

HERCON PHARMACEUTICALS, LLC
Statement of Operations
(STANDALONE)

For the period from January 1, 2022 through December 31, 2022
(Unaudited)

	<u>January 1, 2022 through December 31, 2022</u>
Operating expenses	
Plant overhead	\$ 76,794
General and administrative	\$ 751,358
Depreciation and amortization	\$ -
	<u>\$ 828,151</u>
Profit (Loss) from operations	\$ (828,151)
Other income (expense)	
Financing-related expenses	\$ (23,067)
Asset Impairment	\$ 1,096,012
Contingency for expenses	\$ 221,000
Total other income (expense)	<u>\$ 1,293,945</u>
Profit (Loss) before income taxes	\$ 465,794
Provision for income taxes	<u>\$ -</u>
Net Profit (Loss)	\$ 465,794

Reviewed & Approved by

Ronald J. Burghauser

January 10, 2023

Ronald J. Burghauser
CFO

Date

HERCON PHARMACEUTICALS, LLC
Statement of Cash Flows
(STANDALONE)

For the period from January 1, 2022 through December 31, 2022
(Unaudited)

	<u>January 1, 2022 through December 31, 2022</u>
Cash flows from operating activities:	
Net profit	\$ 465,794
Adjustments to reconcile net loss to cash used in operating activities:	
Asset Impairment	\$ (1,096,012)
Changes in operating assets and liabilities:	
Other receivables	\$ 254,141
Prepaid expenses	\$ 16,674
Accounts payable	\$ (50,145)
Other liabilities	\$ (64)
Short-term provisions	\$ (221,000)
Net cash used in operating activities	<u>\$ (630,612)</u>
Cash flows from investing activities:	
Proceeds from sale of property and equipment	\$ 4,859,686
Loan Given - related party	<u>\$ (3,821,420)</u>
Net cash provided by investing activities	<u>\$ 1,038,266</u>
Cash flows from financing activities:	
Loan Repaid - related party	<u>\$ (332,587)</u>
Net cash used in financing activities	<u>\$ (332,587)</u>
Net increase in cash	\$ 75,067
Cash, beginning of period	<u>\$ 26,622</u>
Cash, end of period	<u><u>\$ 101,689</u></u>

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