

TRON INC.

FORM 10-Q (Quarterly Report)

Filed 08/08/25 for the Period Ending 06/30/25

Address	941 W. MORSE BLVD. SUITE 100 WINTER PARK, FL, 32789
Telephone	407-230-8100
CIK	0001956744
Symbol	TRON
SIC Code	6199 - Finance Services
Industry	Toys & Juvenile Products
Sector	Consumer Cyclical
Fiscal Year	12/31

**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 **June 30, 2025**

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from _____ to _____

Commission File Number **001-41768**

TRON INC.

(Exact name of registrant as specified in charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

**941 W. Morse Blvd. Suite 100
Winter Park, FL**

(Address of principal executive offices)

32-0686534

(IRS Employer
Identification No.)

32789

(Zip Code)

(407) 230-8100

(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:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$.0001 par value per share	TRON	Nasdaq

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 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, 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"/>
Non-accelerated filer	<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 August 7, 2025, there were 33,468,011 shares of the registrant's common stock outstanding.

FORM 10-Q TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1.	Financial Statements	F-1
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	4
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	16
Item 4.	Controls and Procedures	16

PART II - OTHER INFORMATION

Item 1.	Legal Proceedings	17
Item 1A	Risk Factors	17
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	17
Item 3	Defaults Upon Senior Securities	17
Item 4.	Mine Safety Disclosures	17
Item 5.	Other Information	17
Item 6.	Exhibits	19

SIGNATURES	20
----------------------------	----

PART I - FINANCIAL INFORMATION

This Quarterly Report on Form 10-Q includes the consolidated accounts of Tron Inc. (formerly SRM Entertainment, Inc.), a Nevada corporation and its subsidiaries. References in this Report to “we”, “our”, “us” or the “Company” refer to Tron Inc. unless the context dictates otherwise.

FORWARD LOOKING STATEMENTS

Certain statements in this report, including information incorporated by reference, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as “will,” “may,” “should,” “could,” “would,” “expects,” “plans,” “believes,” “anticipates,” “intends,” “estimates,” “approximates,” “predicts,” “forecasts,” “potential,” “continue,” or “projects,” or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results and the development of our products, are forward-looking statements.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading “Risk Factors” below, as well as those discussed elsewhere in this Quarterly Report on Form 10-Q. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We file reports with the Securities and Exchange Commission (“SEC”). The public can read and copy any materials we file with the SEC at the SEC’s website (www.sec.gov) which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Quarterly Report on Form 10-Q, which attempts to advise interested parties of the risks and factors that may affect our businesses, financial condition, results of operations and prospects.

Item 1. Financial Statements

Tron Inc.

	<u>Page</u>
Consolidated Balance Sheets as of June 30, 2025 (Unaudited) and December 31, 2024 (Audited)	F-2
Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2025 and 2024 (Unaudited)	F-3
Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the Three and Six Months Ended June 30, 2025 and 2024 (Unaudited)	F-4
Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2025 and 2024 (Unaudited)	F-5
Notes to the Financial Statements (Unaudited)	F-6

Tron Inc.
Consolidated Balance Sheets
As of June 30, 2025 and December 31, 2024

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Assets		
Cash	\$ 5,298,142	\$ 1,352,373
Account receivable	637,013	794,158
Inventory	731,934	783,800
Prepaid expenses and deposits	318,669	488,746
Investment in Gameverse Interactive Corp	190,500	-
Other current assets	119,260	43,380
Total current assets	7,295,518	3,462,457
Intangible assets (net of amortization) – Related Party	2,651,915	2,796,567
Investment in digital assets – Related Party	102,198,840	-
Fixed assets, net of depreciation	50,288	48,279
Total assets	<u>\$ 112,196,561</u>	<u>\$ 6,307,303</u>
Liabilities		
Accounts Payable	\$ 423,942	\$ 263,993
Accrued and other liabilities	327,634	252,359
Secured loan from Related Party	-	500,000
Total Liabilities	751,576	1,016,352
Shareholders' Equity (Deficit)		
Preferred stock, \$0.0001 par value, 10,000,000 shares authorized		
Preferred Stock Series A, no shares outstanding	-	-
Preferred Stock Series B, 100,000 shares outstanding	10	-
Common stock, \$0.0001 par value, 100,000,000 shares authorized 27,425,983 and 15,956,977 issues and outstanding at June 30, 2025 and December 31, 2024, respectively	2,743	1,596
Additional paid-in capital	115,996,204	10,195,598
Accumulated earnings (deficit)	(4,875,972)	(5,697,241)
Common Stock Payable	322,000	790,998
Total Shareholders' Equity (Deficit)	111,444,985	5,290,951
Total Liabilities and Shareholders' Equity (Deficit)	<u>\$ 112,196,561</u>	<u>\$ 6,307,303</u>

The accompanying notes are an integral part of these unaudited financial statements.

Tron Inc.
Condensed Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2025 and 2024
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue				
Sales	\$ 1,342,929	\$ 1,507,927	\$ 2,432,563	\$ 2,514,284
Cost of Sales	1,050,726	1,183,261	1,873,825	2,026,071
Gross profit	292,203	324,666	558,738	488,213
Operating expense				
General and administrative expenses	1,036,406	851,142	1,950,316	2,729,695
Total operating expenses	1,036,406	851,142	1,950,316	2,729,695
Operating loss	(744,203)	(526,476)	(1,391,578)	(2,241,482)
Other income / (expense)				
Unrealized gain on digital asset investment	2,154,071	-	2,154,071	
Unrealized Income from staking activities	44,769		44,769	
Interest income	19,030	5,505	25,325	10,507
Interest expense	(5,812)	-	(11,318)	-
Total other income (expense)	2,212,058	5,505	2,212,847	10,507
Net income (loss)	\$ 1,467,855	\$ (520,971)	\$ 821,269	\$ (2,230,975)
Net (loss) per share:				
Basic	\$ 0.07	\$ (0.05)	\$ 0.04	\$ (0.22)
Fully diluted	\$ 0.01	\$ (0.05)	\$ 0.00	\$ (0.22)
Weighted average number of shares				
Basic	21,574,059	10,187,753	19,413,035	10,126,754
Fully diluted	224,099,059	10,187,753	221,938,035	10,126,754

The accompanying notes are an integral part of these unaudited financial statements.

Tron Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Three and Six Ended June 30, 2025 and 2024

	Series A		Series B		Common Stock		Common Stock	Additional	Accumulated	
	Preferred Stock		Preferred Stock		Common Stock		Payable	Paid-In	Deficits	Total
	Shares	Amount	Shares	Amount	Shares	Amount		Capital		
Balance, December 31, 2023		\$ -		\$ -	9,765,000	\$ 977	\$ 676,000	\$ 4,805,117	\$ (1,357,896)	\$ 4,124,198
Common stock issued for stock payable					200,000	20	(354,000)	353,980		-
Common stock issued for services					200,000	20		283,980		284,000
Fair value of Options granted to Employees								573,548		573,548
Net loss three months ended 03/31/24									(1,710,004)	(1,710,004)
Balance, March 31, 2024		-	-	-	10,165,000	1,017	322,000	6,016,625	(3,067,900)	3,271,742
Common stock issued for stock payable					-	-	154,500	-	-	154,500
Common stock issued for stock services					100,000	10	-	149,990		150,000
Net loss three months ended 06/30/24					-	-	-	-	(520,971)	(520,971)
Balance, June 30, 2024		\$ -	-	\$ -	10,265,000	\$ 1,027	\$ 476,500	\$ 6,166,615	\$ (3,588,871)	\$ 3,055,271
Balance December 31, 2024		\$ -	-	\$ -	15,956,477	\$ 1,596	\$ 790,998	\$ 10,195,598	\$ (5,697,241)	\$ 5,290,951
Exercise of Pre Funded warrants					712,133	71	(452,748)	452,748	-	71
Common stock issued for investment in Gameverse					500,000	50	-	190,450	-	190,500
Stock issued for services					75,000	8	(16,250)	44,387	-	28,145
Fair value of Options granted to Directors								119,635	-	119,635
Net loss three months ended 03/31/25									(646,586)	(646,586)
Balance, March 31, 2025		-	-	-	17,243,610	1,725	322,000	11,002,818	(6,343,827)	4,982,716
Series A Preferred stock issued in private placement	5,000	-						4,591,392		4,591,392
Series A Preferred stock conversion into common stock	(5,000)	-			9,518,571	952				952
Series B preferred shares issued for fair value of tokens received in private placement			100,000	10				99,674,990		99,675,000
Exercise of options					645,000	64		343,943		344,007
Exercise of cashless warrants					18,802	2		(2)		-
Fair value of Options granted to Directors								341,186		341,186
Waiver of interest on related party Note								41,877		41,877
Net income three months ended 06/30/25									1,467,855	1,467,855
Balance, June 30, 2025	-	\$ -	100,000	\$ 10	27,425,983	\$ 2,743	\$ 322,000	\$ 115,996,204	\$ (4,875,972)	\$ 111,444,985

