

**PROTEUM ENERGY, LLC**  
**BALANCE SHEET**  
**UNAUDITED**

	<u>September 30, 2022</u>	<u>August 31, 2022</u>	<u>September 30, 2021</u>
<b>ASSETS</b>			
Cash	\$ 906,678	\$ 1,120,471	\$ 1,151,463
Investor Contribution Receivable	-	-	200,000
Non-Trade Receivable	-	-	56,952
Prepaid Expense	77,255	86,392	36,044
Total Current Assets	<u>983,933</u>	<u>1,206,863</u>	<u>1,444,459</u>
Machinery and Equipment-Legacy	4,228,577	4,228,577	4,397,310
Computer Equipment	189,969	189,969	-
Accumulated Depreciation	(280,735)	(279,712)	(268,224)
Total Fixed Assets - Net	<u>4,137,811</u>	<u>4,138,834</u>	<u>4,129,086</u>
Licenses	1,000,000	1,000,000	1,000,000
Patents	4,279,912	4,279,912	4,215,710
Accumulated Amortization	(866,667)	(861,112)	(800,001)
Total Intangible Assets - Net	<u>4,413,245</u>	<u>4,418,800</u>	<u>4,415,709</u>
Deposits	56,368	58,328	26,966
Total Assets	<u>\$ 9,591,357</u>	<u>\$ 9,822,825</u>	<u>\$ 10,016,220</u>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
Accounts Payable	\$ 39,810	\$ 27,483	\$ 143,065
Sales tax Payable	70,642	73,539	107,206
PPP Loan	-	-	465,039
Total Current Liabilities	<u>110,452</u>	<u>101,022</u>	<u>715,310</u>
Members' equity	10,965,520	10,965,520	11,551,315
Warrants	1,313,207	1,304,207	990,851
Friends and Family	5,633,384	5,633,384	2,280,008
Total Equity	<u>17,912,111</u>	<u>17,903,111</u>	<u>14,822,174</u>
Accumulated Deficit	(6,186,607)	(6,186,607)	(2,144,196)
Net Loss	(2,244,599)	(1,994,701)	(3,377,068)
Total Members' Equity	<u>9,480,905</u>	<u>9,721,803</u>	<u>9,300,910</u>
Total Liabilities and Members' Equity	<u>\$ 9,591,357</u>	<u>\$ 9,822,825</u>	<u>\$ 10,016,220</u>

**PROTEUM ENERGY, LLC**  
**MONTH TO DATE INCOME STATEMENT**  
**UNAUDITED**

	<u>September 30, 2022</u>	<u>Budget</u>	<u>\$ Var vs Bud</u>	<u>% Var vs Bud</u>	<u>September 30, 2021</u>	<u>\$ Var vs PY</u>	<u>% Var vs PY</u>
Operating Expenses							
Payroll and Internal Consultants	\$ 161,571	\$ 161,750	(179)	-0.1%	\$ 138,502	23,069	16.7%
R&D	21,729	35,299	(13,570)	-38.4%	39,657	(17,928)	-45.2%
Professional Fees	20,345	22,360	(2,015)	-9.0%	42,355	(22,010)	-52.0%
Equipment	-	233	(233)	-100.0%	-	-	0.0%
Technology	4,012	3,407	605	17.8%	1,286	2,726	212.1%
Facilities	20,042	19,136	906	4.7%	20,973	(931)	-4.4%
Travel	1,076	19,000	(17,924)	-94.3%	7,506	(6,430)	-85.7%
Marketing	2,539	38,000	(35,461)	-93.3%	4,126	(1,587)	-38.5%
Insurance	8,677	8,588	89	1.0%	9,558	(881)	-9.2%
Other Operating	3,331	10,230	(6,899)	-67.4%	1,570	1,761	112.2%
Total Operating Expenses	<u>243,322</u>	<u>318,003</u>	<u>(74,681)</u>	<u>-23.5%</u>	<u>265,533</u>	<u>(22,211)</u>	<u>-8.4%</u>
Other Income							
Interest Income	8				10	(2)	-20.6%
Other Income	345				-	345	0.0%
Total Other Income	<u>353</u>				<u>10</u>	<u>343</u>	<u>3405.5%</u>
Other Expense							
Interest Expense	351				527	(176)	-33.4%
Depreciation	1,023				669	354	53.0%
Amortization	5,555				5,556	(1)	0.0%
Total Other Expense	<u>6,929</u>				<u>6,751</u>	<u>178</u>	<u>2.6%</u>
Net Loss	<u>\$ 249,898</u>				<u>\$ 272,274</u>	<u>(22,376)</u>	<u>-8.2%</u>
EBITDA	<u>\$ 256,827</u>				<u>\$ 279,024</u>	<u>(22,197)</u>	<u>-8.0%</u>

