

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Mogul Energy International, Inc.**

3400 NW 74th Ave.  
Miami, FL 33122  
305-503-2553  
[info@floridabeauty.us](mailto:info@floridabeauty.us)  
SIC 4214

## **Annual Report**

**For the period ending December 31, 2022 (the “Reporting Period”)**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

428,547,203 as of March 17, 2023

398,547,203 as of December 31, 2022

40,537,203 as of December 31, 2021

### **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 Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☒ No: ☐

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<sup>1</sup> “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 any names used by predecessor entities, along with the dates of the name changes.

Mogul Energy International, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware – July 25, 2005 - Active

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

None

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

On November 18, 2022, Mogul Energy acquired the "FLORA" group of companies (Florida Beauty Flora, Inc, Florida Beauty Express, Inc, Floral Logistics of California, Inc. and Tempest Transportation, Inc.). FLORA provides refrigerated trucking and logistics services to companies in floral, plant, food, and other industries that require specialization in time-sensitive, temperature control segments of the supply chain.

The address(es) of the issuer's principal executive office:

3400 NW 74th Ave.  
Miami, FL 33122

The address(es) 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: Pacific Stock Transfer  
Phone: 702-361-3033 Ext 109  
Email: awalker@pacificstocktransfer.com  
Address: 6725 Via Austi Pkwy, Suite 300 Las Vegas, Nevada 89119

**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:	MGUY	
Exact title and class of securities outstanding:	Common	
CUSIP:	60801P307	
Par or stated value:	\$0.0001	
Total shares authorized:	750,000,000	as of date: December 31, 2022
Total shares outstanding:	398,547,203	as of date: December 31, 2022
Total number of shareholders of record:	44	as of date: December 31, 2022

*All additional class(es) of publicly quoted or traded securities (if any):* None

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____
Total number of shareholders of record:	_____	as of date: _____

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____
Total number of shareholders of record:	_____	as of date: _____

**Other classes of authorized or outstanding equity securities:**

*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). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of securities outstanding:	<b>Series A Preferred Stock</b>	
CUSIP:	N/A	
Par or stated value:	\$0.0001	
Total shares authorized:	49,689,001	as of date: December 31, 2022
Total shares outstanding:	0	as of date: December 31, 2022
Total number of shareholders of record:	0	as of date: December 31, 2022

Exact title and class of the security:	<b>Series B Preferred Stock</b>	
CUSIP (if applicable):	N/A	
Par or stated value:	\$0.0001	
Total shares authorized:	10,000	as of date: December 31, 2022
Total shares outstanding (if applicable):	10,000	as of date: December 31, 2022
Total number of shareholders of record (if applicable):	4	as of date: December 31, 2022

Exact title and class of the security:	<b>Series C Preferred Stock</b>
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001

Total shares authorized:	300,000	<u>as of date: December 31, 2022</u>
Total shares outstanding (if applicable):	300,000	<u>as of date: December 31, 2022</u>
Total number of shareholders of record (if applicable):	<u>1</u>	<u>as of date: December 31, 2022</u>

### **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.**

Holders of shares of common stock have the right to vote on matters brought before the shareholders as required by law, right to receive dividends as determined by the board of directors, and no pre-emptive rights.

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

Series A: The holders of the Series A Preferred Stock have voting rights equal to 5 shares of common stock and are convertible into 5 shares of common stock

Series B: The holders of the Series B Preferred Stock shall be entitled to any dividend that is payable to the holders of the Corporation's Common Stock. On any matter presented to the shareholders of the Corporation for their action or consideration at any meeting of shareholders of the Corporation (or by written consent of shareholders in lieu of meeting), each holder of outstanding shares of Series B Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock held by such holder are convertible. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.1% of the total number of shares of Common Stock outstanding at the Conversion Time.

Series C: The holders of the Series C Preferred Stock shall be entitled to any dividend that is payable to the holders of the Corporation's Common Stock. Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) that have a Fair Market Value, in the aggregate, equal to the Series C Conversion Price. The "Series C Conversion Price" shall initially be equal to \$1.00. Such initial Series C Conversion Price, and the rate at which shares of Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment. "Fair Market Value" shall mean the average closing price of a share of Common Stock on the principal exchange or market on which such shares are then trading for the 20 trading days immediately preceding such date.

