Amortized cost

Financial assets are measured at amortized cost if both the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's financial assets measured at amortized cost comprise cash and accounts receivable. Due to their short-term nature, the carrying values of cash and accounts receivable approximate their fair value.

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IFRS 9's impairment requirements use forward-looking information to recognize expected credit-losses – the expected credit loss (ECL) model'. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial Liabilities

Financial liabilities are accounted for at amortized cost using the effective interest rate method or at fair value through profit and loss. Accounts payable, accrued liabilities and loan payable are classified as financial liabilities at amortized cost. Transaction costs are included in the underlying balance.

DSU liability, warrant liability and contingent consideration are classified as financial liabilities at fair value through profit or loss.

All interest-related charges that are reported in profit or loss are included within finance expenses or finance income.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

m) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

n) Share-based payments

Share-based payments include option and stock grants granted to directors, employees and consultants. The Company accounts for share-based compensation using a fair value-based method with respect to all share-based payments.

The fair values of stock options are calculated using Black-Scholes model at the date of grant and are charged to operations over the vesting period, with the offsetting credit charged to contributed surplus. If, and when, the stock options are exercised, the applicable amounts are transferred from contributed surplus to share capital.

The fair value of stock grants in the form of Deferred share units ("DSU's") and Restricted share units ("RSU's") are measured at the market price of the Company's common shares on the date of issue and are charged to operations, with the offsetting credit being accounted for as a liability or equity, depending on if the terms of the grant result in a settlement in cash or equity instruments. If the fair value of an award classified as a liability changes after it has been granted, and before the exercise date, the resulting change is recognized in the liability within the year the change occurs. For DSU's, the payment amount is established as of the exercise date. For RSU's, the payment amount is established as of the grant date.

o) Earning (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to the Company shareholders, after adjusting for non-controlling interests, by the weighted average number of common shares outstanding for the relevant year. Diluted earnings per share is computed by dividing the net income attributable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There

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is no diluted earnings per share reported for any period in which the Company incurred a net loss, as any such impact would be anti-dilutive.

p) Foreign currency translation

The functional currency of the Company is the United States dollar (USD). When translating to functional currency, foreign currency monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the end of the period. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Income, and expense items are translated using the average rate of exchange during the financial statement periods, except for one time specific transactions that can be measured at their transaction date.

q) Standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these interim financial statements, several new, but not yet effective, standards and amendments to existing standards and interpretation have been published by the International Accounting Standards Board. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's interim financial statements.

3. BUSINESS ACQUISITION

On April 18, 2024, the Company completed its acquisition of Simulacra. The purchase price on closing was satisfied by equity issuance, including options, and earn-out contingency. The purchase price of the acquisition was \$6,367,746.

The acquisition has been accounted for using the acquisition method of accounting. The goodwill is primarily attributable to the assembled workforce and years of experience in the humanoid robotic industry. The goodwill is deductible for tax purposes. The Company is currently evaluating the fair value of the assets acquired and liabilities assumed, and given the recent date of acquisition, the process is still ongoing. The allocation of the purchase consideration for this acquisition is preliminary and is as follows:

Net working capital	\$	(3,922,112)
Plant and equipment		1,272,892
Intangible assets		8,479,480
Goodwill		656,158
Non-controlling interest		(118,672)
	\$	6,367,746

4. INVENTORY

	June 30, 2024	September 30, 2023
Raw materials	\$ 142,884	\$ -
Work-in-progress	82,800	-
Finished goods	182,509	-
	\$ 408,193	\$ -

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5. DIGITAL ASSETS

Details of the Company's holdings of digital assets consisted of:

Cryptocurrency	June 30, 2024		September 30, 2023	
	Holdings	Fair Value	Holdings	Fair Value
Ethereum ⁽ⁱ⁾	2,843	\$ 9,759,480	2,917	\$ 4,874,774
Polkadot	129,701	805,259	217,470	893,804
Solana ⁽ⁱ⁾	55	11,153	55	1,487
Others	n/a	-	n/a	13,168
		\$ 10,575,892		\$ 5,783,233

⁽ⁱ⁾ 340 Ethereum and 18,001 held as collateral with a fair value of \$125,000 (September 30, 2023 - \$125,000).

