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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

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: 001-41620

GAXOS.AI INC.
(Exact name of registrant as specified in its charter)

Delaware	**87-3288897**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
101 Eisenhower Pkwy, Suite 300 **Roseland, New Jersey**	**07068**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(973) 275-7428**

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value $0.0001 per share	GXAI	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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

As of May 10, 2024, there were 1,093,672 shares of common stock, par value $0.0001 per share, issued and outstanding.

GAXOS.AI INC.
FORM 10-Q
MARCH 31, 2024

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements in this Quarterly Report on Form 10-Q about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “believe,” “will,” “expect,” “anticipate,” “estimate,” “intend,” “plan” and “would.” For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, industry ranking, plans and objectives of management, markets for our common stock and future management and organizational structure are all forward-looking statements. Forward-looking statements are not guarantees of performance. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement.

Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout this Quarterly Report on Form 10-Q. Some of the risks, uncertainties and assumptions that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, but are not limited to:

- our ability to obtain additional funds for our operations;
- our financial performance, including our revenues, cost of revenues, operating expenses, and our ability to attain and sustain profitability;
- our ability to attract and retain users;
- our ability to attract and retain advertisers;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to successfully expand in our existing markets and penetrate new markets;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act, or JOBS Act;
- our ability to effectively manage our growth, and future expenses;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to comply with modified or new laws and regulations applying to our business, competitors and industry;
- our ability to attract and retain qualified key management and technical personnel;
- other risks and uncertainties, including those listed under the caption “Risk Factors.”

The foregoing list sets forth some, but not all, of the factors that could affect our ability to achieve results described in any forward-looking statements. You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed as exhibits to the Quarterly Report on Form 10-Q, completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this Quarterly Report on Form 10-Q is accurate as of the date hereof. Because the risk factors referred to on page 4 of our Annual Report on Form 10-K for the year ended December 31, 2023 could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this Quarterly Report on Form 10-Q, and particularly our forward-looking statements, by these cautionary statements.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GAXOS.AI INC.
BALANCE SHEETS

	March 31, 2024 (Unaudited)	December 31, 2023

ASSETS		
CURRENT ASSETS:		
Cash	$ 3,312,277	$ 1,024,710
Short-term investments, at fair value	2,092,078	2,592,689
Accounts receivable	10	8
Prepaid expenses and other current assets	360,913	25,132
Total Current Assets	5,765,278	3,642,539
LONG-TERM ASSETS:		
Property and equipment, net	67,733	52,606
Intangible assets, net	147,500	-
Digital currencies	801	801
Total Long-Term Assets	216,034	53,407
TOTAL ASSETS	$ 5,981,312	$ 3,695,946
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 393,150	$ 215,882
Accrued expenses	120,623	54,154
Total Current Liabilities	513,773	270,036
Total Liabilities	513,773	270,036
Commitments and Contingencies (See Note 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock; par value $0.0001; 5,000,000 shares authorized; No shares issued and outstanding on March 31, 2024 and December 31, 2023	-	-
Common stock; par value $0.0001: 50,000,000 shares authorized; 1,093,672 and 988,368 share issued and outstanding on March 31, 2024 and December 31, 2023, respectively	109	99
Additional paid-in capital	11,764,728	8,711,550
Accumulated other comprehensive (loss) income	(3,629)	95,785
Accumulated deficit	(6,293,669)	(5,381,524)
Total Stockholders' Equity	5,467,539	3,425,910
Total Liabilities and Stockholders' Equity	$ 5,981,312	$ 3,695,946

See accompanying notes to unaudited financial statements.

GAXOS.AI INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	For the Three Months Ended March 31,	
	2024	**2023**
REVENUES	$ 19	$ -
OPERATING EXPENSES:		
Research and development	182,329	104,551
General and administrative	861,529	1,437,781
Total Operating Expenses	1,043,858	1,542,332
LOSS FROM OPERATIONS	(1,043,839)	(1,542,332)
OTHER INCOME:		
Interest income	11,979	6,301
Realized gain on short-term investments	119,715	-
Total other income	131,694	6,301
NET LOSS	$ (912,145)	$ (1,536,031)
COMPREHENSIVE LOSS:		
Net loss	$ (912,145)	$ (1,536,031)
Other comprehensive income:		
Unrealized (loss) income on short-term investments	(99,415)	18,156

Comprehensive loss	$ (1,011,560)	$ (1,517,875)
NET LOSS PER COMMON SHARE:		
Basic and diluted	$ (0.91)	$ (1.64)
WEIGHTED AVERAGE COMMON SHARE OUTSTANDING:		
Basic and diluted	1,005,558	938,435

See accompanying notes to unaudited financial statements.

GAXOS.AI INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	# of Shares	Amount	# of Shares	Amount				
Balance, December 31, 2023	-	$ -	988,368	$ 99	$ 8,711,550	$ 95,785	$ (5,381,524)	$ 3,425,910
Common shares and warrants issued for cash, net	-	-	108,000	11	159,049	-	-	159,060
Sale of pre-funded warrants for cash	-	-	-	-	2,897,924	-	-	2,897,924
Purchase and cancellation of treasury stock	-	-	(6,846)	(1)	(19,601)	-	-	(19,602)
Accretion of stock option expense	-	-	-	-	15,806	-	-	15,806
Rounding shares from reverse split	-	-	4,150	-	-	-	-	-
Accumulated other comprehensive gain - short-term investments	-	-	-	-	-	(99,414)	-	(99,414)
Net loss	-	-	-	-	-	-	(912,145)	(912,145)
Balance, March 31, 2024	-	-	1,093,672	109	11,764,728	(3,629)	(6,293,669)	5,467,539

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	# of Shares	Amount	# of Shares	Amount				
Balance, December 31, 2022	-	-	868,154	87	2,119,073	-	(1,433,427)	685,733
Common shares issued for cash	-	-	140,563	14	5,755,857	-	-	5,755,871
Accretion of stock option expense	-	-	-	-	870,572	-	-	870,572
Accumulated other comprehensive gain - short-term investments	-	-	-	-	-	18,156	-	18,156
Net loss	-	-	-	-	-	-	(1,536,031)	(1,536,031)
Balance, March 31, 2023	-	$ -	1,008,717	$ 101	$ 8,745,502	$ 18,156	$ (2,969,458)	$ 5,794,301

See accompanying notes to unaudited financial statements.

