

ENERGY AND ENVIRONMENTAL SERVICES, INC.

A Colorado Corporation

6300 Boucher Drive
Edmond, OK 73034

Telephone: 800-635-7716

<https://eesokc.com>

geralde@eesokc.com

Primary SIC code: 2899

Quarterly Report

For the period ending September 30, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

53,939,393 as of 09/30/2025

53,939,393 as of 12/31/2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred during this reporting period:

Yes: No:

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Current Name: Energy and Environmental Services, Inc. (12/05/2016 - Present)

Previous Names:

- (1) Energas Resources, Inc (1989 – 01/25/2012)
- (2) Enerlabs, Inc. (01/25/2012 – 12/05/2016)

Current State and Date of Incorporation or Registration: Colorado, 03/23/2015

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

In February 2025 the Issuer entered into negotiations with American Well Technology Holdings, LLC ("AWTH") to sell Patriot Chemicals & Services, LLC ("Patriot"), a wholly owned subsidiary of the Issuer. On April 24, 2025, a membership purchase agreement was completed that transferred the ownership of Patriot to AWTH with a purchase price of \$686,750 along with the assumption of debt and capital leases in the amount of \$529,099. Patriot's operations in Abilene, Texas were spun-off from Patriot prior to the sale of Patriot to AWTH and moved under the Issuer's operations.

Address of the issuer's principal executive office:

6300 Boucher Drive, Edmond, OK 73034.

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Equinti
Phone: (651) 306-2920
Email: jeff.carlson@equinti.com

Address: 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | |
|--|--|
| Trading symbol: | EESE |
| Exact title and class of securities outstanding: | Common Stock: 100,000,000 authorized; 53,939,393 outstanding |
| CUSIP: | 29273G103 |
| Par or stated value: | \$0.00001 per share |
| Total shares authorized: | 100,000,000 as of date: 09/30/2025 |
| Total shares outstanding: | 53,939,393 as of date: 09/30/2025 |
| Total number of shareholders of record: | 213 as of date: 09/30/2025 |

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | |
|---|---|
| Exact title and class of the security: | Preferred Stock: 20,000,000 authorized; 0 outstanding |
| Par or stated value: | \$0.00001 per share |
| Total shares authorized: | 20,000,000 as of date: 09/30/2025 |
| Total shares outstanding: | 0 as of date: 09/30/2025 |
| Total number of shareholders of record: | 0 as of date: 09/30/2025 |

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The Issuer's Common Stock entitles its holders to one vote per share. The Common Stock has no dividend, liquidation or similar preferences. The Common Stock has no preemptive rights or contractual transfer restrictions.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The authorized Preferred Stock is "blank check" preferred stock, and the Issuer's Board of Directors can designate the right, preferences, duties and obligations of the class or series by resolution amending the Certificate of Incorporation of the Issuer. The Issuer has not designated any rights or preferences with respect to the Preferred Stock and the Issuer has not issued any shares of Preferred Stock.

3. Describe any other material rights of common or preferred stockholders.

The Common Stock of the Issuer entitles its holders to the rights provided by statute, such as the right to vote in the election of directors, in amendments to the Certificate of Incorporation or Bylaws of the Issuer, in mergers and consolidations, and in the Issuer's dissolution, and to inspect the Issuer's books and records. The Common Stock does not have material rights

beyond those afforded by statute. The rights and preferences of the Preferred Stock have not been fixed but can be fixed by board resolution and an amendment to the Certificate of Incorporation of the Issuer.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

| Shares Outstanding Balance: | | Opening | | | | | | | |
|-----------------------------|--|--|---------------------|---|--|--|---|---|---------------------------------|
| Date: 01/01/2023 | | Common: | | | | | | | |
| 53,746,060 | | Preferred: 0 | | | | | | | |
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed. | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| 3/22/2023 | Issuance | 30,000 | Common Stock | \$0.17 | No | Michael Smith | Incentive Award | Restricted | (1) |
| 3/22/2023 | Issuance | 30,000 | Common Stock | \$0.17 | No | Matthew Hoffman | Incentive Award | Restricted | (1) |
| 3/22/2023 | Issuance | 30,000 | Common Stock | \$0.17 | No | Brad Fruit | Incentive Award | Restricted | (1) |