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

None

**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

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 as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>12/31/20</u> Common: <u>40,537,203</u> Preferred: <u>0</u>									
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.
<u>12/15/21</u>	<u>New</u>	<u>10,000,000</u>	<u>Pref A</u>	<u>\$0.001</u>	<u>No</u>	<u>Caren Currier</u>	<u>Management</u>	<u>Restricted</u>	<u>4(a)(1)</u>
<u>3/24/22</u>	<u>New</u>	<u>4,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Angelo Duca &amp; Brian Fabian JT</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
<u>4/25/22</u>	<u>New</u>	<u>4,048,000</u>	<u>Common</u>	<u>\$0.020</u>	<u>No</u>	<u>Timothy J. Turner</u>	<u>Compensation</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
<u>11/22/22</u>	<u>New</u>	<u>57,750,000</u>	<u>Common</u>	<u>N/A</u>	<u>No</u>	<u>Ralph Milman</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>57,750,000</u>	<u>Common</u>	<u>N/A</u>	<u>No</u>	<u>Ephrat Afek</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>113,750,000</u>	<u>Common</u>	<u>N/A</u>	<u>No</u>	<u>Lance Quartieri</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>120,750,000</u>	<u>Common</u>	<u>N/A</u>	<u>No</u>	<u>Ronen Koubi &amp; Beatrice Koubi - JTWROS</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>Cancellation</u>	<u>10,000,000</u>	<u>Series A Preferred</u>	<u>N/A</u>	<u>No</u>	<u>THE MINDS EYE TRUST, Steve Seigel</u>	<u>Exchange for Series C</u>	<u>N/A</u>	<u>N/A</u>
<u>11/22/22</u>	<u>New</u>	<u>300,000</u>	<u>Series C Preferred</u>	<u>N/A</u>	<u>No</u>	<u>THE MINDS EYE TRUST, Steve Seigel</u>	<u>Exchange for Series A</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>1,650</u>	<u>Series B Preferred</u>	<u>N/A</u>	<u>No</u>	<u>Ephrat Afek</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>3,450</u>	<u>Series B Preferred</u>	<u>N/A</u>	<u>No</u>	<u>Ronen Koubi &amp; Beatrice Koubi JTWROS</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>

<u>11/22/22</u>	<u>New</u>	<u>1,650</u>	<u>Series B Preferred</u>	<u>N/A</u>	<u>No</u>	<u>Ralph Milman</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/22/22</u>	<u>New</u>	<u>3,250</u>	<u>Series B Preferred</u>	<u>N/A</u>	<u>No</u>	<u>Lance Quartieri</u>	<u>Exchange/Flora Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>12/31/22</u>	<u>Correction</u>	<u>(38,000)<sup>2</sup></u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Pacific Stock Transfer (Joslyn Claiborn)</u>	<u>Prior Period Adjustment to correct TA error</u>	<u>Restricted</u>	<u>4(a)(2)</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
<u>Ending Balance:</u>									
Date <u>12/31/22</u> Common: <u>398,547,203</u>									
Preferred:									
<u>Series A: 0</u>									
<u>Series B: 10,000</u>									
<u>Series C: 300,000</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

<sup>2</sup> Discrepancy related to fractional share issuance from prior reverse split. This is being reconciled with the transfer agent and the report will be amended as needed.

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>4/20/15</u>	<u>\$210,000</u>	<u>\$210,000</u>	<u>0</u>	<u>On Demand</u>	Note Holder may convert any portion of the principal amount plus the accrued and unpaid interest hereon, into fully paid and nonassessable shares of Company's Common Stock based on a conversion price of \$0.0000 l. Whereas, the Company and Note Holder Intend to limit the Note Holder upon any conversion to holding in excess 9.99% of the total	<u>Angelo Duca &amp; Brian Fabian JT</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

On November 18, 2022, Mogul Energy acquired the "FLORA" group of companies (Florida Beauty Flora, Inc, Florida Beauty Express, Inc, Floral Logistics of California, Inc. and Tempest Transportation, Inc.). FLORA provides refrigerated trucking and logistics services to companies in floral, plant, food, and other industries that require specialization in time-sensitive, temperature control segments of the supply chain. From the date of acquisition through December 31, 2022, MGUY, through the acquired FLORA companies had revenue of approximately \$5,637,281.

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

Florida Beauty Flora, Inc, Florida Beauty Express, Inc, Floral Logistics of California, Inc. and Tempest Transportation, Inc

- C. Describe the issuers' principal products or services.

The Company through its subsidiaries provides refrigerated trucking and logistics services to companies in floral, plant, food, and other industries that require specialization in time-sensitive, temperature control segments of the supply chain.