Tron Inc.
Condensed Consolidated Statement of Cash Flows
For the Six Months Ended June 30, 2025 and 2024
(unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net Income (loss)	\$ 821,269	\$ (2,230,975)
Adjustment to reconcile net loss to operating activities		
Unrealized gain on digital asset investment	(2,154,071)	
Unrealized income from staking activities	(44,769)	
Common stock issued for services	28,145	434,000
Common stock payable	-	154,500
Fair value of Officer, Director and Employee options	460,821	573,548
Depreciation and amortization	142,643	7,246
Changes in operating assets and liabilities:		
Accounts receivable	157,145	(17,075)
Inventory	51,866	(430,975)
Prepaid expenses	170,077	127,268
Accounts payable	159,948	(61,052)
Accrued expenses	117,153	(53,403)
Other assets	(75,880)	(7,786)
Net cash provided by (used in) operating activities	(165,653)	(1,504,704)
Cash flows from investing activities:		
Cash paid for fixed assets	-	(23,264)
Cash flows (used in) investing activities	-	(23,264)
Financing activities:		
Private placement	4,592,344	-
Payment on promissory note	(500,000)	-
Expenses related to sale of preferred stock	(325,000)	
Exercise of pre-funded warrants	71	-
Exercise of stock options	344,007	-
Cash (used in) financing activities	4,111,422	-
Net increase (decrease) in cash and cash equivalents	3,945,769	(1,527,968)
Cash and cash equivalents at the beginning of the period	1,352,373	2,980,741
Cash and cash equivalents at the end of the period	\$ 5,298,142	\$ 1,452,773
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
NON_CASH INFORMATION		
Stock issued for Gameverse shares	\$ 190,500	\$ -
Stock issued from Stock Payable – prefunded warrants	\$ 452,748	\$ -
Waiver of accrued interest on related party note	\$ 41,877	\$ -
Stock issued from Stock Payable	\$ 16,250	\$ -
Cashless exercise of warrants	\$ 2	\$ -
Fair value of preferred shares issued for digital assets	\$ 100,000,000	\$ -

The accompanying notes are an integral part of these unaudited financial statements.

Tron Inc.
Notes to Financial Statements
For the Three and Six Months Ended June 30, 2025 and 2024
(Unaudited)

Note 1 - Organization and Business Operations

Tron Inc. (formerly SRM Entertainment, Inc.) is a Nevada corporation, listed and traded on NASDAQ, headquartered in Florida and was incorporated on April 22, 2022. SRM Entertainment Limited (“SRM Ltd”), a wholly-owned subsidiary, is a limited company incorporated in Hong Kong, on January 23, 1981. The consolidated Tron Inc. and SRM Ltd are collectively referred to as the Company.

The Company’s holding of TRON (“TRX”) tokens constitutes the largest public ownership of TRX tokens. Through SRM Ltd, our wholly owned subsidiary, the Company designs, develops, and manufactures custom merchandise which includes toys and souvenirs for the world’s largest theme parks and other entertainment venues.

Note 2 - Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of US Securities and Exchange Commission (“SEC”).

Emerging Growth Company Status

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Recent Issued Accounting Pronouncements

Segment Reporting

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, enhancing segment reporting requirements under ASC 280. This ASU aims to provide investors with more detailed information about a public entity's reportable segments, including those with a single reportable segment. The Key Provisions include:

1. Enhanced Expense Disclosures: Public entities must now disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included in each reported measure of segment profit or loss.

3. Disclosure of Other Segment Items: Entities are required to disclose an amount for "other segment items" by reportable segment, representing the difference between reported segment revenues and the sum of significant segment expenses and the reported measure of segment profit or loss. A qualitative description of the composition of these other segment items is also required. Interim Reporting Requirements: All annual disclosures about a reportable segment's profit or loss and assets, including the new disclosures introduced by ASU 2023-07, must now be provided in interim periods as well.

4. Single Reportable Segment Entities: Public entities with a single reportable segment are explicitly required to provide all segment disclosures mandated by ASC 280, including those introduced by ASU 2023-07. This clarification ensures that users receive comprehensive information about the entity's operations and performance.

5. Disclosure of CODM Information: Entities must disclose the title and position of the CODM and explain how the CODM uses the reported measure(s) of segment profit or loss in assessing performance and allocating resources.

These amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The Company adopted the ASU for the year ended December 31, 2024.

Accounting for Crypto Assets

In December 2023, the FASB issued ASU 2023-08, Accounting for and Disclosure of Crypto Assets, which establishes accounting guidance for crypto assets meeting certain criteria. The Company holds crypto assets that meet the scope criteria of ASU 2023-08. The pronouncement requires crypto assets which meet the criteria to be recognized at fair value with changes recognized in net income each reporting period. ASU 2023-08 is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. The Company adopted ASU 2023-08, effective January 1, 2025.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows. There were no cash equivalents as of June 30, 2025 and December 31, 2024.

Accounts Receivable and Credit Risk

Accounts receivable are generated from sales of the Company's products. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. For the six months ended June 30, 2025 and year ended December 31, 2024, the Company did not recognize any allowance for doubtful collections

Inventory

Inventories will be stated at the lower of cost or market. The Company will periodically review the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions. Write-downs and write-offs are charged to cost of goods sold. Inventory is based upon the average cost method of accounting.

Investments in Non-Marketable Equity Securities

Investments in non-marketable equity investments, including private company investments acquired through private placements, are accounted for using the alternative measurement under ASC 321. Under this method, investments are carried at cost, less any impairment, and adjusted for observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company assesses non-marketable equity investments for impairment when events or changes in circumstances indicate that the investment may be impaired. If the fair value of the investment is less than its carrying amount, an impairment loss is recognized in earnings.

Digital Assets Held by an Affiliate – Treasury Holdings

Our Digital Assets consist of TRON (“TRX”) tokens, as part of its treasury strategy, that meet the scope requirements of ASU 2023-08, Accounting for and Disclosure of Crypto Assets. The Company accounts for these assets at fair value in accordance with ASC 350-60 and ASC 820, with changes in fair value recognized in net income.

Digital Assets are classified as current or noncurrent in the consolidated balance sheet under ASC-210, based on the Company’s intended holding period and liquidity considerations. Assets expected to be sold or used within one year from the reporting date are classified as current assets. Treasury assets not intended to be sold or converted to cash within the operating cycle are classified as noncurrent assets.

Crypto assets are not offset against any related liabilities and are presented on a gross basis in the balance sheet, consistent with ASC 210-20, unless a legal right of setoff exists and settlement is intended to occur on a net basis.

Crypto assets that are subject to restrictions on transfer, such as assets locked in staking arrangements are separately disclosed.

The Company determines the fair value of crypto assets using quoted prices from active markets at the balance sheet date (Level 3 inputs under ASC 820). Gains and losses resulting from changes in fair value are included in Other Income (Loss), net in the statement of operations.

The Company discloses the composition of crypto assets, including fair value by major type of token, as well as the location on the balance sheet and significant changes during the reporting period, in accordance with the disclosure requirements of ASU 2023-08.

Future sales or exchanges of coins will be accounted for on a first in first out basis (FIFO).

Fixed Assets and Other Assets

Fixed assets are stated at cost at the date of purchase. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term.

The Company purchases molds for the manufacture of some of its products and are included in fixed assets at cost. Certain agreements call for the manufacturer to reimburse the Company for the cost of the molds upon first shipment of products produced using the molds. The costs of these molds are removed from fixed assets upon reimbursement. Molds that are not subject to reimbursement are depreciated when the products are in production.

Net Loss Per Share of Common Stock

Net income (loss) per share of Common Stock is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of Common Stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all Common Stock instruments such as options, warrants, convertible securities and preferred stock, unless the effect is to reduce a loss or increase earnings per share. As such, options, warrants, convertible securities, and preferred stock are not considered in the calculations for the 2024 fully diluted shares.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss)	\$ 1,467,855	\$ (520,971)	\$ 821,269	\$ (2,230,975)
Denominator:				
Denominator for basic earnings per share - Weighted-average of shares of Common Stock issued and outstanding during the period	21,574,059	10,187,753	19,413,035	10,126,754
Denominator for diluted earnings per share	224,099,059	10,187,753	221,938,035	10,126,754
Net income (loss) per share				
Basic	\$ 0.07	\$ (0.05)	\$ 0.04	\$ (0.22)
Diluted	\$ 0.01	\$ (0.05)	\$ 0.00	\$ (0.22)

Fair Value of Financial Instruments

The fair value of the Company’s assets and liabilities, which qualify as financial instruments under ASC Topic 820, “Fair Value Measurements and Disclosures,” approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

Revenue Recognition

SRM Ltd will generate its revenue from the sale of its products directly to the end user (the “customer”).

The Company recognizes revenues by applying the following steps in accordance with FASB Accounting Standards Codification 606 “Revenue from Contracts with Customers” (“ASC 606”). Under ASC 606, revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company’s performance obligations are satisfied when goods or products are shipped on a FOB shipping point basis as title passes when shipped. Our products are generally paid in advance of shipment or standard net 30 days and we offer no specific right of return, refund or warranty related to our products except for cases of defective products of which there have been none to date.

TRX Staking

The Company engages primarily in liquid staking activities with JustLend DAO, whereby it locks its digital assets (TRX tokens) in the JustLend protocol to support network operations and, in return, accrued network rewards. The company received sTRX in return for staking TRX. sTRX represents a tokenized version of TRX (Tron’s native cryptocurrency). These activities do not involve a contract with a customer and therefore are outside the scope of ASC 606, Revenue from Contracts with Customers.

The sTRX token does not generate discrete staking rewards. Instead, the economic benefit of staking is reflected through a floating conversion rate between sTRX and TRX, which increases over time based on accrued protocol rewards, penalties, and fees.

The Company accounts for sTRX as a digital asset and measures it at fair value, with changes in fair value recognized in the statement of operations as unrealized gains or losses. Because staking rewards are embedded in the appreciation of sTRX, the Company does not recognize separate staking income until the sTRX is redeemed or disposed of. Any increase in value attributable to staking activity is considered unrealized staking income recorded at fair value.