| | | | | | | | | | |
|--|--------------------|---------------|--------------|--------|----|-----------------|------------------|------------|-----|
| 8/15/2023 | Cancellation | 12,500 | Common Stock | \$0.09 | No | Ryan Davis | Award Forfeiture | N/A | (1) |
| 8/15/2023 | Cancellation | 12,500 | Common Stock | \$0.09 | No | Chase Smyth | Award Forfeiture | N/A | (1) |
| 8/15/2023 | Cancellation | 5,000 | Common Stock | \$0.09 | No | James Duggan | Award Forfeiture | N/A | (1) |
| 8/15/2023 | Cancellation | 66,667 | Common Stock | \$0.09 | No | Alan McKinley | Award Forfeiture | N/A | (1) |
| 12/29/2023 | Issuance | 30,000 | Common Stock | \$0.11 | No | Mark Day | Incentive Award | Restricted | (1) |
| 12/29/2023 | Issuance | 30,000 | Common Stock | \$0.11 | No | Matthew Hoffman | Incentive Award | Restricted | (1) |
| 12/29/2023 | Issuance | 30,000 | Common Stock | \$0.11 | No | Darrel B Fruit | Incentive Award | Restricted | (1) |
| 7/08/2024 | Issuance | 100,000 | Common Stock | \$0.10 | No | Linda Smith | Incentive Award | Restricted | (1) |
| 7/08/2024 | Issuance | 100,000 | Common Stock | \$0.10 | No | Angela Fenton | Incentive Award | Restricted | (1) |
| 7/31/2024 | Cancellation | 30,000 | Common Stock | \$0.11 | No | Mark Day | Award Forfeiture | N/A | (1) |
| 7/31/2024 | Cancellation | 30,000 | Common Stock | \$0.11 | No | Matthew Hoffman | Award Forfeiture | N/A | (1) |
| 7/31/2024 | Cancellation | 30,000 | Common Stock | \$0.11 | No | Darrel B Fruit | Award Forfeiture | N/A | (1) |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| | | <u>Ending</u> | | | | | | | |
| <u>Balance:</u> | | | | | | | | | |
| Date: 09/30/2025 | Common: 53,939,393 | | | | | | | | |
| | | Preferred: 0 | | | | | | | |

(1) Exempt pursuant to Section 4(a)(2) of the Securities Act of 1933.

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

| Date of Note Issuance | Principal Amount at Issuance (\$) | Outstanding Balance (\$) | Maturity Date | Conversion Terms (e.g., pricing mechanism for determining conversion of | # Shares Converted to Date | # of Potential Shares to be Issued | Name of Noteholder (entities must have individual with voting / investment | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|-----------------------------------|--------------------------|---------------|---|----------------------------|------------------------------------|--|--|
|-----------------------|-----------------------------------|--------------------------|---------------|---|----------------------------|------------------------------------|--|--|

| | | (include accrued interest) | | instrument to shares) | | Upon Conversion ⁶ | control disclosed). | |
|--|--|----------------------------|--|-----------------------|--|------------------------------|---------------------|--|
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| | | | | | | | | |

Total Outstanding Total Shares:
Balance:

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. Ensure that these descriptions are updated on the Company’s Profile on www.OTCMarkets.com.

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

The Issuer manufactures specialized liquid and solid chemicals used primarily in the oil and gas industry and high-tech specialized protective coatings for oil and gas and other industrial applications. The Issuer also has products under development using enzyme technologies for animal feed supplements, organic fertilizers, and odor solutions. The Issuer is headquartered in Edmond, Oklahoma.

B. List any subsidiaries, parent company, or affiliated companies.

The issuer has the following wholly-owned subsidiaries:
 (1) Enduro-Tech Energy Services, Inc. (formerly Energy and Environmental Services, Inc.)
 (2) Enduro-Bond Manufacturing Company, LLC
 (3) EcoZyme System Technologies, LLC

C. Describe the issuers’ principal products or services.

The Issuer manufactures specialized liquid and solid chemicals used primarily in the oil and gas industry and high-tech specialized protective coatings for oil and gas and other industrial applications. We also have products under development using enzyme technologies for animal feed supplements, organic fertilizers, and odor solutions. Our products and services are more fully described in the Annual Report for the year ended December 31, 2024.

5) Issuer’s Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

⁶ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any “blockers” or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Issuer conducts its operations in 7 facilities in Oklahoma and Texas. Its research and development lab and organic fertilizer plant is a 7,000 square foot building located at 6300 Boucher Drive, Edmond, Oklahoma, where it cultivates the enzymes and probiotics used on its microbial product lines and ag products. Its oilfield chemical plant is housed in a 27,500-square foot building located at 6701 Boucher Drive, Edmond, Oklahoma. Its Enduro-Bond® coating operations are mostly done in a 30,000-square foot facility located at 1728 Frisco Avenue in Chickasha, Oklahoma. The Issuer owns these buildings as well as an 80,000-square foot chemical warehouse in Snyder, Texas, and a 2-acre lot on Boucher Drive, Edmond, Oklahoma. It also owns land and a building in Abilene, Texas, which is used for its production chemicals and services.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

| Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity) | Position/Company Affiliation (ex: CEO, ≥ 5% beneficial owner) | City and State (Include Country if outside U.S.) | Number of Shares Owned (List common, preferred, warrants and options separately) | Class of Shares Owned | Percentage of Class of Shares Owned (undiluted) |
|--|---|--|---|-----------------------------|---|
| Gerald Eaton | CEO | Las Vegas, NV | 259,555 | Common | >0.50% |
| Troy Todd | Enduro-Tech Director | Guthrie, OK | 1,350,663 | Common | 2.5% |
| Andrew Schmidt | CFO | Oklahoma City, OK | 0 | N/A | N/A |
| Todd Jelinek | EST Director | Edmond, OK | 1,381,324 | Common | 2.6% |
| Jay Monroe | EMC Director | Choctaw, OK | 991,650 | Common | 1.8% |
| Vicki Smith | Director | Olympia, WA | 0 | N/A | N/A |
| Scott Shaw | Director | Oklahoma City, OK | 1,177,588 | Common | 2.2% |
| Dwyer Durant | Director | Houston, TX | 1,040,243 | Common | 1.9% |
| Ken Hellebuyck | Director of Strategic Planning | Newalla, OK | 70,000 | Common | >0.50% |

| | | | | | |
|---|-----------------------|-------------------|------------|--------|-------|
| Melvin Smith Revocable Trust, Vickie Smith, Trustee | > 5% beneficial owner | Olympia, WA | 13,250,000 | Common | 24.6% |
| Estate of George Shaw | > 5% beneficial owner | Oklahoma City, OK | 2,931,383 | Common | 5.5% |

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

N/A

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

N/A

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

N/A

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

N/A

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

N/A

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Current Securities Counsel

Name: Kayla M. Kuri
Firm: Phillips Murrah, P.C.
Address 1: 424 NW 10th Street, Suite 300
Address 2: Oklahoma City, OK 73103
Phone: 405-235-4100
Email: kmkuri@phillipsmurrah.com

Accountant or Auditor

Name: Leslie G. Pettitt
Firm: Leslie G. Pettitt, PC
Address 1: 4603 N College Ave.
Address 2: Bethany, OK 73008
Phone: 405-833-7458
Email: lgpettitt@hotmail.com

Investor Relations

None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

None

9) Disclosure & Financial Information

- A. This Disclosure Statement was prepared by (name of individual):

Name: Kayla M. Kuri
Title: Securities Counsel
Relationship to Issuer: None

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Leslie G. Pettitt
Title: CPA
Relationship to Issuer: None

Describe the qualifications of the person or persons who prepared the financial statements: Mr. Pettitt is a Certified Public Accountant.

Provide the following qualifying financial statements:

- o Audit letter, if audited;
- o Balance Sheet;
- o Statement of Income;
- o Statement of Cash Flows;
- o Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- o Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Gerald Eaton, certify that:

1. I have reviewed this Disclosure Statement for Energy and Environmental Services, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects

the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/10/2025 (Date)

/s/ Gerald Eaton

Gerald Eaton, CEO

Principal Financial Officer:

I, Andrew Schmidt, certify that:

1. I have reviewed this Disclosure Statement for Energy and Environmental Services, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/10/2025 (Date)

/s/ Andrew Schmidt

Andrew Schmidt, CEO

ENERGY AND ENVIRONMENTAL SERVICES, INC.

FINANCIAL STATEMENTS

Together with Accountants' Compilation Report

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Leslie G. Pettitt, P.C.

Certified Public Accountant

4603 N College Ave

Bethany, Oklahoma 73008

(405) 833-7458 Fax (888) 748-6813

email: lgpettitt@hotmail.com

October 20, 2025

Accountants' Compilation Report

ENERGY AND ENVIRONMENTAL SERVICES, INC.

Board of Directors:

Management is responsible for the accompanying financial statements of Energy and Environmental Services, Inc., which comprise the consolidated balance sheets as of September 30, 2025 and December 31, 2024, and the related consolidated statements of income for the three and nine months ended September 30, 2025 and 2024, the consolidated statements of equity for nine months ended September 30, 2025 and the year ended December 31, 2024, and the consolidated statements of changes in cash flows for the nine months ended September 30, 2025 and 2024, in accordance with principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Leslie G. Pettitt, PC

