

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_

000-54987  
(Commission File Number)

**Strategic Environmental & Energy Resources, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

*(State or other jurisdiction  
of incorporation)*

**02-0565834**

*(IRS Employer  
Identification Number)*

**370 Interlocken Blvd, Suite 680, Broomfield, CO 80021**  
(Address of principal executive offices including zip code)

**303-277-1625**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| N/A                 | N/A               | N/A                                       |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer," "small reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer  Emerging growth company

Non-accelerated filer  Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 15, 2024, the Registrant had 65,088,575 shares outstanding of its \$.001 par value common stock.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

|   | March 31,<br>2024<br>(unaudited) | December 31,<br>2023<br>* |
|---|----------------------------------|---------------------------|
| <b>ASSETS</b>   |                                  |                           |
| <b>Current Assets</b>   |                                  |                           |
| Cash and cash equivalents   | \$ 95,700                        | \$ 57,900                 |
| Accounts receivable, net of allowance for credit losses of \$24,200 and \$24,200, respectively  | 416,400                          | 340,800                   |
| Inventory   | 2,100                            | 16,800                    |
| Contract assets   | 57,300                           | 17,000                    |
| Prepaid expenses and other current assets   | 162,600                          | 81,400                    |
| Assets held for sale  | -                                | 54,300                    |
| <b>Total Current Assets</b>   | <b>734,100</b>                   | <b>568,200</b>            |
| Property and equipment, net   | 31,900                           | 33,600                    |
| Intangible Assets, net  | 17,300                           | 17,900                    |
| Right of use assets   | 175,700                          | 191,300                   |
| Other assets  | 40,000                           | 40,000                    |
| <b>TOTAL ASSETS</b>   | <b>\$ 999,000</b>                | <b>\$ 851,000</b>         |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                                  |                           |
| <b>Current Liabilities</b>  |                                  |                           |
| Accounts payable  | \$ 1,223,800                     | \$ 816,600                |
| Accrued liabilities   | 3,980,500                        | 3,759,300                 |
| Contract liabilities  | 567,300                          | 829,800                   |
| Deferred revenue  | 20,900                           | 43,300                    |
| Customer deposits   | -                                | 26,800                    |
| Short term notes  | 4,453,000                        | 4,243,100                 |
| Short term notes and accrued interest - related party   | 203,600                          | 201,400                   |
| Convertible notes   | 1,605,000                        | 1,605,000                 |
| Current portion of long-term debt and capital lease obligations   | 509,900                          | 509,800                   |
| Current portion of lease liabilities  | 72,500                           | 72,500                    |
| Liabilities held for sale   | 34,500                           | 42,900                    |
| <b>Total Current Liabilities</b>  | <b>12,671,000</b>                | <b>12,150,500</b>         |
| Lease liabilities net of current portion  | 128,100                          | 145,100                   |
| Long term debt  | 1,841,500                        | 1,843,900                 |
| <b>Total Liabilities</b>  | <b>14,640,600</b>                | <b>14,139,500</b>         |
| Commitments and contingencies   | -                                | -                         |
| <b>Stockholders' deficit</b>  |                                  |                           |
| Preferred stock; \$.001 par value; 5,000,000 shares authorized; -0- shares issued   | -                                | -                         |
| Common stock; \$.001 par value; 70,000,000 shares authorized; 65,088,575 shares issued, issuable* and outstanding December 31, 2023 and December 31, 2022 | 65,100                           | 65,100                    |
| Common stock issuable   | 25,000                           | 25,000                    |
| Additional paid-in capital  | 22,973,800                       | 22,973,800                |
| Stock Subscription receivable   | (25,000)                         | (25,000)                  |
| Accumulated deficit   | (34,730,100)                     | (34,377,900)              |
| <b>Total stockholders' deficit</b>  | <b>(11,691,200)</b>              | <b>(11,339,000)</b>       |
| Non-controlling interest  | (1,950,400)                      | (1,949,500)               |
| <b>Total Deficit</b>  | <b>(13,641,600)</b>              | <b>(13,288,500)</b>       |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  | <b>\$ 999,000</b>                | <b>\$ 851,000</b>         |

\* These numbers are derived from the audited financial statements for the year ended December 31, 2023.

\*\* Includes 2,785,000 shares issuable at March 31, 2024 and December 31, 2023, per terms of note agreements.

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

**STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

|  | For the Three Months Ended March 31, |                     |
|--|--------------------------------------|---------------------|
|  | 2024                                 | 2023                |
| <b>Revenue:</b>  |                                      |                     |
| Products   | \$ 989,800                           | \$ 553,200          |
| Total revenue  | <u>989,800</u>                       | <u>553,200</u>      |
| <b>Operating expenses:</b>   |                                      |                     |
| Products costs   | 715,300                              | 489,000             |
| General and administrative expenses  | 206,200                              | 335,300             |
| Salaries and related expenses  | 323,200                              | 308,500             |
| Total operating expenses   | <u>1,244,700</u>                     | <u>1,132,800</u>    |
| Loss from operations   | <u>(254,900)</u>                     | <u>(579,600)</u>    |
| <b>Other income (expense):</b>   |                                      |                     |
| Interest expense   | (221,900)                            | (206,000)           |
| Other income (expense)   | 120,000                              | 20,700              |
| Total non-operating expense, net   | <u>(101,900)</u>                     | <u>(185,300)</u>    |
| Loss from continuing operations  | <u>(356,800)</u>                     | <u>(764,900)</u>    |
| Income (loss) from discontinued operations, net of tax                           | <u>3,700</u>                         | <u>(11,700)</u>     |
| Net Loss   | <u>(353,100)</u>                     | <u>(776,600)</u>    |
| Less: Net income (loss) attributable to non-controlling interest                 | <u>(900)</u>                         | <u>2,800</u>        |
| Net Loss attributable to SEER common stockholders                                | <u>\$ (352,200)</u>                  | <u>\$ (779,400)</u> |
| <b>Basic earnings per share attributable to SEER common stockholders</b>         |                                      |                     |
| Loss from continuing operations, per share                                       | \$ (0.01)                            | \$ (0.01)           |
| Income (loss) from discontinued operations, per share                            | -                                    | (0.00)              |
| Net Loss per share, basic  | <u>\$ (0.01)</u>                     | <u>\$ (0.01)</u>    |
| <b>Fully diluted earnings per share attributable to SEER common stockholders</b> |                                      |                     |
| Loss from continuing operations, per share                                       | (0.01)                               | (0.01)              |
| Income (loss) from discontinued operations, per share                            | -                                    | (0.00)              |
| Net Loss per share, basic  | <u>\$ (0.01)</u>                     | <u>\$ (0.01)</u>    |
| Weighted average shares outstanding – basic                                      | <u>65,088,575</u>                    | <u>65,088,575</u>   |
| Weighted average shares outstanding – diluted                                    | <u>65,088,575</u>                    | <u>65,088,575</u>   |