Foreign Currency Translation

Assets and liabilities in foreign currencies are translated using the exchange rate at the balance sheet date, while revenue and expense accounts are translated at the average exchange rates prevailing during the period. Equity accounts are translated at historical exchange rates. Gains and losses from foreign currency transactions and translation for the six months ended June 30, 2025 and the year ended December 31, 2024 and the cumulative translation gains and losses as of June 30, 2025 and December 31 2024 were not material.

Stock Based Compensation

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 “Compensation - Stock Compensation” (“ASC 718”). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

The Company has adopted ASU No. 2018-07 “Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting.” These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to non-employees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned.

Income Taxes

The Company accounts for income taxes under ASC 740 Income Taxes (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material changes to its financial position. The Company’s policy for recording interest and penalties associated with audits is to record such items as a component of income tax expense.

Segment Reporting

The Company operates as a single reportable segment. The Chief Operating Decision Maker (CODM) (our CEO, Richard Miller) reviews the financial performance of the company on a consolidated basis and makes decisions regarding resource allocation at that level. The CODM has determined that all of the revenue, costs and expenses are attributable to the Company’s principal business with the exception of certain general and administrative expenses related to being a public company. As a result, the company has determined that it operates two operating segments in accordance with Accounting Standards Codification (ASC) 280, *Segment Reporting*. The Company’s business are (i) the design, manufacture, and sale of toys to premier theme parks. Revenues from external customers are derived from e-commerce, distributors, and direct to retail consumers and (ii) a Digital Asset Treasury Strategy using TRX Tokens.

Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Note 3 – Inventory

At June 30, 2025 and December 31, 2024, the Company had inventory of finished goods of \$731,934 and \$783,800, respectively.

Note 4 - Accounts Receivable

At June 30, 2025 and December 31, 2024, the Company had accounts receivable of \$637,013 and \$794,158, respectively

Note 5 – Prepaid Expenses

At June 30, 2025, the Company had a total of \$318,669 in prepaid expenses, consisting of deposits on orders of \$128,769, prepaid insurance of \$116,968 and other expenses of \$72,932. The balance of prepaid expenses at December 31, 2024 was \$488,746 consisting of deposits on orders of \$396,489, prepaid insurance of \$33,382 and other prepaid expenses of \$58,875.

Note 6 - Investment in digital assets – held by an Affiliate

On June 16, 2025, the Company entered into a Securities Purchase Agreement with an institutional investor entity (the “Investor”) for 100,000 shares of its Series B Convertible Preferred Stock par value \$0.0001 per share, convertible into 200,000,000 shares of common stock and warrants in exchange for \$100,000,000 in digital assets consisting of TRX tokens. On June 28, 2025, the Company received 365,096,845 TRX tokens as per the Securities Purchase Agreement, which were staked, through an affiliate, in return for 297,543,246 sTRX a liquid staking token, which represents a tokenized version of TRX (TRON’s native cryptocurrency).

The following table presents the roll-forward of our digital assets for the six months ended June 30, 2025, based on the fair value model under ASU-2023-98:

	Fair Value
Balance at December 31, 2024	\$ -
Receipt of TRX tokens	100,000,000
Change in fair value	2,154,071
Unrealized income from staking TRX	44,769
Balance at June 30, 2025	\$ 102,198,840

As a result of our directors’ affiliations, potential conflicts may arise from the following relationships:

- we engaged BiT Global, a licensed Trust or Company Service Provider and registered trust company in Hong Kong, to set up and be the custodian of the Treasury Wallet. Our director, Mr. Liu, is one of the directors of BiT Global,
- some of our directors have certain ties with the TRON blockchain ecosystem. For example, Weike Sun is the father of Justin Sun, the founder of TRON. Mr. Liu has been the senior advisor to Tron DAO since 2021. Mr. Yang holds senior positions for Tronscan, the official blockchain explorer for Tron protocol, and
- currently our TRX tokens are “staked” on JustLend, a decentralized finance (DeFi) protocol, in exchange for Staked TRX (sTRX) tokens. An sTRX token is a derivative token that represents the “staked” TRX tokens, which can automatically generate yield for the token holders. JustLend DAO is considered a related party due to the significant influence exercised by insiders to the TRON ecosystem who are considered affiliates to the Company.

Note 7 - Investment in Gameverse Interactive Corp

On January 24, 2025, the Company entered into a Securities Purchase Agreement with Gameverse Interactive Corp, a video game developer (“Gameverse”) under the terms of which, the Company exchanged 500,000 shares of its restricted common stock for 132,000 shares of restricted common stock of Gameverse. The fair value of \$190,500 was determined using the closing price of the Company’s common stock on the date of the agreement.

Note 8 – Fixed Assets and Other Assets

At June 30, 2025 and December 31, 2024, the Company had fixed assets totaling \$50,288 and \$48,279, net of accumulated depreciation of \$44,322 and \$29,431, respectively, as follows:

	June 30, 2025	December 31, 2024
Asset		
Tooling and Molds	\$ 73,325	\$ 56,425
Computer equipment and software	21,285	21,285
	94,610	77,710
Accumulated depreciation	(44,322)	(29,431)
	\$ 50,288	\$ 48,279

At June 30, 2025, and December 31, 2024 other assets consisting primarily of non-depreciable molds totaled \$50,288 and \$43,380, respectively.

Note 9 – Intangible Assets and Secured Note – Related Party

On September 3, 2024, the Company entered into an Asset Purchase Agreement with Suretone Entertainment, Inc. (“Suretone” or “Seller”) pursuant to which the Company agreed to acquire the 2019 movie titled “The Kid” (directed by Vincent D’Onofrio and starring Ethan Hawke and Chris Pratt) and certain other assets (the “Assets”) related to “The Kid” from the Seller, for an aggregate purchase price of \$2,893,000 (the “Purchase Price”). Jordan Schur, the owner and Chief Executive Officer of Suretone, is a board member and President of Safety Shot. At June 30, 2025, Safety Shot held 4.5% of the Company’s common stock.

In consideration for the purchased Assets, the Company paid the Purchase Price which consisted of: (i) payment of \$250,000 in cash on September 3, 2024; (ii) issuance of 1,500,000 restricted shares of the Company's common stock, par value \$0.0001 per share (valued at \$0.762 per share which, was the market per share value of the Company's common stock); and (iii) issuance of a secured promissory note in the original amount of \$1,500,000 (the "Secured Note") to a related party. The Secured Note's term is one year with an interest rate of 8%. On October 21, 2024, the Company paid \$500,000 and on December 13, 2024, the Company paid an additional \$500,000 of the principal balance of the Secured Note leaving a principal balance of \$500,000 at December 31, 2024. On January 2, 2025, the Company paid \$250,000 and on June 14, 2025 paid another \$250,000 which paid off the Note. In addition, the \$41,877 accrued interest on the note was waived in connection with the early pay-off of the Note and recorded as an adjustment to additional paid-in capital

The Assets are being amortized over a ten-years . Amortization expense totaled \$144,650 and \$96,433, respectively, for the six months ended June 30, 2025 and year ended December 31, 2024.

Note 10 - Capital Structure

Preferred Stock – The Company has 10,000,000 shares of preferred stock, par value \$0.0001 per share, of which 1,000,000 shares are designated as Series A Preferred Stock and 5,000 shares of the Series A Preferred Stock are designated as convertible, and 100,000 shares are designated as Series B Preferred Stock.

As of June 30, 2025, there were no shares of Series A Preferred Stock issued and outstanding; however, during May 2025, the Company issued 5,000 Series A Preferred shares convertible into 8,928,571 shares of common stock for gross proceeds of \$5,000,000 (\$4,591,392 net of expenses). During June 2025, the 5,000 shares were converted into 8,928,571 shares of the Company's common stock.

On June 16, 2025, the Company entered into a Securities Purchase Agreement under the terms of which the Company received \$100,000,000 in digital assets and issued 100,000 shares of its Series B Preferred Stock convertible into 200,000,000 shares of common stock and warrants convertible into 220,000,000 shares of the Company's common stock with an exercise price of \$0.50 per share in return for the issuance of 100,000 Series B Preferred shares. The stated value of the Series B Preferred Stock is \$1,000 per share. The digital assets purchase is described more fully in Note 6 above and the amendment to our Articles of Incorporation described in Note 14 below. In connection with this transaction the Company incurred a total of \$325,000 in legal expense, which has been netted against the \$100,000,000 in additional paid in capital.

Holders of the Preferred Stock Shares are entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock are convertible on the basis of a conversion price of \$0.50. The Holders shall vote together with the holders of shares of Common Stock as a single class. The Preferred Stock Shares cannot be voted on an "as converted basis" of more than 19.99% of the currently outstanding shares of Common Stock until shareholder approval of such voting rights is obtained and becomes effective.

Holders shall be entitled to receive, and the Company shall pay dividends on Preferred Stock Shares equal (on an as-if-converted-to-Common-Stock basis) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

Upon any liquidation, dissolution or winding-up of the Company, the holders of Preferred Stock Shares have a preference for the distribution of the entire remaining assets and funds of the Company legally available for distribution over any holders of other series of preferred stock or of the Common Stock.

The issuances of the Series A and B Preferred Stock in the related transactions resulted in a change of control of the Company.

Common Stock – The Company has 100,000,000 shares of Common Stock, par value \$0.0001 authorized. At June 30, 2025 and December 31, 2024, the Company had 27,425,983 and 15,956,977 shares, respectively, of its common stock issued and outstanding

Year ended December 31, 2024, issuances included:

The Company issued 200,000 shares of the Common Stock Payable at December 31, 2023.

The Company entered into Consulting Agreements (the "Agreements") with four consultants under the terms of which the Company issued 1,200,000 shares of its common stock valued at \$1,261,000. The shares were valued at the market rate of the Company's stock on the date of the Agreements.