| ENERGY AND ENVIRONMENTAL SERVICES, INC. | | |
|--|----------------------|----------------------|
| CONSOLIDATED BALANCE SHEETS | | |
| | September 30, | December 31, |
| | <u>2025</u> | <u>2024</u> |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 83,500 | \$ 656,300 |
| Restricted cash | 211,300 | 553,600 |
| Accounts receivable - trade (net of reserve for bad debts of \$25,000 and \$60,700 as of September 30, 2025 and December 31, 2024, respectively) | 1,104,300 | 1,883,900 |
| Accounts receivable - related parties | - | - |
| Notes receivable | 417,700 | - |
| Inventory | 3,434,400 | 4,686,600 |
| Deferred tax assets | 1,824,300 | 1,824,300 |
| Prepaid expenses and other current assets | 497,200 | 370,700 |
| Total current assets | 7,572,700 | 9,975,400 |
| Property, plant and equipment (net of accumulated depreciation of \$4,380,300 and \$6,276,000 at September 30, 2025 and December 31, 2024, respectively) | 3,150,400 | 4,538,300 |
| Equity investments | 55,100 | 54,800 |
| Goodwill | 155,700 | 886,100 |
| Total assets | \$ 10,719,700 | \$ 15,454,600 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 715,700 | \$ 1,333,600 |
| Short-term borrowings | 897,600 | 1,719,700 |
| Other current liabilities | 1,200 | 500 |
| Notes payable - related parties | 76,200 | 79,000 |
| Deferred tax liabilities | 811,800 | 811,800 |
| Current portion of long-term debt | 1,064,700 | 937,200 |
| Current portion of financial lease obligations | 56,500 | 60,000 |
| Other taxes | 4,900 | 60,600 |
| Total current liabilities | 3,628,600 | 5,002,400 |
| Long-term notes - less current portion | 54,500 | 1,502,600 |
| Financial lease obligations - less current portion | 158,900 | 115,300 |
| Shareholders' Equity | | |
| Preferred stock, \$0.00001 par value, 20,000,000 shares authorized, no shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively | - | - |
| Common stock, \$0.00001 par value, 100,000,000 shares authorized 53,939,393 and 53,939,393 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively | 500 | 500 |
| Additional paid in capital | 1,943,200 | 1,943,200 |
| Retained earnings | 4,934,000 | 6,890,600 |
| Total Shareholder's Equity | 6,877,700 | 8,834,300 |
| Total Liabilities and Shareholders' Equity | \$ 10,719,700 | \$ 15,454,600 |

See Accountants' Compilation Report

ENERGY AND ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | September 30, | September 30, | September 30, | September 30, |
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Sales revenues | \$ 2,075,500 | \$ (120,200) | \$ 6,623,400 | \$ 5,190,500 |
| Cost of goods sold | 784,000 | 421,500 | 2,510,000 | 2,688,300 |
| Gross profit | 1,291,500 | (541,700) | 4,113,400 | 2,502,200 |
| Operating expenses | | | | |
| Selling general and administrative expenses | 1,159,300 | 56,300 | 3,482,400 | 2,441,000 |
| Depreciation and amortization | 116,300 | (93,500) | 316,000 | 246,400 |
| Total operating expenses | 1,275,600 | (37,200) | 3,798,400 | 2,687,400 |
| (Loss) Income from operations | 15,900 | (504,500) | 315,000 | (185,200) |
| Other income (expense) | | | | |
| Other revenues | 7,800 | 7,600 | 12,100 | 39,300 |
| Other expense | 8,600 | - | 18,100 | - |
| Gain(loss) on sale of assets | - | - | 10,600 | 1,800 |
| Interest and finance costs | (38,600) | (3,600) | (202,900) | (207,300) |
| (Loss) income from continuing operations before income tax | (6,300) | (500,500) | 152,900 | (351,400) |
| Benefit from income tax | | | | |
| Current income tax benefit | - | - | - | - |
| Deferred income tax benefit | - | - | - | - |
| | - | - | - | - |
| Net (loss) income from continuing operations | (6,300) | (500,500) | 152,900 | (351,400) |
| Discontinued operations: | | | | |
| Loss from discontinued operations (including loss on disposal of \$ 1,565,500 in 2025) before income taxes | \$ (752,200) | \$ (134,000) | (2,109,500) | \$ (624,400) |
| Income Taxes | - | - | - | - |
| Loss from discontinued operations | (752,200) | (134,000) | (2,109,500) | (624,400) |
| Net loss | <u>\$ (758,500)</u> | <u>\$ (634,500)</u> | <u>\$ (1,956,600)</u> | <u>\$ (975,800)</u> |
| (Loss) Income from continuing operations per share | <u>\$ -</u> | <u>\$ (0.01)</u> | <u>\$ -</u> | <u>\$ (0.01)</u> |
| Loss from discontinued operations per share | <u>\$ (0.01)</u> | <u>\$ -</u> | <u>\$ (0.04)</u> | <u>\$ (0.01)</u> |
| Loss per share | <u>\$ (0.01)</u> | <u>\$ (0.01)</u> | <u>\$ (0.04)</u> | <u>\$ (0.02)</u> |
| Weighted average shares outstanding, | | | | |
| basic and diluted | <u>53,939,393</u> | <u>54,012,002</u> | <u>53,939,393</u> | <u>53,890,707</u> |