\* less than \$0.01

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

**STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**(Unaudited)**

|                                     | Preferred Stock |        | Common Stock |        | Additional<br>Paid-in<br>Capital | Common<br>Stock<br>Subscribed | Stock<br>Subscription<br>Receivable | Accumulated<br>Deficit | Non-<br>controller<br>Interest | Total<br>Stockholders'<br>Deficit |
|-------------------------------------|-----------------|--------|--------------|--------|----------------------------------|-------------------------------|-------------------------------------|------------------------|--------------------------------|-----------------------------------|
|                                     | Shares          | Amount | Shares       | Amount |                                  |                               |                                     |                        |                                |                                   |
| Balances at<br>December 31,<br>2023 | -               | -      | 65,088,600   | 65,100 | 22,973,800                       | 25,000                        | (25,000)                            | (34,377,900)           | (1,949,500)                    | (13,288,500)                      |
| Net income<br>(loss)                | -               | -      | -            | -      | -                                | -                             | -                                   | (352,200)              | (900)                          | (353,100)                         |
| Balances at<br>March 31, 2024       | -               | -      | 65,088,600   | 65,100 | 22,973,800                       | 25,000                        | (25,000)                            | (34,730,100)           | (1,950,400)                    | (13,641,600)                      |
|                                     | Shares          | Amount | Shares       | Amount | Additional<br>Paid-in<br>Capital | Common<br>Stock<br>Subscribed | Stock<br>Subscription<br>Receivable | Accumulated<br>Deficit | Non-<br>controller<br>Interest | Total<br>Stockholders'<br>Deficit |
| Balances at<br>December 31,<br>2022 | -               | -      | 65,088,600   | 65,100 | 22,973,800                       | 25,000                        | (25,000)                            | (32,005,100)           | (1,941,800)                    | (10,908,000)                      |
| Net income<br>(loss)                | -               | -      | -            | -      | -                                | -                             | -                                   | (779,400)              | 2,800                          | (776,600)                         |
| Balances at<br>March 31, 2023       | -               | -      | 65,088,600   | 65,100 | 22,973,800                       | 25,000                        | (25,000)                            | (32,784,500)           | (1,939,000)                    | (11,684,600)                      |

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

**STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Unaudited)

|  | For the Three Months Ended March 31, |                  |
|--|--------------------------------------|------------------|
|  | 2024                                 | 2023             |
| <b>Cash flows from operating activities:</b>   |                                      |                  |
| Loss from continuing operations  | \$ (356,800)                         | \$ (764,900)     |
| Loss from discontinued operations  | 3,700                                | (11,700)         |
| <b>Net Loss</b>  | <b>(353,100)</b>                     | <b>(776,600)</b> |
| <b>Adjustments to reconcile net loss to net cash provided by operating activities:</b> |                                      |                  |
| Depreciation and amortization  | 3,500                                | 5,600            |
| Gain on sale of fixed assets   | (4,800)                              | -                |
| <b>Changes in operating assets and liabilities:</b>                                    |                                      |                  |
| Accounts receivable  | (75,600)                             | 421,300          |
| Contract assets  | (40,300)                             | (17,200)         |
| Inventory  | 14,700                               | (14,700)         |
| Prepaid expenses and other assets  | (28,200)                             | (73,800)         |
| Accounts payable, accrued liabilities, and customer deposits                           | 628,700                              | (72,100)         |
| Contract liabilities   | (262,500)                            | (89,800)         |
| Deferred revenue   | (22,400)                             | -                |
| Assets and liabilities held for sale   | (42,900)                             | (9,100)          |
| <b>Net cash used in operating activities</b>   | <b>(182,900)</b>                     | <b>(626,400)</b> |
| <b>Cash flows from investing activities:</b>   |                                      |                  |
| Purchase of property and equipment   | (1,700)                              | -                |
| Proceeds from the sale of fixed assets held for sale                                   | 59,500                               | -                |
| <b>Net cash (used) provided by investing activities</b>                                | <b>57,800</b>                        | <b>-</b>         |
| <b>Cash flows from financing activities:</b>   |                                      |                  |
| Payments of notes  | (17,100)                             | -                |
| Proceeds from short-term and long-term debt  | 180,000                              | 650,000          |
| <b>Net cash provided by financing activities</b>                                       | <b>162,900</b>                       | <b>650,000</b>   |
| <b>Net increase (decrease) in cash</b>   | <b>37,800</b>                        | <b>23,600</b>    |
| Cash at the beginning of period  | 57,900                               | 21,500           |
| <b>Cash at the end of period</b>   | <b>\$ 95,700</b>                     | <b>\$ 45,100</b> |
| <b>Supplemental disclosures of cash flow information:</b>                              |                                      |                  |
| Cash paid for interest   | \$ 5,900                             | \$ 13,600        |
| Financing of prepaid insurance premiums  | \$ 37,400                            | \$ 35,800        |

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

## NOTE 1 – ORGANIZATION AND FINANCIAL CONDITION

### Organization and Going Concern

Strategic Environmental & Energy Resources, Inc. (“SEER,” or the “Company”), a Nevada corporation, is a provider of next-generation clean-technologies, waste management innovations and related services. SEER has two wholly owned operating subsidiaries and three majority-owned subsidiaries; all of which together provide technology solutions and services to companies primarily in the oil and gas, refining, landfill, food, beverage & agriculture, and renewable fuel industries. The two wholly owned subsidiaries are: 1) MV, LLC (d/b/a MV Technologies) (“MV”), which designs and builds biogas conditioning solutions for the production of renewable natural gas, odor control systems and natural gas vapor capture primarily for landfill operations, waste-water treatment facilities, oil and gas fields, refineries, municipalities and food, beverage & agriculture operations throughout the U.S.; and 2) Strategic Environmental Materials, LLC, (“SEM”), a materials technology company focused on development of cost-effective chemical absorbents, whose operations were discontinued during the year ended December 31, 2023. (See Note 15)

The two majority-owned subsidiaries are 1) Paragon Waste Solutions, LLC (“PWS”), and 2) PelleChar, LLC (“PelleChar”). PWS is currently owned 54% by SEER, and PelleChar is owned 51% by SEER.

PWS developed specific opportunities to deploy and commercialize patented technologies for a non-thermal plasma-assisted oxidation process that makes possible the clean and efficient destruction of solid hazardous chemical and biological waste (*i.e.*, regulated medical waste, chemicals, pharmaceuticals and refinery tank waste, *etc.*) without landfilling or traditional incineration and without harmful emissions. Additionally, this technology “cleans” and conditions emissions and gaseous waste streams (*i.e.*, volatile organic compounds and other greenhouse gases) generated from diverse sources such as refineries, oil fields, and many others. In July 2022, the Company exchanged its patents and related technology, to its joint venture, Paragon Southwest Medical Waste (“PSMW”), in exchange for units in PSMW. (See Note 9)

PelleChar was established in September 2018 and is owned 51% by SEER. Pellechar has secured third-party pellet manufacturing capabilities from one of the nation’s premier pellet manufacturers. Working closely with Biochar Now, LLC, Pellechar commenced sales in late 2019 of its proprietary pellets containing the proven and superior Biochar Now product starting with the landscaping and big agriculture markets. At this time, Pellechar is the only company able to offer a soil amendment pellet containing the Biochar Now product that is produced using the patented pyrolytic process.

### Principals of Consolidation

The accompanying consolidated financial statements include the accounts of SEER, its wholly owned subsidiaries, SEM, and MV, and its majority-owned subsidiaries PWS and PelleChar, since their respective acquisition or formation dates. All material intercompany accounts, transactions, and profits have been eliminated in consolidation. The Company has non-controlling interest in joint ventures, which are reported on the equity method.

### Going Concern

As shown in the accompanying consolidated financial statements, the Company has experienced recurring losses, and has an accumulated deficit of approximately \$34.7 million as of March 31, 2024, and for the three months ended March 31, 2024, we incurred a net loss from continuing operations of approximately \$0.4 million. As of March 31, 2024, our current liabilities exceeded our current assets by approximately \$11.9 million. These factors raise substantial doubt about the ability of the Company to continue to operate as a going concern.

