

**PERPETUAL INDUSTRIES INC.**

**AUDITED ANNUAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**

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## FORWARD-LOOKING STATEMENTS

*This Annual Financial Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections. We may use words such as “anticipate,” “expect,” “intend,” “plan,” “believe,” “foresee,” “estimate,” “would”, “could”, “should”, “predicts”, “projects”, “seeks”, “potential”, “likely”, and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted. These risks and uncertainties include the following:*

- The availability and adequacy of our cash flow to meet our requirements;*
- Economic, competitive, demographic, business and other conditions in our local and regional markets;*
- Changes or developments in laws, regulations or taxes in our industry;*
- Actions taken or omitted to be taken by third parties including our suppliers and competitors, as well as legislative, regulatory, judicial and other governmental authorities;*
- Competition in our industry;*
- The loss of or failure to obtain any license or permit necessary or desirable in the operation of our business;*
- Changes in our business strategy, capital improvements or development plans;*
- The availability of additional capital to support capital improvements and development; and*
- Other risks identified in this report and in our other filings with the Securities and Exchange Commission or the SEC.*

*This report should be read completely and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements included in this report are made as of the date of this report and should be evaluated with consideration of any changes occurring after the date of this Report. We will not update forward-looking statements even though our situation may change in the future and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

## PART I

### ITEM 1. BUSINESS.

#### Organization

Perpetual Industries Inc. was incorporated in Nevada on January 26, 2005. The Company operates from its corporate headquarters in Auburn, Indiana. The principal business address is 2193 Rotunda Dr., Auburn, Indiana, USA, 46706.

The Company acquired a wholly owned subsidiary, Worldwide Auctioneers, a boutique collector car auction company that specializes in the sale and acquisition of classic vintage motorcars at auctions worldwide, offering collectors a variety of personalized services such as private sales, appraisals, collection direction and consultancy, estate planning, and asset management. Worldwide is a leader in the collector car auction industry, with a strong 20-year history with seasoned personnel. Worldwide operates at its headquarters in Auburn Indiana.

We maintain our corporate website at [www.perpetualindustries.com](http://www.perpetualindustries.com), as well as a technical website at [www.xyobalancer.com](http://www.xyobalancer.com).

Perpetual is currently listed on the OTC MARKETS under the symbol PRPI under the PINK Current Tier with a verified profile.

Perpetual has not been involved in any bankruptcy, receivership, or similar proceeding. There has been no material reclassification, merger, consolidation, or sale of a significant amount of assets in the ordinary course of business.

#### Business

Perpetual Industries is an innovative, emerging growth company committed to making a positive impact on the environment and society through innovative research and development projects. Our XYO Mechanical Balancer is just one example of our game-changing technologies that reduce energy consumption, increase equipment lifespan, and contribute to a more sustainable future. Additionally, our focus on blockchain and cryptocurrency generation showcases our commitment to the future of connectivity. Beyond our main divisions, we are also proud to have a wholly owned subsidiary in the collector car industry, which provides a steady stream of revenue and diversifies our portfolio. Our mission is to make a measurable impact on the world through our cutting-edge technology and forward-thinking approach.

The company engages in three main business segments:

1. Green Energy Efficient Technology / XYO Mechanical Balancer Products
2. The Collector Community and Software Applications for the Blockchain
3. Digital Asset Mining (Bitcoin)

#### Operations and Operating Plan

Perpetual operates a diverse R&D portfolio, income-generating divisions and a wholly-owned subsidiary. The Company is an incubator of energy-efficient technologies to commercialize environmentally responsible products. The divisions work together to promote innovation in a variety of sectors, such as blockchain technology, green energy power solutions, and cryptocurrency mining.

Our key specialties include:

- |                                      |   |
|--------------------------------------|---|
| - Renewable Energy Solutions         | - Industrial Design                           |
| - Blockchain Application Development | - Manufacturing Processes & Systems           |
| - Mechanical Engineering             | - Supply Chain Management                     |
| - Product Development & Distribution | - Information Technology & Patenting Strategy |
| - Product Licensing & Patenting      | - Vibration Reduction in Rotating Devices     |
| - Custom Software Programming        | - Custom Metal Parts                          |

Many of Perpetual's projects incorporate energy efficiency through the utilization of the company's proprietary XYO Mechanical Balancing Technology. A high-end niche opportunity exists for best-in-category products that can challenge the status quo by delivering superior performance. The XYO Balancing Technology ("XYO") delivers high-performance solutions for inefficiencies that commonly affect rotating equipment, machinery, and devices. XYO is designed specifically to eliminate vibration in rotating equipment to create energy efficient, environmentally responsible products. Perpetual's expertise surrounding XYO is comprised of over 25 years of specialized know-how, as well as specific design and testing procedures.

The XYO Mechanical Balancing Technology is designed to harness rotor displacement energy in order to dynamically move compensating masses and automatically correct for imbalances, effectively reducing vibration, reducing mechanical wear and tear, lowering noise emissions, and optimizing operational efficiencies in virtually everything that rotates.

The overall intellectual property associated with the XYO technology covers a wide range of sectors, including automobiles, white goods, HVAC, electric motors, generators, centrifuges, turbines, and aircraft applications, to name a few. Perpetual has successfully tested products and machinery that include: industrial and domestic washing machines, angle grinders, trolling motors, engine fans, compressors, pumps, electric motors, boat propellers, truck wheels, drive shafts, and clutch fans. The findings in these tests, demonstrate how the XYO technology can significantly reduce energy use and improve efficiency.

Our leadership team and trusted industry partners have the resources to provide essential components needed to take projects from their initial stage through to commercialization and are consistently looking for ways to accelerate the company's growth through the expansion our divisions.

Perpetual Industries has recently closed two key acquisitions, Worldwide Auctioneers and AutoGrafic Software, which now form powerful synergistic subsidiaries and divisions of the company, increasing its footprint across multiple rapidly growing markets and expanding its diverse revenue streams. In addition, the company is working on the development of solutions to integrate the powerful capabilities of disruptive blockchain technology.

## **SEGMENTS AND DIVISIONS**

### **Worldwide Auctioneers Wholly Owned Subsidiary**

Worldwide Auctioneers is a US-based boutique auction company that specializes in the sale and acquisition of classic vintage motorcars at auction around the globe. They also offer an extensive range of personalized services to collectors, including private sales, appraisal, collection direction and consultancy, estate planning, and asset management. Worldwide is a leader in the Collector Car Auction industry with an impressive 20 year history and a talented leadership team focused on offering an extensive range of personalized services to collectors. Worldwide houses a physical and virtual showroom, and a dedicated memorabilia division at its extensive Indiana headquarters. Worldwide is led by principals Rod Egan and John Kruse and operate independently under the Worldwide Auctioneers brand as a wholly owned subsidiary of Perpetual providing greater diversity and revenue streams for the Company.

### **Cryptocurrency Mining**

Cryptocurrency mining means generating digital assets by verifying transactions using powerful computers that tally transactions running on the blockchain. Cryptocurrencies represent a more attractive store of value than fiat currency and offer a significant opportunity for appreciation as more widespread adoption of bitcoin as a treasury reserve alternative continues to gain strength. The underlying infrastructure of cryptocurrency mining is blockchain technology which is collectively supported by a robust, decentralized, public open-source network. Blockchain technologies are rapidly gaining credibility and are being evaluated in many areas of business, finance, information management, and governance.

The Company's plan is strategically focused on rapidly growing our blockchain division with a large-scale expansion of our data center in Indiana to take advantage of the opportunity in the bitcoin mining sector. Plans include major upgrades to our data center facility, acquisition of specialized computers called Application-specific Integrated Circuits ("ASICs"), computer processing equipment, data storage, software, and additions to electrical infrastructure. This operational shift will direct the Company's resources significantly into optimizing a high-performance digital asset mining center that aims to maximize the company's return on assets and capitalize on the fast-growing blockchain ecosystem

### **AutoGrafic Software**

AutoGrafic is a software-as-a-service ("SaaS") and social application that utilizes cutting-edge technology to host a myriad of capabilities for automotive promotion and preservation. The App targets global collector car and automotive enthusiasts who want a unique, multifaceted, interactive automotive experience that is focused on a visual-based social community, collection management, social events, auctions, insurance, research, preservation and historical documentation. AutoGrafic serves as an additional foundational component of Perpetual Industries' rapidly expanding blockchain division. The application is expected to greatly benefit Worldwide Auctioneers by bringing new innovation and technology to its customers and the overall collector car industry.

As a result of these two strategic acquisitions in the first quarter of 2021 (Worldwide Auctioneers and AutoGrafic Software System), the Company is developing a unique offering in the world of collector cars by bringing Worldwide Auctioneers and the AutoGrafic Software System together in a synergistic platform designed to provide auto collectors, enthusiasts, restorers and lovers with a more interactive and connected experience.

## **Research and Development Portfolio**

### **XYO Proprietary Mechanical Balancing Technology**

The XYO Technology delivers energy efficient, high performance solutions by reducing vibration levels caused by unbalanced mass for rotating equipment, machinery and devices. XYO can be customized for virtually everything that rotates, creating an unlimited market potential. This is a core division and key area of focus in the Company that includes research, development, and commercialization of new and innovative energy efficient products that delivers high-performance solutions that overcome challenges and inefficiencies that commonly impact rotating equipment, machinery, and devices. The overall intellectual property associated with the XYO technology covers a wide range of sectors, including automobiles, white goods, HVAC, electric motors, generators, centrifuges, turbines, and aircraft applications, to name a few. Tested products and machinery applications include: industrial and domestic washing machines, angle grinders, trolling motors, engine fans, compressors, pumps, electric motors, boat propellers, truck wheels, drive shafts, and clutch fans. The results of these tests have shown that the XYO technology may drastically cut energy consumption and enhance efficiency.

### **WindSilo – Vertical Axis Wind Turbine**

The Company's WindSilo turbine utilizes the Company's proprietary XYO Technology, which substantially improves balancing issues that are common in wind turbines today. Our unique design is under development to optimize spin speeds and features omni-directional capabilities with the ability to control wind source at all altitudes. The WindSilo design is being engineered to allow for much faster spin speeds and greater energy output. Through the implementation and addition of the XYO Technology into the turbine design, expensive traditional balancing methods could be eliminated while increasing performance, reliability and efficiency. Perpetual will continue collaborating with Trine University, a private post-secondary institution located in Angola, Indiana, for engineering and technical expertise to finalize the production prototype of its Windsilo product.

### **XYO Enhanced Domestic Washing Machine**

Perpetual is in the beginning stages of its research and development work to commercialize a proprietary domestic washing machine design that utilizes XYO Mechanical Balancers to dynamically compensate for variable mass imbalance during the spin cycle. The Company expects this innovative, energy-efficient domestic washing machine to deliver a number of benefits, including: higher spin speeds, reduced energy consumption, decreased noise emissions, and less mechanical wear and tear. This proprietary domestic washing machine design dynamically solves vibration at the source. The washer has the potential to spin faster, which could result in increased water extraction and reduced spin cycle times. All R&D work is being performed at its facility in Indiana

### **Green Energy Mining System (GEM)**

Leveraging expertise and knowledge of environmentally friendly technologies, Perpetual is developing low cost, environmentally responsible energy solutions designed to power large-scale data center and blockchain mining operations. The Company's Green Energy Mining ("GEM") solution aims to be powered by Perpetual's proprietary vertical access wind turbines and other renewable, cost-effective surplus energy sources such as stranded gas, solar farms and hydro-electric dams. Powered by renewable & surplus energy sources such as wind, solar, natural gas, wind and geothermal sources that will utilize leading battery storage technology will help address the rising demand for computing power that uses green energy.

### **Our Competition and Market Position**

**Cryptocurrency Mining** is happening all over the world among companies, individual hobbyists, mining pools, and other types of groups. We will face competition on a worldwide basis by entities that may have substantially greater resources and experience that who compete for market share in the same market as the market to be entered into by the Company. Anyone who is engaged in bitcoin mining activities, compete for hash rates among the other miners. We may also compete in the future with others who focus all or a portion of their activities on developing programming for the blockchain. As the price of bitcoin rises, it may attract various high-profile and well-established miners, some of which have substantially greater liquidity and financial resources than we do.

We believe that our ability to compete successfully depends upon a number of factors:

- Market Value of Bitcoin
- Successful Financing
- Mining Machine Availability

- Ability to Obtain Low Cost Power
- Data Center Capacity

**Worldwide Auctioneers** is part of the classic collector car industry. Located in Auburn, Indiana, Worldwide is recognized as the leader in high end collector car auctioneering globally. Companies in this sector vary in size across the North America. At present, the information concerning the activities of these auction companies is not readily available as the vast majority of the participants in this sector do not publish information publicly or the information may be unreliable. U.S.-based classic car dealers have cornered a significant portion of this market opportunity, which, according to IBISWorld, was valued at \$2.1 billion in 2021, achieving a CAGR of 1.5% from 2016 to 2021.

**AutoGrafic Software** is a software as a service (SaaS) and social application that utilizes cutting-edge technology to host a myriad of aspects for automotive promotion and preservation. It targets global collector car and automotive enthusiasts who want a unique, multifaceted, interactive automotive experience. AutoGrafic's target market is the classic & collector car market, which is currently fragmented. AutoGrafic stands apart with its suite of offerings beyond traditional collection management tools. Further, many of the more robust and modern collection management offerings are based outside of the United States and are tailored to traditional art, which does not contemplate the unique complexities of the automobile. The growth of SaaS and social platforms is fraught with uncertainty, however we believe the following areas to be revenue streams that have correlative data to calculate significant value.

- Social Media Advertising Revenue
- Buy/Sell Transaction Fees
- Data Analytics
- Events, Museums, and Collection Management

**XYO Mechanical Balancing Technology** offers a high-end niche opportunity for creating best-in-category products that can challenge the status quo by delivering superior performance. For reasons of cost and competitive nearsightedness, many large brand-name companies with established product lines are inhibited from implementing the fullest version of the XYO technology. Like a large ship trying to change course, it becomes a cumbersome and slow process. By contrast, Perpetual has the flexibility and dedication to make the most of new innovations that utilize XYO, capitalizing on our secret know-how and our ability to manufacture and implement XYO cost-effectively.