See Accountants' Compilation Report

| ENERGY AND ENVIRONMENTAL SERVICES, INC. | | | |
|--|---|--------------------|--------------------|
| CONSOLIDATED STATEMENTS OF CASH FLOWS | | | |
| FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 | | | |
| | | <u>2025</u> | <u>2024</u> |
| Cash flows from operating activities | | | |
| | Net (loss) Income | \$ (1,956,600) | \$ (975,800) |
| | Adjustments to reconcile net loss to net cash used in operating activities | | |
| | Depreciation and amortization | 517,200 | 809,400 |
| | Allowance for bad debts | - | - |
| | Loss on sale of assets | (10,600) | - |
| | Loss on sale of discontinued operations | 1,565,500 | - |
| | Goodwill impairment | - | - |
| | Payroll protection loan forgiveness | - | - |
| | Stock based compensation | 5,000 | 15,000 |
| | Earnings from equity method investment | (300) | (4,300) |
| | Net changes in current assets and liabilities | | |
| | Restricted cash | 257,100 | 48,100 |
| | Accounts Receivable | (341,700) | 24,000 |
| | Notes Receivable | 37,050 | - |
| | Inventory | 163,200 | 469,900 |
| | Prepaid expenses and other current assets | (170,200) | (131,000) |
| | Accounts payable | 395,600 | (129,800) |
| | Short-term borrowings | (599,600) | (39,800) |
| | Other current liabilities | 700 | (900) |
| | Other taxes | (46,600) | (45,500) |
| | Net cash (used in) provided by operations | (184,250) | 39,300 |
| Cash flows from investing activities | | | |
| | Sale of property, plant and equipment | 120,800 | 1,800 |
| | Purchases of property, plant and equipment | (241,000) | (60,700) |
| | Sale of discontinued operations | 484,250 | - |
| | Net cash provided by (used in) investing activities | 364,050 | (58,900) |
| Cash flows from financing activities | | | |
| | Payments on notes payable | (815,800) | (453,500) |
| | Payments on lease obligations | (85,800) | (55,800) |
| | Advance on lease obligations | 149,000 | - |
| | Net cash used in financing activities | (752,600) | (509,300) |
| | Net decrease in cash | (572,800) | (528,900) |
| | Cash and cash equivalents, beginning of period | 656,300 | 875,800 |
| | Cash and cash equivalents, end of period | \$ 83,500 | \$ 346,900 |

See Accountants' Compilation Report

ENERGY AND ENVIRONMENTAL SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

1. NATURE OF OPERATIONS

Energy and Environmental Services, Inc. (the “Company”) was originally incorporated as Energas Resources, Inc. in 1989 in British Columbia, Canada, as a public company listed on the Vancouver Stock Exchange. In 2001, the Company registered as a Delaware corporation becoming a United States domestic corporation. In 2002, its registration statement filed with the Securities and Exchange Commission became effective and its stock was traded on the Over-the-Counter Bulletin Board market. On November 1, 2011, the Company voluntarily delisted from the Over-the-Counter Bulletin Board market and qualified its shares to trade on the OTC pink current information market.

On January 25, 2012, the name of the Company was changed to Enerlabs, Inc. On March 23, 2015, the Company redomiciled the company from Delaware and registered as a Colorado corporation. On October 24, 2016, the Company signed a share exchange with Melvin Smith, the sole shareholder of Energy & Environmental Services, Inc. (“EES”), in which Smith exchanged his EES shares for 32 million shares of the Company. EES became the operating subsidiary of Enerlabs. On December 5, 2016, the name of the Company was changed to Energy and Environmental Services, Inc.

The Company, headquartered in Oklahoma City, manufactures specialized liquid and solid chemicals used primarily in the oil and gas industry and high-tech specialized protective coatings for oil and gas and other industrial applications. The Company’s operations are maintained and occur through its wholly-owned subsidiaries: Enduro-Tech Energy Services, Inc. (formerly Energy and Environmental Services, Inc.) (“Enduro-Tech”), Enduro-Bond Manufacturing Company, LLC (“EMC”), EcoZyme System Technologies, LLC (“EST”), and Patriot Chemicals & Services, LLC (“Patriot”). Enduro-Tech, EMC, EST, and Patriot were formed in the state of Oklahoma.

On April 24, 2025, a membership purchase agreement was completed that transferred the ownership of Patriot to American Well Technology Holdings, LLC (“AWTH”) with the effective date of April 30, 2025. See Note 3, Sale of Patriot.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation - The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Enduro-Tech, EMC, EST, and Patriot. All significant inter-company items have been eliminated in consolidation.

Use of estimates in the preparation of financial statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues

and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Company considers all highly liquid debt instruments purchased with a maturity period of three months or less to be cash equivalents. The carrying amounts reported in the accompanying consolidated balance sheets for cash and cash equivalents approximate their fair value.

Restricted Cash – The Company has a cash reserve account that is held as a loss reserve for factored accounts receivable. As factored receivables are collected the reserve is adjusted and amounts are moved to the Company’s operating account. Repurchases of recourse receivables are also through this reserve account.

Accounts Receivable – Management periodically assesses the collectability of the Company’s accounts receivable and notes receivable. Accounts determined to be uncollectible are charged to operations when that determination is made.