Digital asset activities have consisted of:

	Cryptocurrency	NFT's	Total
Balance, September 30, 2022	5,403,287	2,838,280	
Digital assets acquired in asset acquisition	-	45,532	45,532
Digital assets acquired	212,302	-	212,302
Digital assets sold	(1,360,030)	(85,203)	(1,445,233)
Digital assets earned from staking and gaming	272,432	-	272,432
Loss on disposal	(172,252)	-	(172,252)
Digital assets reclassified to "held as collateral"	944,205	-	944,205
Revaluation of digital assets	483,289	-	483,289
Impairment of digital assets	-	(2,578,562)	(2,578,562)
Balance, September 30, 2023	\$ 5,783,233	\$ 220,047	
Digital assets earned from staking and services ⁽ⁱ⁾	565,307	-	565,307
Digital assets sold ⁽ⁱⁱ⁾	(1,154,848)	(220,047)	(1,374,895)
Loss on sale of digital assets ⁽ⁱⁱⁱ⁾	(168,649)	-	(168,649)
Revaluation of digital assets ⁽ⁱⁱⁱ⁾	5,550,849	-	5,550,849
Balance, June 30, 2024	\$ 10,575,892	-	

⁽ⁱ⁾ During the nine months ended June 30, 2024, the Company earned \$525,307 in staking revenue (nine months ended June 30, 2023 - \$181,963) and received \$40,000 in USDC as completion of a service contract (nine months ended June 30, 2023 - \$nil).

⁽ⁱⁱ⁾ During the nine months ended June 30, 2024, the Company sold digital assets for considerations totaling \$986,199 with a fair value of \$1,154,848 and recorded a realized loss of \$168,649 (nine months ended June 30, 2023 – loss of \$90,552).

⁽ⁱⁱⁱ⁾ Cryptocurrencies held are revalued at each reporting period based on the fair market value on the reporting date. As at June 30, 2024, based on the price of cryptocurrencies, the total revaluation is a gain of \$5,553,949 (nine months ended June 30, 2023 – gain of \$1,647,636).

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6. INTANGIBLE ASSETS AND GOODWILL

	Domain names	Intellectual Property ⁽ⁱ⁾	Goodwill	Total
Gross carrying amount				
Balance, September 30, 2022	\$ 1,603,005	\$ -	\$ 1,695,723	\$ 3,298,728
Addition	-	548,410	-	548,410
Impairment	(1,603,005)	(548,410)	(1,695,723)	(3,847,138)
Balance, September 30, 2023	-	-	-	-
Addition	-	8,479,480	656,158	9,135,638
Balance, June 30, 2024	\$ -	\$ 8,479,480	\$ 656,158	\$ 9,135,638

⁽ⁱ⁾ Intellectual properties acquired from Simulacra, including its robotics, AI software, and proprietary silicone formula.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	September 30, 2023
Accounts payable and accrued liabilities	\$ 807,111	\$ 517,186
DSU liability	196,572	211,081
Deferred revenue	-	40,000
	\$ 1,003,683	\$ 768,267

8. LOAN PAYABLE

As of June 30, 2024, the Company has two short-term loans and one long-term loan, as described below:

- An open loan facility with Genesis Global Capital, LLC (“Genesis”) in the amount of \$125,000 in USDC incurring interest of 11.00% per annum, which is collateralized by certain digital assets of the Company (See Note 5). Genesis filed for Chapter 11 bankruptcy on January 19, 2023, which led to a halt of its operation including payment of loan and redemption of collateral.
- A promissory note between Simulacra and Shrike Holdings, Inc. (“Shrike”) in the amount of \$150,000 incurring interest of 5.5% per annum. The note is due in full on September 21, 2024. From April 18, 2024 to June 30, 2024, the Company incurred \$2,277 in interest expense.
- A settlement agreement between Simulacra and Prime Victor International Limited (“PVI”), which has a fair value of \$1,462,577 on April 18, 2024. From April 18, 2024 and June 30, 2024, the Company incurred \$23,018 in interest expense and made principal payments totaling \$51,982.

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9. EQUITY**a) Common shares**

	Number of shares		Amount
Balance, September 30, 2022	97,926,757	\$	22,179,575
Shares issued on settlement of accounts payable	944,594		132,406
Shares issued on exercise of options	313,300		92,369
Shares issued for investment	20,576,941		2,451,165
Balance, September 30, 2023	119,761,592	\$	24,855,515
Shares issued on vesting of RSUs	1,194,000		101,132
Shares issued for investment	75,000,000		4,741,228
Balance, June 30, 2024	195,955,592	\$	29,697,875

b) Stock Options

Details of stock option transactions are as follows:

Realbotix Corp.	Number of options	Weighted average exercise price of options
Outstanding, September 30, 2022	1,884,050	\$ 0.19
Cancelled	(638,300)	(0.21)
Exercised	(313,300)	(0.08)
Outstanding, September 30, 2023	932,450	\$ 0.20
Granted	1,000,000	CAD 0.12
Granted	7,500,000	0.15
Outstanding, June 30, 2024	9,432,450	\$ 0.15