Realization of a major portion of the Company's assets as of March 31, 2024, is dependent upon continued operations. The Company is dependent on generating additional revenue or obtaining adequate capital to fund operating losses until it becomes profitable. For the three months ended March 31, 2024, the Company raised approximately \$0.2 million from the issuance of short-term and long-term debt, offset by payments of principal on short term notes of \$17,100, for a net cash provided by financing activities of approximately \$0.2 million. In addition, the Company has undertaken a number of specific steps to continue to operate as a going concern. The Company continues to focus on developing organic growth in our operating companies and improving gross and net margins through increased attention to pricing, aggressive cost management and overhead reductions. Critical to achieving profitability will be the ability to license and or sell, permit and operate through the Company's joint ventures. The Company has increased business development efforts to address opportunities identified in expanding markets attributable to increased interest in energy conservation and emission control regulations. In addition, the Company is evaluating various forms of financing which may be available to it. There can be no assurance that the Company will secure additional financing for working capital, increase revenues and achieve the desired result of net income and positive cash flow from operations in future years. These financial statements do not give any effect to any adjustments that would be necessary should the Company be unable to report on a going concern basis.

#### Basis of Presentation Unaudited Interim Financial Information

The accompanying interim condensed consolidated financial statements are unaudited. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all the normal recurring adjustments necessary to present fairly the financial position and results of operations as of and for the periods presented. The interim results are not necessarily indicative of the results to be expected for the full year or any future period.

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The Company believes that the disclosures are adequate to make the interim information presented not misleading. These consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto included in the Company's Report on Form 10-K filed on April 16, 2024, for the year ended December 31, 2023.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make a number of estimates and assumptions related to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the forecasted cash flows used in the impairment testing of goodwill and intangible assets. The carrying amount of intangible assets; valuation allowances and reserves for receivables; revenue recognition related to contracts accounted for under the percentage of completion method; and the Company's ability to continue as a going concern. Actual results could differ from those estimates.

### Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported consolidated net loss.

### Revenue Recognition

In May 2014, the FASB issued guidance on revenue from contracts with customers that superseded most current revenue recognition guidance, including industry-specific guidance. The underlying principle of the guidance is to recognize revenue to depict the transfer of goods or services to customers at an amount to which the company expects to be entitled in exchange for those goods or services. The new guidance requires an evaluation of revenue arrangements with customers following a five-step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) the company satisfies each performance obligation. Revenues are recognized when control of the promised services are transferred to the customers in an amount that reflects the expected consideration in exchange for those services. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the services. Other major provisions of the guidance include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. (See Note 3)



### Research and Development

Research and development (“R&D”) costs are charged to expense as incurred. R&D expenses consist primarily of salaries, project materials, contract labor and other costs associated with ongoing product development and enhancement efforts. R&D expenses were \$0 for both the three months ended March 31, 2024, and 2023.

### Inventories

Inventories are stated at the lower of cost or net realizable value on a first in, first out basis and includes the following amounts:

|                 | March 31,<br>2024<br><u>(unaudited)</u> | December 31,<br>2023<br><u>*</u> |
|-----------------|---|----------------------------------|
| Finished goods  | \$ 2,100                                | \$ 16,800                        |
| Total inventory | <u>\$ 2,100</u>                         | <u>\$ 16,800</u>                 |

### Income Taxes

The Company accounts for income taxes pursuant to *Accounting Standards Codification* (“ASC”) 740, *Income Taxes*, which utilizes the asset and liability method of computing deferred income taxes. The objective of this method is to establish deferred tax assets and liabilities for any temporary differences between the financial reporting basis and the tax basis of the Company’s assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

ASC 740 also provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a “more-likely-than-not” recognition threshold at the effective date to be recognized. During the three months ended March 31, 2024, and 2023 the Company recognized no adjustments for uncertain tax positions.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. No interest and penalties related to uncertain tax positions were recognized as of March 31, 2024, and 2023. The Company expects no material changes to unrecognized tax positions within the next twelve months.

The Company has filed federal and state tax returns through December 31, 2022. The tax periods for the years ending December 31, 2020, through 2022 are open to examination by federal and state authorities.

### **NOTE 3 – REVENUE**

#### ***Products Revenue***

Product revenue generated from contracts with customers, for the manufacture of products for the removal and treatment of hazardous vapor and gases. Total estimated revenue includes all of the following: (1) the basic contract price, (2) contract options, and (3) change orders. Once contract performance is underway, the Company may experience changes in conditions, client requirements, specifications, designs, materials, and expectations regarding the period of performance. Such changes are “change orders” and may be initiated by us or by our clients. In many cases, agreement with the client as to the terms of change orders is reached prior to work commencing; however, sometimes circumstances require that work progress without obtaining client agreement. Revenue related to change orders is recognized as costs are incurred if it is probable that costs will be recovered by changing the contract price. The Company does not incur pre-contract costs. Under the new revenue recognition guidance, the Company found no change in the manner product revenue is recognized. Provisions for estimated losses on uncompleted contracts are recorded in the period in which the losses are identified and included as additional loss. Provisions for estimated losses on contracts are shown separately as liabilities on the balance sheet, if significant, except in circumstances in which related costs are accumulated on the balance sheet, in which case the provisions are deducted from the accumulated costs. A provision as a liability is reported as a current liability.

The Company includes in current assets and current liabilities amounts related to contracts realizable and payable. Costs and estimated earnings in excess of billings on uncompleted contracts represent the excess of contract costs and profits recognized to date over billings to date and are recognized as a current asset. Revenue contract liabilities represent the excess of billings to date over the amount of contract costs and profits recognized to date and are recognized as a current liability.

Products revenue also includes media sales which are recognized as the product is shipped to the customer for use.

#### Disaggregation of Revenue (Unaudited)

|                           | Three months ended March 31, 2024 |             |                   |
|---------------------------|-----------------------------------|-------------|-------------------|
|                           | Environmental Solutions           | Solid Waste | Total             |
| <b>Sources of Revenue</b> |                                   |             |                   |
| Product sales             | \$ 794,700                        | \$ -        | \$ 794,700        |
| Media sales               | 195,100                           | -           | 195,100           |
| <b>Total Revenue</b>      | <b>\$ 989,800</b>                 | <b>\$ -</b> | <b>\$ 989,800</b> |

|                           | Three months ended March 31, 2023 |             |                   |
|---------------------------|-----------------------------------|-------------|-------------------|
|                           | Environmental Solutions           | Solid Waste | Total             |
| <b>Sources of Revenue</b> |                                   |             |                   |
| Product sales             | 377,500                           | -           | 377,500           |
| Media sales               | 175,700                           | -           | 175,700           |
| <b>Total Revenue</b>      | <b>\$ 553,200</b>                 | <b>\$ -</b> | <b>\$ 553,200</b> |

#### Contract Balances

Where a performance obligation has been satisfied but not yet invoiced at the reporting date, a contract asset is recognized on the balance sheet. Where a performance obligation has not yet been satisfied but an invoice has been raised at the reporting date, a contract liability is recognized on the balance sheet.

The opening and closing balances of the Company's accounts receivables and contract liabilities (current and non-current) are as follows:

|  | Accounts Receivable, net | Contract Assets  | Contract Liabilities |                            |                                |
|--|--------------------------|------------------|----------------------|----------------------------|--------------------------------|
|  |                          |                  | Contract Liabilities | Deferred Revenue (current) | Deferred Revenue (non-current) |
| Balance as of March 31, 2024 (unaudited) | \$ 416,400               | \$ 57,300        | \$ 567,300           | \$ 20,900                  | \$ -                           |
| Balance as of December 31, 2023*         | 340,800                  | 17,000           | 829,800              | 43,300                     | -                              |
| <b>Increase (decrease)</b>               | <b>\$ 75,600</b>         | <b>\$ 40,300</b> | <b>\$ (262,500)</b>  | <b>\$ (22,400)</b>         | <b>\$ -</b>                    |

The majority of the Company's revenue is generally invoiced on a weekly or monthly basis, and the payments are generally received within approximately 30-60 days. Contract liabilities are recorded when cash payments are received or due in advance of the Company's performance, including amounts that are refundable.