GAXOS.AI INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (912,145)	$ (1,536,031)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization expense	8,683	3,142
Stock-based compensation	15,806	870,572
Realized gain on short-term investments	(119,715)	-
Change in operating assets and liabilities:		
Accounts receivable	(2)	-
Prepaid expenses and other current assets	(335,781)	(165,123)
Accounts payable	177,268	(119,399)
Accrued expenses	66,469	12,981
NET CASH USED IN OPERATING ACTIVITIES	(1,099,417)	(933,858)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	(2,095,707)	(3,491,242)
Proceeds from sale of short-term investments	2,616,619	-
Increase in capitalized internal-use software development costs	(21,310)	-
Purchase of intangible asset	(150,000)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	349,602	(3,491,242)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	159,060	5,958,470
Proceeds from sale of pre-funded warrants	2,897,924	-
Purchase and cancellation of treasury shares	(19,602)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,037,382	5,958,470
NET INCREASE IN CASH	2,287,567	1,533,370
CASH, beginning of period	1,024,710	679,781
CASH, end of period	$ 3,312,277	$ 2,213,151
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of deferred offering costs to equity	$ -	$ 202,599
Unrealized (loss) income on short-term investments	$ (99,414)	$ 18,156

See accompanying notes to unaudited financial statements.

GAXOS.AI INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS

Gaxos.ai Inc. (formerly The NFT Gaming Company, Inc.) (the "Company") was incorporated in the state of Wyoming on October 27, 2021 ("Inception"). On March 30, 2022, the Company reincorporated to the State of Delaware pursuant to a Plan of Conversion approved by the Board of Directors and a majority of the shareholders. On January 5, 2024, the Company changed its name from The NFT Gamimg Company, Inc. to Gaxos.ai Inc. The Company develops, designs, acquires, and manages games that offer affordable non-fungible tokens (NFTs) for unique and exclusive features, rewards, and opportunities. In addition to developing proprietary games, the Company's platform will onboard third-party game publishers and provide access to blockchain and NFT architecture, product experiences, exclusive content, and revenue opportunities.

On January 9, 2024, the Staff notified the Company that it has not regained compliance with Listing Rule 5550(a)(2) and was not eligible for a second 180-day period (the "Delisting Determination"). Further, unless the Company requested an appeal of the Delisting Determination to a Hearings Panel (the "Panel"), the Company's securities would be scheduled for delisting from The Nasdaq Capital Market.

In early January 2024, the Company submitted a request to the Panel to appeal the Delisting Determination, and on January 16, 2024, the Panel notified the Company that it received the request which stayed the suspension of the Company's securities and the filing of the Form 25-NSE, pending the Hearing Panel's final written decision. On March 22, 2024, the Company received written notice from the Panel that the Company regained compliance with the minimum bid price requirement under NASDAQ Listing Rule 5550(a)(2) for continued listing on the Nasdaq Capital Market.

On February 28, 2024, a majority of the Company shareholders granted discretionary authority to the Company's Board of Directors to amend the Company's Certificate of Incorporation to effect one or more consolidations of the Company's issued and outstanding shares of common stock, pursuant to which the shares of common stock would be combined and reclassified into on the basis of one share of common stock for each 12 shares of the Company's common stock then issued and outstanding (the "Reverse Stock Split"). On March 7, 2024, the Company filed a Certificate of Amendment to the Amended and Restated Articles of Incorporation (the "Certificate of Amendment") with the Secretary of State of the State of Delaware to effect a 1-for-12 reverse stock split with respect to the outstanding shares of the Company's common stock. The Certificate of Amendment and the reverse stock split became effective on March 7, 2024. All share and per share data in the accompanying financial statements have been retroactively adjusted to reflect the effect of the Reverse Stock Split.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This summary of significant account policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and the notes are the representation of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles ("US GAAP") and have been consistently applied in the preparation of the financial statements.

The accompanying unaudited financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Management acknowledges its responsibility for the preparation of the accompanying unaudited financial statements which reflect all adjustments, consisting of normal recurring and non-recurring adjustments, considered necessary in its opinion for a fair statement of its financial position and the results of its operations for the periods presented.

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the "U.S. GAAP") for interim financial information and with the instructions Article 8-03 of Regulation S-X. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. Certain information and note disclosure normally included in financial statements prepared in accordance with U.S. GAAP has been condensed or omitted from these statements pursuant to such accounting principles and, accordingly, they do not include all the information and notes necessary for comprehensive financial statements. These unaudited financial statements should be read in conjunction with the summary of significant accounting policies and notes to the financial statements for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 27, 2024.

Liquidity

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. On March 31, 2024, the Company had a cash balance of $3,312,277, had short-term investments of $2,092,078, and had working capital of $5,251,505. During the three months ended March 31, 2024, the Company used net cash in operations of $ 1,099,417. On March 13, 2024, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor ("the "Purchaser") for the issuance and sale in a private placement (the "Private Placement"). In connection with this Private Placement, the Company raised aggregate gross proceeds of $3,499,484 and received net proceeds of $3,056,984, net of offering costs of $382,500 and legal fees of $60,000 (See Note 6).

Until such time the Company implements its growth strategy, it expects to continue to generate operating losses in the foreseeable future, mostly due to corporate overhead, research and development, and costs of being a public company. The Company believes that its existing working capital and cash on hand will provide sufficient cash to enable the Company to meet its operating needs and debt requirements for the next twelve months from the issuance date of this report.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying unaudited financial statements include valuation of intangible assets and other long-lived assets, estimates of deferred tax valuation allowances and the fair value of stock options issued for services.

Fair Value Measurements and Fair Value of Financial Instruments

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's (the "FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company identified the following assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with Accounting Standards Codification ("ASC") Topic 820.

The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

- Level 2 - Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

- Level 3 - Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The following table represents the Company's fair value hierarchy of its financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023.

Description	March 31, 2024 Level 1	Level 2	Level 3	December 31, 2023 Level 1	Level 2	Level 3
Short-term investments	$ 2,092,078	$ -	$ -	$ 2,592,689	$ -	$ -

The Company's short-term investments are level 1 measurements and are based on the quoted fair value on each date.

The carrying amounts reported in the balance sheets for cash, accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their fair market value based on the short-term maturity of these instruments.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents. The Company has no cash equivalents as of March 31, 2024 and December 31, 2023.

The Company's cash is held at major commercial banks, which may at times exceed the Federal Deposit Insurance Corporation ("FDIC") limit. To date, the Company has not experienced any losses on its invested cash. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

On March 31, 2024, the Company had approximately $ 3,044,000 of cash in excess of FDIC limits of $ 250,000.

Accounts receivable

The Company adopted ASC 326, "Financial Instruments - Credit Losses" on January 1, 2023 and recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries under the current expected credit loss method. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The bad debt expense associated with the allowance for doubtful accounts related to accounts receivable is recognized in general and administrative expenses. As of March 31, 2024 and December 31, 2023, accounts receivable amounted to $10 and $8, respectively, and for the three months ended March 31, 2024 and 2023, the Company did not recognize any bad debt expense.