The following table summarizes the information regarding Realbotix stock options outstanding as at June 30, 2024:

Exercise price per share	Number outstanding	Number exercisable	Weighted average exercise price	Weighted average life
US\$0.15	7,500,000	7,500,000	US\$0.15	9.80
CA\$0.12	1,000,000	1,000,000	CA\$0.12	9.59
CA\$0.45	462,500	300,000	CA\$0.45	3.05
US\$0.08	469,950	391,625	US\$0.08	6.43
	9,432,450	9,191,625	US\$0.13	9.28

c) Deferred Share Units (“DSU’s”)

For the three and nine months ended June 30, 2024, the Company recorded share-based compensation expense of \$39,733 and \$25,224, respectively (three and nine months ended June 30, 2023 – expense of \$22,922).

As at June 30, 2024, the Company had a total of 1,902,540 DSU’s (September 30, 2023 – 1,902,540 RSU’s) outstanding and had recorded a liability at fair value of \$236,305 (September 30, 2023 - \$211,081) related to DSU’s included within accounts payable and accrued liabilities.

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10. RISK MANAGEMENT

The Company's financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist of cash.

The Company has credit exposure relating to accounts receivable and other of \$nil (September 30, 2023 - \$88,971). The expected credit loss is not significant.

The carrying amount of financial assets represents the maximum credit exposure. The Company has credit exposure at June 30, 2024 relating to cash of \$1,597,835 (September 30, 2023 - \$3,490,634). All cash is held at Canadian and US chartered banks.

Currency risk

The Company generates all revenue in United States dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. The fluctuation in foreign currencies in relation to the United States dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks. As at June 30, 2024, the Company held \$333,091 (September 30, 2023 - \$1,918,548) denominated in Canadian dollars. A 10% change in the foreign exchange rate would result in an impact of \$33,000 (September 30, 2023 - \$190,000) on the Company's operations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company manages company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations cause in digital currency prices and exchange rates. The Company's financial liabilities are comprised of loan payable, accounts payable and accrued liabilities. As at June 30, 2024, loan payable, accounts payable and accrued liabilities of \$3,242,841 are expected to mature within one year (September 30, 2023 - accounts payable and accrued liabilities of \$893,267 expected to mature within one).

Fair Value Risk

Due to their short-term nature, the carrying value of cash, accounts receivable and other, loan payable, and accounts payable and accrued liabilities, approximate their fair value.

11. FAIR VALUE MEASUREMENT

Non-financial assets and financial assets measured at fair value in the unaudited condensed consolidated interim statement of financial position are grouped into three levels of a fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

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Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly;

Level 3: Inputs that are not based on observable market data.

June 30, 2024	Level 1	Level 2	Level 3	Total
Digital assets - cryptocurrency		10,575,892		12,569,997
Digital assets – cryptocurrency held as collateral		125,000		125,000
Warrant liability		1,547		6,388
DSU liability	236,305			196,572

September 30, 2023	Level 1	Level 2	Level 3	Total
Digital assets - cryptocurrency		5,783,233		5,783,233
Digital assets – cryptocurrency held as collateral		125,000		125,000
Warrant liability		52,246		52,246
DSU liability	211,081			211,081

12. REVENUE

<i>For the periods ended June 30</i>	Three months ended		Nine months ended	
	2024	2023	2024	2023
Staking revenue	\$ 73,664	\$ 97,565	\$ 525,307	\$ 181,963
Product sales	238,896	-	238,896	-
Consulting revenue ⁽ⁱ⁾	-	26,663	53,646	357,988
Leasing revenue	-	4,500	-	43,842
Total revenue	\$ 312,560	\$ 128,728	\$ 817,849	\$ 583,793

⁽ⁱ⁾ For the nine months ended June 30, 2024, \$40,000 was received in USDC.

13. OPERATING EXPENSES

<i>For the periods ended June 30</i>	Three months ended		Nine months ended	
	2024	2023	2024	2023
Cost of revenue	\$ 168,997	\$ 35,052	\$ 190,927	\$ 189,304
Management fees and salaries	338,140	130,368	549,944	356,404
General and administrative	480,725	269,020	698,231	626,552
Professional fees	322,337	586,346	1,120,651	1,368,213
Investor relations	21,799	95,048	84,355	178,526
Regulatory	66,646	14,682	84,472	49,903
Share-based payments	144,713	62,777	150,923	202,760
Total operating expenses	\$ 1,543,357	\$ 1,193,293	\$ 2,879,503	\$ 2,971,662