Ohio | Public Utilities Commission

**DIS Case Number: 14-1734-EL-AGG**

## Section A: Application Information

**A-1. Provider type:**

☒ Power Broker ☒ Aggregator ☐ Retail Generation Provider ☐ Power Marketer

**A-2. Applicant's legal name and contact information.**

**Legal Name:** Bright Power, Inc.
**Phone:** 6467805516 **Extension (if applicable):**
**Website (if any):** www.brightpower.com

**Country:** United States
**Street:** 11 Hanover Square, 21st Floor
**City:** New York **Province/State:** NY
**Postal Code:** 10005

**A-3. Names and contact information under which the applicant will do business in Ohio**

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

| Name | Type | Address | Active? | Proof |
|---|---|---|---|---|
| Bright Power, Inc. | Official Name | 11 Hanover Square, 21st Floor<br>New York, NY 10005 | Yes | File |

**A-4. Names under which the applicant does business in North America**

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

| Name | Type | Address | Active? | Proof |
|---|---|---|---|---|
| Bright Power, Inc. | Official Name | 11 Hanover Square, 21st Floor<br>New York, NY 10005 | Yes | File |

**A-5. Contact person for regulatory matters**

Ohio | Public Utilities Commission

Andy Kern
11 Hanover Square, 21st Floor
New York, NY 10005
US
akern@brightpower.com
6467805514

**A-6. Contact person for PUCO Staff use in investigating consumer complaints**

Andy Kern
11 Hanover Square, 21st Floor
New York, NY 10005
US
akern@brightpower.com
6467805514

**A-7. Applicant's address and toll-free number for customer service and complaints**

| | | | |
|---|---|---|---|
| **Phone:** (877) 812-1625 | **Extension (if applicable):** | **Country:** United States | |
| **Fax:** 866-379-8026 | **Extension (if applicable):** | **Street:** 11 Hanover Square, 21st Floor | |
| **Email:** procurement@brightpower.com | | **City:** New York<br>**Postal Code:** 10005 | **Province/State:** NY |

**A-8. Applicant's federal employer identification number**

20-2142932

**A-9. Applicant's form of ownership**

**Form of ownership:** Corporation

**A-10. Identify current or proposed service areas**

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

**Service area selection**

AEP Ohio

DP&L
Duke Energy Ohio
FirstEnergy - Cleveland Electric Illuminating
FirstEnergy - Ohio Edison
FirstEnergy - Toledo Edison

**Class of customer selection**

Commercial
Residential

**A-11. Start date**

Indicate the approximate start date the applicant began/will begin offering services: 01-01-2015

**A-12. Principal officers, directors, and partners**

Please provide all contacts that should be listed as an officer, director or partner.

| Name | **Email** | Title | Address |
|---|---|---|---|
| Jeffrey Perlman | jperlman@brightpower.com | President & CEO | 11 Hanover Square, 21st FL<br>New York, NY 10005<br>US |

**A-13. Company history**

Bright Power, Inc. is a 15 year old energy and water management consultant based in New York. Bright Power provides energy efficiency improvements including lighting, boiler and building management system upgrades, insulation assessment and corrections. New building construction services to improve energy efficiency as well as energy procurement services are performed. Bright Power also provides are energy audits and performance benchmarking.

**A-14. Secretary of State**

Secretary of State Link:

## Section B: Applicant Managerial Capability and Experience

**B-1. Jurisdiction of operations**

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

Jurisdiction of Operation: All Ohio jurisdictions that are served by a deregulated natural gas utility.

**B-2. Experience and plans**

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the plan for contracting with customers, providing contracted services, providing billing statements and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

Application Experience and Plan Description: Bright Power has provided power and natural gas utility supply brokerage services since 2012. We provide brokerage services to our clients that have properties in every deregulated utility throughout the United States. Bright Power provides our clients with many services including utility monitoring, benchmarking, energy efficiency upgrades and energy generation projects. For our brokerage services, Bright Power is paid directly from the chosen supplier so our clients are not billed directly. Bright Power provides brokerages services to clients as part of wholistic energy approach. Customer complaints are managed directly and Bright Power then works with the supplier to provide a solution.

**B-3. Disclosure of liabilities and investigations**

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

Liability and Investigations Disclosures: None

**B-4. Disclosure of consumer protection violations**

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted orheld liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

**No**

**B-5. Disclosure of certification, denial, curtailment, suspension or revocation**

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

**No**

## Section C: Applicant Financial Capability and Experience

**C-1. Financial reporting**

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Does not apply

**C-2. Financial statements**

Provide copies of the applicant's two most recent years of audited financial statements, including a balance sheet, income statement, and cash flow statement. If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted.**

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

**C-3. Forecasted financial statements**

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio.**

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

File(s) attached

**C-4. Credit rating**

Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter 'Not Rated'.

This does not apply

**C-5. Credit report**

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

File(s) attached

**C-6. Bankruptcy information**

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

No

**C-7. Merger information**

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

No

**C-8. Corporate structure**

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required, and the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

File(s) attached

Ohio | Public Utilities Commission

## Section D: Applicant Technical Capacity

**D-1. Operations**

Power brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of electricity to retail customers.

Operations Description: Bright Power works with clients on an individual basis and aggregates legal entities managed or controlled by a single client.