## 5) Issuer's Facilities

The goal of this section is to provide a potential investor 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.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company leases a 60,000 square foot facility at 3400 NW 74th Ave., Miami, FL 33122 for its operations. The company has 4 years remaining on 5 year lease at \$70,000 per month.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

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 an investor 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 shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Ronen Koubi</u>	<u>CEO/Director</u>	<u>Miami, FL</u>	<u>120,750,000</u>	<u>common shares</u>	<u>28%</u>	<u>Owned as Joint Tenants with Right of Survivorship</u>
			<u>3.450</u>	<u>Series B Preferred Shares</u>		

					34.5%	<u>with Beatrice Koubi</u>
<u>Ephrat Afek</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>57,750,000</u>  <u>1,650</u>	<u>Common Shares</u>  <u>Series B Preferred Shares</u>	<u>13.5%</u>  <u>16.5%</u>	_____
<u>Ralph Milman</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>57,750,000</u>  <u>1,650</u>	<u>Common Shares</u>  <u>Series B Preferred Shares</u>	<u>13.5%</u>  <u>16.5%</u>	_____
<u>Lance Qaurtieri</u>	<u>5% Holder</u>	<u>Boca Raton, FL</u>	<u>113,750,000</u>  <u>3,250</u>	<u>Common Shares</u>  <u>Series B Preferred</u>	<u>26.5%</u>  <u>32.5%</u>	_____

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. 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, or banking activities;

None

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

None

4. The entry 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.

None

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 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.

Securities Counsel (must include Counsel preparing Attorney Letters).



Name: Jonathan D. Leinwand, P.A.  
Address 1: 18305 Biscayne Blvd., Suite 200  
Address 2: Aventura, FL 33160  
Phone: (954) 903-7856  
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: Robert Hymers  
Firm: Pinnacle Tax Services Inc  
Address 1: 520 S. Grand Ave, Suite 320  
Address 2: Los Angeles, CA 90071  
Phone: 877-224-0217  
Email: info@pinnacletaxandaccounting.com

Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

*All other means of Investor Communication:*

Twitter: \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn: \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ] \_\_\_\_\_

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.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 9) Financial Statements

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

- ☐ IFRS  
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>3</sup>:

Name: Robert Hymers  
Title: Pinnacle Tax Services, Inc  
Relationship to Issuer: Accounting Consultant

Describe the qualifications of the person or persons who prepared the financial statements: **Robert Hymers is an experienced accountant that is the managing partner of Pinnacle Tax Services and has nearly two decades of experience in public accounting and a Master of Science in Taxation and B.S. in Accountancy.**

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

## 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, Ronen Koubi certify that:

1. I have reviewed this Disclosure Statement for Mogul Energy International, 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.

3/21/2023

/s/ Ronen Koubi

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<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

*Principal Financial Officer:*

I, Ronen Koubi certify that:

1. I have reviewed this Disclosure Statement for Mogul Energy International, 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.

3/21/2023

/s/ Ronen Koubi

## **Index to Consolidated Financial Statements**

Consolidated balance sheets as of December 31, 2022 and December 31, 2021 (unaudited)

Consolidated statements of operations as of December 31, 2022 and December 31, 2021 (unaudited)

Consolidated statements of equity for the three years ended December 31, 2022 2021 and 2020 (unaudited)

Consolidated statements of cash flows for the years ended December 31, 2022 and 2021 (unaudited)

Notes to Consolidated Financial Statements (unaudited)

**MOGUL ENERGY INTERNATIONAL INC**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 17,003	\$ -
Accounts Receivable, Net	5,403,007	-
Prepaid Expenses and Other Current Assets	2,865,054	-
Inventory	768,079	-
Total Current Assets	9,053,143	-
<b>OTHER ASSETS:</b>		
Property and Equipment, Net	15,444	-
Right of Use Assets, Net	2,280,395	-
Security Deposits	1,513,433	-
Due from Related Parties	2,332,895	-
Total Other Assets	6,142,167	-
<b>TOTAL ASSETS</b>	<b>\$ 15,195,310</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable and Accrued Expenses	\$ 10,304,601	\$ 6,000
Bank Overdraft	189,702	-
Factor Payable	3,827,032	-
Lease Liabilities, Current Portion	2,912,858	-
Total Current Liabilities	17,234,193	6,000
<b>LONG-TERM LIABILITIES:</b>		
Notes Payable, Less Current Portion	3,977,543	210,000
SBA Loan Payable	2,999,500	-
Lease Liabilities, Less Current Portion	1,758,055	-
Total Long-Term Liabilities	8,735,098	210,000
Total Liabilities	25,969,291	216,000
Commitments and Contingencies	7,305,611	-
<b>SHAREHOLDERS' DEFICIT:</b>		
Common Stock	76,338	40,537
Preferred Stock-Class A	-	1,000
Preferred Stock-Class B	1	-
Preferred Stock-Class C	30	-
Additional Paid-in Capital	7,654,176	7,654,176
Accumulated Other Comprehensive Income	(66,240)	(66,240)
Accumulated Deficit	(25,743,896)	(7,845,473)
Total Shareholders' Deficit	(18,079,591)	(216,000)
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ 15,195,310</b>	<b>\$ -</b>

See accompanying notes to unaudited consolidated financial statements.