Short-Term Investments

The Company's portfolio of short-term investments consists of marketable debt securities which are comprised solely of rated U.S. government securities with maturities of more than three months, but less than one year. The Company classifies these as available-for-sale at purchase date and will reevaluate such designation at each period end date. The Company may sell these marketable debt securities prior to their stated maturities depending upon changing liquidity requirements. These debt securities are classified as current assets in the balance sheets and recorded at fair value, with unrealized gains or losses included in accumulated other comprehensive income (loss) on the balance sheet and as a component of the statements of comprehensive loss. Gains and losses are recognized when realized. Gains and losses are determined using the specific identification method and are reported in other income (expense), net in the statements of operations.

An impairment loss may be recognized when the decline in fair value of the debt securities is determined to be other-than-temporary. The Company evaluates its investments for other-than-temporary declines in fair value below the cost basis each quarter, or whenever events or changes in circumstances indicate that the cost basis of the short-term investments may not be recoverable. The evaluation is based on a number of factors, including the length of time and the extent to which the fair value has been below the cost basis, as well as adverse conditions related specifically to the security, such as any changes to the credit rating of the security and the intent to sell or whether the Company will more likely than not be required to sell the security before recovery of its amortized cost basis.

The Company recorded $(99,015) and $18,156 of unrealized (loss) income as a component of other comprehensive loss for the three months ended March 31, 2024 and 2023, respectively. During the three months ended March 31, 2024 and 2023, the Company recognized a gain on sale of short-term investments of $119,715 and $0, respectively.

Accounting for Digital Currencies and Other Digital Assets

The Company accounts for digital currencies and other digital assets as indefinite-lived intangible assets and accounts for them at historical cost in accordance with ASC 350, *Intangibles - Goodwill and Other Intangible Assets*. Indefinite-lived intangible assets are not subject to amortization but rather evaluated for impairment annually and more frequently, if events or circumstances change that indicate that it is more likely than not that the asset is impaired (i.e., if an impairment indicator exists). As a result, the Company only recognizes decreases in the value of its digital currencies and other digital assets, and any increase in value will be recognized only upon disposition. The Company plans to dispose of cryptocurrency received as a form of payment into fiat currency and anticipates ownership of cryptocurrency to be minimal. As of March 31, 2024, the Company's digital currencies consisted of 1,552.78 units of Polygon (MATIC), an Ethereum token.

As of December 31, 2023, the Company's digital currencies consisted of 1,553.37 units of Polygon (MATIC), an Ethereum token.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives. Maintenance and repairs are charged to expense as incurred. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. The Company examines the possibility of decreases in the value of these assets when events or changes in circumstances reflect the fact that their recorded value may not be recoverable.

Property and equipment includes capitalized internal-use software development costs. Costs incurred to develop internal-use software, including game development, are expensed as incurred during the preliminary project stage. Internal-use software development costs are capitalized during the application development stage, which is after: (i) the preliminary project stage is completed; and (ii) management authorizes and commits to funding the project and it is probable the project will be completed and used to perform the function intended. Capitalization ceases at the point the software project is substantially complete and ready for its intended use, and after all substantial testing is completed. Upgrades and enhancements are capitalized if it is probable that those expenditures will result in additional functionality. Amortization is provided for on a straight-line basis over the expected useful life of the internal-use software development costs and related upgrades and enhancements, which currently is three years. When existing software is replaced with new software, the unamortized costs of the old software are expensed when the new software is ready for its intended use.

Intangible Assets

Intangible assets, consisting of software licenses and technology licenses, are carried at cost less accumulated amortization, computed using the straight-line method over the estimated useful life of 5 years, less any impairment charges.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – *“Compensation–Stock Compensation*”, which requires recognition in the financial statements of the cost of employee, non-employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. The Company has elected to account for forfeitures as they occur.

Income Taxes

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Applicable interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statements of operations.

Revenue Recognition

The Company follows Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“ASC 606”). This standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASC 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures.

In accordance with ASU Topic 606 - *Revenue from Contracts with Customers*, the Company recognizes revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company plans to generate revenue from the following sources:

- The Company generates revenue from the sale of our in-game items to our customers. Revenue generated from such sales, primarily through the app stores, such as Google Play Store or Apple App Store, is recognized upon delivery of the in-game items to the customer, which is when the Company completes its sole performance obligation. Fees incurred by the Company, such as commissions to the app stores, are recognized in operating expenses.

- The Company plans to generate revenue from advertising fees paid by game advertisers, developers, hardware companies, or other strategic partners to the Company for promotion on our platform. Revenues from these fees will be recognized ratably over the agreed upon advertising service period and upon delivery of agreed upon advertising services, which constitutes satisfaction of the performance obligation.

- The Company plans to generate royalty revenues when a third party sells one of our NFTs on a third-party platform. We will recognize royalty revenue when it is probable that we will collect the royalty fee owed which is typically when we receive notification from the third-party platform that an NFT has been sold, which constitutes satisfaction of the performance obligation. In the instance where the Company will receive royalty payments when a customer disposes of an in-game NFT in the secondary market on a third-party platform or any other payment that is not in fiat currency, the Company will recognize the revenue in accordance with ASC 606-10-32-21, "*Noncash Consideration*". The fair value of the non-cash consideration received shall be determined by using the quoted price for such non-cash consideration on the date of the transaction.

Research and Development

Research and development costs incurred in the development of the Company's products are expensed as incurred and include costs such as labor and outside development costs, software license fees, materials, and other allocated costs incurred.

Net Loss per Share

The Company computes net loss per share in accordance with ASC 260-10, *"Earnings Per Share."* The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per share gives effect to all dilutive potential common shares outstanding during the period using the *"as if converted"* basis.

Pursuant to ASC 260-10-45, basic loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period presented. Diluted loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

The following were excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive impact on the Company's net loss.