## Remaining Performance Obligations

As of March 31, 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations was approximately \$0.9 million, of which the Company expects to recognize approximately 85% of this revenue over the next 12 months.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected term of one year or less and (ii) contracts for which the Company recognizes revenue at the amounts to which it has the right to invoice for services performed.

## NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following:

|   | March 31,<br>2024<br>(unaudited) | December 31,<br>2023<br>* |
|---|----------------------------------|---------------------------|
| Field and shop equipment                        | \$ 396,600                       | \$ 398,100                |
| Vehicles  | 72,500                           | 72,500                    |
| Furniture and office equipment                  | 253,600                          | 255,400                   |
| Leasehold improvements                          | 36,200                           | 36,200                    |
|   | <u>758,900</u>                   | <u>762,200</u>            |
| Less: accumulated depreciation and amortization | (727,000)                        | (728,600)                 |
| Property and equipment, net                     | <u>\$ 31,900</u>                 | <u>\$ 33,600</u>          |

Depreciation expense for the three months ended March 31, 2024, and 2023 was \$2,900 and \$4,900, respectively. For the three months ended March 31, 2024, and 2023, depreciation expense included in cost of goods sold was \$2,000 and \$4,900, respectively. For the three months ended March 31, 2024, and 2023, depreciation expense included in selling, general and administrative expenses was \$900 and \$0, respectively.

## NOTE 5 – INTANGIBLE ASSETS

|               | March 31, 2024 (unaudited) |                             |             |                    |
|---------------|----------------------------|-----------------------------|-------------|--------------------|
|               | Gross carrying<br>amount   | Accumulated<br>amortization | Impairment  | Net carrying value |
| Customer list | \$ 42,500                  | \$ (42,500)                 | \$ -        | \$ -               |
| Technology    | 684,000                    | (666,700)                   | -           | 17,300             |
| Trade name    | 54,900                     | (54,900)                    | -           | -                  |
|               | <u>\$ 781,400</u>          | <u>\$ (764,100)</u>         | <u>\$ -</u> | <u>\$ 17,300</u>   |
|               | December 31, 2023*         |                             |             |                    |
|               | Gross carrying<br>amount   | Accumulated<br>amortization | Impairment  | Net carrying value |
| Customer list | \$ 42,500                  | \$ (42,500)                 | \$ -        | \$ -               |
| Technology    | 684,000                    | (666,100)                   | -           | 17,900             |
| Trade name    | 54,900                     | (54,900)                    | -           | -                  |
|               | <u>\$ 781,400</u>          | <u>\$ (763,500)</u>         | <u>\$ -</u> | <u>\$ 17,900</u>   |

The estimated useful lives of the intangible assets range from seven to twenty years. Amortization expense was \$700 and \$700 for the three months ended March 31, 2024, and 2023, respectively.

**NOTE 6 – LEASES**

The Company has entered into operating leases primarily for real estate. These leases have terms which range from 1 to 8 years, and often include one or more options to renew. These renewal terms can extend the lease term from 1 year to month-to-month and are included in the lease term when it is reasonably certain that the Company will exercise the option. These operating leases are included in “Right of use assets” on the Company’s March 31, 2024, Consolidated Balance Sheets and represent the Company’s right to use the underlying asset for the lease term. The Company’s obligation to make lease payments are included in “Current portion of lease liabilities” and “Lease liabilities net of current portion” on the Company’s March 31, 2024, Consolidated Balance Sheets. As of March 31, 2024, total right-of-use assets and operating lease liabilities were approximately \$175,700 and \$200,600, respectively. All operating lease expense is recognized on a straight-line basis over the lease term. In the three months ended March 31, 2024, the Company recognized approximately \$20,900 in operating lease costs for right-of-use assets.

Because the rate implicit in each lease is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments. The Company has certain contracts for real estate which may contain lease and non-lease components which it has elected to treat as a single lease component.

Information related to the Company’s right-of-use assets and related lease liabilities were as follows (unaudited):

|   | <b>Three Months Ended March 31,</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2024</b>                         | <b>2023</b> |
| Cash paid for operating lease liabilities | \$ 22,300                           | \$ 36,700   |
| Weighted-average remaining lease term     | 29 months                           | 32 months   |
| Weighted-average discount rate            | 10%                                 | 10%         |

Maturities of lease liabilities as of March 31, 2024 were as follows:

|  |                         |                |
|--|-------------------------|----------------|
|  | 2024                    | \$ 69,600      |
|  | 2025                    | 93,600         |
|  | 2026                    | 64,000         |
|  | 2027                    | -              |
|  | 2028                    | -              |
|  | Thereafter              | -              |
|  |                         | <u>226,200</u> |
|  | Less imputed interest   | (25,600)       |
|  | Total lease liabilities | <u>200,600</u> |

**NOTE 7 – ACCRUED LIABILITIES**

Accrued liabilities were comprised of the following:

|  | March 31,<br>2024<br>(unaudited) | December 31,<br>2023<br>* |
|--|----------------------------------|---------------------------|
| Accrued compensation and related taxes | \$ 78,800                        | \$ 89,000                 |
| Accrued interest                       | 3,610,400                        | 3,396,700                 |
| Accrued settlement/litigation claims   | 150,000                          | 150,000                   |
| Warranty and defect claims             | 52,800                           | 51,000                    |
| Other                                  | 88,500                           | 72,600                    |
| Total Accrued Liabilities              | <u>\$ 3,980,500</u>              | <u>\$ 3,759,300</u>       |

## NOTE 8 – UNCOMPLETED CONTRACTS

Costs, estimated earnings and billings on uncompleted contracts are as follows:

|                        | March 31,<br>2024<br>(unaudited) | December 31,<br>2023<br>* |
|------------------------|----------------------------------|---------------------------|
| Revenue recognized     | \$ 800,300                       | \$ 621,800                |
| Less: billings to date | (743,000)                        | (604,800)                 |
| Contract assets        | <u>57,300</u>                    | <u>17,000</u>             |
| Billings to date       | 2,388,300                        | 2,262,000                 |
| Revenue recognized     | (1,821,000)                      | (1,432,200)               |
| Contract liabilities   | <u>\$ 567,300</u>                | <u>\$ 829,800</u>         |

## NOTE 9 – INVESTMENTS

### Paragon Waste Solutions LLC

Since its inception through March 31, 2024, the Company has provided approximately \$6.4 million in funding to PWS for working capital and the further development and construction of various prototypes and commercial waste destruction units. No members of PWS have made capital contributions or other funding to PWS other than SEER. The intent of the operating agreement is to provide the funding as an advance against future earnings distributions made by PWS.

### Paragon Southwest Medical Waste

On July 20, 2022, PWS transferred all patents owned covering medical waste destruction, and related technology, to its joint venture, Paragon Southwest Medical Waste (“PSMW”), in exchange for units in PSMW. The units in PSMW transferred in connection with this transaction increased SEER’s equity in PSMW to approximately 30%, on a total consolidated basis. This transaction also canceled the irrevocable license and royalty agreement, and the management agreement between PWS and PSMW.

On June 30, 2023, the Company exchanged its interest in PSMW in exchange for a 2% interest in Amlon Holdings when PSMW was acquired by Amlon Holdings.