PROTEUM ENERGY, LLC  
 QUARTER TO DATE INCOME STATEMENT  
 UNAUDITED

	Three Months Ended				Three Months Ended			Three Months Ended		
	September 30, 2022	Budget	\$ Var vs Bud	% Var vs Bud	June 30, 2022	\$ Var vs PQ	% Var vs PQ	September 30, 2021	\$ Var vs PY	% Var vs PY
Operating Expenses										
Payroll and Internal Consultants	\$ 540,256	\$ 487,751	52,505	10.8%	\$ 476,377	63,879	13.4%	\$ 473,728	66,528	14.0%
R&D	80,101	88,551	(8,450)	-9.5%	71,274	8,827	12.4%	79,571	530	0.7%
Professional Fees	118,939	39,530	79,409	200.9%	44,311	74,628	168.4%	64,880	54,059	83.3%
Equipment	-	700	(700)	-100.0%	-	-	0.0%	-	-	0.0%
Technology	13,924	10,250	3,674	35.8%	11,318	2,606	23.0%	2,614	11,310	432.7%
Facilities	59,417	57,528	1,889	3.3%	57,172	2,245	3.9%	63,918	(4,501)	-7.0%
Travel	7,392	53,000	(45,608)	-86.1%	20,389	(12,997)	-63.7%	12,651	(5,259)	-41.6%
Marketing	3,808	45,349	(41,541)	-91.6%	26,449	(22,641)	-85.6%	11,514	(7,706)	-66.9%
Insurance	26,031	25,690	341	1.3%	26,031	-	0.0%	28,673	(2,642)	-9.2%
Other Operating	8,456	33,239	(24,783)	-74.6%	7,054	1,402	19.9%	20,243	(11,787)	-58.2%
Total Operating Expenses	858,324	841,588	16,736	2.0%	740,375	117,949	15.9%	757,792	100,532	13.3%
Other Income										
Interest Income	32				51	(19)	-37.3%	32	-	0.0%
Other Income	18,850				493,641	(474,791)	NA	-	18,850	NA
Total Other Income	18,882				493,692	(474,810)	-96.2%	32	18,850	58906.3%
Other Expense										
Interest Expense	1,097				1,223	(126)	-10.3%	1,618	(521)	-32.2%
Loss on disposal of assets	-				-	-	0.0%	8,643	(8,643)	-100.0%
Depreciation	3,069				3,006	63	2.1%	5,652	(2,583)	-45.7%
Amortization	16,667				16,667	-	0.0%	16,667	-	0.0%
Total Other Expense	20,833				20,896	(63)	-0.3%	32,580	(11,747)	-36.1%
Net Loss	\$ 860,275				\$ 267,579	592,696	221.5%	\$ 790,340	69,935	8.8%
EBITDA	\$ 881,108				\$ 288,475	592,633	205.4%	\$ 814,277	66,831	8.2%

