

PROTEUM ENERGY, LLC
BALANCE SHEET
UNAUDITED

	<u>December 31, 2022</u>	<u>November 30, 2022</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
ASSETS				
Cash	\$ 203,466	\$ 362,187	\$ 906,678	\$ 2,101,492
Investor Contribution Receivable	-	-	-	870,000
Prepaid Expense	85,817	144,219	77,255	81,249
Total Current Assets	<u>289,283</u>	<u>506,406</u>	<u>983,933</u>	<u>3,052,741</u>
Machinery and Equipment-Legacy	4,236,329	4,236,329	4,228,577	4,397,310
Computer Equipment	191,214	191,214	189,969	-
Accumulated Depreciation	(284,102)	(282,930)	(280,735)	(270,229)
Total Fixed Assets - Net	<u>4,143,441</u>	<u>4,144,613</u>	<u>4,137,811</u>	<u>4,127,081</u>
Licenses	1,000,000	1,000,000	1,000,000	1,000,000
Patents	4,279,912	4,279,912	4,279,912	4,215,710
Accumulated Amortization	(883,334)	(877,778)	(866,667)	(816,667)
Total Intangible Assets - Net	<u>4,396,578</u>	<u>4,402,134</u>	<u>4,413,245</u>	<u>4,399,043</u>
Deposits	50,488	52,448	56,368	26,966
Total Assets	<u>\$ 8,879,790</u>	<u>\$ 9,105,601</u>	<u>\$ 9,591,357</u>	<u>\$ 11,605,831</u>
LIABILITIES & MEMBERS' EQUITY				
Accounts Payable	\$ 75,874	\$ 32,803	\$ 39,810	\$ 31,545
Sales tax Payable	61,867	64,806	70,642	98,920
PPP Loan	-	-	-	465,039
Total Current Liabilities	<u>137,741</u>	<u>97,609</u>	<u>110,452</u>	<u>595,504</u>
Members' equity	10,965,520	10,965,520	10,965,520	11,551,315
Warrants	1,389,525	1,313,207	1,313,207	1,002,242
Friends and Family	5,633,384	5,633,384	5,633,384	4,761,518
Total Equity	<u>17,988,429</u>	<u>17,912,111</u>	<u>17,912,111</u>	<u>17,315,075</u>
Accumulated Deficit	(6,186,607)	(6,186,607)	(6,186,607)	(2,144,196)
Net Loss	(3,059,773)	(2,717,512)	(2,244,599)	(4,160,552)
Total Members' Equity	<u>8,742,049</u>	<u>9,007,992</u>	<u>9,480,905</u>	<u>11,010,327</u>
Total Liabilities and Members' Equity	<u>\$ 8,879,790</u>	<u>\$ 9,105,601</u>	<u>\$ 9,591,357</u>	<u>\$ 11,605,831</u>