## NOTE 10 – DEBT

Debt as of March 31, 2024 (Unaudited), and December 31, 2023\*, was comprised of the following:

|                           | Short term<br>notes    | Convertible<br>notes,<br>unsecured | Current portion<br>of long-term<br>debt and capital<br>lease obligations | Long term debt          | Total               |
|---------------------------|------------------------|------------------------------------|--|-------------------------|---------------------|
| Balance December 31, 2023 | \$ 4,243,100           | \$ 1,605,000                       | \$ 509,800   | \$ 1,843,900            | \$ 8,201,800        |
| Increase in borrowing     | 217,400(1)             | -                                  | -  | -                       | 217,400             |
| Principal reductions      | (7,500)                | -                                  | (2,300)  | -                       | (9,800)             |
| Long term debt to current | -                      | -                                  | 2,400  | (2,400)                 | -                   |
| Balance March 31, 2024    | <u>\$ 4,453,000(2)</u> | <u>\$ 1,605,000</u>                | <u>\$ 509,900</u>  | <u>\$ 1,841,500 (3)</u> | <u>\$ 8,409,400</u> |

(1) A) Secured note payable of \$150,000, secured by certain receipts and equity, dated January 31, 2024, interest at an annual rate of 8.0% simple interest. For the three months ended March 31, 2024, the Company recorded interest expense of \$2,000. There was \$2,000 accrued and unpaid interest as of March 31, 2024. B) An unsecured note payable of \$30,000, dated March 27, 2024, interest at an annual rate of 8% simple interest and matures on May 31, 2024. For the three months ended March 31, 2024, the Company recorded interest expense of less than \$100. There was less than \$100 accrued and unpaid interest as of March 31, 2024. C) An unsecured note payable of \$37,400, dated February 6, 2024, interest at an annual rate of 10% interest and is payable in ten payments ending in November of 2024. For the three months ended March 31, 2024, the Company recorded interest expense of \$400. There was \$0 accrued and unpaid interest as of March 31, 2024.

(2) The balance consists of \$3,945,000 of secured notes, and \$508,000 unsecured notes payable.

(3) Secured notes.

## NOTE 11 – RELATED PARTY TRANSACTIONS

Notes payable and accrued interest due to certain related parties are as follows:

|   | March 31,<br>2024<br><u>(unaudited)</u> | December 31,<br>2023<br><u>*</u> |
|---|---|----------------------------------|
| Short term notes  | \$ 125,000                              | \$ 125,000                       |
| Accrued interest  | 78,600                                  | 76,400                           |
| Total short-term notes and accrued interest - Related parties | <u>\$ 203,600</u>                       | <u>\$ 201,400</u>                |

## NOTE 12 – EQUITY TRANSACTIONS

### 2024 Common Stock Transactions

During the three months ended March 31, 2024, no new equity transactions have occurred.

### 2023 Common Stock Transactions

During the three months ended March 31, 2023, no new equity transactions have occurred.

### Non-controlling Interest

The non-controlling interest presented in our condensed consolidated financial statements reflects a 46% non-controlling equity interest in PWS and 49% non-controlling equity interest in PelleChar. Net losses attributable to non-controlling interest, as reported on our condensed consolidated statements of operations, represents the net loss of each entity attributable to the non-controlling equity interest. The non-controlling interest is reflected within stockholders' equity on the condensed consolidated balance sheet.

## NOTE 13 – CUSTOMER CONCENTRATIONS (unaudited)

The Company had sales from operations of two, and three customers, for the three months ended March 31, 2024, and 2023 that surpassed the 10% threshold of total revenue, respectively. In total, these customers represented approximately 39% and 68% of our total sales, respectively. The concentration of the Company's business with a relatively small number of customers may expose us to a material adverse effect if one or more of these large customers were to experience financial difficulty or were to cease being customers for non-financial related issues.

## NOTE 14 – NET GAIN OR LOSS PER SHARE

Basic net gain or loss per share is computed by dividing net gain or loss attributable to common shareholders by the weighted average number of common shares outstanding. Diluted net gain or loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares. Potentially dilutive securities are excluded from the calculation when their effect would be anti-dilutive. For three months ended March 31, 2024 and 2023, all potentially dilutive securities have been excluded from the diluted share calculations because they were anti-dilutive as a result of the net losses incurred for the respective period, or were dilutive, but the exercise prices were above the stock price for the entire period, deeming them not to be converted, or exercised during the period. Accordingly, basic shares equal diluted shares for all periods presented.

Potentially dilutive securities were comprised of the following (unaudited):

|   | Three Months Ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2024                         | 2023             |
| Warrants  | -                            | 200,000          |
| Options   | 1,000,000                    | 1,590,000        |
| Convertible notes payable, including accrued interest | 3,544,000                    | 3,120,500        |
|   | <u>4,544,000</u>             | <u>4,910,500</u> |

**NOTE 15 – DISCONTINUED SEM OPERATIONS**

On January 1, 2023, the Company’s board of directors, by unanimous consent, adopted a resolution to discontinue operations of the Company’s wholly owned subsidiary, SEM, LLC. For the unaudited three months ended March 31, 2024 and 2023, all operations from SEMS have been reported as discontinued operations.

The following table presents the assets and liabilities associated with the discontinued operations of SEM:

|                                   | March 31,<br>2024<br>(unaudited) | December 31,<br>2023<br>* |
|-----------------------------------|----------------------------------|---------------------------|
| <b>ASSETS</b>                     |                                  |                           |
| Property and equipment, net       | \$ -                             | 54,300                    |
| Total Assets held for sale        | <u>\$ -</u>                      | <u>\$ 54,300</u>          |
| <b>LIABILITIES</b>                |                                  |                           |
| Accounts payable                  | \$ 24,500                        | 25,700                    |
| Accrued liabilities               | 10,000                           | 10,000                    |
| Current portion of long-term debt | -                                | 7,200                     |
| Total current liabilities         | <u>34,500</u>                    | <u>42,900</u>             |
| Long-term debt                    | <u>-</u>                         | <u>-</u>                  |
| Total liabilities held for sale   | <u>\$ 34,500</u>                 | <u>\$ 42,900</u>          |

Major classes of line items constituting pretax income on discontinued operations (unaudited):

|  | For the Three Months Ended<br>March 31, |             |
|--|---|-------------|
|  | 2024                                    | 2023        |
| Services revenue                                 | \$ -                                    | \$ -        |
| Services costs                                   | -                                       | (6,400)     |
| General and administrative expenses              | -                                       | (4,800)     |
| Other income (expense)                           | -                                       | (500)       |
| Gain on sale off assets held for sale            | 3,700                                   | -           |
| Total income (expense)                           | 3,700                                   | (11,700)    |
| Operating income (loss)                          | 3,700                                   | (11,700)    |
| Income tax benefit                               | -                                       | -           |
| Total income (loss) from discontinued operations | \$ 3,700                                | \$ (11,700) |

#### NOTE 16 – SEGMENT INFORMATION AND MAJOR CUSTOMERS

The Company currently has identified two segments as follows:

|               |                         |
|---------------|-------------------------|
| MV, PelleChar | Environmental Solutions |
| PWS           | Solid Waste             |

The composition of our current reportable segments is consistent with that used by our chief decision makers to evaluate performance and allocate resources. All of our operations are located in the U.S. The Company has not allocated corporate selling, general and administrative expenses, and stock-based compensation to the segments. All intercompany transactions have been eliminated.