As a potential addition to our revenue stream, we will continue to pursue sub-licensing opportunities, essentially selling a prototype, engineering drawings, technical support, and rights to use our intellectual property. When it is implemented to its fullest potential, the inventive features and unique designs of XYO-enhanced products may prove to be eligible for new patent protection.

#### Sources and Availability of Raw Materials

Since Perpetual Industries will be working with established manufacturers to make products that are relatively commonplace except for the addition of our innovative XYO technology, there are no concerns about the sources and availability of raw materials. XYO balancers themselves can be made of materials that are abundantly available.

#### Intellectual Property

Perpetual holds 100% ownership of the intellectual property rights worldwide for the international award winning XYO Automatic Mechanical Balancing Technology, which can be developed and optimized for a multitude of industries without any future licensing or royalty commitments. Our know-how regarding the design principles, production, and implementation of XYO balancing solutions is the result of over 25 years of research and development across the globe. The XYO Technology delivers energy-efficient, high performance solutions for rotating equipment, machinery and devices. XYO can be customized for virtually everything that rotates, creating unlimited market potential that spans across industries that include: automotive, white goods, HVAC, electric motors, generators, centrifuges, wind turbines, and aircraft applications. Extensive R&D work has been done to refine our core know-how and other intellectual property by optimizing the implementation of XYO in certain applications. Some of these results are available to the public at our technical website, [www.xyobalancer.com](http://www.xyobalancer.com)

The Company currently owns intellectual property (IP) pertaining to the 360 degree-rotatable exterior view experience with the AutoGrafic Software. There is a trademark application (Serial # : 90250682) pending before the United States Patent and Trademark Office for the AutoGrafic mark. AutoGrafic offers and will continue to expand upon a broad suite of features. As we progress, we believe more IP will arise around certain functions in development.

#### Human Capital Resources

We strive to attract the best talent available from diverse, best-in-class candidates and enable them to grow their careers as individuals while contributing to the overall success of the Company. Our goal is to provide a long-term career, a safe and respectful environment that is fair, inclusive of everyone, and promote equity within the Company.

### Employees

As at December 31, 2022, the Company and wholly owned subsidiary collectively had thirteen full time employees and four individuals providing business management services:

Brent Bedford, Chairman and CEO of Perpetual Industries, has an oral agreement under which he provides management services through a private entity that he owns. All of his time is spent on Perpetual. Brent has a deep understanding of all aspects of the company's business, products, marketing, as well as substantial experience developing its corporate strategy, and assessing emerging industry trends. He plays a critical role in defining the vision and overall objectives in the company by partnering with the Company's senior leadership team in setting the strategic direction for the organization, decision making and operational plan.

William Griffin Thomas, Chief Financial Officer (CFO) of Perpetual Industries. Trip has more than 20 years of experience in the field of accounting. His experience includes private industry, public company, public accounting and non-profit. His experience includes auditing, budget analysis, fixed assets, financial modeling, SEC financial reporting, GAAP compliance and fair value measurements. Additionally, Trip holds a Bachelor of Science in Accounting from the University of Tampa and a Bachelor of Science in Agribusiness from the University of Florida. He is a licensed CPA in the State of Florida.

Rod Egan, Principal and Chief Auctioneer of Worldwide Auctioneers, provides management services through a private entity that he owns that is contracted directly through Worldwide Auctioneers, Perpetual's wholly owned subsidiary. Rod specializes in the valuation of fine automobiles and is the managing partner at Worldwide Auctioneers.

John Kruse, Principal and Auctioneer of Worldwide Auctioneers, provides management services through a private entity that he owns that is contracted directly through Worldwide Auctioneers, Perpetual's wholly owned subsidiary. John has been actively involved with vintage motorcars and collection management for his entire life and is a passionate car enthusiast.

Engineering, industrial research and development, and design activities surrounding the development and implementation of the XYO technology in a variety of applications, is provided by contracted specialized contractors on an as-requested basis. These support services are available to us through individual contractors, marketing/engineering liaisons, and project managers. We have no formal contract or agreement with these entities and individuals; work is requested and invoiced on a monthly basis.

### Regulatory Environment

The company deals with government approvals, regulations, and environmental laws primarily by having a business model in which it is our contract manufacturers and our sublicensed customers who are ultimately responsible for their facilities' and products' compliance in the regions and markets of their expertise.

Perpetual Industries is subject to various laws and regulations administered by federal, state and local governmental agencies in the United States as well as the Canadian jurisdiction of the province of Alberta.

Perpetual is currently listed on the OTC MARKETS under the symbol PRPI under the PINK Current Tier with a verified profile.

### Subsequent Events

On January 24th, 2023, Craig Dansereau exercised all of his 1,000,000 warrants to purchase 1,000,000 Common Shares in the Company for \$10,000.

On January 31, 2023, the Company granted a six (6) month extension to the expiry of warrants to ETI, LLC and Brent Bedford.

On April 10, 2023, as part of the Reg D-506(c) Common Stock Offering, the Company sold 200,000 shares for \$20,000.



## **ITEM 1A. RISK FACTORS.**

Not applicable. Smaller reporting companies are not required to provide the information required by this item.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS.**

Not applicable. Companies that are not an accelerated filer or a large accelerated filer are not required to provide the information required by this item.

## **ITEM 2. PROPERTIES**

The Company has established a headquarters in Auburn, Indiana. The lease agreement started on July 1, 2021.

## **ITEM 3. LEGAL PROCEEDINGS**

None.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Common Stock

The Company's common stock is currently quoted under the trading symbol "PRPI" on the OTC Pink marketplace maintained by OTC Markets Group. Trading volume of our common stock has often been very limited. As a result, the trading price of our common stock has been subject to significant fluctuations. There can be no assurance that a liquid market will develop in the foreseeable future.

Transfer of our common stock may also be restricted under securities or "blue sky" laws of certain states and foreign jurisdictions. Consequently, investors may not be able to liquidate their investments and should be prepared to hold the common stock for an indefinite period of time. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

#### Record Holders

As of December 31, 2022, an aggregate of 81,471,500 shares of our Common Stock were issued and outstanding and were owned by approximately 203 holders of record, based on information provided by our transfer agent.

#### Re-Purchase of Equity Securities

None.

#### Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future on our common stock.

The Series A Preferred Stock has a dividend rate of 18% of net profits, if available, from the GEM Sector 450 <sup>(1)</sup> of the Cryptocurrency Mining Division.

*(1) The "GEM Sector 450" specifically means the sector of the Company's Cryptocurrency Mining Division that is comprised of 450 cryptocurrency mining machines allocated for purchase from the net proceeds of the Company's Reg D 506c Offering or other sale of Shares. Dividends will be limited to Net Profits that are generated from the 450 machines that are acquired as a result of the sale of Shares. Dividends will not include any net profits generated from additional machines that the Company currently owns or may acquire in the future outside of the sale of Shares.*

#### Securities Authorized for Issuance Under Equity Compensation Plans

None.

### ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

*This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events; are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed in the section titled "Risk Factors" of our December 31, 2021 annual report. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.*

## **RESULTS OF OPERATIONS**

The following information represents our results of operations for the year ended December 31, 2022 versus the year ended December 31, 2021.

### ***Revenues***

Total revenues for the year ended December 31, 2022 were \$5,240,521. Of the \$5,240,521, service revenues of \$5,028,997 and product sales of \$89,950 were derived from our wholly-owned subsidiary Worldwide and \$121,574 was derived from our cryptocurrency mining operations. Total revenues for the year ended December 31, 2021 were \$8,445,394. Of the \$8,445,394, service revenues were \$3,855,993, product sales were \$4,524,805 and cryptocurrency mining revenues were \$64,596.

### ***Cost of sales***

The cost of sales for the year ended December 31, 2022 of \$1,865,877 were directly related to the service and product revenues, which were derived from our wholly-owned subsidiary Worldwide. The cost of sales for the year ended December 31, 2021 of \$5,121,995 were directly related to the service revenues.

### ***Operating Expenses***

#### ***Management services, related party***

We incurred management fees in the amount of \$197,617 for the year ended December 31, 2022 versus \$208,807 for the year ended December 31, 2021, an decrease of \$11,190, or 5%. The primary reason for the decrease was because the COO resigned in July 2021 and was not paid any fees in the current period.

#### ***General and administrative expenses, related party***

General and administrative expenses include all related party costs associated with office management and administration support, rent, internet, network and website maintenance. We incurred general and administrative expenses, related party of \$338,784 for the year ended December 31, 2022 versus \$241,691 for the year ended December 31, 2021, an increase of \$97,093, or 40%.

#### ***General and administrative expenses***

General and administrative expenses include all costs associated with professional, legal fees, insurance, rent, dues, subscriptions. We incurred general and administrative expenses of \$2,649,472 for the for the year ended December 31, 2022 versus \$1,967,430 for the year ended December 31, 2021. The increase of \$682,042, or 35% primarily relates to shares issued for services for an investor relations contract in the amount of \$526,438 and increased travel expenses.

#### ***Depreciation and amortization expenses***

We incurred depreciation and amortization expense of \$1,134,668 for the for the year ended December 31, 2022 versus \$58,915 for the year ended December 31, 2021. The increase of \$1,075,753 primarily relates to two factors. The Company acquired new assets (furniture, leasehold improvements, mining equipment) which contributed an additional deprecation expense. Additionally, the Company recently finalized the purchase accounting for the Worldwide Acquisition. As a result, intangible assets (i.e. customer relationships, trademarks, customer list and below market lease) totaling \$4,847,000 arose from the acquisition.

#### ***Research and development***

We incurred research and development expenses in the amount of \$3,337 for the year ended December 31, 2022 versus \$66,104 for the year ended December 31, 2021, a decrease of \$62,767, or 95%. The research and development expenses related to cryptocurrency mining, and the WindSilo Wind Turbine.

#### ***Outsourced Consulting Fees***

Outsourced consulting fees include fees paid to outside consultants. We incurred outsource consulting fees of \$523,386 for the for the year ended December 31, 2022 versus \$775,659 for the year ended December 31, 2021, a decrease of \$252,273, or 33%. The decrease is primarily related to focusing on hiring more full-time employees as opposed to outside contractors.

### ***Other Income (Expense)***

Other income (expense) consists of interest expense, non-related and related party, interest income, related party, other income and foreign currency adjustments. Other income (expense) for the year ended December 31, 2022 was (\$51,486) versus (\$131,808) for the same period.

### ***Net Income (Losses)***

The Company had a net loss of \$1,524,106 for the year ended December 31, 2022 versus a net loss of \$127,015 for the year ended December 31, 2021. The decreased net loss was a result of picking up the revenue from the Worldwide acquisition.

### ***Current Liquidity and Capital Resources for the Twelve Months Ended December 31, 2022 compared to Twelve Months Ended December 31, 2021***

	2022	2021
Summary of Cash Flows:		
Net cash provided from operating activities	\$ (188,701)	\$ 791,960
Net cash from investing activities	(686,710)	(691,051)
Net cash from financing activities	212,000	356,861
Fx translation	(703)	1,053
Change in cash and cash equivalents	(664,114)	445,823
Beginning cash and cash equivalents	1,048,547	589,724
Ending cash and cash equivalents	\$ 384,433	\$ 1,048,547

### ***Operating Activities***

Cash from operations of (\$188,701) during the year ended December 31, 2022 was primarily a result of our \$1,524,106 net loss reconciled with our net non-cash expenses relating to stock-based compensation, depreciation expense, interest income, forgiveness of debt, and accounts payable and accrued expenses. Cash from operations of \$791,960 during the year ended December 31, 2021 was primarily a result of our \$127,015 net loss reconciled with our net non-cash expenses relating to stock-based compensation, depreciation expense, interest income, forgiveness of debt, and accounts payable and accrued expenses.

### ***Investing Activities***

Net cash from investing activities for the year ended December 31, 2022 was (\$686,710) versus (\$691,051) for year ended December 31, 2021. During the years ended December 31, 2022 and 2021, the Company purchase assets in the amount of \$686,710 and \$530,729, respectively. Additionally in 2021, the Company capitalized \$191,905 in software development cost and acquired \$31,583 cash in the acquisition of Worldwide.

### ***Financing Activities***

Net cash from financing activities was \$212,000 for the year ended December 31, 2022 versus \$356,861 for the year ended December 31, 2021. During the year ended December 31, 2022, the Company received proceeds from the issuance of Series A Preferred Stock in the amount of \$100,000 and proceeds from notes payable, related party in the amount of \$112,000. During the year ended December 31, 2021, the Company received \$1,168,000 in proceeds from the sale of common stock, \$124,772 in proceeds from an SBA loan, and \$935,911 payments on notes payable.

### ***Future Capital Requirements***

Our capital requirements for 2023 will depend on numerous factors, including management's evaluation of the timing of projects to pursue. Subject to our ability to generate revenues and cash flow from operations and our ability to raise additional capital (including through possible joint ventures, acquisitions, and/or partnerships), we expect to incur substantial expenditures to carry out our business plan, as well as costs associated with our capital raising efforts and being a public company.

We plan to finance the operations and product development work in 2023 with the completion of the Company's Reg D 506(c) Offering Memorandum for up to 140 Series A Preferred shares. Other means include acquisitions, partnership agreements, or other business transactions, that would generate sufficient resources to ensure continuation of our operations.

The sale of additional equity or debt securities may result in additional dilution to our shareholders. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned activities and limit our operations which could have a material adverse effect on our business, financial condition and results of operations.

### ***Inflation***

The amounts presented in our consolidated financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

### ***Off-Balance Sheet Arrangements***

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### ***Going Concern***

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive activities. For these reasons, our auditors stated in their report on our audited financial statements that they have substantial doubt that we will be able to continue as a going concern without further financing.

### ***Future Financings***

We will continue to rely on equity sales of our common shares in order to continue to expand our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund planned acquisitions and exploration activities.

### ***Critical Accounting Policies***

We have identified certain accounting policies, described below, that are most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are disclosed in the notes to the audited financial statements included in this Annual Report.

### ***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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ from these good faith estimates and judgments.

### ***Recently Issued Accounting Pronouncements***

Refer to Note 2 - Significant Accounting Policies in the financial statements that are included in this Report.