The Company issued 1,500,000 shares of its common stock in connection with the Asset purchase described above. The shares were valued at \$1,143,000 which was the market rate of the Company's stock on the date of the Agreement.

The Company issued a total of 3,291,477 shares of its common stock in connection with the Company's Form S-3 Registration Statement (the "Registration"). The shares were issued at a negotiated price which generated net proceeds to the Company of \$2,501,255.

Six months ended June 30, 2025, issuances included:

The Company issued 712,133 shares of its common stock valued at \$452,748 upon conversion of 712,133 pre-funded warrants which were included in Common Stock Payable at December 31, 2024.

The Company issued 25,000 shares of its common stock valued at \$16,250 (market price at date of the agreement) in connection with a Consulting Agreement which was included in Common Stock Payable at December 31, 2024.

[Table of Contents](#)

The Company issued 500,000 shares of its common stock in connection with a Stock Purchase Agreement with Gameverse, Interactive Corp, 1000 S. Pine Island Suite 210 (“Gameverse”), valued at \$190,500 (TRON market price at date of purchase) under which the Company received 132,000 share of common stock of Gameverse.

The Company entered into a Consulting Agreement (the “Agreements”) under the terms of which the Company issued 50,000 shares of its common stock valued at \$28,145. The shares were valued at the market rate of the Company’s stock on the date of the Agreement.

The Company converted 5,000 Series A Preferred shares into 9,518,671 shares of its common stock which includes 590,000 shares related to fees associated with the transaction See Series A Preferred stock above.

The Company issued 645,000 shares of its common stock for the exercise of stock options. Proceeds from the exercises total \$344,007.

The Company issued 18,892 shares of its common stock for the cashless exercise of warrants.

Common Stock Payable

At December 31, 2023, the Company had \$676,000 of Common Stock Payable. Activity for the six months ended June 30, 2024 included the following:

During the six months ended June 30, 2024, the Company issued 200,000 shares of the Common Stock Payable valued at \$354,000.

Additionally, the Company entered into a Consulting Agreement that called for the issuance of 100,000 shares valued at \$154,500 (calculated using the market rate per share on date of the Agreement) which shares had not been issued at June 30, 2024.

The balance of Common Stock Payable at June 30, 2024 was \$476,500.

The balance of Common Stock Payable at December 31, 2024 was \$790,998. Activity for the six months ended June 30, 2025, included the following:

During the six months ended June 30, 2025, the Holder of the pre-funded warrants described above converted the warrants into shares of the Company’s common stock valued at \$452,748.

Additionally, the 25,000 shares under the Consulting Agreement were issued and were valued at \$16,250. At June 30, 2025, there was a balance of \$322,000 in Common Stock Payable.

The balance of Common Stock Payable at June 30, 2025, was \$322,000.

Note 11 – Options

During the year ended December 31, 2024, the Company granted a total of 995,000 options to Officers, Directors and Employees with an exercise price of \$1.21, a five-year term and are exercisable immediately. The Company recorded an expense of \$573,548 in connection with these options. Additionally, the Company granted 50,000 options with an exercise price of \$0.63 to a consultant, of which 25,000 are immediately vested and 25,000 are vested six months from the date of the agreement. The Company recorded an expense of \$11,045 related to the vested options.

During the six months ended June 30, 2025, the Company granted a total of 2,025,000 options to the Directors with an exercise price of \$0.56 - \$0.68, a five-year term and are exercisable immediately. The Company recorded an expense of \$460,821 in connection with these options.

[Table of Contents](#)

The fair value of these options was measured using the Black-Scholes valuation model at the grant date. The table below sets forth the assumptions for Black-Scholes valuation model on the respective reporting date.

Reporting Date	Number of Options	Term (Years)	Exercise Price	Market Price on Grant Date	Volatility Percentage	Fair Value
02/21/2024	995,000	2.5	\$ 1.21	\$ 1.21	62.6%	\$ 573,548
12/31/2024	25,000	5.0	\$ 0.63	\$ 0.63	86.4%	\$ 11,045
01/07/2025	375,000	2.5	\$ 0.68	\$ 0.68	75.0%	\$ 119,635
5/22/2025	1,650,000	2.5	\$ 0.56	\$ 0.52	64.5%	\$ 341,186

During the six months ended June 30, 2025, a total of 645,000 shares of common stock were issued in connection with options exercised. Total proceeds from the exercises were \$341,186.

Note 12 - Segment Reporting

The Company has two reportable segments: (i) the toy business consisting of design, development and manufacture (through third parties) of toys and souvenir items and (ii) digital assets, consisting of investing for growth in the appreciation of the asset and staking the tokens to produce income to the Company .

Gross profit (loss) is the segment performance measure the chief operating decision maker (“CODM”) (our CEO, Richard Miller) uses to assess the Company’s reportable segments.

The toys and souvenir items (“Products”) generate revenue from the sale of the Products to theme parks and entertainment venues and direct sales through Amazon and other direct channels. Cost of revenue consists primarily of direct manufacturing costs and freight and shipping.

The digital assets have nominal costs associated with revenue generated through staking.

The following table presents segment revenue and segment gross profit reviewed by the CODM:

	June 30, 2025	June 30 2024
Revenue from Toy sales	\$ 2,432,563	\$ 2,514,284
Cost of sales	1,873,825	2,026,071
Gross profit	558,738	488,213
Income from digital assets		
Unrealized Gain on digital asset investments	2,154,071	-
Unrealized income from staking activities	44,769	-
Total income from digital assets	2,198,840	-
Operating (expenses)	(1,950,316)	(2,729,695)
Net interest income	14,007	10,507
Net Income (loss)	\$ 821,269	\$ (2,230,975)

Note 13 - Commitments and Contingencies

Legal Proceedings

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

Note 14 – Subsequent Events

Subsequent to June 30, 2025, and through the filing of this 10-Q, a total of 5,678,000 warrants were exercised with total proceeds to the Company of \$3,690,700. On July 28, 2025, the Company filed an S-3 Registration Statement under which the Company may, from time to time in one or more offerings, offer and sell up to \$1,000,000,000 in the aggregate of common stock, preferred stock, debt securities, warrants and rights to purchase common stock or preferred stock, or any combination of the foregoing, either individually or as units comprised of one or more of the other securities.

On June 15, 2025, our Board of Directors approved and recommended the approval by our stockholders of (i) the possible change in control of the Company (as defined by the Nasdaq Stock Market LLC’s Listing Rules) via the issuance to an institutional investor (the “Investor”), at a price below the Minimum Price (as defined by the Nasdaq Stock Market LLC’s Listing Rules), of more than 20% of the shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”) outstanding with the Investor being the largest shareholder while holding over 20% of the shares of Common Stock (the “Change of

Control and 20% Issuance”) in accordance with The Nasdaq Stock Market LLC’s Listing Rule 5635(b) and (d) (“Nasdaq Rule 5635”), in connection with the \$100,000,000 private investment in public equity (the “PIPE Offering”) entered into between the Company and the Investor pursuant to which the Company issued 100,000 shares of its Series B Convertible Preferred Stock par value \$0.0001 per share (the “Series B Preferred Stock”), convertible into 200,000,000 shares of Common Stock, and warrants (the “PIPE Warrants”) to acquire up to 220,000,000 shares of Common Stock, to the Investor; and (ii) an amendment to our Articles of Incorporation to increase the total number of authorized shares of common stock from 100,000,000 to 1,000,000,000 (the “Charter Amendment”). See footnote 10 Capital Structure - Preferred Stock.

Certain of our stockholders, holding a majority of our voting power on June 15, 2025, approved the Change of Control and 20% Issuance and the Charter Amendment by the Written Consent.

The required consent of at least a majority of the votes allocated to our voting shares was given for each of the actions listed above.

Under Section 78.320 of the Nevada Revised Statutes, the written consent of stockholders holding a majority of votes outstanding may be substituted for a special meeting of the stockholders. Based on the foregoing and in order to eliminate the costs involved in holding a special meeting, the Board has determined not to call a special meeting of stockholders.

AS such, a Schedule 14C Information Statement was being mailed on or about July 23, 2025, by the Board of Directors (the “Board”) of Tron Inc. to the holders of record of our outstanding Common Stock and our outstanding shares of Series A Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), as of the close of business on the Record Date, pursuant to Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The Charter Amendment is effective August 14, 2025.

The Company evaluated subsequent events through the date of this filing and has had no additional material events subsequent to June 30, 2025.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward- looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common shares” refer to the common shares in our capital stock.

As used in this quarterly report and unless otherwise indicated, the terms “we”, “us”, “our”, and the “Company” mean Tron Inc.

General Overview

Tron Inc. (formerly SRM Entertainment, Inc.) is a Nevada corporation, listed and traded on NASDAQ, headquartered in Florida and was incorporated on April 22, 2022. SRM. Entertainment Limited (“SRM Ltd”), a wholly-owned subsidiary, is a limited company incorporated in Hong Kong, on January 23, 1981. The consolidated Tron Inc. and SRM Ltd are collectively referred to as the Company.

On May 21, 2025, the Company entered into a Securities Purchase Agreement (the “May Securities Purchase Agreement”) with an institutional investor for a private investment in public equity (the “May 2025 PIPE Offering”) and on June 16, 2025, we entered into the June Securities Purchase Agreement (the “June Securities Purchase Agreement”) with the investor for a private investment in public equity (the “June 2025 PIPE Offering”). See “Recent Developments” below for more information on these transactions and also on the Employment Agreement Amendments, the Name Change, the Symbol Change and the Charter Amendment (all as defined below). These moves reflect the Company’s broader strategic transformation and its commitment to aligning more closely with the Tron blockchain ecosystem, following the launch of its Tron-focused treasury strategy. The Company’s ticker change to “TRON” reinforces its brand identity and positions it as a key corporate player in the rapidly evolving blockchain and digital asset economy.