Segment information for the (unaudited) three months ended March 31, 2024 and 2023 is as follows:

#### Three Months Ended March 31,

| <u>2024</u>  | Environmental<br>Solutions | Solid<br>Waste | Corporate  | Total        |
|--|----------------------------|----------------|------------|--------------|
| Revenue  | \$ 989,800                 | \$ -           | \$ -       | \$ 989,800   |
| Depreciation and amortization                              | 2,800                      | -              | 700        | 3,500        |
| Interest expense   | -                          | -              | 221,900    | 221,900      |
| Net income (loss) attributable to SEER common stockholders | 59,300                     | -              | (411,500)  | (352,200)    |
| Capital expenditures (cash and noncash)                    | -                          | -              | 1,700      | 1,700        |
| Total assets   | \$ 589,800                 | \$ -           | \$ 409,200 | \$ 999,000   |
| <u>2023</u>  | Environmental<br>Solutions | Solid<br>Waste | Corporate  | Total        |
| Revenue  | \$ 553,200                 | \$ -           | \$ -       | \$ 553,200   |
| Depreciation and amortization (1)                          | 5,600                      | -              | -          | 5,600        |
| Interest expense   | 800                        | -              | 205,200    | 206,000      |
| Net income (loss) attributable to SEER common stockholders | (147,600)                  | 9,500          | (641,300)  | (779,400)    |
| Capital expenditures (cash and noncash)                    | -                          | -              | -          | -            |
| Total assets (1)   | \$ 711,700                 | \$ 100         | \$ 620,200 | \$ 1,332,000 |

(1) Segment information excludes the results of SEM, which was discontinued January 1, 2023, except net income (loss), of which SEM is categorized as discontinued operations. (See Note 15)

#### NOTE 17 – SUBSEQUENT EVENTS

In April 2024, the Company received proceeds of \$200,000 by issuing a secured promissory note, bearing interest at a rate of 8% per annum, and maturing the receipt of the receipt of proceeds from the billings of the kiln products the Company is contracted to construct.



## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion is intended to assist you in understanding our business and the results of our operations. It should be read in conjunction with the Condensed Consolidated Financial Statements and the related notes that appear elsewhere in this report as well as our Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2024. Certain statements made in our discussion may be forward looking. Forward-looking statements involve risks and uncertainties and a number of factors could cause actual results or outcomes to differ materially from our expectations. These risks, uncertainties, and other factors include, among others, the risks described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, as well as other risks described in this Quarterly Report. Unless the context requires otherwise, when we refer to “we,” “us” and “our,” we are describing Strategic Environmental & Energy Resources, Inc. and its consolidated subsidiaries on a consolidated basis.*

### SEER BUSINESS OVERVIEW

Strategic Environmental & Energy Resources, Inc. (“the Company” or “SEER”) was originally organized under the laws of the State of Nevada on February 13, 2002, for the purpose of acquiring one or more businesses under the name of Satellite Organizing Solutions, Inc. (“SOZG”). In January 2008, SOZG changed its name to Strategic Environmental & Energy Resources, Inc. SEER is dedicated to assembling complementary service and environmental, clean-technology businesses that provide safe, innovative, cost-effective, and profitable solutions in the environmental, waste management, and renewable energy industries. SEER currently operates four companies with its headquarters in Broomfield, Colorado. Through its operating companies, SEER provides environmental products and solutions throughout North America and is pursuing international markets for its technologies and products. SEER’s operating companies are discussed in more detail below.

The Company’s domestic strategy is to grow internally through SEER’s subsidiaries that have well-established revenue streams and, simultaneously, establish long-term alliances with and/or acquire complementary domestic businesses in rapidly growing markets for renewable energy, waste management/treatment, emissions capture and conditioning, and environmental soil amendments and organic fertilizers. The focus of the SEER family of companies, however, is to increase margins by securing or developing proprietary patented and patent-pending technologies and then leveraging its 25-plus-year service experience to place these innovations and solutions into the growing markets of renewable biogas, emission capture and control, renewable “green gas” capture and sale, organic soil amendments and fertilizers, as well as general solid waste and medical/pharmaceutical waste destruction. Many of SEER’s current operating companies share customer bases and each provides synergistic services, technologies and products.

### Subsidiaries

#### Wholly owned

**MV, LLC (d/b/a MV Technologies), (“MV”): (operating since 2003)** MV designs and sells patented and/or proprietary, dry scrubber solutions for management of Hydrogen Sulfide (H<sub>2</sub>S) in biogas, landfill gas, and petroleum processing operations. These system solutions are marketed under the product names H2SPlus™ and OdorFilter™. The markets for these products include landfill operations, agricultural and food product processors, wastewater treatment facilities, and petroleum product refiners. MV also develops and designs proprietary technologies and systems used to condition biogas for use as renewable natural gas (“RNG”), for a number of applications, such as transportation fuel and natural gas pipeline injection.

**SEER Environmental Materials, LLC (“SEM”): (formed September 2015)** is a wholly owned subsidiary established as a materials technology business with the purpose of developing advanced chemical absorbents and catalysts that enhance the capability of biogas produced from, landfill, wastewater treatment operations and agricultural digester operations. SEM’s operations were discontinued during the year ended December 31, 2023.

## Majority owned

**Paragon Waste Solutions, LLC (“PWS”): (formed late 2010)** PWS is an operating company that has developed a patented waste destruction technology using a pyrolytic heating process combined with “non-thermal plasma” assisted oxidation. This technique involves gasification of solid waste by heating the waste in a low-oxygen environment, followed by complete oxidation at higher temperatures in the presence of plasma. This technology, commercially referred to as CoronaLux™, is designed and intended for the “clean” destruction of hazardous chemical and biological waste (*i.e.*, medical waste) thereby eliminating the need for costly segregation, transportation, incineration or landfill (with their associated legacy liabilities). In 2023 SEER sold its North American patent rights in a stock transaction and now holds a small, minority interest in Amlon Holdings. SEER continues to have the rights to develop the technology internationally and continues to promote and market the CoronaLux technology in international markets.

**PelleChar, LLC (“PelleChar”): (formed September 2018)** owned 51% by SEER. PelleChar has secured third-party pellet manufacturing capabilities from one of the nation’s premier pellet manufacturers. Working closely with Biochar Now, LLC, PelleChar commenced sales in 2019 of its proprietary pellets containing the proven and superior Biochar Now product starting with the landscaping and big agriculture markets. At this time, PelleChar is the only company able to offer a soil amendment pellet containing the Biochar Now product that is produced using the patented pyrolytic process. PelleChar activity to date relates to promoting both domestic and international sales. Revenue and expenses of PelleChar were not material for the period ended March 31, 2024.

## Joint Ventures

**Eco SEER Saudi:** On December 17, 2022, SEER and Eco Tadweer (“ET”), a business entity incorporated in the Kingdom of Saudi Arabia (“KSA”) entered into a joint venture with SEER owning a minority, non-controlling 49% interest in the joint venture. The purpose of the joint venture is to market and monetize SEER’s technologies in and around the KSA. While SEER is entitled to appoint one of three managers, ET is responsible for funding, operation and management of the joint venture. Eco SEER has had minimal operations as of March 31, 2024.

## SEER’s Financial Condition and Liquidity

As shown in the accompanying consolidated financial statements, the Company has experienced recurring losses, and has accumulated a deficit of approximately \$34.7 million as of March 31, 2024, and \$34.4 million as of March 31, 2023. For the three months ended March 31, 2024, the Company incurred a net loss of approximately \$0.4 million. The Company had a working capital deficit of approximately \$11.9 million as of March 31, 2024. These factors raise substantial doubt about the ability of the Company to continue to operate as a going concern.

Realization of a major portion of the Company’s assets as of March 31, 2024, is dependent upon continued operations. The Company is dependent on generating additional revenue or obtaining adequate capital to fund operating losses until it becomes profitable. For the three months ended March 31, 2024, the Company raised approximately \$0.2 million from the issuance of short-term and long-term debt, for a net cash provided by financing activities of approximately \$0.2 million. In addition, the Company has undertaken a number of specific steps to continue to operate as a going concern. The Company continues to focus on developing organic growth in our operating companies and improving gross and net margins through increased attention to pricing, aggressive cost management and overhead reductions, including discontinuing SEM, a line of business with historically insufficient margins. The Company has limited common shares available for issue which may limit the ability to raise capital or settle debt through issuance of shares. The Company has increased business development efforts to address opportunities identified in expanding markets attributable to increased interest in energy conservation and emission control regulations. In addition, the Company is evaluating various forms of financing which may be available to it. There can be no assurance that the Company will secure additional financing for working capital, increase revenues and achieve the desired result of net income and positive cash flow from operations in future years. These financial statements do not give any effect to any adjustments that would be necessary should the Company be unable to report on a going concern basis.