	March 31,	
	2024	**2023**
Common stock equivalents:		
Warrants	1,835,474	11,245
Stock options	44,583	38,333
Total	1,880,057	49,578

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 – SHORT-TERM INVESTMENTS

On March 31, 2024, the Company's short-term investments consisted of the following:

	Cost	**Cumulative Unrealized Loss**	**Fair Value**
US Treasury bills	$ 2,095,707	$ (3,629)	$ 2,092,078
Total short-term investments	$ 2,095,707	$ (3,629)	$ 2,092,078

On December 31, 2023, the Company's short-term investments consisted of the following:

	Cost	**Cumulative Unrealized Gain**	**Fair Value**
US Treasury bills	$ 2,496,904	$ 95,785	$ 2,592,689
Total short-term investments	$ 2,496,904	$ 95,785	$ 2,592,689

NOTE 4 – PROPERTY AND EQUIPMENT

On March 31, 2024 and December 31, 2023, property and equipment consisted of the following:

	Useful life	**March 31, 2024**	**December 31, 2023**
Capitalized internal-use software development costs	3 years	$ 78,281	$ 56,971
Less: accumulated amortization		(10,548)	(4,365)
		$ 67,733	$ 52,606

During the three months ended March 31, 2024 and 2023, internal-use software development costs of $ 21,310 and $0 have been capitalized into property and equipment and are being amortized over 36 months, respectively. For the three months ended March 31, 2024 and 2023, amortization of capitalized internal-use software development costs amounted to $6,183 and $0, respectively.

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NOTE 5 – INTANGIBLE ASSET

On March 31, 2024 and December 31, 2023, intangible asset consisted of the following:

	Useful life	March 31, 2024	December 31, 2023
License	5 years	$ 150,000	$ -
Less: accumulated amortization		(2,500)	-
		$ 147,500	$ -

On August 29, 2022, the Company entered into a Software and Patent License Agreement (the "License Agreement") with Columbia University ("Columbia"), whereby the Company obtained a license from Columbia with respect to software and intellectual property rights and patents. In connection with the License Agreement, Columbia granted to the Company a royalty-bearing, exclusive, worldwide, non-transferable license under the License Agreement, to discover, develop, manufacture, have made, use, sell, offer to sell, have sold, import, export, distribute, rent or lease licensed products and copy, use, modify, and create derivative works from licensed software and technical information during the term of the License Agreement. On August 9, 2023 and effective August 1, 2023, the Company and Columbia University agreed to the termination of the License Agreement. Based on management's analysis, the Company determined the Licenses were not commercially viable in the current competitive landscape. The termination of the Agreement will not have any impact on the Company's future revenues. Accordingly, as of December 31, 2023, the Company wrote off the remaining unamortized book value of the intangible asset of $52,363, and during the year ended December 31, 2023, the Company recorded an impairment loss of $52,363, which was included in operating expenses.

On March 4, 2024, the Company entered into a Purchase Agreement with a third party to acquire certain technology and computer code. The Purchase Agreement grants the Company a perpetual, worldwide, non-exclusive, non-transferable, royalty free, fully paid license to (a) modify and create derivative works from certain technology and related codebase including, but not limited to, "Habit-tracking Module," "Administrative Panel," and related computer code. The aggregate purchase price was $150,000 and is included in intangible assets on the accompanying balance sheet. The purchase price of $150,000 is payable in 4 monthly installments of $37,500, beginning on March 15, 2024.

For the three months ended March 31, 2024 and 2023, amortization of intangible assets based on an estimated useful life of 5 years, including amortization expense related to the License Agreement prior to the impairment loss as discussed above, amounted to $2,500 and $3,142, respectively.

Amortization of the intangible asset attributable to future periods is as follows:

Year ending March 31:	Amount
2025	$ 30,000
2026	30,000
2027	30,000
2028	30,000
2029	27,500
	$ 147,500

NOTE 6 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 5,000,000 shares of its $0.0001 par value preferred stock. The Company's board of directors will have the authority to fix and determine the relative rights and preferences of preferred shares, as well as the authority to issue such shares, without further stockholder approval. As of March 31, 2024 and December 31, 2023, no preferred shares have been designated and no preferred shares were issued and outstanding.

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(Unaudited)

Common Stock

2023 Stock Repurchase Plan

On March 20, 2023, the Board of Directors of the Company approved a stock repurchase program authorizing the purchase of up to $ 500,000 of the Company's common stock until December 31, 2023 (the "2023 Stock Repurchase Program"). On January 1, 2024, the Board of Directors of the Company approved an extension of the previously announced stock repurchase program authorizing the purchase of up to $500,000 of the Company's common stock until March 31, 2024. In connection with the 2023 Stock Repurchase Program, from January 1, 2024 to March 31, 2024, the Company purchased and cancelled 6,846 shares of its common stock for $19,602, or at an average price of $2.86 per share.

Initial Public Offering

On February 17, 2023, the Company completed the IPO and sold 140,563 shares of its common stock at a price to the public of $ 49.80 per share for gross proceeds of $7,000,000. The Company received net proceeds of $5,958,470 which is net of offering expenses of $1,041,530. Additionally, the Company reclassified deferred offering costs of $202,599 which were paid and deferred as of December 31, 2022 as a charge to additional paid in capital as equity issuance costs. In connection with the IPO, the Company issued 11,245 warrants to the placement agent. The warrants are exercisable at

$54.78 per share and expire on February 14, 2028. The fair value of these warrant of $ 3,657,258 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: dividend yield of 0%; expected volatility of 69.8%; risk-free interest rate of 4.03%; and an estimated holding period of 5 years. These warrants had no financial statement impact as they were considered to be equity issuance costs.

Private Placement

On March 13, 2024, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor ("the "Purchaser") for the issuance and sale in a private placement (the "Private Placement") of aggregate Units consisting of (i) 108,000 shares of the Company's common stock, (ii) series A warrants to purchase up to 628,367 shares of the Company's common stock (the "Series A Warrants"), and (iii) series B warrants to purchase up to 628,367 shares of the Company's common stock (the "Series B Warrants" and together with the Series A Warrants, the "Common Warrants"). The purchase price of each Unit consisted of one share of the Company's common stock and associated Common Warrants, was $5.57 per Unit for aggregate gross proceeds of $ 601,560. Additionally, the Company sold pre-funded warrants to purchase up to 520,367 shares of the Company's common stock (the "Pre-Funded Warrants"). Pre-funded Warrants are a type of warrant that allows the warrant holder to purchase a specified number of a company's securities at a nominal exercise price. The purchase price of each Pre-Funded Warrant was $5.569 for aggregate gross proceeds of $2,897,924. In connection with this Private Placement, the Company raised aggregate gross proceeds of $ 3,499,484 and received net proceeds of $3,056,984, net of offering costs paid to the placement agent (see below) of $ 382,500 and legal fees of $ 60,000, which were charged to additional paid-in capital against the gross proceeds. The Company is using the net proceeds received from the Private Placement for general corporate purposes and working capital.

The Common Warrants are exercisable immediately upon issuance at an exercise price of $ 5.50 per share. The Series A Warrants will expire five and one-half years from the date of issuance and the Series B Warrants will expire twenty-four months from the date of issuance. The Pre-Funded Warrants are exercisable immediately upon issuance at a nominal exercise price of $0.001 and may be exercised at any time until the Pre-Funded Warrants are exercised in full. A holder of Pre-Funded Warrants or Common Warrants (together with its affiliates) may not exercise any portion of a warrant to the extent that the holder would own more than 4.99% (or, at the election of the holder 9.99%) of the Company's outstanding Common Stock immediately after exercise.