### ***Contractual Obligations***

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### Perpetual Industries, Inc. and a Subsidiary

#### Financial Statements

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Consolidated Statements of Operations and Comprehensive Income/(Loss) for the years ended December 31, 2022 and 2021	F-3
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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of Perpetual Industries, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Perpetual Industries, Inc. (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows for the two years ended December 31, 2022, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

### **Substantial Doubt about the Company's Ability to Continue as a Going Concern**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 15, the Company has incurred net losses and negative cash flow from operations since inception. These factors, and the need for additional financing in order for the Company to meet its business plans raises substantial doubt about the Company's ability to continue as a going concern. Our opinion is not modified with respect to that matter.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Accell Audit & Compliance, PA*

We have served as the Company's auditor since 2021.

Tampa, Florida  
May 1, 2023

**PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 384,433	\$ 1,048,547
Accounts receivable	18,953	96,020
Inventory	20,255	13,660
Deposits and prepaids	70,633	56,202
<b>Total current assets</b>	<u>494,274</u>	<u>1,214,429</u>
Fixed assets, net of accumulated depreciation	1,002,828	645,850
Intangible assets - net	4,943,968	901,905
Indefinite life asset	4,771	59,715
Right of use asset	677,812	880,019
Goodwill	3,243,049	7,813,049
<b>Total assets</b>	<u>\$ 10,366,702</u>	<u>\$ 11,514,967</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 633,544	\$ 863,913
Accounts payable and accrued expenses - related party	121,959	256,041
Notes payable - related party	812,000	700,000
Lease liability	214,689	202,153
<b>Total current liabilities</b>	<u>1,782,192</u>	<u>2,022,107</u>
Lease liability, long term	463,217	677,906
Payroll protection program loan	-	124,772
Economic Injury Disaster Loan Program (EIDL) loan	150,000	150,000
<b>Total liabilities</b>	<u>2,395,409</u>	<u>2,974,785</u>
Commitments and contingencies (Note 16)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized;		
Series A: 160 shares authorized; 2 and 0 shares issued and outstanding at December 31, 2022 and 2021, respectively	-	-
Series B: 2,000,000 shares authorized; 2,000,000 and 0 shares issued and outstanding at December 31, 2022 and 2021, respectively	200	200
Common stock, \$0.001 par value; 500,000,000 shares authorized; 81,471,500 and 78,137,800 issued and outstanding at December 31, 2022 and 2021 respectively	81,471	78,138
Common stock to be issued	212,070	217,070
Unearned compensation	(103,562)	-
Additional paid in capital	21,498,475	20,437,326
Other accumulated comprehensive loss	(10,781)	(10,078)
Accumulated deficit	(13,706,580)	(12,182,474)
<b>Total stockholders' equity</b>	<u>7,971,293</u>	<u>8,540,182</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 10,366,702</u>	<u>\$ 11,514,967</u>

The accompanying notes are an integral part of these consolidated financial statements.



**PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	<b>For the Year Ended</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Service revenues	\$ 5,028,997	\$ 3,855,993
Product sales	89,950	4,524,805
Cryptocurrency mining revenue	121,574	64,596
Total revenues	5,240,521	8,445,394
Cost of sales	1,865,877	5,121,995
Gross profit	3,374,644	3,323,399
<b>Operating expenses</b>		
General and administrative expenses	2,649,472	1,967,430
General and administrative expenses, related party	338,784	241,691
Depreciation and amortization	1,134,668	58,915
Outsource consulting fees	523,386	775,659
Management service, related party	197,617	208,807
Research and development	3,337	66,104
<b>Total operating expenses</b>	4,847,264	3,318,606
Net operating income (loss)	(1,472,620)	4,793
<b>Other income (expense)</b>		
Interest expense	(13,962)	(105,647)
Interest expense, related party	(86,758)	(2,959)
Other income	5,424	1,694
Other expense	(14,251)	-
Loss on settlement of debt	-	(30,962)
Loss on impairment of digital currencies	(67,195)	(6,081)
Gain on forgiveness of PPP loan	124,772	-
Gain on settlement of debt	-	15,000
Foreign currency transaction adjustments	484	(2,853)
<b>Total other income (expense)</b>	(51,486)	(131,808)
Net loss	(1,524,106)	(127,015)
Unrealized translation gain	(703)	1,053
Other comprehensive loss	\$ (1,524,809)	\$ (125,962)
Basic and loss per share	\$ (0.02)	\$ (0.00)
Basis and diluted weighted average common shares outstanding	78,222,744	74,925,697

The accompanying notes are an integral part of these consolidated financial statements.

**PERPETUAL INDUSTRIES INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>Preferred Stock</u>		<u>Common Stock</u>		Additional Paid-In Capital	Common Stock to be Issued	Unearned Compensation	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity (Deficit)
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>						
<b>Balances, December 31, 2020</b>	-	-	69,983,500	\$ 69,983	\$ 12,020,118	\$ 508,000	-	\$ (11,131)	\$ (12,055,459)	\$ 531,511
Issuance of Series B Preferred Stock for acquisition of Worldwide Group	2,000,000	200	-	-	5,999,800	-	-	-	-	6,000,000
Issuance of common stock for cash	-	-	3,963,400	3,963	1,164,037	-	-	-	-	1,168,000
Issuance of common stock for acquisition of AutoGrafic software	-	-	1,000,000	1,000	299,000	210,000	-	-	-	510,000
Issuance of common stock for cash, committed in prior period	-	-	1,693,400	1,694	506,306	(508,000)	-	-	-	-
Issuance of stock for services	-	-	1,202,100	1,202	312,985	-	-	-	-	314,187
Issuance of stock to satisfy accrued rent	-	-	295,400	296	62,704	-	-	-	-	63,000
Issuance of stock to satisfy accounts payable	-	-	-	-	-	7,070	-	-	-	7,070
Stock based compensation	-	-	-	-	72,376	-	-	-	-	72,376

Net loss for the year ended December 31, 2021	-	-	-	-	-	-	-	1,053	(127,015)	(125,962)
<b>Balances, December 31, 2021</b>	2,000,000	200	78,137,800	78,138	20,437,326	217,070	-	(10,078)	(12,182,474)	8,540,182
Sale of Series A Preferred Stock	2	-	-	-	100,000	-	-	-	-	100,000
Issuance of stock for services	-	-	3,166,000	3,166	631,633	-	(630,000)	-	-	4,799
Issuance of Series B Preferred Stock for acquisition of Worldwide Group (true up)	-	-	-	-	277,000	-	-	-	-	277,000
Issuance of common stock for satisfaction of accounts payable	-	-	167,700	167	24,922	(5,000)	-	-	-	20,089
Stock based compensation	-	-	-	-	27,594	-	-	-	-	27,594
Amortization of unearned compensation	-	-	-	-	-	-	526,438	-	-	526,438
Net loss for the year ended December 31, 2022	-	-	-	-	-	-	-	(703)	(1,524,106)	(1,524,809)
<b>Balances, December 31, 2022</b>	2,000,002	\$ 200	81,471,500	\$ 81,471	\$ 21,498,475	\$ 212,070	(103,562)	\$ (10,781)	\$ (13,706,580)	\$ 7,971,293

The accompanying notes are an integral part of these consolidated financial statements.

**PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Year Ended</b>	
	<b>December 31,</b>	<b>December</b>
	<b>2022</b>	<b>31,</b>
		<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (1,524,106)	\$ (127,015)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization expense	1,134,668	58,915
Stock issued for services	526,438	314,187
Stock based compensation	27,594	72,376
Loss on impairment of digital currencies	67,195	6,081
Gain on forgiveness of PPP loan	(124,772)	-
Gain on sale of digital currencies	(12,251)	-
Changes in operating assets & liabilities		
Right of use activity	53	-
Accounts receivable	77,067	20,694
Inventory	(6,595)	(3,350)
Prepaid expenses	(14,431)	32,583
Accounts payable and accrued expenses	(205,479)	441,509
Accounts payable, related party	(134,082)	(24,020)
Net cash from operating activities	(188,701)	791,960
<b>Cash Flows from Investing Activities</b>		
Acquisition of fixed assets	(680,660)	(530,729)
Cash paid for software development asset	(6,050)	(191,905)
Cash acquired in business acquisition	-	31,583
Net cash from investing activities	(686,710)	(691,051)
<b>Cash Flows from Financing Activities</b>		
Proceeds from the issuance of common stock	-	1,168,000
Proceeds from the issuance of Series A Preferred Stock	100,000	-
Proceeds from payroll protection program loan	-	124,772
Proceeds from notes payable, related party	112,000	-
Payments on notes payable	-	(935,911)
Net cash from financing activities	212,000	356,861
FX translation	(703)	1,053
Change in Cash	(664,114)	458,823
Cash at beginning of period	1,048,547	589,724
Cash at end of period	\$ 384,433	\$ 1,048,547
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	\$ -	\$ 20,897
Cash paid for income taxes	\$ -	\$ -

Non-cash investing and financing activities:

Issue of common stock to satisfy accounts payable	<u>\$ 17,250</u>	<u>\$ -</u>
Acquisition of AutoGrafic Software for \$200,000 in cash and \$510,000 in common stock	<u>\$ -</u>	<u>\$ 710,000</u>
Acquisition of Worldwide Group for 2,000,000 shares of Series B Convertible Preferred Stock	<u>\$ -</u>	<u>\$ 200,000</u>
Issuance of Series B Preferred Stock for acquisition of Worldwide Group (true up)	<u>\$ 277,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

**PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Nature of operations**

Perpetual Industries Inc. (the “Company”) was incorporated under the laws of Nevada in January 2005 and is headquartered in Auburn Indiana.

Perpetual is an emerging growth company with a diverse R&D portfolio, income-generating divisions and a wholly-owned subsidiary. The Company is an incubator of disruptive, energy-efficient technologies and commercialization of niche products. The Company’s divisions all work together to support innovation in a wide range of industries on a global scale including; renewable energy, custom software solutions, white goods, artificial intelligence, blockchain, cryptocurrency mining, graphic rendering, cloud computing and internet of things (“IoT”).

As a result of two strategic acquisitions in the first quarter of 2021 (Worldwide Auctioneers and AutoGrafic Software System), the Company has created a new software division focused on the growing collector car community. The Company is developing a unique offering in the world of collector cars by bringing Worldwide Auctioneers and the AutoGrafic Software System together in a synergistic platform designed to provide auto collectors, enthusiasts, restorers and lovers with a more interactive and connected experience.

As we continue to grow in the area of cryptocurrency mining, we are developing our Green Energy Mining System (GEM) and expanding our expertise and knowledge of innovative technologies while continuing our research, development, and commercialization of the XYO Technology in key product applications.

**2. Summary of significant accounting policies**

Basis of Presentation

The Company has one wholly-owned subsidiary: Worldwide Group, LLC (“Worldwide”). The consolidated financial statements, which include the accounts of the Company and its wholly-owned subsidiary, are prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”). All significant intercompany balances and transactions have been eliminated. The consolidated financial statements, which include the accounts of the Company and its wholly-owned subsidiary, and related disclosures have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The financial statements have been prepared using the accrual basis of accounting and are presented in US dollars. The Company’s financial reporting year end is December 31.

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 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. The most significant assumptions and estimates relate to the valuation of equity issued for services. Actual results could differ from these estimates.

Digital Currencies

Digital currencies are included in non-current assets in the consolidated balance sheets under indefinite life assets. Digital currencies are recorded at cost, less impairment.

An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. For the years ended December 31, 2022 and 2021, the Company recorded a loss on impairment of digital currencies in the amount of \$67,195 and \$6,081, respectively.

## Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Update (“ASU”) 2014-09, “*Revenue from contracts with customers*,” (Topic 606). Revenue is recognized when a customer obtains control of promised goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company’s main revenue stream is from services. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company’s performance obligations are transferred to customers at a point in time, typically upon delivery.

### *Service revenues*

The Company generates the majority of its service revenue from earning auction and ancillary fees from both buyers and sellers, in each case only upon a successful auction. The auction revenue consists principally of revenue earned from facilitating auctions and arranging for the transportation of vehicles purchased in such auctions.

### *Product sales*

Revenue from product sales are recognized upon delivery of the unit and completion / signing of the associated contract, and are recording the amount of revenue identified in the contract as the sales price of the vehicle.

### *Cryptocurrency mining revenues*

Providing computing power in crypto asset transaction verification services is an output of the Company’s ordinary activities. The provision of computing power is the only performance obligation in the Company’s contracts with third party pool operators. The transaction consideration the Company receives, if any, is noncash consideration, which the Company measures at fair value on the date received, which is not materially different than the fair value at contract inception. The consideration is all variable. Because it is not probable that a significant reversal of cumulative revenue will not occur, the consideration is constrained until the Company successfully places a block (by being the first to solve an algorithm) and the Company receives confirmation of the consideration it will receive, at which time revenue is recognized. There is no significant financing component in these transactions.

Fair value of the digital asset award received is determined using the average U.S. dollar spot rate of the related digital currency at the time of receipt.

## Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains cash balances at a financial institution that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risks related to cash.

## Accounts Receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers’ financial condition. In limited instances, the Company may require an upfront deposit and, in most cases, the Company does charge interest on past due amounts. Management estimates the allowance for doubtful accounts based on review and analysis of specific customer balances that may not be collectible and how recently payments have been received. Accounts are considered for write-off when they become past due and when it is determined that the probability of collection is remote.

## Inventories

Inventories are stated at the lower of cost (using specific identification) or net realizable value. Inventory quantities on hand are reviewed regularly and a write-down for excess and obsolete inventory is recorded based primarily on an estimated forecast of product demand, market conditions and planned design changes.

## Property and Equipment

Property and equipment are initially recorded at cost and stated at cost less accumulated depreciation, using the straight-line method over their estimated useful lives of 3 to 15 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

## Intangible Assets

Certain intangible assets arose from the acquisition of Worldwide on January 22, 2021 and consist of the following, which have been or are being amortized on a straight-line basis over the following estimated useful lives:

Asset	Estimated Useful Life
Customer Relationships	14
Trademarks	15
Customer List	1
Below Market Lease	4

## Common Stock

Shares of common stock have the following rights and privileges:

*Voting* – The holder of each share of common stock is entitled to one vote per share held. The holders of common stock shall be entitled to elect both members of the Board of Directors.

*Dividends* – Common stockholders are entitled to receive dividends, if and when declared by the Board of Directors, subject to the rights of holders of all classes of stock outstanding having priority rights as to dividends.