PROTEUM ENERGY, LLC
MONTH TO DATE INCOME STATEMENT
UNAUDITED

	<u>December 31, 2022</u>	<u>Budget</u>	<u>\$ Var vs Bud</u>	<u>% Var vs Bud</u>	<u>December 31, 2021</u>	<u>\$ Var vs PY</u>	<u>% Var vs PY</u>
Operating Expenses							
Payroll and Internal Consultants	\$ 228,647	\$ 235,376	(6,729)	-2.9%	\$ 196,167	32,480	16.6%
R&D	32,326	21,672	10,654	49.2%	8,119	24,207	298.2%
Professional Fees	11,035	13,810	(2,775)	-20.1%	24,444	(13,409)	-54.9%
Equipment	-	233	(233)	-100.0%	-	-	0.0%
Technology	2,742	3,441	(699)	-20.3%	2,262	480	21.2%
Facilities	46,728	18,896	27,832	147.3%	45,727	1,001	2.2%
Travel	-	17,000	(17,000)	-100.0%	5,749	(5,749)	-100.0%
Marketing	198	8,000	(7,802)	-97.5%	3,943	(3,745)	-95.0%
Insurance	8,677	8,588	89	1.0%	6,596	2,081	31.5%
Other Operating	5,408	10,665	(5,257)	-49.3%	8,835	(3,427)	-38.8%
Total Operating Expenses	<u>335,761</u>	<u>337,681</u>	<u>(1,920)</u>	<u>-0.6%</u>	<u>301,842</u>	<u>33,919</u>	<u>11.2%</u>
Other Income							
Interest Income	201				9	192	2133.3%
Other Income	337				-	337	0.0%
Total Other Income	<u>538</u>				<u>9</u>	<u>529</u>	<u>5877.8%</u>
Other Expense							
Interest Expense	310				474	(164)	-34.6%
Depreciation	1,172				669	503	75.2%
Amortization	5,556				5,556	-	0.0%
Total Other Expense	<u>7,038</u>				<u>6,699</u>	<u>339</u>	<u>5.1%</u>
Net Loss	<u>\$ 342,261</u>				<u>\$ 308,532</u>	<u>33,729</u>	<u>10.9%</u>
EBITDA	<u>\$ 335,223</u>				<u>\$ 301,833</u>	<u>33,390</u>	<u>11.1%</u>

PROTEUM ENERGY, LLC
 QUARTER TO DATE INCOME STATEMENT
 UNAUDITED

	Three Months Ended				Three Months Ended			Three Months Ended		
	December 31, 2022	Budget	\$ Var vs Bud	% Var vs Bud	September 30, 2022	\$ Var vs PQ	% Var vs PQ	December 31, 2021	\$ Var vs PY	% Var vs PY
Operating Expenses										
Payroll and Internal Consultants	\$ 540,861	\$ 558,876	(18,015)	-3.2%	\$ 540,256	605	0.1%	\$ 475,189	65,672	13.8%
R&D	74,315	76,964	(2,649)	-3.4%	80,101	(5,786)	-7.2%	50,844	23,471	46.2%
Professional Fees	52,742	37,255	15,487	41.6%	118,939	(66,197)	-55.7%	75,073	(22,331)	-29.7%
Equipment	-	700	(700)	-100.0%	-	-	0.0%	-	-	0.0%
Technology	10,537	12,245	(1,707)	-13.9%	13,924	(3,387)	-24.3%	4,277	6,260	146.3%
Facilities	85,165	57,367	27,798	48.5%	59,417	25,748	43.3%	84,532	633	0.7%
Travel	3,231	51,000	(47,769)	-93.7%	7,392	(4,161)	-56.3%	17,471	(14,240)	-81.5%
Marketing	7,064	28,175	(21,111)	-74.9%	3,808	3,256	85.5%	5,329	1,735	32.6%
Insurance	27,281	25,765	1,516	5.9%	26,031	1,250	4.8%	25,711	1,571	6.1%
Other Operating	12,538	31,074	(18,537)	-59.7%	8,456	4,082	48.3%	25,247	(12,709)	-50.3%
Total Operating Expenses	813,733	879,422	(65,689)	-7.5%	858,324	(44,591)	-5.2%	763,673	50,060	6.6%
Other Income										
Interest Income	441				32	409	1277.8%	23	418	1808.6%
Other Income	19,126				18,850	276	1.5%	-	19,126	0.0%
Total Other Income	19,567				18,882	685	3.6%	23	19,544	84604.0%
Other Expense										
Interest Expense	973				1,097	(124)	-11.3%	1,462	(489)	-33.5%
Loss on disposal of assets	-				-	-	0.0%	-	-	0.0%
Depreciation	3,367				3,069	298	9.7%	2,006	1,362	67.9%
Amortization	16,667				16,667	(0)	0.0%	16,667	-	0.0%
Total Other Expense	21,007				20,833	174	0.8%	20,134	872	4.3%
Net Loss	\$ 815,174				\$ 860,275	(45,101)	-5.2%	\$ 783,784	31,389	4.0%
EBITDA	\$ 836,180				\$ 881,108	(44,928)	-5.1%	\$ 803,919	32,262	4.0%