In connection with the Private Placement, the Company entered into a registration rights agreement (the "Registration Rights Agreement"), dated as of March 13, 2024, with the Purchaser, pursuant to which the Company agreed to prepare and file a registration statement with the Securities and Exchange Commission (the "SEC") registering the resale of the securities issued in the Private Placement no later than 30 days after the date of the Registration Rights Agreement, and to use its best efforts to have the registration statement declared effective as promptly as practical thereafter, and in any event no later than 60 days following the date of the Registration Rights Agreement (or 90 days following the date of the Registration Rights Agreement in the event of a "full review" by the SEC).

H.C. Wainwright & Co., LLC ("Wainwright") acted as the Company's exclusive placement agent in connection with the Private Placement, pursuant to that certain engagement letter, dated as of March 7, 2024 and as amended on March 13, 2024, between the Company and Wainwright (the "Engagement Letter"). Pursuant to the Engagement Letter, the Company paid Wainwright (i) a total cash fee equal to 7.5% of the aggregate gross proceeds of the Private Placement and (ii) a management fee of 1.0% of the aggregate gross proceeds of the Private Placement. In addition, the Company agreed to pay Wainwright certain expenses and issued to Wainwright or its designees warrants (the "Placement Agent Warrants") to purchase up to an aggregate of 47,128 shares of the Company's common stock at an exercise price equal to $ 6.9625 per share. The Placement Agent Warrants are exercisable immediately upon issuance and have a term of exercise equal to five and a half years from the date of issuance. The fair value of the Placement Agent Warrants of $318,900 was calculated using the Binomial Lattice valuation model, which is considered an offering cost and is netted against the net proceeds received. In addition, pursuant to the Engagement Letter, the Company agreed that upon any exercise for cash of any privately placed warrants issued to investors in an offering covered by the Engagement Letter, the Company shall (i) pay Wainwright a cash fee of 7.5% and a management fee of 1.0% of the aggregate gross exercise paid in cash with respect thereto, and (ii) issue warrants to purchase that number of shares of common stock equal to 7.5% of the aggregate number of shares of common stock underlying the warrants that were exercised.

The Placement Agent Warrants were valued on the date of issuance using Binomial Lattice valuation model with the following assumptions:

	March 15, 2024
Dividend rate	—%
Term (in years)	5.5 years
Volatility	186.5%
Risk—free interest rate	4.33%

The risk-free interest rate is based on the U.S. Treasury rates at the date of issuance with a maturity date approximately equal to the expected life at issuance date. Volatility is based on historical and expected future volatility of the Company's common stock. The Company has not historically issued any dividends and does not expect to in the future.

2022 Equity Incentive Plan

On March 30, 2022, the Company's Board of Directors authorized and adopted the 2022 Equity Incentive Plan (the "2022 Plan") and reserved 208,333 shares of common stock for issuance thereunder. The 2022 Plan was approved by shareholders on March 30, 2022. The 2022 Plan's purpose is to encourage ownership in the Company by employees, officers, directors and consultants whose long-term service the Company considers essential to its continued progress and, thereby, encourage recipients to act in the stockholders' interest and share in the Company's success. The 2022 Plan provides for the issuance of incentive stock options, non-statutory stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), and other stock-based awards.

Stock Options

On February 14, 2023, the Company granted aggregate stock options to purchase 33,333 of the Company's common stock at an exercise price of $49.80 per share to the Company's chief executive officer, an executive officer, and employee and consultants pursuant to the 2022 Equity Incentive Plan. The grant date of the stock options was February 14, 2023 and the options expire on February 14, 2033. The options vest as to (i) 28,333 of such options on February 14, 2023; and (ii) the remaining 5,000 options vest quarterly (417 each quarter) beginning on May 14, 2023 and each quarter thereafter through February 14, 2026. The stock options were valued at $ 1,023,290 on the grant date using a Black-Scholes option pricing model which will be recognized as stock-based compensation expense over the vesting period.

On March 6, 2023, the Company granted stock options to purchase 5,000 of the Company's common stock at an exercise price of $ 49.80 per share to the Company's board of directors pursuant to the 2022 Equity Incentive Plan. The grant date of the stock options was March 6, 2023 and the options expire on March 6, 2028. The options vest on the one-year anniversary of the stock option grant on March 6, 2024. The stock options were valued at the grant date using a Black-Scholes option pricing model which will be recognized as stock-based compensation expense over the vesting period. The stock options were valued at $33,972 on the grant date using a Black-Scholes option pricing model which will be recognized as stock-based compensation expense over the vesting period.

On March 5, 2024, the Company granted stock options to purchase an aggregate of 6,249 (2,083 stock options to each director) shares of the Company's common stock at an exercise price of $6.00 per share to the Company's board of directors pursuant to the 2022 Equity Incentive Plan. The grant date of the stock options was March 5, 2024 and the options expire on March 5, 2029. The options vest on the one-year anniversary of the stock option grant on March 5, 2025. The stock options were valued on the grant date at an aggregate fair value of $33,880 using a Black-Scholes option pricing model which will be recognized as stock-based compensation expense over the vesting period.

On March 7, 2024, the Company entered into Advisory Board Agreements (the Advisory Agreements") with three members of the Company's Medical Advisory Board. In connection with the Advisory Agreements, each medical Board member shall be paid an annual cash fee of $40,000 paid quarterly, and Company shall grant each Medical Advisory Board member stock options to purchase 4,167 shares of the Company's common stock. As of the date of this report, the Company has not granted these options and the terms of the options are unknown. The stock options will be valued on the grant date using a Black-Scholes option pricing model which will be recognized as stock-based professional fees over the vesting period.

The stock options were valued at the grant date using a Black-Scholes option pricing model with the following assumptions:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Dividend rate	—%	—%
Term (in years)	3.0 years	3.0 to 6.0 years
Volatility	184.6%	68.8% to 71.6%
Risk—free interest rate	4.32%	3.95% to 4.00%

The expected terms of the options are based on evaluations of historical and expected future employee exercise behavior using the simplified method. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at grant date. Volatility is based on historical and expected future volatility of the Company's common stock. The Company has not historically issued any dividends and does not expect to in the future.

During the three months ended March 31, 2024 and 2023, the Company recognized total stock-based expenses related to stock options of $ 15,806 and $870,572, respectively, which has been reflected in general and administrative expenses on the statements of operations and comprehensive loss. As of March 31, 2024, a balance of $138,982 remains to be expensed over future vesting periods related to unvested stock options issued for services to be expensed over a weighted average period of 1.75 years.