Inventories – Inventories are stated at the lower of cost or market. Cost is determined using the weighted average method.

Cost of inventories comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion of inventories include fixed and variable production overheads, taking into account the stage of completion.

Intangible Assets and Amortization – Intangible assets represent software and closing costs acquired or paid by the Company and are stated at cost less amortization and impairment, if any. Amortization of software is calculated on the straight-line method, based on the period over which the software is licensed. Amortization of closing cost are amortized over the length of the mortgage loan starting at closing.

Goodwill - Goodwill represents the excess of cost over fair value of assets acquired. Goodwill is not subject to amortization but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired, as required by ASC Topic 350, “Intangibles - Goodwill and Other”.

Revenue recognition - Revenue from the sale of goods and services is recognized on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed and services have been rendered.

Long-lived assets - The Company reviews its long-lived assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using estimated undiscounted net cash flows to be generated by the asset.

Property, Plant and Equipment - Equipment is recorded at cost and depreciated on the straight-line basis over the following periods:

| | |
|--------------------|-----------|
| Computer equipment | 3-5 years |
| Trucks | 5 years |

| | |
|----------------------------|------------|
| Office equipment | 5-7 years |
| Buildings and improvements | 7-39 years |

Earnings per share - Basic net income (loss) per common share is computed by dividing net earnings (loss) applicable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options. In periods where losses are reported, the weighted average number of common shares outstanding excludes common stock equivalents, because their exclusion would be anti-dilutive.

Stock-based compensation - The Company accounts for stock-based compensation under the provisions of the Financial Accounting Standards Board (the “FASB”) Accounting Standards Codification (“ASC”) — 718 Compensation — Stock Compensation. The guidance under ASC 718 requires companies to estimate the fair value of the stock-based compensation awards on the date of grant for employees and directors and record expense over the related service periods, which are generally the vesting period of the equity awards. Awards for consultants are accounted for under ASC 505-50 — Equity Based Payments to Non-Employees. Compensation expense is recognized over the period during which services are rendered by such consultants and non-employees until completed. At the end of each financial reporting period prior to completion of the service, the fair value of these awards is remeasured using the then-current fair value of the Company’s common stock.

Concentration of credit risk – The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

Trade receivables consist of uncollateralized customer obligations due under normal trade terms. Management has established a reserve for doubtful accounts of \$25,000 based on trade receivables that may not be fully collectible at September 30, 2025.

Financial Instruments – The carrying value of current assets and liabilities reasonably approximates their fair value due to their short maturity periods.

Income taxes - The Company accounts for income taxes in accordance with the provisions of ASC 740, “Income Taxes” (“ASC 740”), on a tax jurisdictional basis. Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of reported assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company must then assess the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company’s policy is to classify the penalties and interest associated with uncertain tax positions, if required, as a component of its income tax provision.

Retirement Benefit Costs – The Company maintains defined contribution 401(k) retirement plans in two subsidiaries Enduro-Tech and EMC.

For the nine months ended September 30, 2025 and 2024, there was pension cost charged to the statements of income under the plans of \$26,000 and \$51,900, respectively.

Reclassifications – Certain prior period amounts have been reclassified to conform to current period presentation.

New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which requires public entities to provide disclosure of disaggregated information in the entity’s tax rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures, which requires additional disclosure of certain costs and expenses within the notes to the financial statements. The new standard is effective for annual periods beginning after December 15, 2026 and interim periods beginning in the first quarter of fiscal year 2028. Early adoption is permitted. The new standard is to be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

3. SALE OF PATRIOT

In February 2025 the Company entered negotiations with American Well Technology Holdings, LLC (“AWTH”) to sell Patriot. On April 24, 2025, a membership purchase agreement was completed that transferred the ownership of Patriot to AWTH as of April 30, 2025 with the purchase price of \$686,750 along with the assumption of debt and capital leases in the amount of \$530,600. \$387,000 of the cash purchase price was paid at April 30, 2025 with the remaining balance to be paid in eleven installments of \$27,250.

Per the requirements in ASC 205-20, “Discontinued Operations” Patriot’s profit or loss is included in Loss from Discontinued Operations. The loss on disposal of Patriot in the amount of \$1,565,500 is included in Loss from discontinued operations in the income statement.