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of US Securities and Exchange Commission (“SEC”).

Business

TRX Tokens Treasury

Founded in 2017, TRON is a decentralized blockchain network that supports smart contracts and decentralized applications. TRX token is the governance token of the TRON network, which is used to pay for on-chain transaction fees, participate in network governance and incentivize validators who generate transaction blocks for the network. Users can also stake TRX tokens to vote for validators who facilitate the block validation process and earn staking rewards.

We believe that the TRX token is an attractive digital asset which can create long-term value for our shareholders by capitalizing on the global adoption of blockchain and digital innovation.

The Company has adopted a Treasury Reserve Policy (“Treasury Reserve Policy”) which set out our treasury management and capital allocation strategies, under which our treasury reserve assets will consist of:

- cash and cash equivalents and short-term investments (“Cash Assets”) held by us that exceed working capital requirements; and
- TRX tokens held by us, as the primary treasury holding asset on an ongoing basis, subject to market conditions and anticipated needs of the business for Cash Assets.

Our TRX token strategy generally involves from time to time, subject to market conditions, (i) issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase TRX tokens, and (ii) acquiring TRX tokens with our liquid assets that exceed working capital requirements. We intend to fund further TRX token acquisitions primarily through issuances of common stock and a variety of fixed-income instruments, including debt, convertible notes and preferred stock.

We view our TRX tokens holdings as long-term holdings and expect to continue to accumulate TRX tokens. We have not set any specific target for the amount of TRX tokens we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financings to purchase additional TRX tokens. This overall strategy also contemplates that we may (i) enter into additional capital raising transactions that are collateralized by our TRX tokens holdings, and (ii) consider pursuing strategies to create income streams or otherwise generate funds using our TRX tokens holdings.

Our TRX Tokens Holdings

We currently hold 365,096,845 TRX tokens, being the Consideration Tokens (as defined below). We have not yet had any TRX token dispositions.

Toy and Souvenir

The Company is a trusted toy and souvenir designer and developer, selling into the world’s largest theme parks and entertainment venues.

Our toy and souvenir business is built on the principle that almost everyone is a fan of something and the evolution of pop culture is leading to increasing opportunities for fan loyalty. We create whimsical, fun and unique products that enable fans to express their affinity for their favorite “something”—whether it is a movie, TV show, favorite celebrity, or favorite restaurant. We infuse our distinct designs and aesthetic sensibility into a wide variety of product categories, including figures, plush, accessories, apparel, and homewares. With our unique style, expertise in pop culture, broad product distribution and highly accessible price points, we have developed a passionate following for our products that has underpinned our growth. We believe we sit at the nexus of pop culture-content providers value us for our broad network of retail customers, retailers value us for our portfolio of pop culture products and pop culture insights, and consumers value us for our distinct, stylized products and the content they represent.

Pop culture pervades modern life and almost everyone is a fan of something. Today, more quality content is available and technology innovation has made content accessible anytime, anywhere. As a result, the breadth and depth of pop culture fandom resembles, and in many cases exceeds, the type of fandom previously associated only with sports. Everyday interactions at home, work or with friends are increasingly influenced by pop culture.

We have invested strategically in our relationships with key constituents in pop culture. Content providers value us for our broad network of retail customers and retailers value us for our pop culture products, pop culture insights and ability to drive consumer traffic. Consumers, who value us for our distinct, stylized products, remain at the center of everything we do.

Content Providers: We have licensing relationships with many established content providers, and our products appear in venues such as Walt Disney Parks and Resorts, Universal Studios, SeaWorld, Cedar Fair, Herschend Family Entertainment and Merlin Entertainment. We currently have licenses with Smurfs, The ICEE Company and Zoonicorn LLC, from which we can create multiple products based on each character within. Content providers trust us to design, create and manufacture unique, stylized extensions of their intellectual property that extend the relevance of their content with consumers through ongoing engagement, helping to maximize the lifetime value of their content.

Consumers: Fans are increasingly looking for ways to express their affinity for and engage with their favorite pop culture content. Over time, many of our consumers evolve from occasional buyers to more frequent purchasers, whom we categorize as enthusiasts or collectors. We create innovative products to appeal to a broad array of fans across consumer demographic groups-men, women, boys and girls-not a single, narrow demographic. We currently offer an array of products that sell across several categories. Our products are generally priced between \$2.50 and \$50.00, which allows our diverse consumer base to express their fandom frequently and impulsively. We continue to introduce innovative products designed to facilitate fan engagement at different price points and styles.

We have developed a nimble and low-fixed cost production model. The strength of our management team and relationships with content providers, retailers and third-party manufacturers allows us to move from product concept to a new product tactfully. As a result, we can dynamically manage our toy and souvenir business to balance current content releases and pop culture trends with timeless content based on classic movies, such as Harry Potter or Star Wars. This has allowed us to deliver significant growth while lessening our dependence on individual content releases.

Recent Developments

May 2025 PIPE Offering

On May 21, 2025, the Company entered into a Securities Purchase Agreement (the “May Securities Purchase Agreement”) with an institutional investor for a private investment in public equity (the “May PIPE Offering”) of 5,000 shares of its Series A Convertible Preferred Stock par value \$0.0001 per share (the “Series A Preferred Stock”), convertible into 8,928,571 shares of Common Stock, at a conversion price of \$0.56 per share of Series A Preferred Stock, and an aggregate of 8,928,571 warrants (the “May PIPE Warrants”) to acquire up to 8,928,571 shares of Common Stock, subject to beneficial ownership limitations set by the holder. The purchase price for one unit (consisting of one share of Series A Convertible Preferred Stock convertible into approximately 1,785 shares and the same number of warrants) was \$1,000. The May PIPE Warrants issued in the May PIPE Offering are exercisable immediately upon issuance at an exercise price of \$0.65 per share and will expire two years from the date of issuance. See Item 5. below for additional information regarding the Series A Preferred Stock.

The May PIPE Offering closed on May 27, 2025, with aggregate gross proceeds totaling approximately \$5 million, before deducting placement agent fees and other expenses. The Company intends to use the proceeds from the May PIPE Offering for general corporate and working capital purposes.

The exercise price and number of shares of Common Stock issuable upon exercise of the May PIPE Warrants is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting the Common Stock and the exercise price. Subject to limited exceptions, the investor may not exercise any portion of the May PIPE Warrants to the extent that the investor would beneficially own more than 4.99% (or, at the election of the holder prior to the date of issuance, 9.99%) of the outstanding Common Stock after exercise. In the event of certain fundamental transactions, the holder of the May PIPE Warrants will have the right to receive the Black Scholes Value (as defined in the May PIPE Warrants) of its May PIPE Warrants calculated pursuant to a formula set forth in the May PIPE Warrants, payable in cash. There is no trading market available for the May PIPE Warrants on any securities exchange or nationally recognized trading system. The Company does not intend to list the May PIPE Warrants on any securities exchange or nationally recognized trading system.

Pursuant to the May Securities Purchase Agreement, for a period of eighteen (18) months after the closing date, the Investor shall have the right of first refusal to participate with respect to any offering involving (i) future equity or equity-linked securities of the Company or (ii) debt of the Company, which is convertible into equity or in which there is an equity component.

Pursuant to the May PIPE Offering, on May 22, 2025, the Company filed a Certificate of Designation of Series A Preferred Stock with the Secretary of State of the State of Nevada and subsequently, on May 23, 2025 the Company filed an Amended & Restated Certificate of Designation to correct the conversion price of the Series A Preferred Stock from \$0.50 per share to \$0.56 per share.

Dominari Securities, LLC acted as placement agent (the “Placement Agent”) in connection with the May PIPE Offering, pursuant to that certain Placement Agency Agreement, dated as of May 21, 2025, between the Company and the Placement Agent, pursuant to which the Company paid the Placement Agent (i) a cash fee equal to 6.00% of the aggregate gross proceeds from the sale of the shares of Common Stock in the May PIPE Offering and (ii) reimbursement for certain of out-of-pocket expenses, including for reasonable expenses and legal fees of \$100,000. In addition, we issued to the Placement Agent or its designees the placement agent warrants (the “May Placement Agent Warrants”) to purchase up to an aggregate of 535,714 shares of Common Stock (6.0% of the Common Stock sold in the May PIPE Offering). The Placement Agent Warrants have identical terms as the May PIPE Warrants.

While the securities offered and sold by the Company in the May PIPE Offering were not registered under the Securities Act prior to issuance, they were registered in a resale registration statement on Form S-3 declared effective by the SEC on June 16, 2025. As of July 24, 2025, all of the Series A Preferred Stock shares sold pursuant to the May Securities Purchase Agreement were converted into shares of Common Stock.

June 2025 PIPE Offering

On June 16, 2025, the Company entered into a Securities Purchase Agreement (the “June Securities Purchase Agreement”) with an institutional investor entity (the “Investor”) for a private investment in public equity (the “June PIPE Offering”) of 100,000 shares of its Series B Convertible Preferred Stock par value \$0.0001 per share (the “Series B Preferred Stock”), convertible into 200,000,000 shares of common stock, par value \$0.0001 (the “Common Stock”), at a conversion price of \$0.50 per share of Common Stock, and warrants (the “June PIPE Warrants”) to acquire up to 220,000,000 shares of Common Stock. The June PIPE Warrants issued in the June PIPE Offering are exercisable immediately upon issuance at an exercise price of \$0.50 per share and will expire two years from the date of issuance. The 100,000 shares of Series B Preferred Stock are referred to herein as the “Preferred Stock Shares.” Item 5. below for additional information regarding the Series B Preferred Stock

The issuance of the Preferred Stock Shares and the June PIPE Warrants occurred on June 16, 2025.