**MOGUL ENERGY INTERNATIONAL INC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	December 31, <b>2022</b>	December 31, <b>2021</b>
REVENUES	\$ 5,637,281	\$ -
COST OF SALES	2,551,338	-
GROSS PROFIT	3,085,943	-
OPERATING EXPENSES:		
General and Administrative	1,545,552	28,455
Total Operating Expenses	1,545,552	28,455
PROFIT FROM OPERATIONS	1,540,391	(28,455)
OTHER (EXPENSES) INCOME:		
Other Expenses/income	(7,134)	-
Total Other (Expenses) Income	7,134	-
NET INCOME (LOSS)	\$ 1,547,525	\$ (28,455)
NET INCOME (LOSS) PER COMMON SHARE - BASIC AND DILUTED	\$ 34.75	\$ (0.64)
WEIGHTED AVERAGE COMMON SHARE OUTSTANDING:		
Basic and diluted	44,537	44,537

See accompanying notes to unaudited consolidated financial statements.

**MOGUL ENERGY INTERNATIONAL INC**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**  
**FOR THE THREE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020**  
**(UNAUDITED)**

	Common Stock		Preferred Stock Class A		Preferred Stock Class B		Preferred Stock Class C		Additional	Accumulated		Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in	Other		Deficit	Shareholders'
									Capital	Comprehensive			Deficit
Balance, December 31, 2019	40,537,203	\$ 40,537	-	\$ -	-	\$ -	-	\$ -	\$ 7,641,721	\$ (66,240)	\$	(7,826,018)	\$ (210,000)
Net Loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, December 31, 2020	40,537,203	40,537	-	\$ -	-	\$ -	-	\$ -	\$ 7,641,721	\$ (66,240)	\$	(7,826,018)	\$ (210,000)
Preferred Stock Class A Issued to Management for Services			10,000,000	\$ 10,000					\$ 12,455				\$ 22,455
Preferred Stock Class B Par Value Adjustment				\$ (9,000)							\$	9,000	\$ -
Net Loss												(28,455)	(28,455)
Balance, December 31, 2021	40,537,203	40,537	10,000,000	\$ 1,000	-	\$ -	-	\$ -	\$ 7,654,176	\$ (66,240)	\$	(7,845,473)	\$ (216,000)
Cancellation of Preferred Stock Class A			(10,000,000)	\$ (1,000)									\$ (1,000)
Issuance of Preferred Stock Class B for Acquisition					10,000	\$ 1							\$ 1
Issuance of Preferred Stock Class C for Conversion of Preferred Stock Class A							300,000	\$ 30					\$ 30
Issuance of Common Stock for Acquisition	350,000,000	35,000											\$ 35,000
Issuance of Common Stock for Executive Compensation	4,048,000	405											\$ 405
Issuance of Common Stock for Debt Conversion	4,000,000	400											\$ 400
Prior Period Adjustments	(38,000)	(4)											\$ (4)
Net Effect on Deficit due to Consolidation											\$	(19,445,948)	\$ (19,445,948)
Net Income												1,547,525	1,547,525
Balance, December 31, 2022	398,547,203	\$ 76,338	-	\$ -	10,000	\$ 1	300,000	\$ 30	\$ 7,654,176	\$ (66,240)	\$	(25,743,896)	\$ (18,079,591)

**MOGUL ENERGY INTERNATIONAL INC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	December 31, 2022	December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 1,547,525	\$ (28,455)
Adjustments to reconcile net loss to net cash used in operating activities:		
Current period adjustment to accumulated deficit	(5,060,874)	-
Depreciation and amortization expense	14,666	-
Gain on sale of equipment	(9,289)	-
Loss on impairment of asset	4,737	-
Non-cash effect of current period adjustments to PPE	106,114	-
Non-cash effect of acquisition of lease liabilities	2,361,372	-
Repayment of commitments and contingencies	(515,833)	-
Change in operating assets and liabilities:		
Decrease in accounts receivable	804,863	-
(Increase) decrease in prepaid expenses and other current assets	46,973	-
Increase in inventory	(758,147)	-
(Increase) decrease in non-trade receivable	111,007	-
(Increase) decrease in security deposits	(1,242,534)	-
(Increase) decrease in amount due from related parties	2,643,066	-
Increase (decrease) in accounts payable and accrued liabilities	1,848,362	6,000
Decrease in lease liabilities, current portion	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,902,007	(22,455)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	123,457	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from notes payable	703,841	-
Net repayment of SBA loans	(1,590,900)	-
Increase (decrease) in factor payable	(1,420,545)	-
Additional Paid in Capital	-	12,455
Stock Issuance Preferred Stock	-	10,000
Bank overdrafts	185,640	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(2,121,964)	22,455
NET INCREASE IN CASH	(96,500)	-
CASH, beginning of year	113,503	-
CASH, end of year	\$ 17,003	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Increase (decrease) in right of use asset	\$ -	\$ -
Decrease in lease liability	\$ (2,361,372)	\$ -

See accompanying notes to unaudited consolidated financial statements.