Major classes of line items constituting pretax profit (loss) of discontinued operations for the nine months ended September 30, 2025 and 2024:

| | September 30, 2025 | September 30, 2024 |
|--------------------|-----------------------------------|-----------------------------------|
| Revenue | \$ 848,600 | \$ 3,783,700 |
| Cost of goods sold | (416,600) | (966,100) |

| | | |
|---|-----------------------|---------------------|
| Selling, general and administrative | (710,400) | (1,548,200) |
| Depreciation and amortization | (201,200) | (386,400) |
| Other revenues | - | 36,100 |
| Other expenses | (11,200) | - |
| Loss on sale of assets | (20,300) | - |
| Loss on disposal of discontinued operations | (1,565,500) | - |
| Interest and finance costs | <u>(32,900)</u> | <u>(100,100)</u> |
| Pretax loss of discontinued operations related to major classes of pretax profit (loss) | (2,109,500) | (280,500) |
| Income tax benefit | - | - |
| Total loss on discontinued operations | <u>\$ (2,109,500)</u> | <u>\$ (280,500)</u> |

4. INVENTORY

ASC 330-10-35, "Adjustments to Lower of Cost or Market", requires the Company to reduce the carrying value of inventory when there is evidence that the utility of goods will be less than cost, whether due to physical deterioration, obsolescence, changes in price levels or other causes.

As of September 30, 2025 and December 31, 2024, inventory consisted of the following:

| | September 30, 2025 | December 31, 2024 |
|-----------------|-----------------------------------|------------------------------|
| At cost: | | |
| Raw materials | \$ 3,140,000 | \$ 3,817,000 |
| Finished goods | <u>294,400</u> | <u>869,600</u> |
| | <u>\$ 3,434,400</u> | <u>\$ 4,686,600</u> |

5. PROPERTY, PLANT AND EQUIPMENT

As of September 30, 2025 and December 31, 2024, property, plant and equipment, stated at cost less accumulated depreciation, consisted of the following:

| | September 30, 2025 | December 31, 2024 |
|--------------|-------------------------------|------------------------------|
| Buildings | \$ 2,061,600 | 2,061,600 |
| Improvements | 1,260,100 | 1,320,600 |

| | | |
|---------------------------------------|---------------------|---------------------|
| Equipment | 2,201,100 | 3,440,100 |
| Vehicles and transportation equipment | 1,597,600 | 3,581,700 |
| Furniture and fixtures | 254,000 | 254,000 |
| Software and closing costs | 156,300 | 156,300 |
| | <u>7,530,700</u> | <u>10,814,300</u> |
| Less: Accumulated depreciation | (4,380,300) | (6,276,000) |
| | <u>\$ 3,150,400</u> | <u>\$ 4,538,300</u> |

6. SHORT-TERM BORROWINGS

The Company has entered into an accounts receivable factoring agreement with recourse where certain accounts receivable invoices are purchased subject to a .191% fixed service charge plus a .041% daily fee on the outstanding funded balance. There is also a reserve account (restricted cash, see note 2) to provide security for the Company's repurchase obligations.

| | September 30, 2025 | December 3 1, 2024 |
|-------------------------|-----------------------------------|-----------------------------------|
| Short-term borrowing | \$ 897,600 | 1,719,700 |
| Restricted cash reserve | \$ 211,300 | 553,600 |

7. LONG-TERM NOTES - LESS CURRENT PORTION

| | September 30, 2025 | December 31 , 2024 |
|--|-----------------------------------|-----------------------------------|
| Bank loan dated August 12, 2019 due July 12, 2025 with an interest rate of 6.5% | \$ - | \$ 553,400 |
| Bank loan dated 8/27/20, due December 27, 2025 with an interest rate of 6.0% | 954,200 | 1,041,800 |
| Vehicle loan dated December 10, 2021, due December 10, 2026 with an interest rate of 4.54% | 17,800 | 28,900 |
| Vehicle loan dated January 24, 2022, due February 10, 2027 with an interest rate of 4.99% | 17,500 | 26,900 |
| Vehicle loan dated May 11, 2022, due May 25, 2027 with an interest rate of 4.94% | 28,600 | 40,700 |

| | | |
|---|--------|---------|
| Vehicle loan dated June 27, 2022, due June 30, 2026 with an interest rate of 7.94% | 13,900 | 25,600 |
| Vehicle loan dated June 18, 2022, due July 2, 2027 with an interest rate of 4.99% | 28,400 | 39,200 |
| Note payable dated February 28, 2022 due February 29, 2025 with no interest | - | 900 |
| Vehicle loan dated July 26, 2022, due August 26, 2027 with an interest rate of 4.99% | 22,900 | 40,900 |
| Vehicle loan dated February 10, 2023, due February 27, 2028 with an interest rate of 7.89% | 35,900 | 45,700 |
| Vehicle loan dated September 25, 2021, due September 25, 2026 with an interest rate of 4.5% | - | 25,100 |
| Vehicle loan dated September 25, 2021, due September 25, 2026 with an interest rate of 4.5% | - | 20,800 |
| Vehicle loan dated September 25, 2021, due September 25, 2026 with an interest rate of 4.5% | - | 21,300 |
| Vehicle loan dated October 29, 2021, due October 29, 2026 with an interest rate of 4.54% | - | 27,400 |
| Vehicle loan dated December 23, 2021, due December 23, 2026 with an interest rate of 4.54% | - | 30,500 |
| Vehicle loan dated January 4, 2022, due February 4, 2027 with an interest rate of 4.94% | - | 27,400 |
| Vehicle loan dated February 21, 202, due March 21, 2027 with an interest rate of 4.94% | - | 33,300 |
| Vehicle loan dated March 15, 2025, due April 15, 2027 with an interest rate of 4.94% | - | 32,700 |
| Vehicle loan dated June 17, 2022, due July 1, 2027 with an interest rate of 6.74% | - | 41,800 |
| Vehicle loan dated July 26, 2022, due August 26, 2027 with an interest rate of 4.99% | - | 29,800 |
| Vehicle loan dated July 26, 2022, due August 26, 2027 with an interest rate of 4.99% | - | 30,200 |
| Vehicle loan dated July 26, 2022, due August 30, 2029 with an interest rate of 7.5% | - | 112,700 |