## Stock Based Compensation Expense

The Company applies the fair value method of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 718, “*Share Based Payment*”, in accounting for its stock-based compensation. This standard states that compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. The Company values stock-based compensation at the market price for the Company’s common stock and other pertinent factors at the grant date. During the years ended December 31, 2022 and 2021, the Company recorded \$27,594 and \$386,563 in stock-based compensation expense, respectively. Of the \$386,563 recorded in 2021, \$72,376 is reflected as Stock based compensation expense in the statement of cash flows and statement of stockholder’s equity and \$314,187 is reflected as stock issued for services the statement of cash flows and statement of stockholder’s equity.

## Comprehensive Income (loss)

ASC Topic 220 “*Comprehensive Income*” (SFAS No. 130) establishes standards for reporting comprehensive income and its components. Comprehensive income or loss is defined as the change in equity during a period from transactions and other events from non-owner sources. The component of comprehensive loss totaling \$703 for the year ended December 31, 2022 and \$1,053 in comprehensive gain for the year ended December 31, 2021, related to foreign currency translation adjustment.

## Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, under which consideration for the acquisition, including the fair value of any contingent consideration, is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed (both specific and contingent) at the acquisition date fair values as determined by management as of the acquisition date. The excess of the consideration over the assets acquired net of liabilities assumed is recognized as goodwill and as bargain purchase where the consideration is less than the assets acquired net of liabilities assumed.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets. Acquisition-related costs are reflected in selling, general and administrative expense in the consolidated statements of net and comprehensive income.



## Long Lived Assets

Long-lived assets and certain identifiable intangible assets related to those assets are periodically reviewed for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. If the non-discounted future cash flows of the enterprise are less than their carrying amount, their carrying amounts are reduced to fair value and an impairment loss is recognized. The Company did not record any impairment losses during the years ended December 31, 2022 and 2021.

## Fair Value of Financial Instruments

The Company has adopted the provisions of ASC Topic 820, “*Fair Value Measurements*”, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but it does provide guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity’s own assumptions (unobservable inputs).

The hierarchy consists of three levels:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—Inputs that are both significant to the fair value measurement and unobservable.

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include, accounts receivable, accounts payable and accrued expenses, notes payable, notes payable to related parties, related parties payable and Payroll Protection Program Loan and Economic Injury Disaster Loan Program (EIDL) loans. The Company has also applied ASC 820 for all non-financial assets and liabilities measured at fair value on a non-recurring basis. The adoption of ASC 820 for non-financial assets and liabilities did not have a significant impact on the Company’s financial statements.

## Foreign Currencies

The Company determined that its functional currency is the United States dollar since the U.S. dollar is the currency of the environment in which the Company primarily generates and expends cash. Foreign currency transaction gains and losses represent gains and losses resulting from transactions entered into in a currency other than the functional currency of the Company. These transaction gains and losses are included in results of operations. The component of comprehensive loss totaling \$703 for the year ended December 31, 2022 and \$1,053 in comprehensive gain for the year ended December 31, 2021, related to foreign currency translation adjustment. The Company had a foreign currency transaction gain totaling \$484 for the year ended December 31, 2022. The Company had a foreign currency translation loss totaling \$2,853 for the year ended December 31, 2021.

## Income Taxes

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, “*Accounting for Income Taxes*”, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company has filed its U.S. tax returns for 2016 through 2021 that have all resulted in taxable losses and tax losses available to offset future taxable income. The Company has not determined the amount of the potential benefits for these tax losses.

### Net Income (Loss) Per Common Share

The Company computes loss per common share, in accordance with FASB ASC Topic 260, “*Earnings Per Share*”, which requires dual presentation of basic and diluted earnings per share. Basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, that could result from the exercise of outstanding stock options and warrants.

For the years ended December 31, 2022 and 2021 the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive:

	Years ended December 31,	
	2022	2021
	(Shares)	(Shares)
Series A Preferred Stock	2	-
Series B Preferred Stock	2,000,000	2,000,000
Stock options	2,240,000	10,488,525
Warrants	21,000,000	21,000,000
Total	25,240,002	33,488,525

### Segments

The Company determined its reporting units in accordance with ASC 280, “*Segment Reporting*” Management evaluates a reporting unit by first identifying its’ operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has two consolidated operating segments and a non operating segment. The Company’s reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company’s reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

The Company’s reporting segments are automotive and cryptocurrency mining. Perpetual is included in cryptocurrency mining while Worldwide is included in the automotive segment.

### Leases

The Company accounts for leases in accordance with Accounting Standards Update (“ASU”) 2016-02, “*Leases*” (Topic 842).

### Recent Accounting Pronouncements

On June 16, 2016, the FASB completed its Financial Instruments—Credit Losses project by issuing Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326). The new guidance requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

The new guidance; (i) eliminates the probable initial recognition threshold in current GAAP and, instead, reflects an organization's current estimate of all expected credit losses over the contractual term of its financial assets, (ii) broadens the information that an entity can consider when measuring credit losses to include forward-looking information, (iii) increases usefulness of the financial statements by requiring timely inclusion of forecasted information in forming expectations of credit losses, (iv) increases comparability of purchased financial assets with credit deterioration (PCD assets) with other purchased assets that do not have credit deterioration as well as originated assets because credit losses that are expected will be recorded through an allowance for credit losses for all assets, (v) increases users' understanding of underwriting standards and credit quality trends by requiring additional information about credit quality indicators by year of origination (vintage), and (vi) aligns the income statement recognition of credit losses, for available-for-sale debt securities, with the reporting period in which changes occur by recording credit losses (and subsequent changes in credit losses) through an allowance rather than a write down.

The new guidance affects organizations that hold financial assets and net investments in leases that are not accounted for at fair value with changes in fair value reported in net income. It affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

For public business entities that meet the definition of a U.S. Securities and Exchange (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application is permitted. The Company will adopt beginning January 1, 2023.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its unaudited condensed consolidated financial statements.

#### Comparative Figures

Certain comparative figures have been reclassified to conform to current period presentation.

### **3. Concentration of credit risks**

The Company maintains accounts with financial institutions. All cash in checking accounts is non-interest bearing and is fully insured by the Federal Deposit Insurance Corporation ("FDIC"). At times, cash balances may exceed the maximum coverage provided by the FDIC on insured depositor accounts. The Company believes it mitigates its risk by depositing its cash and cash equivalents with major financial institutions. As of December 31, 2022 and 2021, the Company had \$98,347 and \$391,285 in excess of FDIC insurance, respectively.

### **4. Accounts receivable and allowance for doubtful account**

The Company has a policy of providing an allowance for doubtful accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to bad debt expense and included in the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The accounts receivable balance at December 31, 2022 and 2021 was \$18,953 and \$96,020, respectively, and the Company expects to receive the full amount. As such, the Company has elected to not record an allowance for this amount.

## 5. Fixed Assets

Fixed assets consisted of the following at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Computer hardware	\$ 77,439	\$ 93,730
Mining equipment	371,740	371,740
Machinery & equipment	111,314	106,075
Furniture and fixtures	94,596	60,272
Trailer	23,244	23,244
Leasehold improvements	678,040	107,127
	<u>1,356,373</u>	<u>762,188</u>
Less: Accumulated depreciation	(353,545)	(116,338)
Property and equipment - net	<u>\$ 1,002,828</u>	<u>\$ 645,850</u>

Depreciation expense was \$323,682 and \$58,915 for the years ended December 31, 2022 and 2021, respectively. During the year ended December 31, 2022, the Company disposed of fully depreciated assets that were no longer in service.

## 6. Intangible Assets

	December 31, 2022	December 31, 2021
AutoGrafic software system	\$ 907,954	\$ 901,905
Customer relationships	3,105,000	-
Trademarks	1,380,000	-
Customer list	52,000	-
Below market lease	310,000	-
	<u>5,574,954</u>	<u>901,905</u>
Less: accumulated amortization	(810,986)	-
Intangible assets - net	<u>\$ 4,943,968</u>	<u>\$ 901,905</u>

The Company acquired the AutoGrafic Software Sytem on March 31, 2021 for \$710,000 (See Note 9). Additionally, since acquisition, the Company incurred an additional \$197,954 in software development fees related to the application development stage of the software. The Company will begin amortizing the asset once it reaches the stage of intended-use.

The Company recently finalized the purchase accounting for the Worldwide Acquisition as described further in Note 10. As a result, the intangible assets (i.e. customer relationships, trademarks, customer list and below market lease) arose from the acquisition. The Company is amortizing these intangible over their respective remaining useful lives. The Company is recording amortization expense in the amount of \$810,986 for the year ended December 31, 2022. Of the \$810,986 in amortization expense, \$416,567 relates to the period from acquisition to December 31, 2021 and is being treated as a change in accounting estimate. The remaining \$394,419 is the expense related to the year ended December 31, 2022.

## 7. Indefinite Life Asset - Digital Currencies

The Company has several cryptocurrency mining computers which perform mining transactions that earn commissions paid out in Ethereum (ETH) and Bitcoin. The Company is paid in ETH and Bitcoin and it is deposited into a crypto wallet located on the Blockchain. Because digital currencies do not meet the definition of cash, inventory, or financial assets in current accounting guidance, The Company has elected to treat them as indefinite-lived intangible assets. Digital currencies are included in non-current assets in the consolidated balance sheets under indefinite life assets. Digital currencies are recorded at cost less impairment. The carrying value of the digital currencies as of December 31, 2022 and 2021 is \$4,771 and \$59,715, respectively. For the years ended December 31, 2022 and 2021, the Company recorded a loss on impairment of digital currencies in the amount of \$67,195 and \$6,081, respectively.

## 8. Operating lease right-of-use assets and operating lease liabilities

The Company leases 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn IN 46706 from a related party. The Company has a base rent of \$12,000 per month for a period of 60 months. The lease commencement date was July 1, 2021.

Worldwide leases 34,000 square feet of office space, from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$8,500 per month for a period of 48 months. The lease commencement date was December 31, 2021.

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is our incremental borrowing rate, estimated to be 7%, as the interest rate implicit in most of our leases is not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term. During the years ended December 31, 2022, the Company recorded \$246,087 as operating lease expense which is included in general and administrative expenses on the statements of operations.

Right-of- use assets are summarized below:

	December 31, 2022	December 31, 2021
Office Lease	\$ 994,315	\$ 994,315
Less accumulated amortization	(316,503)	(114,296)
Right-of-use, net	<u>\$ 677,812</u>	<u>\$ 880,019</u>

Operating lease liabilities are summarized below:

	December 31, 2022	December 31, 2021
Office Lease	\$ 677,906	\$ 880,059
Less: current portion	(214,689)	(202,153)
Long term portion	<u>\$ 463,217</u>	<u>\$ 677,906</u>

<b>Maturity of lease liabilities are as follows:</b>	<b>As of December 31, 2022</b>
Year ending December 31, 2023	\$ 246,069
Year ending December 31, 2024	246,105
Year ending December 31, 2025	169,641
Year ending December 31, 2026	72,084
Total future minimum lease payments	\$ 733,899
Less imputed interest	(55,993)
PV of Payments	<u>\$ 677,906</u>

## 9. Asset Acquisition

On March 31, 2021 (“Effective Date”), the Company entered into an asset purchase agreement to acquire the AutoGrafic Software System (“AutoGrafic”) from Lavine Restorations, Inc. (“LRI”). AutoGrafic is a social application for hosting automotive promotion and preservation. The purchase price of the acquisition was \$710,000 payable as follows: (i) \$100,000 due on the effective date, (ii) \$100,000 paid in full over twelve months immediately following the effective date, (iii) 1,000,000 shares of the Company’s common stock valued at \$0.30 per share transferred within 14 days from the effective date and (iv) 700,000 shares of the Company’s common stock valued at \$0.30 per share in which delivery will be determined at a later date by the parties.

## 10. Business Acquisition

*Worldwide Group, LLC.*

On January 22, 2021, the Company completed its acquisition of all of the issued and outstanding units of Indiana-based Worldwide Group, LLC. (“Worldwide”), operating under the business name Worldwide Auctioneers, pursuant to a Membership Interest Purchase agreement (the “Agreement”). Pursuant to the Agreement, which was unanimously approved by the Company’s board of directors, Worldwide will operate independently under the Worldwide Auctioneers brand as a wholly-owned subsidiary of the Company.

Worldwide is a boutique auction company that specializes in the sale and acquisition of classic vintage motorcars at auction around the globe. They also offer an extensive range of personalized services to collectors, including private sales, appraisal, collection direction and consultancy, estate planning, and asset management. Worldwide is a leader in the Collector Car Auction industry with an impressive 20-year history and a talented team of experienced people. Worldwide houses a physical and virtual showroom, and a dedicated memorabilia division at its extensive headquarters located in Auburn, Indiana.

In connection with the agreement, the Company issued 2,000,000 shares of the Company’s Series B Preferred Stock valued at \$6,277,000 as consideration.

The Company completed its accounting for the acquisition on January 22, 2022. The purchase price allocation is as follows:

<b>Consideration</b>	
2,000,000 shares of Series B Preferred Stock	\$ 6,277,000
Total consideration	<u>\$ 6,277,000</u>
<b>Fair values of identifiable net assets and liabilities:</b>	
<i>Assets</i>	
Cash	\$ 31,583
Accounts receivable	99,949
Deposits and prepaids	32,514
Inventory	10,310
Other receivables	16,765
Fixed assets	<u>142,092</u>
Total assets	333,213

*Liabilities:*

Accounts payable	51,946
Credit cards, related party	48,835
Accrued liabilities, related party	249,620
Deferred revenue	10,950
Loans payable	1,784,911
Total liabilities	2,146,262

<b>Total fair value of identifiable net assets and liabilities</b>	<b>\$ (1,813,049)</b>
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<b>Excess (consideration given minus fair value of identifiable net assets and liabilities)</b>	<b>\$ 8,090,049</b>
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**Intangible assets:**

Customer relationships	\$ 3,105,000
Trademarks	1,380,000
Customer list	52,000
Below market lease	310,000
Total intangible assets	\$ 4,847,000

<b>Goodwill (excess minus values assigned to intangible assets)</b>	<b>\$ 3,243,049</b>
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On December 31, 2022, the Company performed a test to determine if goodwill should be impaired. The Company determined that the fair value of the reporting units was greater than its carrying value. As such, no impairment was recorded for the year ended December 31, 2022.