## Results of Operations for the Three Months Ended March 31, 2024, and 2023

Total revenues were \$1.0 million and \$0.6 million for the three months ended March 31, 2024, and 2023, respectively. The increase of approximately \$0.4 million or 67% in revenues comparing the three months ended March 31, 2024, to the three months ended March 31, 2023, is attributable to our product percent-complete contract revenue increasing due to several material projects being postponed from prior periods due to site preparation delays, coming online.

Operating expenses, which include cost of products, general and administrative (G&A) expenses, and salaries and related expenses, were approximately \$1.2 million for the three months ended March 31, 2024 and approximately \$1.1 million for the three months ended March 31, 2023. Product costs increased \$0.2 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to above mentioned percent-complete project delays from prior year coming online in the first quarter of 2024. G&A expenses decreased \$0.1 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, due to reduced professional and accounting fees.

Total other income and expense was a net expense of approximately \$0.1 million for the three months ended March 31, 2024 and approximately \$0.2 million for the three months ended March 31, 2023. The majority of other income and expense is interest expense, with was consistent at \$0.2 million for both the three months ended March 31, 2024 and 2023. During 2024 we also had \$0.1 million in other income, a result of selling units the Company owned in Biochar Now, LLC.

There is no provision for income taxes for both the three months ended March 31, 2024, and 2023, due to our net losses for both periods and we continue to maintain full allowances covering our net deferred tax benefits as of March 30, 2024, and 2023.

Loss from continuing operations was approximately \$0.4 million and \$0.8 million, for the three months ended March 31, 2024 and 2023, respectively. The net loss attributable to SEER after deducting \$900 for the non-controlling interest was approximately \$0.4 million for the three months ended March 31, 2024, as compared to a net loss of approximately \$0.8 million, after adding \$2,800 in non-controlling interest and deducting \$11,700 loss from discontinued operations, for the three months ended March 31, 2023. As noted above, an increase in revenue was the primary driver of the decreased net loss by \$0.4 million.

#### Results of Discontinued Operations for the Three Months Ended March 31, 2024 and 2023

As of January 1, 2023, the Company abandoned its SEM subsidiary. All revenue and expenses of our SEMS subsidiary for 2023 are classified as discontinued operations.

|  | For the Three Months Ended |                    |
|--|----------------------------|--------------------|
|  | March 31,                  |                    |
|  | 2024                       | 2023               |
| Services revenue                                 | \$ -                       | \$ -               |
| Services costs                                   | -                          | (6,400)            |
| General and administrative expenses              | -                          | (4,800)            |
| Salaries and related expenses                    | -                          | -                  |
| Other income (expense)                           | -                          | (500)              |
| Gain on sale of assets held for sale             | 3,700                      | -                  |
| Total income (expense)                           | <u>3,700</u>               | <u>(11,700)</u>    |
| Operating income (loss)                          | 3,700                      | (11,700)           |
| Income tax benefit                               | -                          | -                  |
| Total income (loss) from discontinued operations | <u>\$ 3,700</u>            | <u>\$ (11,700)</u> |

There is no provision for income taxes for both the three months ended March 31, 2024, and 2023, due to our net loss carryforwards and we continue to maintain full allowances covering our net deferred tax benefits as of March 31, 2024 and 2023.

## **Changes in Cash Flow**

### *Operating Activities*

The Company had net cash used by operating activities for the three months ended March 30, 2024 of \$0.2 million, and for the three months ended March 31, 2023 of \$0.6 million. Cash used by operating activities is driven by our net loss and adjusted by non-cash items as well as changes in operating assets and liabilities. Non-cash adjustments primarily include depreciation and amortization of intangible assets, and gain on the sale of fixed assets. Net loss of \$0.8 million for the three months ended March 31, 2023 decreased to \$0.4 million for the three months ended March 31, 2024. Non-cash adjustments increased cash uses of \$0.2 million for the three months ended March 31, 2024, compared to cash provided of \$0.1 million for the three months ended March 31, 2023.

In addition to the non-cash adjustments to net income, changes in assets and liabilities include:

- a) changes in accounts receivable used \$0.1 million in the first three months of 2024, compared to providing \$0.4 million in the first three months of 2023,
- b) changes in contract liabilities used \$0.3 million in the first three months of 2024, compared to using \$0.1 million in the first three months of 2023,
- c) changes in accounts payable, accrued liabilities, and customer deposits provided \$0.6 million in the first three months of 2024, compared to using \$0.1 million in the first three months of 2023.

### *Investing activities*

Net cash provided by investing activities was \$0.1 million for the three months ended March 31, 2024, compared to no activity for the three months ended March 31, 2023. The Company sold fixed assets held for sale during the three months ended March 31, 2024 and collected \$0.1 million.

### *Financing Activities*

Net cash provided by financing activities was approximately \$0.2 million for the three months ended March 31, 2024, compared with providing \$0.7 million for the three months ended March 31, 2023. The Company's financing activities for both periods consist of new borrowing, net of any principal payments made during the period.

## **Critical Accounting Policies, Judgments and Estimates**

### *Use of Estimates*

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make a number of estimates and assumptions related to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the forecasted cash flows used in the impairment testing of goodwill and intangible assets. The carrying amount of intangible assets; valuation allowances and reserves for receivables; revenue recognition related to contracts accounted for under the percentage of completion method; and the Company's ability to continue as a going concern. Actual results could differ from those estimates.

### *Accounts Receivable and Concentration of Credit Risk*

Accounts receivable are recorded at the invoiced amounts less an allowance for doubtful accounts and do not bear interest. The allowance for doubtful accounts is based on our estimate of the amount of probable credit losses in our accounts receivable. We determine the allowance for doubtful accounts based upon an aging of accounts receivable, historical experience and management judgment. Accounts receivable balances are reviewed individually for collectability, and balances are charged off against the allowance when we determine that the potential for recovery is remote. An allowance for doubtful accounts of approximately \$24,200 has been reserved as of both March 31, 2024, and December 31, 2023.

The Company is exposed to credit risk in the normal course of business, primarily related to accounts receivable. Our customers operate primarily in the food, beverage, and agricultural space, as well as water treatment and landfill industries in the United States. Accordingly, we are affected by the economic conditions in these industries as well as general economic conditions in the United States. To limit credit risk, management periodically reviews and evaluates the financial condition of its customers and maintains an allowance for doubtful accounts. As of March 31, 2024, and December 31, 2023, we do not believe that we have significant credit risk.

### *Fair Value of Financial Instruments*

The carrying amounts of our financial instruments, including accounts receivable and accounts payable, are carried at cost, which approximates their fair value due to their short-term maturities. We believe that the carrying value of notes payable with third parties, including their current portion, approximate their fair value, as those instruments carry market interest rates based on our current financial condition and liquidity. We believe the amounts due to related parties also approximate their fair value, as their carried interest rates are consistent with those of our notes payable with third parties.

### *Long-lived Assets*

The Company evaluates the carrying value of long-lived assets for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An asset is considered to be impaired when the anticipated undiscounted future cash flows of an asset group are estimated to be less than its carrying value. The amount of impairment recognized is the difference between the carrying value of the asset group and its fair value. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows. No impairments were determined as of March 31, 2024.