| | | |
|---|------------------|---------------------|
| Vehicle loan dated November 5, 2022, due December 20, 2026 with an interest rate of 6.69% | - | 38,700 |
| Vehicle loan dated November 22, 2022 due January 6, 2027 with an interest rate of 8.19% | - | 30,400 |
| Vehicle loan dated December 23, 2022, due December 23, 2029 with an interest rate of 9.5% | - | 27,400 |
| Vehicle loan dated December 30, 2022, due December 30, 2026 with an interest rate of 9.5% | - | 66,300 |
| | 1,119,200 | 2,439,800 |
| Less current portion of notes payable | (1,064,700) | (937,200) |
| | <u>\$ 54,500</u> | <u>\$ 1,502,600</u> |

8. SHARE-BASED PAYMENT AWARDS

The Company's board of directors and shareholders approved the EES 2018 Equity Incentive Plan in June 2018 (the "2018 Plan"), which authorized the issuance of up to 5,000,000 shares of the Company's common stock. There were 2,429,750 shares available for future issuance under the 2018 Plan as of September 30, 2025.

| Restricted Stock Awards | Number of Shares |
|-----------------------------------|------------------|
| Unvested as of December 31, 2024 | 50,000 |
| Issued | - |
| Vested | 50,000 |
| Forfeited/Cancelled | - |
| Unvested as of September 30, 2025 | <u>-</u> |

The weighted average grant date value of the restricted stock award issued was \$nil and \$nil during the period ended September 30, 2025 and 2024, respectively. The fair value of the restricted stock awards vested during the nine months ended September 30, 2025 and 2024, was \$nil and \$nil, respectively.

9. EARNINGS PER SHARE

Accounting guidance requires a reconciliation of the numerator and denominator of the basic and diluted earnings per share (EPS) computations. The following reconciles the components of the EPS computation for the three months ended September 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|-------------|--------------|
| Basic and Diluted income (loss) per share computation | | |
| Numerator: | | |
| Net loss from continuing operations | \$ (6,300) | \$ (500,500) |
| Loss from discontinued operations | (752,200) | (134,000) |
| Net loss | (758,500) | (634,500) |
| Denominator: | | |
| Weighted average common shares outstanding | 53,939,393 | 54,012,002 |
| Net loss from continuing operations per share | \$ - | \$ (0.01) |
| Loss from discontinued operations per share | \$ (0.01) | \$ - |
| Net Loss per share | \$ (0.01) | \$ (0.01) |

The following reconciles the components of the EPS computation for the nine months ended September 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|-------------|--------------|
| Basic and Diluted income (loss) per share computation | | |
| Numerator: | | |
| Net Income (loss) from continuing operations | \$ 159,900 | \$ (351,400) |
| Loss from discontinued operations | (2,109,500) | (624,400) |
| Net Loss | (1,956,600) | (975,800) |
| Denominator: | | |
| Weighted average common shares outstanding | 53,939,393 | 53,890,707 |
| Income (loss) from continuing operations per share | \$ - | \$ (0.01) |
| Loss from discontinued operations per share | \$ (0.04) | \$ (0.01) |
| (Loss) Income per share | \$ (0.04) | \$ (0.02) |

10. FINANCIAL LEASES

| | September 30, 2025 | December 3 1, 2024 |
|--|-----------------------------------|-----------------------------------|
| Vehicle leases with terms of 30 to 36 months | \$ 215,400 | \$ 175,300 |
| Less current portion | (56,500) | (60,000) |
| | <u>\$ 158,900</u> | <u>\$ 115,300</u> |

11. OPERATING LEASES

The Company leases various office and warehouse space under month-to-month leases. Total rent expenses for the nine months ended September 30, 2025 and 2024, were \$56,800 and \$111,700, respectively.

12. CONTINGENCIES

In the normal course of its operations, the Company may, from time to time, be named in legal actions seeking monetary damages. While the outcome of these matters cannot be estimated with certainty, management does not expect, based upon consultation with legal counsel, that they will have a material effect.