**11. Payroll Protection Program and Economic Injury Disaster Loan Program (EIDL) loans**

The Company, through its wholly-owned subsidiary, Worldwide, received loan proceeds in the amount of \$124,772 on March 15, 2021 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The interest rate is 1% per annum.

Only July 12, 2022, the loan was forgiven. During the year ended December 31, 2022, the Company recorded a gain on forgiveness of PPP loan in the amount of \$124,772.

On July 13, 2020, the Company, through its wholly-owned subsidiary, Worldwide, received loan proceeds of \$150,000 under the Economic Injury Disaster Loans (EIDL). The loan matures in 30 years and has an interest rate of 3.75%. As of December 31, 2022, the balance is classified in non-current liabilities. As of December 31, 2022, the balance of accrued interest related to these loans is \$13,372.

**12. Related party transactions and commitments**Notes Payable

The Company, through its wholly-owned subsidiary Worldwide has a loan with Osmium Holdings LLC ("Osmium"). Osmium owns greater than 10% of the Company's common stock outstanding. The loans are as follows:

- On December 1, 2018, Worldwide received \$1,500,000 against a line of credit promissory note from Osmium. The interest rate was 7.5% and the maturity date was November 30, 2021. During the year ended December 31, 2021, the Company repaid \$760,945 on the note. On December 1, 2021, the note was replaced with a new note with principal balance of \$700,000. The interest rate is 9.75% and the maturity date is November 30, 2022. As of December 31, 2022 and 2021, the outstanding balance is \$700,000. As of December 31, 2022 and 2021, there is no accrued interest on this loan as the Company makes monthly interest payments.

On August 17, 2022, the Company's CEO, Brent Bedford, advanced the Company \$50,000, on September 15, 2022 he advanced the Company \$20,000, on October 15, 2022 he advanced the Company \$12,000, on October 19, 2022 he advanced the Company \$10,000 and on October 26, 2022 he advanced the Company \$20,000. As of December 31, 2022, the amount of advances owed to Mr. Bedford was \$112,000. During the year ended December 31, 2022 the Company recorded \$18,900 in accrued interest related to these advances.

#### Management Service

During the years ended December 31, 2022 and 2021, the Company incurred management fees to Brent Bedford in the amount of \$147,117 (\$62,892 are accrued) and \$153,057, respectively. Brent Bedford has an oral agreement under which he provides management services through a private entity that he owns. The expenses are classified in the statement of operations as management service, related party.

During the years ended December 31, 2022 and 2021, the Company incurred management fees to Trip Thomas, the Company's CFO in the amount of \$50,500 (\$19,983 are accrued) and \$24,250, respectively. Of the \$50,500 in management fees, \$25,500 is payable in common stock of which \$16,500 remains owed as of December 31, 2022. Trip Thomas has an oral agreement under which he provides management services through a private entity that he owns. The expenses are classified in the statement of operations as management service, related party.

During the years ended December 31, 2022 and 2021, the Company paid management fees to Carl Dilley, the Company's previous COO in the amount of \$0 and \$31,500, respectively. Carl Dilley had an oral agreement under which he provided management services through two private entities that he owns. The expenses are classified in the statement of operations as management service, related party. Carl Dilley resigned as of July 16, 2021 as COO and Director.

#### General and Administrative Expenses

During the years ended December 31, 2022 and 2021, a small shareholder of the Company and a relative of the Company's CEO, provided office management and administration support through a private entity that she owns amounting to \$64,909 and \$66,962, respectively. During the years ended December 31, 2022 and 2021, the Company also obtained network and website maintenance services from this private entity for \$1,594 and \$1,663 respectively. As of December 31, 2022 and December 31, 2021, the Company owed this small shareholder \$29,514 and \$5,953 respectively.

During the years ended December 31, 2022 and 2021, Brent Bedford, Chairman and CEO, provided office space, storage, and internet services through a private entity that he owns, to the Company totaling \$9,195 and \$18,066, respectively.

The Company leases 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn IN 46706, from a related party. The Company has a base rent of \$12,000 per month for a period of 60 months.

Worldwide leases 34,000 square feet of office space from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$8,500 per month for a period of 48 months. The lease commencement date was December 31, 2021.



Related party operating expenses were comprised of the following:

	For the Years Ended	
	December 31, 2022	December 31, 2021
Management service – related party	\$ 197,617	\$ 208,807
General and Administrative Expense:		
Office management & administrative support	64,909	66,962
Rent - Plectrum Enterprises	9,195	18,066
Rent - Kruse Plaza	263,086	155,000
Network and website maintenance	1,594	1,663
Total general and administrative – related party	338,784	241,691
Total related party operating expenses	\$ 536,401	\$ 450,498

#### Accounts receivable

The related party accounts receivable is included in the accounts receivable balance on the balance sheet. The balance of accounts receivable, related party was comprised of the following:

	As of December 31, 2022	As of December 31, 2021
JKEC (controlled by Junebug Holdings, Inc.)	\$ -	\$ 9,462
Kruse Plaza	1,045	13,968
Total accounts receivable – related party	\$ 1,045	\$ 23,430

#### Accounts payable, related party

The balance of accounts payable, related party was comprised of the following:

	As of December 31, 2022	As of December 31, 2021
Plectrum Enterprises, Inc. (owned by Brent Bedford, CEO)	\$ 62,892	\$ 269
Brent Bedford, CEO	8,179	2,237
Flip Flop Studios (owned by Shelley Bedford, relative of CEO)	29,514	5,953
A-Frame Accounting & Advisory, Inc.	19,983	483
Kruse Plaza	1,391	-
Accrued wages (Junebug)	-	128,936
Accrued wages (Twin Grille Holdings)	-	118,163
Total accounts payable – related party	\$ 121,959	\$ 256,041

### 13. Reportable segments

The Company currently has one primary reportable geographic segment - United States. The Company has two reportable operating segments – auction and cryptocurrency mining. We also have included a Non-operating Corporate segment. All inter-segment revenues are eliminated. Summary information with respect to the Company’s operating segments is as follows:

	Years ended December 31,	
	2022	2021
Revenue		
Automobile:		
Service revenues	\$ 5,028,997	\$ 3,855,993
Product sales	89,950	4,524,805
Cryptocurrency mining revenue	121,574	64,596
Total revenue	<u>\$ 5,240,521</u>	<u>\$ 8,445,394</u>

	Years ended December 31,	
	2022	2021
(Income) loss from operations		
Auction	\$ (709,030)	\$ (1,366,266)
Cryptocurrency mining	(121,953)	(64,596)
Non-operating corporate	2,303,603	1,426,069
Total (income) loss from operations	<u>\$ 1,472,620</u>	<u>\$ (4,793)</u>

	Years ended December 31,	
	2022	2021
Depreciation and Amortization		
Automobile	\$ 947,085	\$ 21,770
Cryptocurrency mining	74,348	14,225
Non-operating corporate	146,532	22,920
Total	<u>\$ 1,167,965</u>	<u>\$ 58,915</u>

	Years ended December 31,	
	2022	2021
Capital Expenditures		
Automobile	\$ 629,622	\$ 43,725
Cryptocurrency mining	-	371,740
Non-operating corporate	6,050	307,169
Total	<u>\$ 635,672</u>	<u>\$ 722,634</u>

	Years ended December 31,	
	2022	2021
Total Assets		
Automobile	\$ 8,363,929	\$ 9,325,570
Cryptocurrency mining	376,511	371,740
Non-operating corporate	1,626,262	1,817,657
Total	<u>\$ 10,366,702</u>	<u>\$ 11,514,967</u>

#### 14. Equity

##### Unearned Compensation

On March 29, 2022, the Company entered into a platform account and media awareness agreement with a digital marketing and data technology firm called SRAX, Inc. (“Service Provider”). The agreement provides the Company with data for PR, proxy, tender offers, and prospecting services to the Company over a one year term. Services include: Sequire™ platform access, weekly downloaded NOBO and DTC lists, weekly reporting, internet advertising, paid media across multiple platforms targeting current stakeholders as well as SRAX Sequire™ proprietary investor audiences. The Company issued 3,150,000 shares of common stock at \$0.20 per share for a total consideration of \$630,000. The total cost of the agreement will be amortized over a one year term. The Common shares are restricted for a one year period (“Lock-Up”) and are bound to a leak-out restriction commencing at the end of the Lock-Up period that limits the Service Provider from selling no more than 10% of the average daily trading volume of the Company’s stock during the preceding 10 trading days. During the year ended December 31, 2022, the Company recorded \$526,438 in amortization of unearned compensation. As of December 31, 2022, the balance of unearned compensation was \$103,562.

##### Preferred Stock

On October 29, 2021, the Board of Directors approved a new designation of Preferred Stock in the Company designated as “Series A Preferred Stock”. There are 160 authorized shares of Series A Preferred Stock with a par value of \$0.0001 that are eligible for conversion into 100,000 Common Shares. A Holder of Series A Preferred Shares shall be entitled to receive dividends, if available, equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company’s GEM Sector 450 cryptocurrency mining activities for a minimum period of 36 months. During the year ended December 31, 2022, the Company sold 2 shares of Series A Preferred Stock for \$100,000.

##### Stock Options Issuance

On September 12, 2014, the Board of Directors adopted the Company’s “2014 Stock Option Plan” (the “Plan”) effective immediately. The maximum number of options issuable under the Plan is 15% of the Company’s issued and outstanding shares at the time of any grant. If any shares of common stock subject to an award under the Plan are forfeited, expire, are settled for cash or are tendered by the participant, or withheld by the Company to satisfy any tax withholding obligation, then, in each case, the shares subject to the award may be used again for awards under the Plan to the extent of the forfeiture, expiration, cash settlement, or withholding. The stock option awards issuable under the Plan can be made up of non-statutory stock options only; the Plan does not contemplate incentive options. The Plan dictates that stock options will be granted for terms, prices, and quantities determined at the Board’s discretion, with quantities being in multiples of 1,000 shares. Non-statutory stock options are available to independent contractors and consultants as well as to employees.

Options to purchase common stock were granted to directors and consultants as follows:

Grant Date	October 31, 2019	November 18, 2020	April 15, 2021	July 1, 2022	August 18, 2022
Options granted	450,000	700,000	1,090,000	700,000	500,000
Expiration date	October 31, 2022	November 18, 2023	April 15, 2024	July 1, 2027	August 18, 2027
Vesting Criteria	Immediate Vest	Immediate Vest	Immediate Vest	Immediate Vest	Immediate Vest
Grant date fair value	<u>\$ 3,400</u>	<u>\$ 119,169</u>	<u>\$ 72,376</u>	<u>\$ 16,097</u>	<u>\$ 11,497</u>

Optionees are precluded from selling, transferring or otherwise disposing of any Optioned Shares during the twelve months immediately following the grant of the Options, and shall be limited to a resale volume not exceeding 1% of the Company's issued and outstanding stock in any three-month period.

The Company valued these options using the Black-Scholes Model using inputs as detailed below:

Grant Date	October 31, 2019	November 18, 2020	April 15, 2021	July 1, 2022	August 18, 2022
Black-Scholes Inputs:					
Underlying price	\$0.03	\$0.20	\$0.27	\$0.15	\$0.16
Contractual strike price	\$0.10	\$0.10	\$0.25	\$0.20	\$0.20
Expected term	1.50 Years	1.50 Years	1.50 Years	2.50 Years	2.50 Years
Market volatility:					
Equivalent Volatility	125.25%	203.73%	41.25%	36.89%	36.89%
Interest rate	1.53%	0.11%	0.16%	2.85%	2.85%

At December 31, 2022, options outstanding were:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Options Outstanding – January 1, 2021	6,050,000	\$ 0.10	0.80 Years
Issued	1,090,000	\$ 0.25	3.0 Years
Exercised	-		
Expired	(4,900,000)	\$ 0.10	
Options Outstanding – December 31, 2021	2,240,000	\$ 0.12	1.87 Years
Issued	1,200,000	\$ 0.20	5.0 Years
Exercised	-		
Expired	(1,050,000)		
Options Outstanding – December 31, 2022	2,390,000	\$ 0.22	2.88 Years
Outstanding Exercisable – December 31, 2022	2,390,000	\$ 0.22	2.88 Years

During the years ended December 31, 2022 and 2021, the Company recorded \$27,594 and \$72,376 in stock-based compensation expense.

## Warrants

As of December 31, 2022 and 2021, the Company had 21,000,000 warrants outstanding. The warrants, which were issued in 2018, were valued using a Black-Scholes Merton (“BSM”) model. The value of \$1,159,200 was recorded in additional paid-in capital. The warrants have an exercise price of \$0.01 per share and expire on January 31, 2023.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Warrants Outstanding – January 1, 2021	21,000,000	\$ 0.01	2.08 Years
Issued	-		
Exercised	-		
Expired	-		
Warrants Outstanding – December 31, 2021	21,000,000	\$ 0.01	1.08 Years
Issued	-		
Exercised	-		
Expired	-		
Warrants Outstanding – December 31, 2022	21,000,000	\$ 0.01	0.08 Years
Outstanding Exercisable – December 31, 2022	21,000,000	\$ 0.01	0.08 Years

## **15. Going Concern**

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At December 31, 2022, the Company had \$384,433 in cash and \$1,274,057 in negative working capital. For the years ended December 31, 2022 and 2021, the Company had net losses of \$1,524,106 and \$127,015, respectively. Continued losses may adversely affect the liquidity of the Company in the future. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has operating costs and expenses at the present time for development of its business activities. The Company, however, will be required to raise additional capital over the next twelve months to meet its current administrative expenses, and it may do so in connection with or in anticipation of possible acquisition transactions. This financing may take the form of additional sales of its equity securities loans from its directors and or convertible notes. There is no assurance that additional financing will be available, if required, or on terms favorable to the Company.

## 16. Commitments and Contingencies

During the normal course of business, the Company may be exposed to litigation. When the Company becomes aware of potential litigation, it evaluates the merits of the case in accordance with FASB ASC 450-20-50, *Contingencies*. The Company evaluates its exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If the Company determines that an unfavorable outcome is probable and can be reasonably estimated, it establishes the necessary accruals.

## 17. Income Taxes

The principles used for determining income and deductions to be recognized for income tax purposes will differ from those used in the determination of income and expenses for financial reporting purposes. Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company computes tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years. The net operating loss can be carried forward indefinitely.

