

## Proteum Energy, LLC

### Financial Report as of December 31, 2022

#### Balance Sheet

**Cash** balance at December 31, 2022, is \$203,466 which is a decrease of cash of \$158,721 from November 30, 2022. Per December 31, 2022, Cash Flow Statement, \$235,039 of cash used in operations and \$76,318 provided by Friends and Family exercises.

**Prepaid Expenses** decreased \$58K from November 30, 2022, primarily due to payroll paid in December 2022. Prepaids balance represents prepaid insurance payments and advance payments related to trade shows and memberships, accounting software, mapping software, and engineering software.

**Fixed Assets** recognized depreciation expense of \$1,172.

**Deposits** decreased \$2K from November 30, 2022, due to the amortization of the catalyst study with the University of Regina through December 2023 (20 months). Deposits includes prior years deposits for office and warehouse space.

**Accounts Payable** increased \$43K from November 30, 2022 and includes payables of approximately \$75K related to amounts owed to vendors and \$1,000 related to credit cards.

**PPP Loan** forgiveness documentation was received. Amount of the loan was fully forgiven by SBA. Therefore, removed the liability from the balance sheet and recorded the non-cash gain on extinguishment of debt in the income statement and cash flow statement.

**Members' Equity** had warrant exercises totaling \$76,318 and the company incurred \$342,261 net loss for December 31, 2022.

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#### Income Statement

**Net Loss** for the **one month ended December 31, 2022**, was \$342K. The Net Loss is approximately \$2K lower than budget which is primarily due to the following:

- **Facilities** is **over** budget by approximately \$28K due to property taxes. There was \$19K budgeted for December 2022.
- **R&D** is **over** budget by approximately \$11K due to repairs and maintenance. There was \$22K budgeted for December 2022.
- **Travel** is **under** budget by approximately \$17K due to reduced traveling due to cash constraints. There was \$17K budgeted for December 2022.
- **Marketing** is **under** budget by approximately \$8K due to budget for conferences and trade shows. There was \$8K budgeted for December 2022.

**Net Loss** for the **three months ended December 31, 2022**, was \$815K. The Net Loss is approximately \$66K lower than budget which is primarily due to the following:

- **Facilities** is **over** budget by approximately \$28K due to property taxes. There was \$57K budgeted for the three months ended December 2022.
- **Professional Fess** is **over** budget by approximately \$15K due to payments made to consultants. There was \$37K budgeted for the three months ended December 2022.
- **Travel** is **under** budget by approximately \$48K due to reduced traveling due to cash constraints. There was \$51K budgeted for the three months ended December 2022.
- **Marketing** is **under** budget by approximately \$21K due to budget for conferences and trade shows. There was \$28K budgeted for the three months ended December 2022.

**Net Loss** for the **year ended December 31, 2022**, was \$3.060MM which is approximately \$260K less than budget which is primarily due to the following:

- **Professional Fees** is **over** budget by approximately \$86K due to amounts paid to financial/investment advisors, consulting, and legal.
- **Travel** is **under** budget by approximately \$125K. This is primarily due to reduced traveling from cash constraints.
- **Marketing** is **under** budget by approximately \$88K due to timing of conferences and trade shows.
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- **Other Operating** is **under** budget of approximately \$98k. Other Operating is expected to have variances as it is based on 2021 spend which was ratably budgeted. Therefore, variances will be primarily due to timing and/or less spending in 2022.

**Other Income** for the **year ended December 31, 2022**, was approximately \$550K. This is from \$85K of R&D credits and for the \$465K noncash gain on the extinguishment of debt for the PPP loan.