

Income Statement (Profit and Loss)

Arqlite SPC

For the year ended

December 31, 2022

Accrual Basis

Account	2022
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Income

Amazon Refunds	(7,257.21)
Discount Received	(250.00)
Sales	551,958.99
Total Income	544,451.78

Cost of Goods Sold

Shipping Expense	11,640.38
Packaging Supplies	18,999.53
Transportation	2,096.99
Amazon Fees	284,505.12
Stripe Fees	1,214.24
Fulfillment Costs	8,843.80
Distribution Services	2,500.00
Total Cost of Goods Sold	329,800.06

Gross Profit	214,651.72
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Operating Expenses

Advertising	54,536.05
Marketing	35,416.92
Automobile Expense	529.48
Bank Service Charges	710.26
Business License & Fees	5,671.85
Cleaning Services	3,550.00
Conventions	1,933.34
Depreciation	210,593.06
Dues & Subscriptions	2,657.48
Financing Costs-WeFunder	26,077.97
Freight & Postage	4,210.54
Insurance	43,715.99
Auto Insurance	2,050.53
Interest Expense	1,962.54
Interest Expense - Bridge Loan	35,986.79
Interest Expense - Grant Echoing	2,400.00
Interest Expense - RBF	4,303.39
Interest Expense - WeFunder	32,095.96
Machinery Supply	8,496.41
Job Supplies	23,121.00
Tools & Equipment Rental	3,018.69
Office Supply	6,098.52
Minor Software	8,213.64
Meals & Entertainment	424.21
Phone & Internet	1,490.64
Utility	93,494.46
Income Taxes	908.23
Property Tax	22,751.07
R&D Costs	1,544.00
Rent-Facility	313,956.68
Repairs & Maintenance	6,449.50
Security	1,085.04
Seminars and Continue Professional Educa	500.00
Legal Fees	40,204.71
Professional Fees	58,753.53
Subcontractors	621.29
Temporary Services	79,431.76

Travel	2,425.78
Wages & Salaries	371,621.19
Payroll Tax Expense	28,652.63
Compensation- Sebastian Sajoux	18,000.00
Employee Medical Insurance	21,954.22
Payroll Processing	2,424.00
Housing - Expat	33,450.00
Recruiting & HR	679.00
Reimbursable Expense	3,363.45
Waste Management	6,163.77
Employee Benefits	100.00
Total Operating Expenses	1,627,799.57

Operating Income	(1,413,147.85)
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Other Income / (Expense)

CC Rewards	2,206.56
FeedStock	7,560.26
Interest Income	33,987.23
Other Income	3.41
Total Other Income / (Expense)	43,757.46

Net Income	(1,369,390.39)
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Balance Sheet

Arqlite SPC

As of December 31, 2022

Accrual Basis

Account	Dec 31, 2022
Assets	
Current Assets	
Cash and Cash Equivalents	
Checking xx6670	133,126.96
Petty Cash	671.00
CHASE BUS PREM SAV	20,000.83
PERFBUS CHK	80,750.00
Total Cash and Cash Equivalents	234,548.79
Accounts Receivable	4,000.00
Inventory Asset	571,708.89
Prepaid Insurance	8,087.93
Prepayments	4,993.65
Vendor Deposits	79,200.00
Other Receivable	3,000.00
Total Current Assets	905,539.26
Fixed Assets	
Leasehold Improvement	506,022.66
Less: Accumulated Depreciation - Leasehold Improvement	(85,331.80)
Machinery & Equipment	1,057,575.69
Less: Accumulated Depreciation - M&E	(289,763.23)
Office Furniture	13,229.77
Less: Accumulated Depreciation - Office Furniture	(6,101.60)
Vehicle	12,554.37
Less: Accumulated Depreciation - Vehicles	(6,922.05)
Computer & Office Equipment	5,059.24
Less-Accumulated Depreciation: Computer & Office Equipment	(3,985.52)
Total Fixed Assets	1,202,337.53
Long Term Assets	
Due From - PLASTIC REV SPC	1,100.00
Due From Arqlite SRL	664,728.00
Interest Receivable - Arqlite SRL's loan	206,409.54
Total Long Term Assets	872,237.54
Total Assets	2,980,114.33

Liabilities and Equity

Liabilities	
Current Liabilities	
Accounts Payable	38,572.42
Chase CC 9074	4,346.66
Amazon Business Prime Card	34.17
Other Payroll Liability	32,838.25
Rent Payable	113,256.43
Sales Tax	(358.20)
Amazon E-Account	98.24
Total Current Liabilities	188,787.97
Long Term Liabilities	
Bridge Loan - Douglas Schrock	105,124.99
Interest Payable - Bridge Douglas Shrock	25,000.00
Bridge Loan - Jennifer Schaefer	50,000.00
Bridge Loan - Raquel Zagnoni	163,905.61
Bridge Loan - Susan Graff	106,887.31
Interest Payable - Bridge Susan	12,500.00
Bridge Loan - Equity Trust	25,000.00
RBF Loan - Bruce Reed	49,414.16
RBF Loan - Chris Graff	113,652.59
RBF Loan - Douglas Schrock	98,828.33
RBF Loan - Hunsberger	49,414.16
RBF Loan - Michael Libes	24,707.08
RBF Loan - Monica Aufrecht	34,589.92
RBF Loan - Realize Impact	74,121.25

RBF Loan - Richard Hetler	49,414.16
RBF Loan- Raquel Zagnoni	16,500.00
Convertible Notes	1,897,321.01
Interest Payable - Convertible Notes	38,426.10
Debt Issuance Costs	(79,666.85)
Deferred Rent	173,349.81
Grant Payable	103,326.00
Interest Payable - Grant Echoing	10,800.00
Mandatorily Redeemable Stock	80,000.00
Total Long Term Liabilities	3,222,615.63
Total Liabilities	3,411,403.60
Equity	
APIC - Redeemable Stock	(68,571.43)
Common Stock	349,479.63
Series A Preferred Stock	3,731,825.40
Series Seed Preferred Stock	200,000.00
Subscription Receivable - Series A	(152.00)
Retained Earnings	(3,274,480.48)
Current Year Earnings	(1,369,390.39)
Total Equity	(431,289.27)
Total Liabilities and Equity	2,980,114.33