The components of the net deferred tax asset (liability) December 31, 2022 and 2021, and the statutory tax rate, the effective tax rate and the elected amount of the valuation allowance are indicated below:

	December 31, 2022	December 31, 2021
Net operating loss carry-forward	\$ 320,062	\$ 26,673
Compensation from shared-based payment	(5,795)	(15,199)
Valuation Allowance	(314,267)	(11,474)
Net Deferred Tax Asset (Liability)	\$ -	\$ -

Income tax benefit resulting from applying statutory rates in jurisdictions in which we are taxed (Federal) differs from the income tax provision (benefit) in our financial statements. The following table reflects the reconciliation for the years ended December 31, 2022 and 2021:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Benefit at federal and statutory rate	(21)%	(21)%
Change in valuation allowance	21%	21%
Effective tax rate	0%	0%

## 18. Subsequent Events

On January 24th, 2023, Craig Dansereau exercised all of his 1,000,000 warrants to purchase 1,000,000 Common Shares in the Company for \$10,000.

On January 31, 2023, the Company granted a six (6) month extension to the expiry of warrants to ETI, LLC and Brent Bedford.

On April 10, 2023, as part of the Reg D-506(c) Common Stock Offering, the Company sold 200,000 shares for \$20,000.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**ITEM 9A. CONTROLS AND PROCEDURES.****Evaluation of Disclosure Controls and Procedures**

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

An evaluation was conducted under the supervision and with the participation of our management of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022. Based on that evaluation, our management concluded that our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms as a result of the following material weaknesses:

The specific material weakness identified by our management was ineffective controls over certain aspects of the financial reporting process because of a lack of a sufficient complement of personnel with a level of accounting expertise and an adequate supervisory review structure that is commensurate with our financial reporting requirements and inadequate segregation of duties. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements would not be prevented or detected on a timely basis.

We expect to be materially dependent upon a third party to provide us with accounting consulting services for the foreseeable future. Until such time as we have a chief financial officer with the requisite expertise in U.S. GAAP, there are no assurances that the material weaknesses in our disclosure controls and procedures and internal control over financial reporting will not result in errors in our financial statements which could lead to a restatement of those financial statements.

**Changes in Internal Controls**

There have been no changes in our internal controls over financial reporting identified in connection with the evaluation required by paragraph (d) of Securities Exchange Act Rule 13a-15 or Rule 15d-15 that occurred in the years ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

## PART III

### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS.

#### *Identification of Directors and Executive Officers*

The following table sets forth the names and ages of our current director(s) and executive officer(s)

Name	Age	Position
Brent Bedford	55	CEO & Chairman of the Board
William Griffin Thomas	47	CFO
Rod Egan	55	Director
Thomas Ristow	55	Director
Craig Dansereau	43	Director
Marlin Stutzman	47	Director

#### *Term of Office*

Each of our directors is appointed to hold office until the next annual meeting of our stockholders or until his respective successor is elected and qualified, or until he resigns or is removed in accordance with the provisions of the Nevada General Corporate Law. Our officers are appointed by our Board of Directors and hold office until removed by the Board or until their resignation

#### *Background and Business Experience*

##### ***Brent Bedford – Chairman and CEO***

**Brent W. Bedford** founded the Company in January 2005 and has served continuously as Chairman, President, and CEO. Brent's 35+ years of experience working with some of the world's leading manufacturers in a variety of industries has led the company in areas of new technology development, manufacturing efficiencies, and improved processes for increased energy efficiency of products. His extensive network of international connections has provided experience in negotiating various agreements with many prominent international companies including, Porsche, Samsung, GE, Ferrari, Lamborghini, Phillips, Hitachi, LG, Acer, Posco, Siemens, Hilti, Metabo, Vespa, Renault, Lite-On, Beckman Coulter, Tecumseh, Bosch, Ducati, etc.

Mr. Bedford is the nephew of the original inventor for the XYO Mechanical Balancing Technology, the flagship technology of Perpetual Industries and has spearheaded the research and development The XYO Technology since 1994. His wealth of experience and proprietary knowledge of working with XYO and Manufacturing Systems is invaluable and makes Mr. Bedford one of the world experts of dynamic balancing systems and vibration reduction in mechanical devices.

Among his earlier accomplishments, he founded the independent music label Inferno Records and the international licensing, marketing, and distribution company One Tree Hill International Traders. Through One Tree Hill he obtained some of the first marketing and distribution rights to products based on television's "The Simpsons", and also marketed the U.K.'s patented "Qwicksilver" tarnish removal system through the development and creation of over 200 independent distributors in North America. Qualifications as Director: As a member of the board, Mr. Bedford contributes his knowledge of the company and a deep understanding of all aspects of the business, products and markets, as well as substantial experience developing corporate strategy, assessing emerging industry trends, and carrying out business operations. He has a strong background in mechanical applications, and expertise in finance, private and public company startups, and corporate turnarounds.

##### ***William Griffin Thomas (Trip), CPA – CFO***

Trip Thomas is the President and Founder of A-Frame Accounting & Advisory, Inc. located in Tampa, Florida. Trip has more than 19 years of experience in the field of accounting. His experience includes private industry, public company, public accounting and non-profit. Some of his experience includes auditing, budget analysis, fixed assets, financial modeling, SEC financial reporting, GAAP compliance and fair value measurements. Additionally, Trip has experience in providing bookkeeping and tax services to clients.

Before founding A-Frame, Trip spent five years as a partner with Cross Roads Consulting, LLC, a boutique consulting practice, located in Tampa, Florida. At Cross Roads he assisted clients in the areas of (i) Regulatory financial reporting, (ii) GAAP and IFRS compliance and (iii) technical accounting support. Prior to working for Cross Roads, Trip worked as a Senior Accountant for The LSC Group LLC, a licensed CPA firm, located in Tampa, Florida. At The LSC Group, he specialized in the identification and valuation of derivatives arising from PIPE (Private Investment in a Public Entity) transactions. Prior to working for The LSC Group, Trip worked as an accountant for a diverse range of organizations, including a Tampa real estate developer, the American Heart Association (a non-profit organization) and MetLife (a fortune five hundred corporation).



Trip holds a Bachelor of Science in Accounting from the University of Tampa and a Bachelor of Science in Agribusiness from the University of Florida. He is a licensed CPA in the State of Florida.

#### ***Craig Dansereau – Director***

**Craig Dansereau** is a well-respected business professional and entrepreneur for over 18 years, Craig has founded and successfully operated a number of private companies ranging from consulting to construction equipment rental in the fields of construction and Oil & Gas regulatory compliance. Mr. Dansereau studied Petroleum Engineering (SAIT), Environmental Management (University of Calgary) and Project Management (Mount Royal University) and plays an instrumental management role at Perpetual in designing, building, customizing and operating the Green Energy Mining (GEM) Systems.

#### ***Rod Egan – Director***

**Rod Egan** has served as a Director since August 2005. From September 2007 to date, he has been Owner, Director of RIJ Holdings, LLC, a personal holding company. From October 2005 to date, he has been Owner, Managing Partner of The Worldwide Group, LLC which runs collector automobile auctions. From July 2005 to date, he has been Owner, Director, and President of Cinch Ventures Ltd., a management and promotion company. From September 2004 to December 2009, he was Owner, Director of Asset Solutions International, LLC, a holding company. From October 2005 to February 2007, he was Owner, Director of Automax, LLC, a retail automobile sales firm. He holds state auctioneer licenses in Texas, Indiana, and Florida. Qualifications as Director: As a member of the board, Mr. Egan contributes the benefits of his executive leadership and management experience, in particular with regard to running startup companies and negotiating purchase and sale agreements. An elite collector car auctioneer specializing in the valuation of fine automobiles, he oversees corporate operations at The Worldwide Group, LLC, where he has demonstrated his appraisal and sales abilities (his sales history totals over \$3 billion, privately and through auction) and helped to close some of the largest private car collection sales in North America in recent years.

#### ***Thomas Ristow – Director***

**Thomas Ristow** has served as a Director since August 2005. From April 2005 to date, he has been Sales Manager for Sekisui Chemical GmbH, a chemical products company. At ETI Technologies Inc., the intellectual property licensing firm which is now the licensor of the XYO technology, he served from 1993 through 2005, as European Sales Representative from 1993 to 1996, European Marketing Manager from 1996 to 2001, and European Business Development Manager 2001 to 2005. He received a Diplom-Kaufmann in 1999 from the University of Cologne, Germany. Qualifications as Director: As a member of the board, Mr. Ristow contributes significant industry-specific experience and expertise on our products and services. He has significant knowledge and experience in the European marketplace.

#### ***Family Relationships***

There are no family relationships between our officers and directors.

#### ***Legal Proceedings***

None

#### ***Audit Committee and Audit Committee Financial Expert***

The Company has a separately designated standing audit committee comprised of Chairman, President and CEO Brent Bedford and Directors Rod Egan and Thomas Ristow. The Board of Directors has determined that the Company has two audit committee financial experts serving on its audit committee: Rod Egan and Thomas Ristow, who are independent from the management of the Company.

#### ***Code of Ethics***

The Company has not adopted a code of ethics that applies to its officers, because of the Company's highly streamlined organizational structure and to minimize compliance administration.

#### ***Nominating Committee***

The nominating committee does not have a policy with regard to the consideration of any director candidates recommended by security holders. In the view of the board of directors it is appropriate for the Company not to have such a policy in order to minimize compliance administration.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers, and persons who beneficially own more than ten percent of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of change in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us under Rule 16a-3(e) during the five months ended December 31, 2019, Forms 5 and any amendments thereto furnished to us with respect to the five months ended December 31, 2019, and the representations made by the reporting persons to us, we believe that during the five months ended December 31, 2019, our executive officers and directors and all persons who own more than ten percent of a registered class of our equity securities complied with all Section 16(a) filing requirements.

## **ITEM 11. EXECUTIVE COMPENSATION**

The table below summarizes all compensation awarded to, earned by, or paid to our Principal Executive Officer for all services rendered in all capacities to us for the twelve months ended December 31, 2022 and December 31, 2021, respectively.

Name and Principal Position	Period	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total
Brent Bedford, Chairman and CEO	12/31/2021	\$ 153,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,057
	12/31/2022	\$ 147,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,117
Trip Thomas, CFO	12/31/2021	\$ 24,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,250
	12/31/2022	\$ 50,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,500
Carl Dille, Director and COO*	12/31/2021	\$ 31,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,500
	12/31/2022	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0

\*Carl Dille resigned on August 16, 2021

### Summary Equity Awards Table

The following table sets forth certain information for our executive officers concerning unexercised options, stock that has not vested, and equity incentive plan awards as of December 31, 2022. Outstanding Equity Awards at December 31, 2022:

Name	Brent Bedford	William Thomas
Number of Securities Underlying Unexercised Options (#) Exercisable	0	0
Number of Securities Underlying Unexercised Options (#) Unexercisable	0	0
Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	0	0
Option Exercise Price (\$)		
Option Expiration Date		
Number of Shares or Units of Stock That Have Not Vested (#)	0	0
Market Value of Shares or Units of Stock That Have Not Vested (\$)	\$0	\$0
Equity Incentive Plan Awards: Number Of Unearned Shares, Units or Other Rights That Have Not Vested (#)	0	0
Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	\$0	\$0

At no time during the last fiscal year with respect to any person listed in the table above was there:

- any outstanding option or other equity-based award re-priced or otherwise materially modified (such as by extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined)
- any waiver or modification of any specified performance target, goal or condition to payout with respect to any amount included in non-stock incentive plan compensation or payouts
- any non-equity incentive plan award made to a named executive officer
- any nonqualified deferred compensation plans including nonqualified defined contribution plans; or
- any payment for any item to be included under All Other Compensation in the Summary Compensation Table.

#### Directors Compensation Table

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Non-qualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Rod Egan	0	0	0	0	0	0	0
Thomas Ristow	0	0	0	0	0	0	0
Craig Dansereau	0	0	0	0	0	0	0
Marlin Stutzman	0	0	0	0	0	0	0

#### Compensation of Directors

We have no compensation arrangements (such as fees for retainer, committee service, service as Chairman and CEO of the board or a committee, and meeting attendance) with directors.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

#### Security Ownership

The following table sets forth information regarding the number of shares of our common stock beneficially owned on December 31, 2022 by:

- each person who is known by us to beneficially own 5% or more of our common stock,
- each of our directors and executive officers, and
- all of our directors and executive officers as a group.

To the best of our knowledge, the persons named have sole voting and investment power with respect to such shares, except as otherwise noted. There are not any pending or anticipated arrangements that may cause a change in control.

The information presented below regarding beneficial ownership of our voting securities has been presented in accordance with the rules of the Securities and Exchange Commission and is not necessarily indicative of ownership for any other purpose. Under these rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares the power to vote or direct the voting of the security or the power to dispose or direct the disposition of the security. A person is deemed to own beneficially any security as to which such person has the right to acquire sole or shared voting or investment power within 60 days through the conversion or exercise of any convertible security, warrant, option or other right. More than one person may be deemed to be a beneficial owner of the same securities.

The percentage of beneficial ownership by any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days, by the sum of the number of shares outstanding as of such date plus the number of shares as to which such person has the right to acquire voting or investment power within 60 days. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner. Except as otherwise indicated below and under applicable community property laws, we believe that the beneficial owners of our common stock listed below have sole voting and investment power with respect to the shares shown.

Number of Shares from  
Warrants, Options, and

Name	Title	Number of Common Shares	Convertible Notes, currently exercisable or exercisable in the next 60 days*	% of Common Share
Brent Bedford	Chairman and CEO	11,000,000	4,000,000	19.20 %
William Thomas	Chief Financial Officer	80,000		.38%
Thomas Ristow	Director	300,000		.38%
Rod Egan	Director	500,000		.64%
Craig Dansereau	Director	510,000	1,000,000	1.93%
Marlin Stutzman	Director	0	0	0.00%
All officers and directors (and management) as a group [6 persons]		12,310,000	5,000,000	22.54%
ETI, LLC		0	16,000,000	19.64%
Osmium Holdings LLC		17,696,000	0	21.72%
Bulldawg Capital, LLC		13,174,140	0	16.17%

This table is based upon information derived from our stock records. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, each of the shareholders named in this table has sole or shared voting and investment power with respect to the shares indicated as beneficially owned. Except as set forth above, applicable percentages are based upon 81,471,500 shares of common stock outstanding as of December 31, 2022.