Stock option activity during the three months ended March 31, 2024 is summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance on December 31, 2023	38,334	$ 49.80	8.49
Granted	6,249	6.00	-
Balance on March 31, 2024	44,583	$ 43.66	7.77
Options exercisable on March 31, 2024	35,001	$ 49.80	8.17
Weighted average fair value of options granted during the period	-	$ 5.82	-

On March 31, 2024, the aggregate intrinsic value of options outstanding was $ 875.

Stock Warrants

In connection with the IPO, in February 2023, the Company issued 11,245 fully vested warrants to the placement agent. The warrants are exercisable at $54.78 per share and expire on February 14, 2028. The warrants were considered equity issuance costs; therefore, there was no financial statement impact for the grant during the year ended December 31, 2023.

On March 13, 2024, the Company entered into a Purchase Agreement with an institutional investor ("the "Purchaser") for the issuance and sale in a private placement (the “Private Placement”) of aggregate Units consisting of (i) 108,000 shares of the Company’s common stock, (ii) series A warrants to purchase up to 628,367 shares of the Company’s common stock (the “Series A Warrants”), and (iii) series B warrants to purchase up to 628,367 shares of the Company’s common stock (the “Series B Warrants” and together with the Series A Warrants, the “Common Warrants”). Additionally, the Company sold pre-funded warrants to purchase up to 520,367 shares of the Company’s common stock (the “Pre-Funded Warrants”). Pre-funded Warrants are a type of warrant that allows the warrant holder to purchase a specified number of a company’s securities at a nominal exercise price. The Common Warrants are exercisable immediately upon issuance at an exercise price of $5.50 per share. The Series A Warrants will expire five and one-half years from the date of issuance and the Series B Warrants will expire twenty-four months from the date of issuance. The Pre-Funded Warrants are exercisable immediately upon issuance at a nominal exercise price of $0.001 and may be exercised at any time until the Pre-Funded Warrants are exercised in full. A holder of Pre-Funded Warrants or Common Warrants (together with its affiliates) may not exercise any portion of a warrant to the extent that the holder would own more than 4.99% (or, at the election of the holder 9.99%) of the Company’s outstanding Common Stock immediately after exercise.

Additionally, in connection with the Private Placement, the Company issued 47,128 placement agent warrants, which are exercisable for a period of five and one-half years from the issuance date at an original exercise price of $6.9625 per share. The fair value of the Placement Agent Warrants of $318,900 was calculated using the Binomial Lattice valuation model, which is considered an offering cost and is netted against the net proceeds received (See Private Placement above).

Warrant activity for the three months ended March 31, 2024 is summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance Outstanding, December 31, 2023	11,245	$ 54.78	4.13	$ -
Granted	1,824,229	3.97	-	-
Balance Outstanding, March 31, 2024	1,835,474	$ 4.28	4.19	$ 3,998,843
Exercisable, March 31, 2024	1,835,474	$ 4.28	4.19	$ 3,998,843

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Employment Agreement

On February 17, 2023, the Company entered into an executive employment agreement with Vadim Mats, the Company’s Chief Executive Officer (CEO) in connection with the Company’s initial public offering (the “***IPO***”). The term of the agreement will continue for one (1) year from the date of execution and automatically renews for successive one (1) year periods at the end of each term until either party delivers written notice of their intent not to review at least 90 days prior to the expiration of the then effective term. Pursuant to the agreement, Mr. Mats shall receive a base salary at the annual rate of $400,000 payable in equal installments in accordance with the Company’s standard payroll policies. Additionally, on February 14, 2023, the board of directors approved the issuance of stock options, with immediate vesting, to Mr. Mats to purchase up to 16,667 shares of common stock under the Company’s 2022 Equity Incentive Plan (see Note 6). Mr. Mats shall also be eligible to receive an annual cash bonus in an amount up to 2x his then-current base salary if the Company meets or exceeds criteria to be adopted by the compensation committee annually.

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

You should read the following discussion and analysis of our financial condition and plan of operations together with “Summary Financial Data” and our financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and related notes for the year ended December 31, 2023 included in our Annual Report on Form 10-K filed with the Securities Exchange Commission, or SEC. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled “Risk Factors” included in our Annual Report on Form 10-K as filed with the SEC. All amounts in this report are in U.S. dollars, unless otherwise noted.

We are a technology-based company that is developing applications aimed at redefining the way we utilize artificial intelligence (“AI”) to optimize the user experience. We are committed to addressing the need for AI solutions in both health and entertainment.

Gaxos Gaming

Our flagship product is our gaming platform called “Gaxos” (the “Platform” or “Gaxos Gaming”), created with a vision to develop, design, acquire, and manage conventional games and to combine these games with unconventional game mechanisms, such as the ability for gamers and developers to utilize artificial intelligence to create and design in-game features, as well as to mint unique in-game features, such as skins, characters, weapons, gear, levels, and virtual lands, in the form of non-fungible tokens, or “NFTs,” that will allow users to have unique experiences and more control over in-game assets.

In 2023, we launched our own proprietary games that are simple and fun to play, and that offer gamers the ability to utilize AI to personalize their gaming experience as well as to mint their own affordable NFTs, with unique and exclusive features, that can be utilized across the network of games and platform that we intend to build. As of December 31, 2023, we have launched four games, Space Striker AI, Brawl Bots, BattleFleet AI, and Jigsaw Puzzle AI. Space Striker AI allows players to engage in a captivating storyline and exciting retro shooting space action in the players AI-generated spaceship. Players can fuse crystals to upgrade their ship parts to craft, clash and conquer the galaxy all within a dynamic free-to-play economy. Brawl Bots immerses users in high-octane battles in real time against other players, in solo play or teams. Each player gets to control their own exclusive Bot character, ensuring a personalized gaming experience. BattleFleet AI is a take on the classic Battleship game with AI elements that allow gamers to design their ships. Jigsaw Puzzle AI lets gamers solve preloaded jigsaw puzzles as well as design and solve new jigsaw puzzles using AI.

We expect to launch more games in 2024. We have a pipeline of games in various stages of development. We plan to methodically launch games based on research and market data.

In addition to launching our own proprietary games, Gaxos Gaming is developing an artificial intelligence solution for game developers and studios. The solution is intended to offer a transformative generative AI service that empowers the gaming industry to create without limits through dynamic content generation, seamless integration, and personalized solutions. Key features of the product will be:

- AI-Powered Creativity: Reduces creative asset development time from hours to minutes, transforming artistic visions into reality with ease.