**Mogul Energy International, Inc.**  
**Notes to Financial Statements (unaudited)**  
**December 31, 2022**

**1) Organization and Nature of Business**

Mogul Energy International, Inc. ("the Company") was formed in the state of Delaware on July 25, 2005. The Company was formerly focused on acquiring, developing and operating oil and gas properties in proven producing regions.

On November 18, 2022, Mogul Energy acquired the "FLORA" group of companies (Florida Beauty Flora, Inc, Florida Beauty Express, Inc, Floral Logistics of California, Inc. and Tempest Transportation, Inc.). FLORA provides refrigerated trucking and logistics services to companies in floral, plant, food, and other industries that require specialization in time-sensitive, temperature control segments of the supply chain.

This transaction is being accounted for as a reverse merger and Flora is deemed to be the acquirer. Consequently, the assets and liabilities and the historical operations that will be reflected in the consolidated financial statements prior to the Reverse Merger will be those of Flora.

**2) Financial Statement Presentation and Going Concern *Consolidated financials etc.***

The accompanying unaudited financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, all adjustments considered necessary for the fair presentation consisting solely of normal recurring adjustments, have been made.

The Company has a history of operating losses, including an accumulated deficit of \$25,743,896 through December 31, 2022. This and other factors raise substantial doubt about the ability of the Company to continue as a going concern. Management plans to address these matters through the sale of additional shares of its common stock, additional borrowings, the sale in whole or partial property interests, or a combination thereof to finance the Company's future operations.

Although there is no assurance that the Company will be successful in these actions, management believes that it will be able to secure the necessary financing to continue operations for the foreseeable future. Accordingly, these financial statements do not reflect adjustments to the carrying value of assets and liabilities, the reported expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments would be material and would have an adverse effect on the ability of the Company to continue as a going concern.

**3) Summary of Significant Accounting Policies**

This summary of significant accounting policies for the Company is presented to assist in understanding the Company's combined financial statements. The combined financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

***Use of Estimates.*** 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Revenue Recognition.*** The Company recognizes revenues from the service of providing transportation for goods and presents them on the Company's Combined Statements of Operations. The Company enters into contracts with customers to transport goods on the customers behalf. Revenue on these contracts is recognized in accordance with the five-step revenue recognition model prescribed in

Accounting Standard Codification ("ASC") 606. Specifically, revenue is recognized when the Company's performance obligations under these contracts are satisfied, which generally occurs with the transfer of goods to the purchaser. Control is generally considered transferred when the following criteria are met: (i) transfer of physical custody, (ii) transfer of title, (iii) transfer of risk of loss and (iv) relinquishment of any repurchase rights or other similar rights. For the service of delivering flowers and produce, the Company bills the customer once the load leaves Miami, and revenue is recognized at such time. For the service of delivering all other goods picked up around the United States and delivered for a customer, the Company bills the customer once we receive a completed Proof of Delivery from the driver, and revenue is recognized at such time. The rates and other costs are determined under the contract, on a contract-by-contract basis.

**Cash & Cash Equivalents.** The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2022 and 2021, the Company held no cash equivalents, and Company's cash consisted entirely of non-restricted cash.

**Property and Equipment.** Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are generally charged to expense as incurred. Retirements, sales and disposals of assets are recorded by removing the cost and associated accumulated depreciation from the asset with any resulting gain or loss reflected in income.

**Inventory.** Inventory consists of supplies purchased for the use of repairing vehicles. The supplies are purchased as needed, at which point the repair supplies are recorded at their cost as inventory, and then expensed accordingly as used up within the repairs. The supplies are capitalized so that management can better trace the repair costs back to their corresponding repairs.

**Prepaid Expenses and Other Current Assets.** Prepaid expenses and other current assets consist of insurance, truck registration, and security deposits held with the insurance companies. The insurance and truck registration costs are capitalized as incurred, and then amortized accordingly as their economic benefits are used up in their respective periods. The security deposits are capitalized as incurred, and then reclassified as cash assets once returned to the Company.

**Accounts Receivable and Credit Policy / Risks.** This policy outlines the requirements for establishing payment terms with the Company's customers, as well as the monitoring of those terms. The Company receives credit applications and personal guarantees from customers, and then records the corresponding revenue made through the credit sales at such time which the revenue is considered earned according to the accrual principal of GAAP. All terms are net 30 days, with no exceptions if a longer payment term is requested. Additionally, the Company has a factoring agreement with RTS Financial Services, Inc. Within the factoring agreement, it is established that the Factor's fee payable on each Account shall consist of: (i) an initial fee equal to three quarters of one percent (0.75%) of the net amount of the Account and deducted on the date of the advance of the initial payment to the Company, and (ii) beginning on the 61<sup>st</sup> day from the Advance Date, until the Account has been paid in full, a daily fee in an amount equal to (0.025%) shall be charged on the full net amount of the Account.