#### Changes in Control

None.

### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

#### General

The amounts and terms of related party transactions are not necessarily indicative of the amounts and terms which would have been incurred had the transactions been incurred with unrelated parties.

#### Notes Payable

The Company, through its wholly-owned subsidiary Worldwide has a loan with Osmium Holdings LLC ("Osmium"). Osmium owns greater than 10% of the Company's common stock outstanding. The loans are as follows:

- On December 1, 2018, Worldwide received \$1,500,000 against a line of credit promissory note from Osmium. The interest rate was 7.5% and the maturity date was November 30, 2021. During the year ended December 31, 2021, the Company repaid \$760,945 on the note. On December 1, 2021, the note was replaced with a new note with principal balance of \$700,000. The interest rate is 9.75% and the maturity date is November 30, 2022. As of December 31, 2022 and 2021, the outstanding balance is \$700,000. As of December 31, 2022 and 2021, there is no accrued interest on this loan as the Company makes monthly interest payments.

On August 17, 2022, the Company's CEO, Brent Bedford, advanced the Company \$50,000, on September 15, 2022 he advanced the Company \$20,000, on October 15, 2022 he advanced the Company \$12,000, on October 19, 2022 he advanced the Company \$10,000 and on October 26, 2022 he advanced the Company \$20,000. As of December 31, 2022, the amount of advances owed to Mr. Bedford was \$112,000. During the year ended December 31, 2022 the Company recorded \$18,900 in accrued interest related to these advances.

#### Management Service

During the years ended December 31, 2022 and 2021, the Company incurred management fees to Brent Bedford in the amount of \$147,117 (\$62,892 are accrued) and \$153,057, respectively. Brent Bedford has an oral agreement under which he provides management services through a private entity that he owns. The expenses are classified in the statement of operations as management service, related party.

During the years ended December 31, 2022 and 2021, the Company incurred management fees to Trip Thomas, the Company's CFO in the amount of \$50,500 (\$19,983 are accrued) and \$24,250, respectively. Of the \$50,500 in management fees, \$25,500 is payable in common stock of which \$16,500 remains owed as of December 31, 2022. Trip Thomas has an oral agreement under which he provides management services through a private entity that he owns. The expenses are classified in the statement of operations as management service, related party.

During the years ended December 31, 2022 and 2021, the Company paid management fees to Carl Dilley, the Company's previous COO in the amount of \$0 and \$31,500, respectively. Carl Dilley had an oral agreement under which he provided management services through two private entities that he owns. The expenses are classified in the statement of operations as management service, related party. Carl Dilley resigned as of July 16, 2021 as COO and Director.

#### General and Administrative Expenses

During the years ended December 31, 2022 and 2021, a small shareholder of the Company and a relative of the Company's CEO, provided office management and administration support through a private entity that she owns amounting to \$64,909 and \$66,962, respectively. During the years ended December 31, 2022 and 2021, the Company also obtained network and website maintenance services from this private entity for \$1,594 and \$1,663 respectively. As of December 31, 2022 and December 31, 2021, the Company owed this small shareholder \$29,514 and \$5,953 respectively.

During the years ended December 31, 2022 and 2021, Brent Bedford, Chairman and CEO, provided office space, storage, and internet services through a private entity that he owns, to the Company totaling \$9,195 and \$18,066, respectively.

The Company leases 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn IN 46706, from a related party. The Company has a base rent of \$12,000 per month for a period of 60 months.

Worldwide leases 34,000 square feet of office space from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$8,500 per month for a period of 48 months. The lease commencement date was December 31, 2021.

Related party operating expenses were comprised of the following:

	For the Years Ended	
	December 31, 2022	December 31, 2021
Management service – related party	\$ 197,617	\$ 208,807
General and Administrative Expense:		
Office management & administrative support	64,909	66,962
Rent - Plectrum Enterprises	9,195	18,066
Rent - Kruse Plaza	263,086	155,000
Network and website maintenance	1,594	1,663
Total general and administrative – related party	338,784	241,691
Total related party operating expenses	\$ 536,401	\$ 450,498

#### Accounts receivable

The related party accounts receivable is included in the accounts receivable balance on the balance sheet. The balance of accounts receivable, related party was comprised of the following:

	As of December 31, 2022	As of December 31, 2021
JKEC (controlled by Junebug Holdings, Inc.)	\$ -	\$ 9,462
Kruse Plaza	1,045	13,968
Total accounts receivable – related party	\$ 1,045	\$ 23,430

#### Accounts payable, related party

The balance of accounts payable, related party was comprised of the following:

	As of December 31, 2022	As of December 31, 2021
Plectrum Enterprises, Inc. (owned by Brent Bedford, CEO)	\$ 62,892	\$ 269
Brent Bedford, CEO	8,179	2,237
Flip Flop Studios (owned by Shelley Bedford, relative of CEO)	29,514	5,953
A-Frame Accounting & Advisory, Inc.	19,983	483
Kruse Plaza	1,391	-
Accrued wages (Junebug)	-	128,936
Accrued wages (Twin Grille Holdings)	-	118,163
Total accounts payable – related party	\$ 121,959	\$ 256,041

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The following table summarizes the breakdown of professional services rendered by the principal accountant for the last two fiscal years. Professional Accounting Services Related to Principal Accountant, Including Audit Fees, Audit-Related Fees, Tax Fees, and All Other Preparation Fees

Description of Services	Year Ended December 31, 2022	Year Ended December 31, 2021
Audit Review of Three Months Ended March 31st – Q1	\$7,000	\$7,000
Audit Review of Three Months Ended June 30 <sup>th</sup> – Q2	\$7,000	\$7,000
Audit Review of Three Months Ended September 30th – Q3	\$7,000	\$7,000
Audit of Annual Financial Statements	\$40,000	\$40,000
Total	\$61,000	\$61,000

**PART IV****ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

See Item 8 for Financial Statements.

All other Exhibits called for by Rule 601 of Regulation SK are not applicable to this filing.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Perpetual Industries Inc.

Registrant

May 1, 2023

Date

/s/ Brent W. Bedford

Brent W. Bedford, Chairman of the Board, CEO, Principal Executive Officer, Principal Accounting Officer and Principal Financial Officer

May 1, 2023

Date

/s/ William Griffin Thomas, III ("Trip")

Trip Thomas, Chief Financial Officer

May 1, 2023

Date

/s/ Craig Dansereau

Craig Dansereau, Director

May 1, 2023

Date

/s/ Rod Egan

Rod Egan, Director

May 1, 2023

Date

/s/ Thomas Ristow

Thomas Ristow, Director

May 1, 2023

Date

/s/ Marlin Stutzman

Marlin Stutzman, Director

Perpetual Industries Inc.

Registrant

### **Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act**

No annual report or proxy material has been sent to security holders.



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

## **Perpetual Industries Inc.**

A Nevada Corporation  
2193 Rotunda Dr.  
Auburn, IN 46706

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702-707-9811

[www.perpetualindustries.com](http://www.perpetualindustries.com)

[info@perpetualindustries.com](mailto:info@perpetualindustries.com)

CIC Code: 3590

## **Annual Report**

For the period ending December 31, 2022  
(the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

81,471,500 as of December 31, 2022

78,137,800 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.

Perpetual Industries 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):

January 26, 2005 – Active. Incorporated in the State of Nevada

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:

none

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

2193 Rotunda Dr.  
Auburn, IN 46706 USA

The address(es) of the issuer's principal place of business:

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

yes

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: Securities Transfer Corporation (STC)  
Phone: (469) 633-0101  
Email: [lnobel@stctransfer.com](mailto:lnobel@stctransfer.com)  
Address: 2901 N. Dallas Parkway, Suite 380, Plano Texas 75093

### 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:	<u>PRPI</u>	
Exact title and class of securities outstanding:	<u>PERPETUAL INDUSTRIES INC. COMMON</u>	
CUSIP:	<u>71428B100</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>500,000,000</u>	as of date: <u>December 3, 2020</u>
Total shares outstanding:	<u>81,471,500</u>	as of date: <u>December 31, 2022</u>
Total number of shareholders of record:	<u>203</u>	as of date: <u>December 31, 2022</u>

*All additional class(es) of publicly quoted or traded securities (if any):*

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 the security:	<u>Series A Preferred Stock</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>160</u>	as of date: <u>November 15, 2021</u>
Total shares outstanding (if applicable):	<u>2</u>	as of date: <u>September 30, 2022</u>
Total number of shareholders of record (if applicable):	<u>1</u>	

Exact title and class of the security:	<u>Series B Preferred Stock</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>2,000,000</u>	as of date: <u>June 30, 2021</u>
Total shares outstanding (if applicable):	<u>2,000,000</u>	as of date: <u>December 31, 2022</u>
Total number of shareholders of record (if applicable):	<u>2</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.**

The Company is authorized to issue up to 500,000,000 shares of Common Stock, par value \$0.001, and 100,000,000 shares of Preferred Stock, par value \$0.0001. Each share of Common Stock is entitled to one vote and, unless otherwise set forth in the certificate of designation for another series or class of stock, is entitled to receive dividends and distributions upon the liquidation or winding up of the Company pari passu with every other series and class of the Company's stock.

Shares of common stock have the following rights and privileges:

- The holder of each share of common stock is entitled to one vote per share held.
- The holders of common stock shall be entitled to elect members of the Board of Directors.
- Common stockholders are entitled to receive dividends, if and when declared by the Board of Directors, subject to the rights of holders of all classes of stock outstanding having priority rights as to dividends.

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

**Series A Preferred Shares – Non-Voting**

The authorized number of Series A Preferred Shares shall be 160 shares, with a par value of \$0.0001 each. All Series A Preferred Shares shall rank senior to all shares of Common Stock of the Company and to all current and future series of Preferred Stock. Each Series A Preferred Share shall be convertible into 100,000 validly issued, fully paid and non-assessable shares of Common Stock. Pursuant to the terms in the Certificate of Designation, a holder of outstanding Series A Preferred Shares shall be entitled to receive dividends equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company's GEM Sector 450 cryptocurrency mining activities.

**Series B Preferred Shares- Non Voting**

The authorized number of Series B Preferred Shares shall be 2,000,000 shares, with a par value of \$0.0001 each. The holders shall be entitled to convert any whole number of Series B Preferred Shares into 10 (ten) validly issued, fully paid and non-assessable shares of Common Stock. As at December 31, 2022, all of the authorized 2,000,000 shares of Series B Preferred Shares had been issued.

**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.						
<p>Opening Balance:</p> <p>Date: Dec 31, 2020 Common: 69,983,500</p> <p>Preferred: 0</p>									
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 (entities must have individual with voting / investment control disclosed).	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.
Jan 15, 2021	New issuance	170,000	Common	\$0.30	no	Kenneth Wilson	506(c) Share subscription	Restricted	Accredited
Jan 28, 2021	New issuance	170,000	Common	\$0.30	no	Matthew Stutzman	506(c) Share subscription	Restricted	Accredited
Feb 25, 2021	New issuance	1,700,000	Common	\$0.30	no	Lamar Bontrager	506(c) Share subscription	Restricted	Accredited
Mar 31, 2021	New issuance	1,000,000	Preferred Shares Series B	\$0.10	no	Twin Grille Holdings, LLC. (50% Unit Holder of Worldwide Group, LLC) Rod Egan	*Acquisition Purchase of wholly-owned subsidiary	N/A Not publicly traded	N/A
Mar 31, 2021	New issuance	1,000,000	Preferred Shares Series B	\$0.10	no	Junebug Holdings, LLC. (50% Unit Holder of Worldwide Group, LLC) John Kruse	*Acquisition Purchase of wholly-owned subsidiary	N/A Not publicly traded	N/A
April 8, 2021	New issuance	1,693,400	Common	\$0.30	no	Mark Phillabaum	506(c) Share subscription	Restricted	Accredited
April 8, 2021	New issuance	833,400	Common	\$0.30	no	Mathew Konkler	506(c) Share subscription	Restricted	Accredited

<u>April 8, 2021</u>	<u>New issuance</u>	<u>16,000</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Andrew Betzing</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>13,900</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Blake R. Mann</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>11,400</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Bobbie Baer</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>8,400</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Bradey Gerke</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>20,800</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Charlie Kuhn</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>26,100</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>David Hetzel</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>19,000</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Haley Arnold</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>20,200</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Joanne Snyder</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>26,400</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Justin Sheehan</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>4,100</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Logan Kruse</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>12,500</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Nicholas Funk</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>20,000</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Bruce Schlaifer</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>15,300</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Tamara Watson</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>11,200</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Taylor Jones</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>15,400</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Terry Knight</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Troy Lefevra</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>22,400</u>	<u>Common</u>	<u>\$0.25</u>	<u>No</u>	<u>Andy Stone</u>	<u>Services provided to Subsidiary</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>170,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Carl Casper</u>	<u>506(c)Share subscription</u>	<u>Restricted</u>	<u>Accredited</u>
<u>April 8, 2021</u>	<u>New issuance</u>	<u>170,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Timothy Jones</u>	<u>506(c)Share subscription</u>	<u>Restricted</u>	<u>Accredited</u>
<u>April 20, 2021</u>	<u>New issuance</u>	<u>295,400</u>	<u>Common</u>	<u>\$0.26</u>	<u>No</u>	<u>Kruse Plaza Conference Center</u>	<u>Facility rent payable</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 20, 2021</u>	<u>New Issuance</u>	<u>24,000</u>	<u>Common</u>	<u>\$0.20</u>	<u>No</u>	<u>Toonvox Brad Belden</u>	<u>Shares payable for share subscription</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 20, 2021</u>	<u>New Issuance</u>	<u>46,000</u>	<u>Common</u>	<u>\$0.10</u>	<u>No</u>	<u>Toonvox Brad Belden</u>	<u>Shares payable for share subscription</u>	<u>Restricted</u>	<u>N/A</u>
<u>May 3, 2021</u>	<u>New issuance</u>	<u>340,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Brad Gough</u>	<u>506(c)Share subscription</u>	<u>Restricted</u>	<u>Accredited</u>
<u>May 13, 2021</u>	<u>New issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Brains Adventure Jamshid Rezaei</u>	<u>Compensation for software app development</u>	<u>Restricted</u>	<u>N/A</u>
<u>May 26, 2021</u>	<u>New issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Jason Stoller</u>	<u>Compensation per software sale agreement</u>	<u>Restricted</u>	<u>N/A</u>