**PROTEUM ENERGY, LLC**  
**YEAR TO DATE INCOME STATEMENT**  
**UNAUDITED**

	Nine Months Ended				Nine Months Ended			
	September 30,	Budget	\$ Var	% Var	September 30,	\$ Var	% Var	
	2022		vs Bud	vs Bud	2021	vs PY	vs PY	
Operating Expenses								
Payroll and Internal Consultants	\$ 1,704,965	\$ 1,735,461	(30,496)	-1.8%	\$ 1,239,625	465,340	37.5%	
R&D	270,347	280,517	(10,170)	-3.6%	829,073	(558,726)	-67.4%	
Professional Fees	337,445	266,708	70,737	26.5%	614,799	(277,354)	-45.1%	
Equipment	-	1,400	(1,400)	-100.0%	-	-	0.0%	
Technology	38,900	32,335	6,565	20.3%	10,654	28,246	265.1%	
Facilities	174,484	172,953	1,531	0.9%	135,164	39,320	29.1%	
Travel	46,669	124,266	(77,597)	-62.4%	48,930	(2,261)	-4.6%	
Marketing	58,959	126,324	(67,365)	-53.3%	32,716	26,243	80.2%	
Insurance	60,582	67,340	(6,758)	-10.0%	77,062	(16,480)	-21.4%	
Other Operating	20,896	100,554	(79,658)	-79.2%	65,476	(44,580)	-68.1%	
Total Operating Expenses	<u>2,713,247</u>	<u>2,907,858</u>	<u>(194,611)</u>	<u>-6.7%</u>	<u>3,053,499</u>	<u>(340,252)</u>	<u>-11.1%</u>	
Other Income								
Interest Income	151				58	93	160.3%	
Other Income	530,725				1,108	529,617	47799.4%	
Total Other Income	<u>530,876</u>				<u>1,166</u>	<u>529,710</u>	<u>45429.7%</u>	
Other Expense								
Interest Expense	3,728				4,675	(947)	-20.3%	
Loss on Disposal of Assets	-				8,643	(8,643)	-100.0%	
Depreciation	8,500				31,140	(22,640)	-72.7%	
Amortization	50,000				44,445	5,555	12.5%	
Total Other Expense	<u>62,228</u>				<u>88,903</u>	<u>(26,675)</u>	<u>-30.0%</u>	
Net Loss	<u>\$ 2,244,599</u>				<u>\$ 3,141,236</u>	<u>(896,637)</u>	<u>-28.5%</u>	
EBITDA	<u>\$ 2,306,827</u>				<u>\$ 3,221,496</u>	<u>(914,669)</u>	<u>-28.4%</u>	

**PROTEUM ENERGY, LLC**  
**STATEMENT OF CASH FLOWS**  
**UNAUDITED**

	<u>As of</u> <u>September 30, 2022</u>	<u>Eight Months Ended</u> <u>September 30, 2022</u>
<b>Cash flows from operating activities</b>		
Net loss	\$ (249,898)	\$ (2,244,599)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,023	8,500
Amortization	5,555	50,000
Gain on extinguishment of debt (PPP loan forgiveness)	-	(465,039)
Changes in assets and liabilities:		
Prepaid expenses	9,137	3,994
Deposits	1,960	(29,402)
Accounts Payable	12,327	8,264
Sales and use payable	(2,897)	(28,317)
Net cash used in operating activities	<u>(222,793)</u>	<u>(2,696,599)</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	-	(21,235)
Net cash used in investing activities	<u>-</u>	<u>(21,235)</u>
<b>Cash flows from financing activities</b>		
Friends and family exercise	9,000	1,523,020
Net cash provided by financing activities	<u>9,000</u>	<u>1,523,020</u>
<b>Net decrease in cash</b>	(213,793)	(1,194,814)
<b>Cash, beginning of the period</b>	<u>1,120,471</u>	<u>2,101,492</u>
<b>Cash, end of the period</b>	<u>\$ 906,678</u>	<u>\$ 906,678</u>