**Allowance for Doubtful Accounts** An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write off percentages and information collected from individual customers. Accounts receivable are charged off against the allowances when collectability is determined to be permanently impaired.

**Stock Based Compensation** When applicable, the Company will account for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stocks, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant. The company account for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and

issuances of warrants that are recognized in the consolidated statements of operation based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date. The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeiture" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant. The Company estimates forfeiture rates for all unvested awards when calculating the expenses for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized on a straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

**Earnings (Loss) per Share** The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to shareholders' by the weighted average number of shares available. Diluted earnings (loss) per shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except the denominator is increased to include the number of additional shares that would have been outstanding if the potential shares had been issued and if the additional shares were dilutive. Diluted earnings (loss) per share has not been presented since there are no dilutive securities.

**Organization and Offering Cost** The Company has a policy to expense organization and offering cost as incurred.

**Marketing and Advertising.** Marketing expenses consist of costs associated with the Company's website and social media presence. The costs are expensed as incurred, as management believes the costs to be directly correlated to the revenues made within their respective period, and thus choose not to have such costs capitalized.

**Income Taxes.** The Company, with the consent of its shareholder, has elected under the Internal Revenue Code to be an "S" Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. There were no unrecognized tax benefits as of December 31, 2022 and 2021. The Company's tax returns for 2020, 2021 and 2022 are subject to examination by the Internal Revenue Service and state taxing authorities.

**Recently Adopted Accounting Pronouncements.** The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations.

**Long-Lived Assets.** In accordance with the applicable guidance, long lived assets, such as depreciable property, are reviewed for potential write-downs when impairment indicators are present. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

**Subsequent Events.** The Company has evaluated subsequent events through March 11, 2023, the date these financial statements were available to be issued.

#### **4) Concentrations of Credit Risk**

The Company maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

#### **5) Property & Equipment, net**

During the years ended December 31, 2022 and 2021 the Company held property and equipment, net of depreciation of \$15,444 and \$0, respectively. The Company's property and equipment consisted of equipment held for repair, transportation, warehouse, and office work, as well as computers, batteries, GPS units, and driver camera units. All depreciable assets were held by subsidiaries FBF and FBE.

#### **6) Factor Payable**

The Company has a factoring agreement with RTS Financial Services, Inc. Within the factoring agreement, it is established that the Factor's fee payable on each Account shall consist of: (i) an initial fee equal to a discount to the net amount of the Account and deducted on the date of the advance of the initial payment to the Company, and (ii) beginning on a later date from the Advance Date, until the Account has been paid in full, a daily fee shall be charged on the full net amount of the Account.

The Company has an outstanding factor payable balance of \$3,827,032 and \$0 as of December 31, 2022 and 2021, respectively.

#### **7) Leasing Arrangements**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The standard requires lessees to recognize the assets and liabilities that arise from leases in the balance sheet. Additionally, in July 2018, the FASB issued ASU 2018-11, Leases (Topic 842) – Targeted Improvements, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company adopted ASU 2016-02 and its related amendments as of January 1, 2019, which resulted in the recognition of operating and finance right-of-use assets totaling \$3,366,905 and \$0, respectively, as well as operating and finance lease liabilities totaling \$5,417,517 and \$0, respectively. The Company elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2019, without restating any prior-year amounts or disclosures.

The Company determines if an arrangement is a lease at inception. This determination generally depends on whether the arrangement conveys to the Company the right to control the use of an explicitly or implicitly identified fixed asset for a period of time in exchange for consideration. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all the economic benefits from using the underlying asset. The Company has lease agreements which include lease and non-lease components, which the Company has elected to account for as a single lease component for all classes of underlying assets. Lease expense for variable lease components is recognized when the obligation is probable. Operating lease right of use ("ROU") assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease payments are recognized as lease expense on a straight-line basis over the lease term. The Company primarily leases office and warehouse space, as well as some equipment, which are classified as operating leases. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As an implicit interest rate is not readily determinable in the Company's leases, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments.

The lease term for all the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. Options for lease renewals have been excluded from the lease term (and lease liability) for the majority of the Company's leases as the reasonably certain threshold is not met.

Lease payments included in the measurement of the lease liability are comprised of fixed payments, variable payments that depend on index or rate, and amounts probable to be payable under the exercise of the Company

option to purchase the underlying asset if reasonably certain.

Variable lease payments not dependent on a rate or index associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed as probable. Variable lease payments are presented as operating expenses in the Company's income statement in the same line item as expense arising from fixed lease payments. As of and during the year ended December 31, 2021, management determined that there were no variable lease costs.