On June 28, 2025, the Investor paid the \$100 million purchase price for the Preferred Stock Shares and Warrants in the form of TRX tokens (the “Consideration Tokens”), based on the closing price of TRX tokens on June 15, 2025. The Consideration Tokens are held in the custodian wallet account (“Treasury Wallet”) designated and controlled by the board of directors of Tron Inc. (“Board”). The Treasury Wallet is set up by BiT Global Trust Limited (“BiT Global”), a licensed Trust or Company Service Provider and registered trust company in Hong Kong. BiT Global provides on-chain monitoring services for the Treasury Wallet while the Board has full control and access to the Treasury Wallet. Our director, Mr. Liu (as defined below), is one of the directors of BiT Global.

The Preferred Stock Shares cannot be converted into more than 19.99% of the currently outstanding shares of Common Stock until stockholder approval of such an issuance is obtained and becomes effective.

The Company entered into an Advisory Agreement with Justin Sun along with the issuance of the Preferred Stock Shares and the June PIPE Warrants. Justin Sun’s father, Weike Sun is the sole shareholder of the Investor and was appointed as a member of the Board in connection with the June PIPE Offering.

The conversion price and exercise price and number of shares of Common Stock issuable upon conversion or exercise of the Preferred Stock Shares and the June PIPE Warrants, as the case may be is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting the Common Stock and the conversion price or exercise price. In the event of certain fundamental transactions, the holder of the June PIPE Warrants will have the right to receive the Black Scholes Value (as defined in the June PIPE Warrants) of its June PIPE Warrants calculated pursuant to a formula set forth in the June PIPE Warrants, payable in cash. There is no trading market available for the Preferred Stock Shares or the June PIPE Warrants on any securities exchange or nationally recognized trading system. The Company does not intend to list the Preferred Stock Shares or June PIPE Warrants on any securities exchange or nationally recognized trading system.

Dominari Securities, LLC acted as placement agent (the “Placement Agent”) in connection with the June PIPE Offering, pursuant to that certain Placement Agency Agreement, dated as of June 16, 2025, between the Company and the Placement Agent, pursuant to which the Company paid the Placement Agent for certain out-of-pocket expenses, including for reasonable expenses and legal fees of \$50,000.

In addition, pursuant to an Advisory Agreement with an entity associated with American Ventures (the investor in the previously disclosed May 2025 Series A preferred stock offering and disclosed below), the Company issued a warrant to American Ventures (the “American Ventures Warrants”) with substantially the same terms as the June PIPE Warrants except that the American Ventures Warrants are exercisable for five years and do not reference the June Securities Purchase Agreement.

The securities offered and sold by the Company in the June PIPE Offering and the American Ventures Warrants were not registered under the Securities Act, and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from such registration requirements. The securities were offered only to accredited investors.

Pursuant to the June PIPE Offering, on June 16, 2025, the Company filed a Certificate of Designation of Series B Preferred Stock with the Secretary of State of the State of Nevada (the “Series B Certificate of Designation”).

The stated value of the Series B Preferred Stock is \$1,000 per share.

Holders of the Preferred Stock Shares are entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock are convertible on the basis of a conversion price of \$0.50. The Holders shall vote together with the holders of shares of Common Stock as a single class. The Preferred Stock Shares cannot be voted on an “as converted basis” of more than 19.99% of the currently outstanding shares of Common Stock until shareholder approval of such voting rights is obtained and becomes effective.

Holders shall be entitled to receive, and the Company shall pay, dividends on Preferred Stock Shares equal (on an as-if-converted-to-Common-Stock basis) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

Upon any liquidation, dissolution or winding-up of the Company, the holders of Preferred Stock Shares have a preference for the distribution of the entire remaining assets and funds of the Company legally available for distribution over any holders of other series of preferred stock or of the Common Stock.

Director Resignations

In connection with the June PIPE Offering, on June 16, 2025, Hans Haywood and Gary Herman resigned as members of the Board. These resignations were not a result of any disagreements with the Company on any matter relating to the Company's operations, policies, or practices.

In connection with the June PIPE Offering, Douglas McKinnon also resigned as a member of the Board. Mr. McKinnon remains the Company's Chief Financial Officer. Mr. McKinnon's resignation as a member of the Board was not a result of any disagreements with the Company on any matter relating to the Company's operations, policies, or practices.

Director Appointments

In connection with the June PIPE Offering, on June 16, 2025, Weike Sun ("Mr. Sun"), Zhihong Liu ("Mr. Liu"), and Zi Yang ("Mr. Yang") were appointed as members of the Board. Mr. Sun was named Chairman of the Board. Messrs. Liu and Yang have been appointed to each of the Audit, Compensation, and Nominating and Corporate Governance Committees of the Board. Mr. Liu serves as chair of the Compensation Committee and Mr. Yang serves as chair of the Nominating and Corporate Governance Committee.

Weike Sun, age 66, began his career in journalism and public infrastructure administration in China. Following his extensive experience in the public sector, Mr. Sun transitioned to the private sector holding senior management and advisory role to several fintech companies since 2016, including Ruibo (Beijing) Technology and Peiwo Huanle (Beijing) Technology. He was the Chairman of Guangzhou Keyhiway Printing Technology, a listed company on China's National Equities Exchange and Quotations (NEEQ) from March 2022 to July 2023. Mr. Sun holds a bachelor's degree from Qinghai Normal College. Mr. Weike Sun is the sole shareholder of the Investor.

Zhihong Liu, age 59, has been the senior advisor to Tron DAO since 2021, leading its strategic investment activities. Previously, Mr. Liu served as the board director of Valkyrie Investment helping to launch one of the first Bitcoin future ETFs in the US. Prior to joining the blockchain industry in 2021, he had held senior positions in the financial industry for over 20 years working for leading global firms including Ant Financial, NOMURA, Salomon Smith Barney and Fidelity Investment. Mr. Liu holds an MBA from Columbia University and a bachelor's degree from Zhejiang University in China.

Zi Yang, age 27, has been active in the blockchain industry for over 5 years. Mr. Yang currently holds senior positions for several leading blockchain projects including Tronscan, the official blockchain explorer for Tron protocol. Mr. Yang holds a bachelor's degree in Human Resource Management from Guangdong University of Foreign Studies in China.

Amendments to Employment Agreements with Officers

In connection with the June PIPE Offering, on June 16, 2025, the Company entered into amendments to the employment agreements of each of Richard Miller (the Company's Chief Executive Officer), Mr. McKinnon (the Company's Chief Financial Officer), Taft Flittner (the Company's President), and Deborah McDaniel-Hand (the Company's Vice President of Production, Development, and Operations) (collectively, the "Employment Agreement Amendments").

Pursuant to each of the Employment Agreement Amendments, the executives agreed (a) not to terminate their employment and not to seek any compensation for any termination of their employment in connection with the June PIPE Offering and (b) that any incentive or bonus payments related to the Company's performance would only be measured against the Company's business of developing and marketing licensed consumer products, including children's toys and entertainment merchandise. Such compensation would not be related to the Company's TRON (TRX) tokens-related operations.

In addition, Messrs. Miller and McKinnon agreed that equity awards issued to them pursuant to the Company's Equity Incentive Plans would, going forward, be solely determined by the Compensation Committee of the Board. The foregoing description of the Employment Agreement Amendments does not purport to be a complete description and is qualified in its entirety by reference to the individual Employment Agreement Amendments which are filed with the Form 8-K of the Company filed with the SEC on June 16, 2025 as Exhibits 10.4 (Miller), 10.5 (McKinnon), 10.6 (Flittner), and 10.7 (McDaniel-Hand) and incorporated by reference into Item 5.02 therein.

Name change and Amendment to the Company's Articles of Incorporation

On July 11, 2025, the Board approved the change in the name of the Company to “Tron Inc.” (the “Name Change”) and the change in the trading symbol of the Company to “TRON” on the Nasdaq Capital Market (the “Symbol Change”) to align with its major transformation into a TRON treasury strategy company.

On July 11, 2025, to effectuate the Name Change, the Company filed a Certificate of Amendment to the Articles of Incorporation of the Company, as amended (the “Charter Amendment”) with the Secretary of State of the State of Nevada. The Name Change and the Symbol Change took effect on the Nasdaq Capital Market on July 17, 2025. See Item 5. below for additional information regarding

These moves reflect the Company's broader strategic transformation and its commitment to aligning more closely with the Tron blockchain ecosystem, following the launch of its Tron-focused treasury strategy. The Company's ticker change to “TRON” reinforces its brand identity and positions it as a key corporate player in the rapidly evolving blockchain and digital asset economy.

Emerging Growth Company Status

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Significant Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited financial statements for the six months ended June 30, 2025 and 2024 and audited financial statements for the year ended December 31, 2024, which have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, and the rules and regulations of the Securities and Exchange Commission. The preparation of the financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported revenue generated, and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows. There were no cash equivalents as of June 30, 2025 or December 31, 2024.