- Seamless Integration: With plug-and-play functionality for Unity and upcoming support for Unreal Engine, integration is effortless into existing workflows.

- Dynamic Content Generation: User-Generated-Ai-Content (“UGAiC”) feature offers new experiences with each playthrough by letting gamers use AI in real time, fostering a dynamic gaming environment.

- Customized Solutions: From personalized AI models and templates to expert consulting services, offering to include custom solutions to meet unique needs of each developer.

We expect to launch the artificial intelligence solution in Q2 of 2024.

Gaxos Health

Recently, we launched a new initiative, Gaxos Health, which is dedicated to revolutionizing personal health and wellness by developing a suite of innovative AI-powered health optimization solutions. Gaxos Health will integrate AI-driven insights with individual biometric data and health goals to create web and application based personalized wellness strategies to users. We believe that this cutting-edge approach will redefine preventative medicine, offering unparalleled personalization in health and wellness. Gaxos Health solutions will analyze a wide range of health data to provide tailored wellness plans and address the growing demand for personalized health solutions. We believe that this technology is not just a step but a leap forward in empowering individuals to take control of their health and longevity with AI’s precision and intelligence.

We expect to launch the AI-powered health optimization product in the second half of 2024.

Basis of Presentation

The unaudited financial statements contained herein have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“US GAAP”) and the requirements of the Securities and Exchange Commission (“SEC”).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include valuation of intangible assets and other long-lived assets, estimates of deferred tax valuation allowances and the fair value of stock options issued for services.

Critical Accounting Estimates

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We consider the following to be critical accounting estimates.

Intangible assets

Intangible assets, consisting of software licenses and technology licenses, are carried at cost less accumulated amortization, computed using the straight-line method over the estimated useful life of 5 years, less any impairment charges.

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – *“Compensation–Stock Compensation*”, which requires recognition in the financial statements of the cost of employee, non-employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. The Company has elected to account for forfeitures as they occur.

Capital Expenditures

We do not have any contractual obligations for ongoing capital expenditures at this time. We do, however, purchase equipment and software necessary to conduct our operations on an as needed basis.

Results of Operations

Comparison of Our Results of Operations for the Three Months Ended March 31, 2024 and 2023 .

Revenue

During the three months ended March 31, 2024, we generated revenue of $19. During the three months ended March 31, 2023, we did not generate any revenues from operations. Once we achieve a critical mass of users, we plan to offer new features and to charge fees in order to generate revenues from these added features.

Operating Expenses

During the three months ended March 31, 2024 and 2023, we incurred operating expenses of $1,043,858 and $1,542,332, respectively, a decrease of $498,493, or 32.3%. Operating expenses consisted of the following:

Research and development expenses

We enter into agreements with third-party developers that require us to make payments for game and software development services upon reaching the application development stage. In exchange for our payments, we receive the exclusive publishing and distribution rights to the finished game title and software. During the preliminary project stage and prior to the application development stage of the product, we record any costs incurred by third-party developers as research and development expenses.

We capitalize all development and production service payments to third-party developers as internal-use software development costs and licenses once we reach the application development stage. Prior to this stage, we expense all research and development fees. During the three months ended March 31, 2024 and 2023, we reported research and development expense of $182,329 and $104,551, respectively, an increase of $77,778, or 74.4%, primarily due to an increase in outside development costs incurred in connection with the development of Gaxos Games and Gaxos Health platforms. We expect research and development expenses to increase in the future as development of Gaxos games and Gaxos Health accelerates.

General and administrative expenses

For the three months ended March 31, 2024 and 2023, general and administrative expenses consisted of the following:

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Compensation and related benefit	$ 363,484	$ 786,236
Professional fees	274,688	588,862
Other general and administrative expenses	223,357	62,683
Total general and administrative expenses	$ 861,529	$ 1,437,781

Compensation and related benefits

During the three months ended March 31, 2024 and 2023, compensation and related benefits amounted to $363,484 and $786,236, respectively, a decrease of $422,752, or 53.8%. The decrease during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was primarily attributable to a decrease in accretion of stock-based compensation related to issuance of stock options to executive officers, directors and employees of $640,491, offset by an increase in executive officer and employee compensation of $217,739.

Professional fees

During the three months ended March 31, 2024 and 2023, we incurred professional fees of $274,688 and $588,862, respectively, a decrease of $314,174, or 53.3%, attributable to a decrease in stock-based consulting fees due to the accretion of stock options expense to consultants of $214,275, and a decrease in investor relations fees of $172,000, offset by an increase in advisory fees of $29,695, and an increase in other professional fees of $42,406.

Other general and administrative expenses

General and administrative expenses consist of advertising and marketing expenses, office expenses, insurance, listing fees, computer and interest expenses, travel expenses, amortization expense, and other general business expenses. During the three months ended March 31, 2024 and 2023, we incurred general and administrative expenses of $223,357 and $62,683, respectively, an increase of $160,674, or 256.3%. Generally, the increase in other general and administrative expenses during the three months ended March 31, 2024 as compared to the three months ended March 311, 2023 was attributable to a ramp up of operations which began in February 2023 following the Company's IPO.

Loss from operations

During the three months ended March 31, 2024 and 2023, we reported a loss from operations of $1,043,839 and $1,542,332, respectively, a decrease of $498,493, or 32.3%. The decrease in loss from operations was due to the decrease in general and administrative expenses, offset by an increase in research and development as discussed above.

Other income

During the three months ended March 31, 2024 and 2023, we reported other income of $131,694 and $6,301, respectively, an increase of $125,393. This increase is attributable to an increase in interest income of $5,678. Additionally, we recorded a realized gain on short-term investments during the three months ended March 31, 2024 and 2023 of $119,715 and $0, respectively.

Net loss

During the three months ended March 31, 2024 and 2023, our net loss amounted to $912,145, or a net loss per common share of $0.91 (basic and diluted) and $1,536,031, or a net loss per common share of $1.64 (basic and diluted), respectively, a decrease of $623,886, or 40.6%. During the three months ended March 31, 2024 and 2023, our total comprehensive loss amounted to $1,011,560 and $1,517,875, respectively, a decrease of $506,315, or 33.4%.

Liquidity, Capital Resources and Plan of Operations

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. On March 31, 2024, we had a cash balance of $3,312,277, had short-term investments of $2,092,078, and had working capital of $5,251,505.