<u>May 26, 2021</u>	<u>New issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Travis LaVine</u>	<u>Compensation per software sale agreement</u>	<u>Restricted</u>	<u>N/A</u>
<u>May 26, 2021</u>	<u>New issuance</u>	<u>400,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>LaVine Restorations</u> <u>Vivian LaVine</u>	<u>Compensation per software sale agreement</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 29, 2021</u>	<u>New issuance</u>	<u>340,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Chuck Goodrich</u>	<u>506(c) Share subscription</u>	<u>Restricted</u>	<u>Accredited</u>
<u>June 30, 2021</u>	<u>New issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.10</u>	<u>No</u>	<u>Trend Designers</u> <u>Evan Witmer</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>Aug 2, 2021</u>	<u>New issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.10</u>	<u>No</u>	<u>Trend Designers</u> <u>Evan Witmer</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>Nov 1, 2021</u>	<u>New issuance</u>	<u>14,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Gilius Blinstrubas</u>	<u>Compensation per contractor agreement</u>	<u>Restricted</u>	<u>N/A</u>
<u>Jan 22, 2022</u>	<u>New issuance</u>	<u>20,000</u>	<u>Common</u>	<u>\$0.20</u>	<u>No</u>	<u>David Heltzel</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>March 28, 2022</u>	<u>New Issuance</u>	<u>2</u>	<u>Preferred Shares Series A</u>	<u>\$50,000</u>	<u>No</u>	<u>Chuck Goodrich</u>	<u>506(c) Share subscription</u>	<u>Restricted</u>	<u>Accredited</u>
<u>March 29, 2022</u>	<u>New issuance</u>	<u>3,150,000</u>	<u>Common</u>	<u>\$0.2</u>	<u>No</u>	<u>SRAX, Inc.</u> <u>Christopher Miglino</u> <u>Erin DeRuggiero</u>	<u>Compensation per agreement</u>	<u>Restricted</u>	<u>N/A</u>
<u>April 26, 2022</u>	<u>New Issuance</u>	<u>17,700</u>	<u>Common</u>	<u>\$0.15</u>	<u>No</u>	<u>David Heltzel</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 8, 2022</u>	<u>New Issuance</u>	<u>16,000</u>	<u>Common</u>	<u>\$0.30</u>	<u>No</u>	<u>Gilius Blinstrubas</u>	<u>Compensation per contractor agreement</u>	<u>Restricted</u>	<u>N/A</u>
<u>Aug 3, 2022</u>	<u>New Issuance</u>	<u>20,000</u>	<u>Common</u>	<u>\$0.15</u>	<u>No</u>	<u>David Heltzel</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>Aug 19, 2022</u>	<u>New Issuance</u>	<u>40,000</u>	<u>Common</u>	<u>\$0.15</u>	<u>No</u>	<u>William G Thomas III</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>Nov 17, 2022</u>	<u>New Issuance</u>	<u>40,000</u>	<u>Common</u>	<u>\$0.11</u>	<u>No</u>	<u>William G Thomas III</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
<u>Nov 17, 2022</u>	<u>New Issuance</u>	<u>30,000</u>	<u>Common</u>	<u>\$0.10</u>	<u>No</u>	<u>David Heltzel</u>	<u>Compensation</u>	<u>Restricted</u>	<u>N/A</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>	<u>Ending Balance:</u>								
Date <u>Dec 31, 2022</u>	Common: <u>81,471,500</u>								
	Preferred: <u>2,000,002</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:  
none

## 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)

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

N/A

#### 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.otcm Markets.com](http://www.otcm Markets.com)).

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

Perpetual Industries is an innovative, emerging growth company committed to making a positive impact on the environment and society through innovative research and development projects. Our XYO Mechanical Balancer is our proprietary technology that can reduce energy consumption, increase equipment lifespan, and contribute to a more sustainable future across a wide variety of industries. Additionally, our focus on blockchain and cryptocurrency generation showcases our commitment to the future of connectivity. Beyond our main divisions, we are also proud to have a wholly owned subsidiary in the collector car industry, which provides a steady stream of revenue and diversifies our portfolio. Our mission is to make a measurable impact on the world through our cutting-edge technology and forward-thinking approach.

The company engages in three main business segments:

1. Green Energy Efficient Technology / XYO Mechanical Balancer Products
2. The Collector Community and Software Applications for the Blockchain
3. Digital Asset Mining (Bitcoin)

The company's divisions within the segments include; blockchain development, bitcoin mining, WindSilo vertical axis wind turbine (renewable energy source), AutoGrafic custom SaaS based mobile App (artificial intelligence, graphic rendering, cloud computing), XYO Mechanical Balancing Technology, XYO enhanced OEM domestic washing machine, and the sale and acquisition of classic vintage collector motorcars at auction around the globe with wholly owned subsidiary, Worldwide Auctioneers.

##### **Segments and Divisions:**

Perpetual Industries closed two key acquisitions in 2021, which now form powerful synergistic subsidiaries and divisions of the company, increase its footprint across multiple rapidly growing markets and expand its diverse revenue streams. In addition, the company is working on the development of solutions that integrate the powerful capabilities of disruptive blockchain technology.

**Worldwide Auctioneers- Wholly Owned Subsidiary** - The Worldwide Group LLC, operating as Worldwide Auctioneers, is a U.S.- based boutique auction firm. Acquired in January of 2021, this segment of Perpetual specializes in the sale and acquisition of classic vintage motorcars at auction around the globe. Worldwide has a successful 20-year track record and a talented leadership team focused on an extensive range of personalized services to collectors, including private sales, appraisal, collection direction and consultancy, estate planning, and asset management.

**AutoGrafic Software System** - AutoGrafic is a software-as-a-service ("SaaS") and social application that utilizes cutting-edge technology to host a myriad of capabilities for automotive promotion and preservation. AutoGrafic serves as an additional foundational component of Perpetual Industries' rapidly expanding blockchain division. The application is expected to greatly benefit Worldwide Auctioneers by bringing new innovation and technology to its customers and the overall collector car industry. Perpetual Industries intends to capitalize on this growing marketplace sector through creating an immersive interactive experience as well as a central hub designed to attract the next generation of car enthusiasts.



## R&D Portfolio:

**Green Energy Mining Solution (GEM)** - Leveraging expertise and knowledge of environmentally friendly technologies, Perpetual Industries is developing low cost, environmentally responsible energy solutions designed to power large-scale data center and blockchain mining operations. The company's Green Energy Mining ("GEM") solution aims to be powered by Perpetual Industries' proprietary vertical access wind turbines and other renewable, cost-effective surplus energy sources such as stranded gas, solar farms and hydro-electric dams.

**XYO Mechanical Balancing Technology** – The XYO Technology delivers energy efficient, high performance solutions by reducing vibration levels caused by unbalanced mass for rotating equipment, machinery and devices. XYO can be customized for virtually everything that rotates, creating an unlimited market potential. This is a core division and key area of focus in the Company that includes research, development, and commercialization of new and innovative energy efficient products that delivers high-performance solutions that overcome challenges and inefficiencies that commonly impact rotating equipment, machinery, and devices.

**WindSilo Vertical Axis Wind Turbine (VAWT)** – The Company's WindSilo turbine utilizes the Company's proprietary XYO Technology, which substantially improves balancing issues that are common in wind turbines today. Our unique design is under development to optimize spin speeds and features omni-directional capabilities with the ability to control wind source at all altitudes. The WindSilo design is being engineered to allow for much faster spin speeds and greater energy output. Through the implementation and addition of the XYO Technology into the turbine design, expensive traditional balancing methods could be eliminated while increasing performance, reliability and efficiency.

**XYO Washing Machine** – Perpetual has plans to develop a proprietary domestic washing machine design implementing XYO Mechanical Balancers to dynamically compensate for variable mass imbalance during the spin cycle. The Company expects this innovative, energy-efficient domestic washing machine to deliver a number of benefits, including higher spin speeds, reduced energy consumption, decreased noise emissions and less mechanical wear & tear. This proprietary domestic washing machine design dynamically solves vibration at the source

**Cryptocurrency Mining.** - The Company is strategically focused on rapidly growing our blockchain division with a large-scale expansion of our data center in Indiana to take advantage of the opportunity in the bitcoin mining sector. Plans include major upgrades to our data center facility, acquisition of specialized computers called Application-specific Integrated Circuits ("ASICs"), computer processing equipment, data storage, software, and additions to electrical infrastructure.

**Blockchain** - Perpetual Industries is developing decentralized applications and in-house blockchain tokens to support growth, sales and loyalty across all of its divisions that include DApps, digital coins, & tokens, loyalty programs, and smart contracts.

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

The Company acquired one wholly owned subsidiary, the Worldwide Group, LLC, in 2021. Worldwide is a boutique auction company that specializes in the sale and acquisition of classic vintage motorcars at auctions around the globe. They also offer an extensive range of personalized services to collectors, including private sales, appraisals, collection direction and consultancy, estate planning, and asset management. Worldwide is a leader in the Collector Car Auction industry with an impressive 20 year history and a talented team of experienced people. Worldwide houses a physical and virtual showroom, and a dedicated memorabilia division at its extensive headquarters located in Auburn, Indiana.

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

The company engages in three main business segments:

4. Green Energy Efficient Technology / XYO Mechanical Balancer Products
5. The Collector Community and Software Applications for the Blockchain
6. Digital Asset Mining (Bitcoin)

## 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.

Perpetual has its 22,000 square foot corporate headquarters for its operations and research and development with a principal business address at 2193 Rotunda Dr., Auburn, Indiana, USA, 46706.

## 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 issuers 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.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Brent W. Bedford</u>	<u>President &amp; CEO</u>	<u>Calgary AB</u>	<u>11,000,000</u>	<u>Common</u>	<u>13.50%</u>	_____
<u>William Griffin (Trip) Thomas</u>	<u>CFO</u>	<u>Tampa, FL</u>	<u>0</u>	<u>N/A</u>	<u>0%</u>	_____
<u>Craig Dansereau</u>	<u>Director</u>	<u>Airdrie, AB</u>	<u>510,000</u>	<u>Common</u>	<u>0.63%</u>	_____
<u>Rod Egan</u>	<u>Director</u>	<u>Kirkland, WA</u>	<u>500,000</u>	<u>Common</u>	<u>0.61%</u>	_____
<u>Marlin Stutzman</u>	<u>Director</u>	<u>Howe, IN</u>	<u>0</u>	<u>Common</u>	<u>0%</u>	
<u>Thomas Ristow</u>	<u>Director</u>	<u>Cologne, Germany</u>	<u>300,000</u>	<u>Common</u>	<u>0.37%</u>	_____
<u>Osmium Holdings LLC *</u>	<u>Owner more than 5%</u>	<u>Howe, IN</u>	<u>16,862,671</u>	<u>Common</u>	<u>20.70%</u>	Three Beneficial owners of Osmium Holdings LLC
<u>Marlin Stutzman</u>			<u>2,465,337</u>		<u>3.03%</u>	
<u>John Kruse</u>			<u>7,198,667</u>		<u>8.84%</u>	
<u>Jason Bontrager</u>			<u>7,198,667</u>		<u>8.84%</u>	

<u>Bulldawg Capital LLC</u> <u>Jason Bontrager</u>	<u>Owner more than 5%</u>	<u>Bristol, IN</u> <u>Bristol, IN</u>	<u>13,174,140</u>	<u>Common</u>	<u>16.17%</u>	Beneficial owner of Bulldawg Capital, LLC
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## 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);

No

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;

No

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

No

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.

No

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

Name: Jeff Moriarty  
Firm: Austin Legal Group, APC  
Address 1: 3990 Old Town Ave., Suite A-112  
Address 2: San Diego, California 92110  
Phone: 619-924-9600  
Email: jeff@austinlegalgroup.com

Name: Mr. Ravi Latour  
Firm: BLG Borden Ladner Gervais  
Address 1: Centennial Place Tower, East Tower, 1900-3<sup>rd</sup> Ave SW  
Address 2: Calgary, AB T2P 0R3  
Phone: 403-232-9676  
Email: RLatour@blg.com

### Accountant or Auditor

Name: Christopher Heistand, CPA  
Firm: Accell Audit and Compliance, P.A  
Address 1: 3001 N. Rocky Point Dr. East, Suite 200  
Address 2: Tampa, Florida, 33607  
Phone: 813-367-3527  
Email: chiestand@accell-ac.com

### Investor Relations

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

### *All other means of Investor Communication:*

Twitter: [https://twitter.com/perpetual\\_prpi](https://twitter.com/perpetual_prpi)  
Discord: N/A  
LinkedIn: <https://www.linkedin.com/company/1878074/admin/>  
Facebook: <https://www.facebook.com/Perpetual.prpi>  
Instagram: <https://www.instagram.com/perpetual.prpi/>  
Website: <https://perpetualindustries.com/>

#### 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: William (Trip) Thomas  
Firm: A-Frame Accounting & Advisory Inc.  
Nature of Services: Accounting and Financial Statement Preparations  
Address 1: 3419 W Gray Court  
Address 2: Tampa, Florida 33609  
Phone: 813-928-6237  
Email: [triphomas@afameaccounting.com](mailto:triphomas@afameaccounting.com)

## 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>2</sup>:

Name: William (Trip) Thomas  
Title: Chief Financial Officer  
Relationship to Issuer: Executive Officer

Describe the qualifications of the person or persons who prepared the financial statements:

William Griffin Thomas, Chief Financial Officer (CFO) of Perpetual Industries. Trip has more than 20 years of experience in the field of accounting. His experience includes private industry, public company, public accounting, and non-profit. His experience includes auditing, budget analysis, fixed assets, financial modeling, SEC financial reporting, GAAP compliance, and fair value measurements. Additionally, Trip holds a Bachelor of Science in Accounting from the University of Tampa and a Bachelor of Science in Agribusiness from the University of Florida. He is a licensed CPA in the State of Florida.

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

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<sup>2</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.

## 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, Brent W. Bedford certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 17, 2022

/s/ Brent Bedford

BRENT W. BEDFORD, CEO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

### *Principal Financial Officer:*

I, William Griffin Thomas (Trip) certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 17, 2022

/s/ William Griffin (Trip) Thomas

WILLIAM GRIFFIN THOMAS (TRIP), CFO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")