The Company leases office and warehouse space under noncancellable leases. The Company's leases mature at various dates through December 2024.

Future obligations under the primary terms of the Company's long-term operating leases as of December 31, 2022 are as follows:

Years Ending December 31,

2022	2,912,858
Thereafter	1,758,055
	<u><u>\$ 4,670,913</u></u>

## 7) Notes Payable

Notes payable consisted of bank notes payable; interest ranging from 0.9% to 7.3%; collateralized by transportation equipment for the Company in the amounts of \$3,977,543 and \$0 as of December 31, 2022 and 2021, respectively.

The aggregate maturities of notes payable for the year ended December 31 are as follows:

<u>Year</u>	<u>Amount</u>
2023	227,508
2024	227,508
2025	227,508
2026	177,804
2027	177,804
Thereafter	2,939,411
	<u><u>\$ 3,977,543</u></u>

## 8) Related Party Transactions

During 2021 and 2020, Florida Beauty Flora, Inc., and its Affiliates (FBF) had several related parties, these parties being Maya Plantation, Inc. (Maya), Flora Logistics of Miami, Inc. (FLM), and Optimized Leasing, Inc.

Regarding Optimized Leasing, the only transactions that took place during 2021 and 2020 pertained to payments made from FBF to lenders in accordance with the bankruptcy court proceedings. For more details, please see footnote #9 – Gain on Cancellation of Debt.

During 2020, due to hardships endured during the Covid-19 Pandemic, FBF lent \$1,156,000 to Maya which allowed Maya the ability to purchase some assets with these funds including 13 2022 Power Units. During 2020, Maya then leased all these purchased assets to FBF. FBF paid Maya \$75,000 and \$275,000 for the rental of these leased assets during 2021 and 2020, respectively. FBF had a receivable outstanding and due from Maya in the amount of \$2,260,910 and \$1,156,440 as of December 31, 2021, and 2020, respectively.

During 2020, due to hardships endured during the Covid-19 Pandemic, FBF also lent \$1,400,000 to FLM. FLM repaid \$1,535,437 back to FBF during 2022. The balances outstanding were of \$2,751,810 and \$2,367,577 as of December 31, 2021, and 2020, respectively.

## 9) Contingencies

The Company was a guarantor of a mortgage note payable of an entity affiliated by common ownership. The mortgage was paid off in its entirety at December 31, 2020.

Management has evaluated whether during the ordinary course of business the Company is subject to any pending or threatened legal action which it believes could result in a material adverse outcome pursuant to ASC Topic 450 and has determined that no material contingencies exist through the date of the filing apart from the following:

The Company is defendant in an eviction suit wherein a prior landlord is seeking damages against the Company. The Company sees its maximum exposure in the form of backed rent to be less than \$75,000 exclusive of late fees, interest, or attorney fees, and feels that its counterclaims can offset that number. Interest fees, given an appeal and the large firm opposed to the Company may be substantial, ranging from \$100,000 to \$250,000.

The Company was defendant in alleged Fair Labor Standard Act (Overtime) claims which were filed by a disgruntled employee after they were sued for stealing trade secrets. The case was settled, and was done so at not cost to the Company.

The Company is co-defendant in alleged defamation claims which are filed by a disgruntled employee referenced in the preceding paragraph. The case is in litigation, but the Plaintiff is not actively litigating it. The parties intend to discuss settlement at a mediation for matter referenced in preceding paragraph involving this Plaintiff.

## **10) Pro-Forma Standalone Financials**

As follows are the acquired subsidiaries (i.e., FBF and it's affiliates) standalone financials as of the date of acquisition, prior to the consolidation:

**FLORIDA BEAUTY FLORA, INC. AND AFFILIATES**  
**COMBINED BALANCE SHEETS**  
**(UNAUDITED)**

	November 18, 2022
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash	\$ 27,377
Accounts Receivable, Net	6,188,112
Prepaid Expenses and Other Current Assets	449,885
Inventory	675,926
Non-Trade Receivable	-
Total Current Assets	<u>7,341,300</u>
<b>OTHER ASSETS:</b>	
Property and Equipment, Net	30,110
Right of Use Assets, Net	2,280,395
Security Deposits	129,496
Due from Related Parties	<u>(277,196)</u>
Total Other Assets	<u>2,162,806</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,504,105</u></u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts Payable and Accrued Expenses	\$ 7,427,958
Bank Overdraft	51,059
Factor Payable	3,853,816
SBA Loan Payable	2,999,500
Line of Credit, Current Portion	-
Lease Liabilities, Current Portion	<u>-</u>
Total Current Liabilities	<u>14,332,333</u>
<b>LONG-TERM LIABILITIES:</b>	
Notes Payable, Less Current Portion	3,423,343
Lease Liabilities, Less Current Portion	<u>1,831,858</u>
Total Long-Term Liabilities	<u>5,255,200</u>
Total Liabilities	<u>19,587,534</u>
Commitments and Contingencies	7,622,972
<b>SHAREHOLDERS' DEFICIT:</b>	
Common Stock	400
Preferred Stock-Class A	0
Preferred Stock-Class B	0
Additional Paid-in Capital	401,268
Accumulated Deficit	<u>(18,108,068)</u>
Total Shareholders' Deficit	<u>(17,706,400)</u>
<b>Total Liabilities and Shareholders' Deficit</b>	<u><u>\$ 9,504,106</u></u>

See accompanying notes to unaudited combined financial statements.