On March 13, 2024, we entered into a securities purchase agreement with an institutional investor for the issuance and sale in a private placement of (i) 108,000 shares of the Company's common stock (the "Common Stock"), (ii) pre-funded warrants to purchase 520,367 shares of Common Stock, (iii) series A warrants to purchase up to 628,367 shares of Common Stock, and (iv) series B warrants to purchase up to 628,367 shares Common Stock. The purchase price of each share of Common Stock and associated warrants was $5.57 and the purchase price of each pre-funded warrant and associated warrants was $5.569. The private placement closed on March 15, 2024 and the aggregate net proceeds of $3,056,984, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company. The Company intends to use the net proceeds received from the Private

Placement for general corporate purposes and working capital.

Until such time that the Company implements its growth strategy, we expect to continue to generate operating losses in the foreseeable future, mostly due to corporate overhead, research and development, and costs of being a public company. We believe that our existing working capital and cash on hand will provide sufficient cash to enable the Company to meet its operating needs and debt requirements for the next twelve months from the issuance date of this report.

Cash Flows from Operating Activities

For the three months ended March 31, 2024, net cash used in operations was $1,099,417, which primarily resulted from our net loss of $912,145, adjusted for the add back of amortization expense of $8,683, stock-based compensation to employees of $15,806, and a realized gain on short-term investments of $119,715, and changes in operating asset and liabilities such as an increase in prepaid expenses and other current assets of $335,781, an increase in accounts payable of $177,268, and an increase in accrued expenses of $66,469.

For the three months ended March 31, 2023, net cash used in operations was $933,858, which primarily resulted from our net loss of $1,536,031, adjusted for the add back of amortization expense of $3,142 and stock-based compensation to employees and consultants of $870,572, and changes in operating asset and liabilities such as an increase in prepaid expenses and other current assets of $165,123, a decrease in accounts payable of $119,399, and an increase in accrued expenses of $12,981.

Cash Flows from Investing Activities

For the three months ended March 31, 2024, net cash provided by investing activities was $349,602, which resulted from proceeds received from the sale of short-term investments of $2,616,619, offset by cash used for the purchase of short-term investments of $2,095,707, an increase in capitalized internal-use software development costs of $21,310, and the purchase of an intangible asset of $150,000.

For the three months ended March 31, 2023, net cash used in investing activities was $3,491,242, which resulted from the purchase of short-term investments of $3,491,242.

Cash Flows from Financing Activities

For the three months ended March 31, 2024, net cash provided by financing activities was $3,037,382. On March 13, 2024, we entered into a securities purchase agreement with an institutional investor for the issuance and sale in a private placement of (i) 108,000 shares of the Company's common stock (the "Common Stock"), (ii) pre-funded warrants to purchase 520,367 shares of Common Stock, (iii) series A warrants to purchase up to 628,367 shares of Common Stock, and (iv) series B warrants to purchase up to 628,367 shares Common Stock. The purchase price of each share of Common Stock and associated warrants was $5.57 and the purchase price of each pre-funded warrant and associated warrants was $5.569. The private placement closed on March 15, 2024 and the aggregate net proceeds of $3,056,984, after deducting placement agent fees and expenses and offering expenses payable by the Company. Additionally, during the three months ended March 31, 2024, we purchased and cancelled 6,846 treasury shares for $19,602, or at an average price of $2.86 per share.

For the three months ended March 31, 2023, net cash provided by financing activities was $5,958,470. On February 17, 2023, we closed an IPO pursuant to which we issued 1,686,747 of our common stock for gross proceeds of approximately $7 million and net proceeds of $5,958,470, after deducting underwriting discounts and commissions, and offering expenses.

Our ultimate success is dependent on our ability to obtain additional financing and generate sufficient cash flow to meet our obligations on a timely basis. We will require significant amounts of capital to sustain operations, and we will need to make the investments we need to execute our longer-term business plan to support new technologies and help advance innovation. Absent generation of sufficient revenue from the execution of our long-term business plan, we will need to obtain debt or equity financing, especially if we experience downturns in our business that are more severe or longer than anticipated, or if we experience significant increases in expense levels resulting from being a publicly-traded company or from operations. Such additional debt or equity financing may not be available to us on favorable terms, if at all. We plan to pursue our plans with respect to the research and development of our products which will require resources beyond those that we currently have, ultimately requiring additional capital from third party sources. However, we believe the net proceeds received in the IPO that closed in February 2023 will be sufficient to meet our financial obligations for at least the next 12 months.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K and did not have any commitments or contractual obligations.

JOBS Act

On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including, without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of Sarbanes-Oxley and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of our initial public offering; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are not required to provide the information required by this Item as we are a "smaller reporting company," as defined in Rule 12b-2 of the Exchange

Act.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in Exchange Act Rule 13a-15 and 15d-15(e)) as of March 31, 2024, the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that our disclosure controls and procedures were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

ITEM 1A. RISK FACTORS

Risk factors that affect our business and financial results are discussed in Part I, Item 1A "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC on March 27, 2024 ("Annual Report"). There have been no material changes in our risk factors from those previously disclosed in our Annual Report, except discussed below. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition or future results. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

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

Issuer Purchases of Equity Securities

On March 20, 2023, our Board of Directors approved a stock repurchase program authorizing the purchase of up to $500,000 of our common stock (the "2023 Stock Repurchase Program"). In connection with the 2023 Stock Repurchase Program, during the three months ended March 31, 2024, we purchased and cancelled 6,846 shares of our common stock for $19,602, or at an average price of $2.86 per share.

The following is a summary of our common stock repurchases during the quarter ended March 31, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased under the program	Maximum number (or approximate dollar value) of shares that may yet be purchased under the program
Month #1 (January 1 through January 31)	4,340	$ 3.00	4,340	-
Month #2 (February 1 through February 29)	2,506	$ 2.63	2,506	-
Month #3 (March 1 through March 31)	-	$ -	-	-
Total	6,846	$ 2.86	6,846	$ 380,663

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibits
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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).

* Filed herewith.
** Furnished herewith.

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.

GAXOS.AI INC.

Dated: May 14, 2024

By: */s/ Vadim Mats*
Name: Vadim Mats
Title: Chief Executive Officer and Director
(Principal Executive Officer)

Dated: May 14, 2024

By: */s/ Steven Shorr*
Name: Steven Shorr
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vadim Mats, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gaxos.ai Inc. for the quarter ended March 31, 2024;

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)) 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, including its consolidated subsidiaries, 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 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: May 14, 2024

Name: */s/ Vadim Mats*
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven Shorr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gaxos.ai Inc. for the quarter ended March 31, 2024;

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)) 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, including its consolidated subsidiaries, 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 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: May 14, 2024

Name: */s/ Steven Shorr*
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Gaxos.ai Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) 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 result of operations of the Company.

Date: May 14, 2024

Name: */s/ Vadim Mats*
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Gaxos.ai Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) 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 result of operations of the Company.

Date: May 14, 2024

Name: */s/ Steven Shorr*
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)