Net Loss per Common Share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants, convertible securities and preferred stock, unless the effect is to reduce a loss or increase earnings per share. As such, options, warrants, convertible securities and preferred stock are not considered in the calculations for the 2024 fully diluted shares.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss)	\$ 1,467,855	\$ (520,971)	\$ 821,269	\$ (2,230,975)
Denominator:				
Denominator for basic earnings per share - Weighted-average of shares of Common Stock issued and outstanding during the period	21,574,059	10,187,753	19,413,035	10,126,754
Denominator for diluted earnings per share	224,099,059	10,187,753	221,938,035	10,126,754
Net income (loss) per share				
Basic	\$ 0.07	\$ (0.05)	\$ 0.04	\$ (0.22)
Diluted	\$ 0.01	\$ (0.05)	\$ 0.00	\$ (0.22)

Revenue Recognition

SRM Ltd generates its revenue from the sale of its products directly to the end user or distributor (collectively the “customer”).

The Company recognizes revenues by applying the following steps in accordance with FASB Accounting Standards Codification 606 “Revenue from Contracts with Customers” (“ASC 606”). Under ASC 606, revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company's performance obligations are satisfied when goods or products are shipped on an FOB shipping point basis as title passes when shipped. Our product is generally paid in advance of shipment or standard net 30 days and we offer no specific right of return, refund or warranty related to our products except for cases of defective products of which there have been none to date.

Inventory

Inventories are stated at the lower of cost or market. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions. Write-downs and write-offs are charged to cost of goods sold. Inventory is based upon the average cost method of accounting.

Income Taxes

We account for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. Based on our evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in our financial statements. Since we were incorporated on October 24, 2018, the evaluation was performed for 2018 tax year, which would be the only period subject to examination. We believe that our income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material change to our financial position. Our policy for recording interest and penalties associated with audits is to record such items as a component of income tax expense.

The Company's deferred tax asset at June 30, 2025 and December 31, 2024 consisted of net operating loss carry forwards calculated using effective tax rates (20.6% average of China and US rates) equating to approximately \$1,388,058 and \$1,377,232 respectively, less a valuation allowance in the amount of approximately \$1,388,058 and \$1,377,232 in the six months ended June 30, 2025 and years ended December 31, 2024.

Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Recent Accounting Pronouncements

Segment Reporting

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, enhancing segment reporting requirements under ASC 280. This ASU aims to provide investors with more detailed information about a public entity's reportable segments, including those with a single reportable segment. The Key Provisions include:

1. **Enhanced Expense Disclosures:** Public entities must now disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included in each reported measure of segment profit or loss.
2. **Disclosure of Other Segment Items:** Entities are required to disclose an amount for "other segment items" by reportable segment, representing the difference between reported segment revenues and the sum of significant segment expenses and the reported measure of segment profit or loss. A qualitative description of the composition of these other segment items is also required.
3. **Interim Reporting Requirements:** All annual disclosures about a reportable segment's profit or loss and assets, including the new disclosures introduced by ASU 2023-07, must now be provided in interim periods as well.
4. **Single Reportable Segment Entities:** Public entities with a single reportable segment are explicitly required to provide all segment disclosures mandated by ASC 280, including those introduced by ASU 2023-07. This clarification ensures that users receive comprehensive information about the entity's operations and performance.
5. **Disclosure of CODM Information:** Entities must disclose the title and position of the CODM and explain how the CODM uses the reported measure(s) of segment profit or loss in assessing performance and allocating resources.

These amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The Company adopted the ASU for the year ended December 31, 2024.

The company evaluated issued pronouncements and did not identify any additional recent pronouncements that apply to the company.

Accounting for Crypto Assets

In December 2023, the FASB issued ASU 2023-08, Accounting for and Disclosure of Crypto Assets, which establishes accounting guidance for crypto assets meeting certain criteria. The Company holds crypto assets that meet the scope criteria of ASU 2023-08. The pronouncement requires crypto assets which meet the criteria to be recognized at fair value with changes recognized in net income each reporting period. ASU 2023-08 is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. The Company adopted ASU 2023-08, effective January 1, 2025.

Results of Operations

For the three months ended June 30, 2025 and 2024

The following table provides selected financial data about us for the three months ended June 30, 2025 and 2024, respectively.

	Three Months ended June 30,	
	2025	2024
Revenue		
Sales	\$ 1,342,929	\$ 1,507,927
Cost of Sales	1,050,726	1,183,261
Gross profit	292,203	324,666
Operating (expense)	(1,036,406)	(851,142)
Total other income	2,212,058	5,505
Net income (loss)	\$ 1,467,855	\$ (520,971)

Revenues and Cost of Sales

We generated \$1,342,929 in revenues for the three months ended June 30, 2025 compared to \$1,507,927 revenues for the three months ended June 30, 2024. The decrease is primarily due to the expansion of a major theme park opening in Orlando in 2025. Our business should benefit from the publicity and enthusiasm that typically surrounds new theme park openings. Additionally we have been able to retain our margins.

Operating Expenses and Other Income

Operating expenses for the three months ended June 30, 2025 and 2024 were \$1,036,406 and \$851,142, respectively. The operating expenses for the three months ended June 30, 2025, consisted of (i) marketing expense of \$28,086, (ii) legal and professional fees of \$56,298, (iii) amortization and depreciation of \$77,970, (iv) rent and utilities of \$9,815, (v) general and administrative expense of \$523,051 and (vi) \$341,186 of stock based compensation, versus the operating expenses for the three months ended June 30, 2024, consisting of (i) marketing expense of \$11,848, (ii) legal and professional fees of \$274,000, (iii) amortization and depreciation of \$4,359, (iv) rent and utilities of \$7,935, (v) general and administrative expense of \$413,407 and (vi) \$139,593 of stock based compensation.

The Company had an unrealized gain on its digital asset investment of \$2,154,071 due to the increase in market value of the digital asset, unrealized income from digital assets of \$44,769 from revenue generated from the digital assets and net interest income and expense of \$13,218.

Income/Losses

Net income was \$1,467,855 for the three months ended June 30, 2025 and the net loss was \$520,971 for the three months ended June 30, 2025 and 2024.

For the six months ended June 30, 2025 and 2024

The following table provides selected financial data about us for the six months ended June 30, 2025 and 2024, respectively.

	Six Months ended June 30,	
	2025	2024
Revenue		
Sales	\$ 2,432,563	\$ 2,514,284
Cost of Sales	1,873,825	2,026,071
Gross profit	558,738	488,213
Operating (expense)	(1,950,316)	(2,729,695)
Total other income	2,212,847	10,507
Net income (loss)	\$ 821,269	\$ (2,230,975)

Revenues and Cost of Sales

We generated \$2,432,563 in revenues for the three months ended June 30, 2025 compared to \$2,514,284 revenues for the six months ended June 30, 2024. The decrease is primarily due to the expansion of a major theme park opening in Orlando in 2025, Our business should benefit from the publicity and enthusiasm that typically surrounds new theme park openings. Additionally we have been able to retain our margins.

Operating Expenses and Other Income

Operating expenses for the six months ended June 30, 2025 and 2024 were \$1,950,316 and \$2,729,695, respectively. The operating expenses for the three months ended June 30, 2025, consisted of (i) marketing expense of \$51,208, (ii) legal and professional fees of \$254,368, (iii) amortization and depreciation of \$159,541, (iv) rent and utilities of \$30,138, (v) general and administrative expense of \$966,095 and (vi) \$488,966 of stock based compensation, versus the operating expenses for the three months ended June 30, 2024, consisting of (i) marketing expense of \$32,251, (ii) legal and professional fees of \$717,637, (iii) amortization and depreciation of \$7,246, (iv) rent and utilities of \$17,581, (v) general and administrative expense of \$792,932 and (vi) \$1,162,048 of stock based compensation.

The Company had an unrealized gain on its digital asset investment of \$2,154,071 due to the increase in market value of the digital asset, unrealized income from digital assets of \$44,769 from revenue generated from the digital assets and net interest income and expense of \$14,007.

Income/Losses

Net income was \$821,269 for the six months ended June 30, 2025 and the net loss was \$(2,230,975) for the six months ended June 30, 2024.

Impact of Inflation

We believe that inflation has had a negligible effect on operations since inception. We believe that we can offset inflationary increases in the cost of operations by increasing sales and improving operating efficiency.

Off Balance Sheet Arrangements

We do not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “variable interest entities.”

Liquidity and Capital Resources

As of June 30, 2025, we had approximately \$5,298,142 in cash and cash equivalents, an increase of \$3,945,769 from the \$1,352,373 we had as of December 31, 2024. At June 30, 2025, we had approximately \$6,543,942 in working capital, an increase of \$4,097,837 from the \$2,446,105 we had at December 31, 2024.

Operating Activities:

Net cash used in our operating activities during the six months ended June 30, 2025, totaled \$165,653 compared to \$1,504,704 used during the six months ended June 30, 2024.

Financing Activities:

On May 21, 2025, the Company entered into the May Securities Purchase Agreement with an institutional investor for a private investment in public equity. The “May PIPE Offering of 5,000 shares of its Series A Convertible Preferred Stock par value \$0.0001 per share, convertible into 8,928,571 shares of Common Stock, at a conversion price of \$0.56 per share of Series A Preferred Stock, and an aggregate of 8,928,571 warrants to acquire up to 8,928,571 shares of Common Stock, subject to beneficial ownership limitations set by the holder. The May PIPE Offering closed on May 27, 2025, with aggregate proceeds totaling \$4,592,344 net of associated costs and fees. See Part II. Item 5. below for more information.