PROTEUM ENERGY, LLC
YEAR TO DATE INCOME STATEMENT
UNAUDITED

	Year Ended				Year Ended			
	December 31,	Budget	\$ Var	% Var	December 31,	\$ Var	% Var	
	2022		vs Bud	vs Bud	2021	vs PY	vs PY	
Operating Expenses								
Payroll and Internal Consultants	\$ 2,245,826	\$ 2,294,337	(48,511)	-2.1%	\$ 1,833,315	412,511	22.5%	
R&D	344,662	357,481	(12,819)	-3.6%	912,367	(567,705)	-62.2%	
Professional Fees	390,187	303,963	86,224	28.4%	752,228	(362,041)	-48.1%	
Equipment	-	2,100	(2,100)	-100.0%	-	-	0.0%	
Technology	49,437	44,580	4,857	10.9%	16,217	33,220	204.8%	
Facilities	259,649	230,321	29,328	12.7%	210,366	49,283	23.4%	
Travel	49,900	175,266	(125,366)	-71.5%	78,517	(28,617)	-36.4%	
Marketing	66,023	154,499	(88,476)	-57.3%	42,171	23,852	56.6%	
Insurance	87,863	93,106	(5,243)	-5.6%	112,329	(24,466)	-21.8%	
Other Operating	33,432	131,628	(98,196)	-74.6%	125,193	(91,761)	-73.3%	
Total Operating Expenses	<u>3,526,979</u>	<u>3,787,281</u>	<u>(260,302)</u>	<u>-6.9%</u>	<u>4,082,703</u>	<u>(555,724)</u>	<u>-13.6%</u>	
Other Income								
Interest Income	591				92	499	542.4%	
Other Income	549,850				1,108	548,742	49525.5%	
Total Other Income	<u>550,441</u>				<u>1,200</u>	<u>549,241</u>	<u>45770.1%</u>	
Other Expense								
Interest Expense	4,701				6,665	(1,964)	-29.5%	
Loss on Disposal of Assets	-				8,643	(8,643)	-100.0%	
Depreciation	11,867				33,815	(21,948)	-64.9%	
Amortization	66,667				66,667	-	0.0%	
Total Other Expense	<u>83,235</u>				<u>115,790</u>	<u>(32,555)</u>	<u>-28.1%</u>	
Net Loss	<u>\$ 3,059,773</u>				<u>\$ 4,197,293</u>	<u>(1,137,520)</u>	<u>-27.1%</u>	
EBITDA	<u>\$ 2,976,538</u>				<u>\$ 4,090,146</u>	<u>(1,113,608)</u>	<u>-27.2%</u>	

PROTEUM ENERGY, LLC
STATEMENT OF CASH FLOWS
UNAUDITED

	As of December 31, 2022	Year Ended December 31, 2022
Cash flows from operating activities		
Net loss	\$ (342,261)	\$ (3,059,773)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,172	11,867
Amortization	5,556	66,667
Gain on extinguishment of debt (PPP loan forgiveness)	-	(465,039)
Changes in assets and liabilities:		
Prepaid expenses	58,402	(4,568)
Deposits	1,960	(23,522)
Accounts Payable	43,071	44,328
Sales and use payable	(2,939)	(37,092)
Net cash used in operating activities	<u>(235,039)</u>	<u>(3,467,132)</u>
Cash flows from investing activities		
Capital expenditures	-	(30,232)
Net cash used in investing activities	<u>-</u>	<u>(30,232)</u>
Cash flows from financing activities		
Friends and family exercise	76,318	1,599,338
Net cash provided by financing activities	<u>76,318</u>	<u>1,599,338</u>
Net decrease in cash	(158,721)	(1,898,026)
Cash, beginning of the period	<u>362,187</u>	<u>2,101,492</u>
Cash, end of the period	<u>\$ 203,466</u>	<u>\$ 203,466</u>