**FLORIDA BEAUTY FLORA, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	For the Eleven Months and Eighteen Days ended November 18, <u>2022</u>
REVENUES	\$ 58,596,042
COST OF SALES	<u>39,132,550</u>
GROSS PROFIT	<u>19,463,492</u>
OPERATING EXPENSES:	
Labor and related expenses	-
Outside services and contractors	-
Advertising and Promotion	17,448
Legal and Professional Fees	277,336
Repairs and maintenance	-
Dues and Subscriptions	295,658
Rent and Lease Expense	485,872
Utilities	169,471
Bad Debt Expense	8,707
Depreciation and Amortization	105,838
Other General and Administrative	<u>19,150,998</u>
Total Operating Expenses	<u>20,511,327</u>
PROFIT FROM OPERATIONS	<u>(1,047,835)</u>
OTHER (EXPENSES) INCOME:	
Interest Income	62,796
Interest Expense	(221,334)
Gain on Sale of Equipment	76,377
Loss on Impairment of Asset	(93,722)
Gain on Cancellation of Debt	-
Gain on Forgiveness of PPP Loans	-
Other Income	1,666,112
Other Expenses	<u>(85,925)</u>
Total Other (Expenses) Income	<u>1,404,304</u>
NET INCOME (LOSS)	<u>\$ 356,470</u>
NET INCOME (LOSS) PER COMMON SHARE - BASIC AND DILUTED	<u>\$ 891.18</u>
WEIGHTED AVERAGE COMMON SHARE OUTSTANDING:	
Basic and diluted	<u>400</u>

See accompanying notes to unaudited combined financial statements.

**FLORIDA BEAUTY FLORA, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>For the Eleven Months and Eighteen Days ended November 18, 2022</b>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	356,470
Adjustments to reconcile net loss to net cash used in operating activities:	
Current period adjustment to accumulated deficit	(3,585,171)
Depreciation and amortization expense	105,838
Gain on sale of equipment	(76,377)
Loss on impairment of asset	93,722
Non-cash effect of current period adjustments to PPE	(21,621)
Net recognition of guarantee debt obligations	0
Non-cash effect of acquisition of lease liabilities	(477,683)
Gain on cancellation of debt	0
Gain on forgiveness of PPP loans	0
Non-cash effect of settlement of debt	0
Repayment of commitments and contingencies	(198,472)
Change in operating assets and liabilities:	
Decrease in accounts receivable	19,758
(Increase) decrease in prepaid expenses and other current assets	2,462,142
Increase in inventory	(665,994)
(Increase) decrease in non-trade receivable	111,007
(Increase) decrease in security deposits	141,403
(Increase) decrease in amount due from related parties	5,253,156
Increase (decrease) in accounts payable and accrued liabilities	(1,028,280)
Decrease in lease liabilities, current portion	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,489,898
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of property and equipment	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net proceeds from notes payable	151,641
Net repayment of SBA loans	(1,380,900)
Increase (decrease) in factor payable	(1,393,762)
Repayment of notes payable	-
Gross draws on line of credit	-
Bank overdrafts	46,997
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(2,576,024)
NET INCREASE IN CASH	(86,126)
CASH, beginning of year	113,503
CASH, end of year	\$ 27,377
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for:	
Interest	\$ -
Income taxes	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Increase (decrease) in right of use asset	\$ -
Decrease in lease liability	\$ 477,683

See accompanying notes to unaudited combined financial statements.

**11) Legal Proceedings.**

None

**12) Defaults on Senior Securities.**

None.

**13) Other Information.**

None

**14) Subsequent Events.**

None

**15) Shell Status**

On November 18, 2022, Mogul Energy acquired the “FLORA” group of companies (Florida Beauty Flora, Inc, Florida Beauty Express, Inc, Floral Logistics of California, Inc. and Tempest Transportation, Inc.). FLORA provides refrigerated trucking and logistics services to companies in floral, plant, food, and other industries that require specialization in time-sensitive, temperature control segments of the supply chain. With this acquisition, MGUY was no longer considered a “shell company” as it now had both assets and operations. From the date of acquisition through December 31, 2022, MGUY, through the acquired FLORA companies had revenue of approximately \$5,637,281.