### *Revenue Recognition*

Revenue is recognized under FASB guidelines, which requires an evaluation of revenue arrangements with customers following a five-step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) the company satisfies each performance obligation. Revenues are recognized when control of the promised services are transferred to the customers in an amount that reflects the expected consideration in exchange for those services. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the services. Other major provisions of the guidance include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not Applicable.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings with the Securities and Exchange Commission (SEC) are recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

As of the end of the period covered by this report, and under the supervision and with the participation of our management, including our Chief Executive Officer and the person performing the similar function as Chief Financial Officer, we evaluated the effectiveness of the design and operation of these disclosure controls and procedures. Based on this evaluation and subject to the foregoing, our Chief Executive Officer and Interim Chief Financial Officer concluded that our disclosure controls and procedures were not effective.

### *Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

We carried out an assessment, under the supervision and with the participation of our management, including our CEO and Interim CFO, of the effectiveness of the design and operation of our internal controls over financial reporting, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of March 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)*. Based on that assessment and on those criteria, our CEO and Interim CFO concluded that our internal control over financial reporting was not effective as of March 31, 2024. The principal basis for this conclusion is (i) failure to engage sufficient resources regarding our accounting and reporting obligations during our startup and (ii) failure to fully document our internal control policies and procedures.

This quarterly report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. The management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only the management's report in this quarterly report.

The Company's management, including the Company's CEO and Interim CFO, does not expect that the Company's internal control over financial reporting will prevent all errors and all fraud. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

### *Changes in Internal Control over Financial Reporting*

There were no significant changes in our internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. Legal Proceedings**

Not Applicable.

## ITEM 1A. Risk Factors

Please review our report on Form 10-K Part 1, Item 1A for a complete statement of “Risk Factors” that pertain to our business.

## ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The \$500,000 secured short-term note issued on February 1, 2019, was past due as of March 31, 2024. We have accrued 100,000 shares of Company stock per month, recorded as interest, as penalty shares per agreement with the lender, until paid, through December 31, 2020, in accordance with a verbal agreement with the lender. No further share accrual is being made. A total of 1,850,000 penalty shares are accrued, and due on demand, in accordance with this borrowing. Unpaid interest is approximately \$30,000 as of the date of this report.

The \$100,000 secured short-term note issued on July 2, 2019, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 12% per annum, which is a total of approximately \$57,000 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$150,000 secured short-term note issued on July 18, 2019, was past due as of March 31, 2024. We have accrued 15,000 shares of Company stock per month, which increased to 30,000 shares of common stock per month beginning March 16, 2020, recorded as interest, as penalty shares per agreement with the lender, until paid, through December 31, 2020, in accordance with a verbal agreement with the lender. A total of 360,000 penalty shares are accrued and due on demand, in accordance with this borrowing. Unpaid interest is approximately \$10,000 as of the date of this report.

The \$300,000 secured short-term note issued on October 17, 2019, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 15% per annum, which is a total of approximately \$200,700 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$450,000 secured short-term note issued on December 14, 2019, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 15% per annum, which is a total of approximately \$290,200 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$100,000 secured short-term note issued on March 16, 2020, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 14% per annum, which is a total of approximately \$56,600 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$50,000 secured short-term note issued on March 17, 2020, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 14% per annum, which is a total of approximately \$28,300 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$220,000 secured short-term note issued on July 8, 2020, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 15% per annum, which is a total of approximately \$123,100 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$120,000 secured short-term note issued on August 18, 2020, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 15% per annum, which is a total of approximately \$65,100 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$280,000 secured short-term note issued on September 3, 2020, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 15% per annum, which is a total of approximately \$150,200 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$500,000 secured short-term note issued on August 15, 2022, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 10% per annum, which is a total of approximately \$81,200 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$100,000 secured short-term note issued on July 20, 2022, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 10% per annum, which is a total of approximately \$13,600 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$500,000 secured long-term note issued on July 13, 2018, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 20% per annum, which is a total of approximately \$571,800 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$350,000 secured short-term note issued on January 20, 2023, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 8% per annum, which is a total of approximately \$33,400 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.



The \$300,000 secured short-term note issued on March 10, 2023, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 8% per annum, which is a total of approximately \$25,400 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

The \$200,000 secured short-term note issued on May 16, 2023, was past due as of March 31, 2024. We are continuing to accrue interest at the stated rate of 8% per annum, which is a total of approximately \$13,800 as of the date of this report, until the loan is paid in full, or an extension agreement is reached with the lender. We are in on-going discussions with our lenders regarding the terms and conditions of the respective loans. Although we have not obtained a written waiver(s) or entered into an amendment(s) formally extending or revising debt terms in all instances, the lenders, most of whom are also shareholders, have and are continuing to cooperate with the company in order to resolve the matters in the best interest of all parties.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

#### ITEM 5. OTHER INFORMATION

None.

#### ITEM 6. EXHIBITS

##### EXHIBIT INDEX

|            |   |
|------------|---|
| 31.1*      | <a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</a>                                     |
| 31.2*      | <a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</a>                                     |
| 32.1**     | <a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> |
| 32.2**     | <a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> |
| 101.INS*** | Inline XBRL Instance Document   |
| 101.SCH*** | Inline XBRL Taxonomy Extension Schema Document  |
| 101.CAL*** | Inline XBRL Taxonomy Extension Calculation Linkbase Document  |
| 101.DEF*** | Inline XBRL Taxonomy Extension Definition Linkbase Document   |
| 101.LAB*** | Inline XBRL Taxonomy Extension Label Linkbase Document  |
| 101.PRE*** | Inline XBRL Taxonomy Extension Presentation Linkbase Document   |
| 104        | Cover Page Interactive Data File (embedded within the Inline XBRL document)   |

\* Filed herewith.

\*\* This certification is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act.

\*\*\* Pursuant to applicable securities laws and regulations, these interactive data files will not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to the liability of that section, nor will they be deemed filed or made a part of a registration statement or prospectus for purposes of Sections 11 and 12 of the Securities Act of 1933, or otherwise subject to liability under those sections.

**SIGNATURES**

Pursuant to the requirements 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.

Dated: May 20, 2024

STRATEGIC ENVIRONMENTAL & ENERGY  
RESOURCES, INC.

By /s/ J. John Combs III

J. John Combs III

Chief Executive Officer with Responsibility to sign on behalf of Registrant as a  
duly authorized officer and principal executive officer

By /s/ Clark Knopik

Clark Knopik

Interim Chief Financial Officer with responsibility to sign on behalf of Registrant  
as a duly authorized officer and principal financial officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, J. John Combs III, certify that:

1. I have reviewed this Form 10-Q for the period ended March 31, 2024, of Strategic Environmental & Energy Resources, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 20, 2024

/s/ J. John Combs III  
J. John Combs III

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**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Clark Knopik, certify that:

1. I have reviewed this Form 10-Q for the period ended March 31, 2024, of Strategic Environmental & Energy Resources, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 20, 2024

/s/ Clark Knopik  
Clark Knopik

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**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**  
**Pursuant to 18 U.S.C. 1350**  
**(Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Strategic Environmental & Energy Resources, Inc. (the “Company”) Quarterly Report on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. John Combs III, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

Dated: May 20, 2024

*/s/ J. John Combs III*

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J. John Combs III  
President and Chief Executive Officer

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**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**  
**Pursuant to 18 U.S.C. 1350**  
**(Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Strategic Environmental & Energy Resources, Inc. (the "Company") Quarterly on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Clark Knopik, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

Dated: May 20, 2024

*/s/ Clark Knopik*

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Clark Knopik  
Interim Chief Financial Officer

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