On June 16, 2025, the Company entered into the June Securities Purchase Agreement with an institutional investor entity for a private investment in public equity. The June PIPE Offering of 100,000 shares of its Series B Convertible Preferred Stock, convertible into 200,000,000 shares of common stock at a conversion price of \$0.50 per share of Common Stock, and June PIPE Warrants to acquire up to 220,000,000 shares of Common Stock. On June 28, 2025, the Investor paid the \$100 million purchase price for the Preferred Stock Shares and Warrants in the form of TRX tokens, based on the closing price of TRX tokens on June 15, 2025. See Part II. Item 5. below for more information.

During the six months ended June 30, 2025, a total of 645,000 shares of common stock were issued in connection with options exercised. Total proceeds from the exercises were \$341,186.

During the six months ended June 30, 2025, we paid \$500,000 on a promissory note to a related party issued in connection with our purchase of the movie entitled “The Kid” leaving a zero balance at June 30, 2025, on the original principal of \$1,500,000.

Additionally, during the six months ended June 30, 2025, we paid a total of \$325,000 in legal fees related to the June 2025 PIPE transaction.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company’s Exchange Act reports is recorded, processed, summarized and reported within the time communicated to the Company’s management, including its Chief Executive Officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of “disclosure controls and procedures” in Rule 13a-15(e). The Company’s disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching the Company’s desired disclosure control objectives. In designing periods specified in the SEC’s rules and forms, and that such information is accumulated and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company’s certifying officers have concluded that the Company’s disclosure controls and procedures are effective in reaching that level of assurance.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) that occurred during the six months ended June 30, 2025 and year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management has confidence in its internal controls and procedures. The Company’s management believes that a control system, no matter how well designed and operated can provide only reasonable assurance and cannot provide absolute assurance that the objectives of the internal control system are met, and no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all internal control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the six months ended June 30, 2025, the Company issued 75,000 shares of its common stock for services rendered to the Company valued at \$44,387 and 500,000 shares as an equity investment in Gameverse Inc. valued at \$190,500.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Effective May 23, 2025, the Company filed an Amended & Restated Certificate of Designation amends and restates in its entirety that certain Certificate of Designation of Series A Convertible Preferred Stock previously filed with the Secretary of State of the State of Nevada Amendment to its Articles of Incorporation.

Effective June 16, 2025, the Company filed a Certificate of Designation of Series B Preferred Stock with the Secretary of State of the State of Nevada.

Our authorized capital stock consists of 100,000,000 shares of Common Stock, and 10,000,000 shares of preferred stock, par value \$0.0001 per share (the “Preferred Stock”), of which 1,000,000 shares are designated as Series A Preferred Stock and 5,000 shares of the Series A Preferred Stock are designated as convertible, and 100,000 shares are designated as Series B Preferred Stock. As of [July 30, 2025], there were [33,468,011] shares of Common Stock issued and outstanding, no shares of Series A Preferred Stock issued and outstanding and 100,000 shares of Series B Preferred Stock issued and outstanding.

On June 15, 2025, our Board of Directors approved and recommended the approval by our stockholders of (i) the possible change in control of the Company (as defined by the Nasdaq Stock Market LLC’s Listing Rules) via the issuance to an institutional investor (the “Investor”), at a price below the Minimum Price (as defined by the Nasdaq Stock Market LLC’s Listing Rules), of more than 20% of the shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”) outstanding with the Investor being the largest shareholder while holding over 20% of the shares of Common Stock (the “Change of Control and 20% Issuance”) in accordance with The Nasdaq Stock Market LLC’s Listing Rule 5635(b) and (d) (“Nasdaq Rule 5635”), in connection with the \$100,000,000 private investment in public equity (the “PIPE Offering”) entered into between the Company and the Investor pursuant to which the Company issued 100,000 shares of its Series B Convertible Preferred Stock par value \$0.0001 per share (the “Series B Preferred Stock”), convertible into 200,000,000 shares of Common Stock, and warrants (the “PIPE Warrants”) to acquire up to 220,000,000 shares of Common Stock, to the Investor; and (ii) an amendment to our Articles of Incorporation to increase the total number of authorized shares of common stock from 100,000,000 to 1,000,000,000 (the “Charter Amendment”).

Certain of our stockholders, holding a majority of our voting power on June 15, 2025, approved the Change of Control and 20% Issuance and the Charter Amendment by the Written Consent.

The required consent of at least a majority of the votes allocated to our voting shares was given for each of the actions listed above.

Under Section 78.320 of the Nevada Revised Statutes, the written consent of stockholders holding a majority of votes outstanding may be substituted for a special meeting of the stockholders. Based on the foregoing and in order to eliminate the costs involved in holding a special meeting, the Board has determined not to call a special meeting of stockholders.

As such, a Schedule 14C Information Statement was being mailed on or about July 23, 2025, by the Board of Directors (the “Board”) of Tron Inc. to the holders of record of our outstanding Common Stock and our outstanding shares of Series A Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), as of the close of business on the Record Date, pursuant to Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Description of Common and Preferred Stock as amended follows:

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of Preferred Stock outstanding at the time, the holders of our Common Stock may receive dividends out of funds legally available if our Board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board may determine. The Company did not declare or pay any dividends for the year ended December 31, 2024.

Voting Rights

Each stockholder is entitled to one vote for each share of Common Stock held by such stockholder. The Common Stock shares do not contain cumulative voting rights.

No Preemptive or Similar Rights

Our Common Stock is not entitled to preemptive or conversion rights or other subscription rights, and is not subject to redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Holders of common stock are entitled to dividends when, and if, declared by the Board out of funds legally available therefore; and then, only after all preferential dividends have been paid on any outstanding Preferred Stock.

Transfer Agent and Registrar

The Company's transfer agent is ClearTrust, LLC with an address of 16540 Pointe Village Drive, Suite 210, Lutz, FL 33558 and a phone number of (813) 235-4490.

The Common Stock is listed on The Nasdaq Capital Market under the trading symbol "TRON."

Description of Series A Convertible Preferred Stock

Stated Value

The stated value of the Series A Convertible Preferred Stock shall be \$1,000 per share.

Dividend Rights

Holders shall be entitled to receive, and the Corporation shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Series A Preferred Stock.

Voting Rights

Holders of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock are convertible on the basis of a conversion price of \$0.56. The Holders shall vote together with the holders of shares of Common Stock as a single class.

Description of Series B Convertible Preferred Stock

Stated Value

The stated value of the Series B Convertible Preferred Stock shall be \$1,000 per share.

Voting Rights

Holders of the Series B Convertible Preferred Stock are entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock are convertible on the basis of a conversion price of \$0.50. The Holders shall vote together with the holders of shares of Common Stock as a single class. The Series B Convertible Preferred Stock cannot be voted on an "as converted basis" of more than 19.99% of the currently outstanding shares of Common Stock until shareholder approval of such voting rights is obtained and becomes effective.

Dividend Rights

Holders shall be entitled to receive, and the Company shall pay, dividends on Series B Convertible Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

Upon any liquidation, dissolution or winding-up of the Company, the holders of Series B Convertible Preferred Stock have a preference for the distribution of the entire remaining assets and funds of the Company legally available for distribution over any holders of other series of preferred stock or of the Common Stock.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificate of Designation of Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on May 28, 2025)
3.2	Certificate of Designation of Series B Preferred Stock (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on June 16, 2025)
4.1	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on May 28, 2025)
4.2	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on May 28, 2025)
4.3	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on June 16, 2025)
10.1	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on May 28, 2025)
10.2	Form of Placement Agency Agreement (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on May 28, 2025)
10.3	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on May 28, 2025)
10.4+	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 16, 2025)
10.5	Form of Sun Advisory Agreement, dated June 16, 2025 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on June 16, 2025)
10.6	Form of American Ventures Agreement, dated June 16, 2025 (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on June 16, 2025)
10.7	Amendment No. 1 to Employment Agreement by and between SRM Entertainment, Inc. and Richard Miller, dated June 16, 2025 (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed on June 16, 2025)
10.8	Amendment No. 1 to Employment Agreement by and between SRM Entertainment, Inc. and Douglas McKinnon, dated June 16, 2025 (incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K filed on June 16, 2025)
10.9	Amendment No. 1 to Employment Agreement by and between SRM Entertainment, Inc. and Taft Flittner, dated June 16, 2025 (incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K filed on June 16, 2025)
10.10	Amendment No. 1 to Employment Agreement by and between SRM Entertainment, Inc. and Deborah McDaniel-Hand, dated June 16, 2025 (incorporated by reference to Exhibit 10.7 to our Current Report on Form 8-K filed on June 16, 2025)
(31)	Rule 13a-14 (d)/15d-14d) Certifications
31.1	Section 302 Certification by the Principal Executive Officer
31.2	Section 302 Certification by the Principal Financial Officer and Principal Accounting Officer
(32)	Section 1350 Certifications
32.1 *	Section 906 Certification by the Principal Executive Officer
32.2 *	Section 906 Certification by the Principal Financial Officer and Principal Accounting Officer
101*	Interactive Data File
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* The certifications attached as Exhibits 32.1 and 32.2 accompany this quarterly report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

+ The schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

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.

Dated: August 08, 2025

Tron Inc.

/s/ Richard Miller

Richard Miller
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Richard Miller

Richard Miller

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas O. McKinnon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Douglas O. McKinnon

Douglas O. McKinnon
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

**CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Miller, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Quarterly Report on Form 10-Q of Tron Inc. for the period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Tron Inc.

Dated: August 8, 2025

/s/ Richard Miller

Richard Miller
Chief Executive Officer
(Principal Executive Officer)
Tron Inc.

**CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas O. McKinnon, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Quarterly Report on Form 10-Q of Tron Inc. for the period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Tron Inc.

Dated: August 8, 2025

/s/ Douglas O. McKinnon

Douglas O. McKinnon
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)
Tron Inc.