**D-2. Operations Expertise & Key Technical Personnel**

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

File(s) attached

Ohio | Public Utilities Commission

# Application Attachments

# Competitive Retail Electric Service Affidavit

**County of _New York_____ :**

**State of ___New York_____ :**

_Jeffrey Perlman_____, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.

2. The applicant will timely file an annual report of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Sections 4905.10(A), 4911.18(A), and 4928.06(F), Ohio Revised Code.

3. The applicant will timely pay any assessment made pursuant to Sections 4905.10, 4911.18, and 4928.06(F), Ohio Revised Code.

4. The applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

5. The applicant will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the applicant.

6. The applicant will fully comply with Section 4928.09, Ohio Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.

7. The applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.

8. The applicant will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.

9. The applicant will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.

10. If applicable to the service(s) the applicant will provide, it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio.

11. The Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating consumer complaints.

12. The facts set forth above are true and accurate to the best of his/her knowledge, information, and belief and that he/she expects said applicant to be able to prove the same at any hearing hereof.

13. Affiant further sayeth naught.

_____, Jeffrey Perlman President & CEO
Signature of Affiant & Title

Sworn and subscribed before me this __5th____ day of __August_____, __2021____
Month Year

_____
Signature of official administering oath

___Pristine Johannessen, Legal Counsel ____
Print Name and Title

PRISTINE JOHANNESSEN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02JO6095108
Qualified in Kings County
Commission Expires July 07, 2023

My commission expires on ___7/7/2023_____

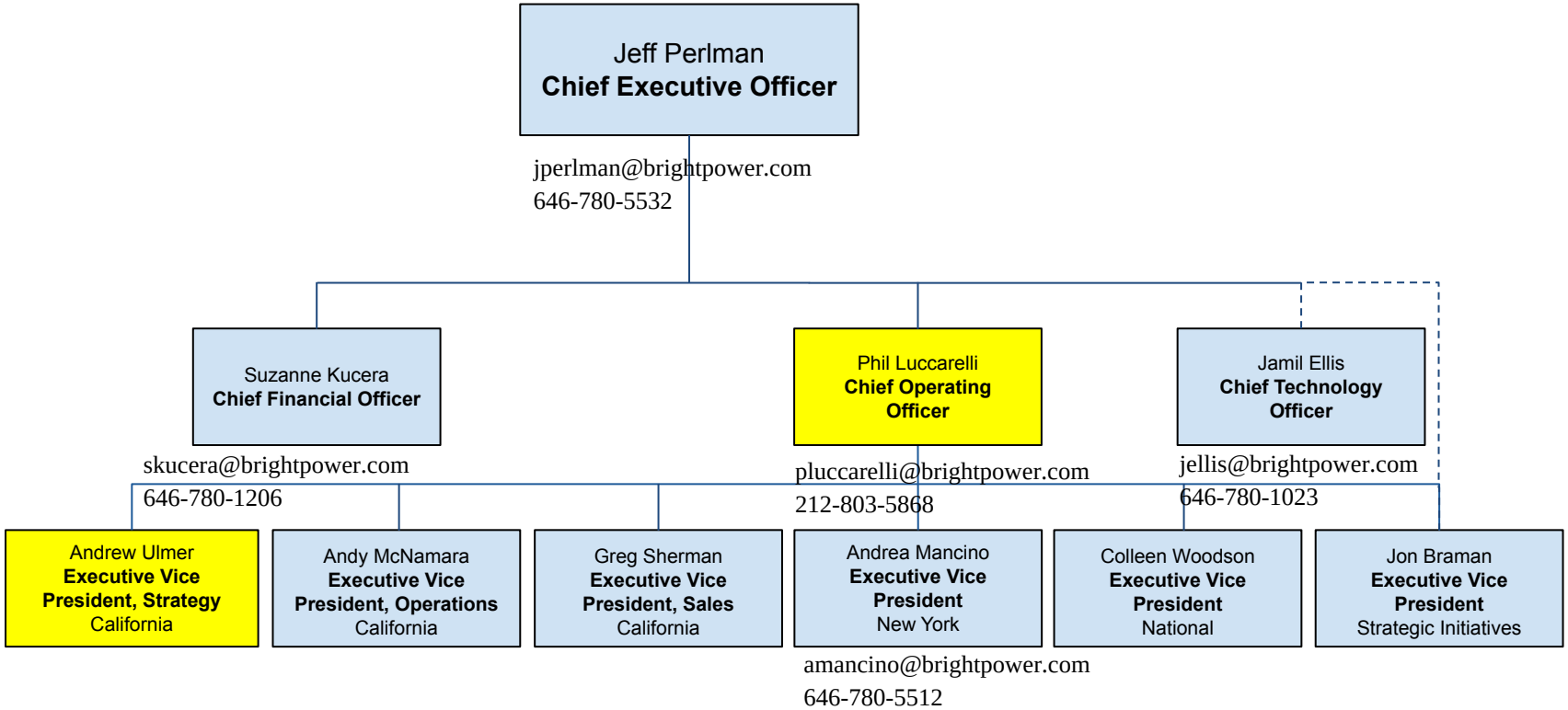
| State | 24-month Total |
|---|---|
| OH | $7,030.79 |

| Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| $694.98 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 |
| | | | | | | | | | | Next 12-months: | $3,725.15 |

| Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 | $275.47 |
| | | | | | | | | | | Following 12-months: | $3,305.64 |

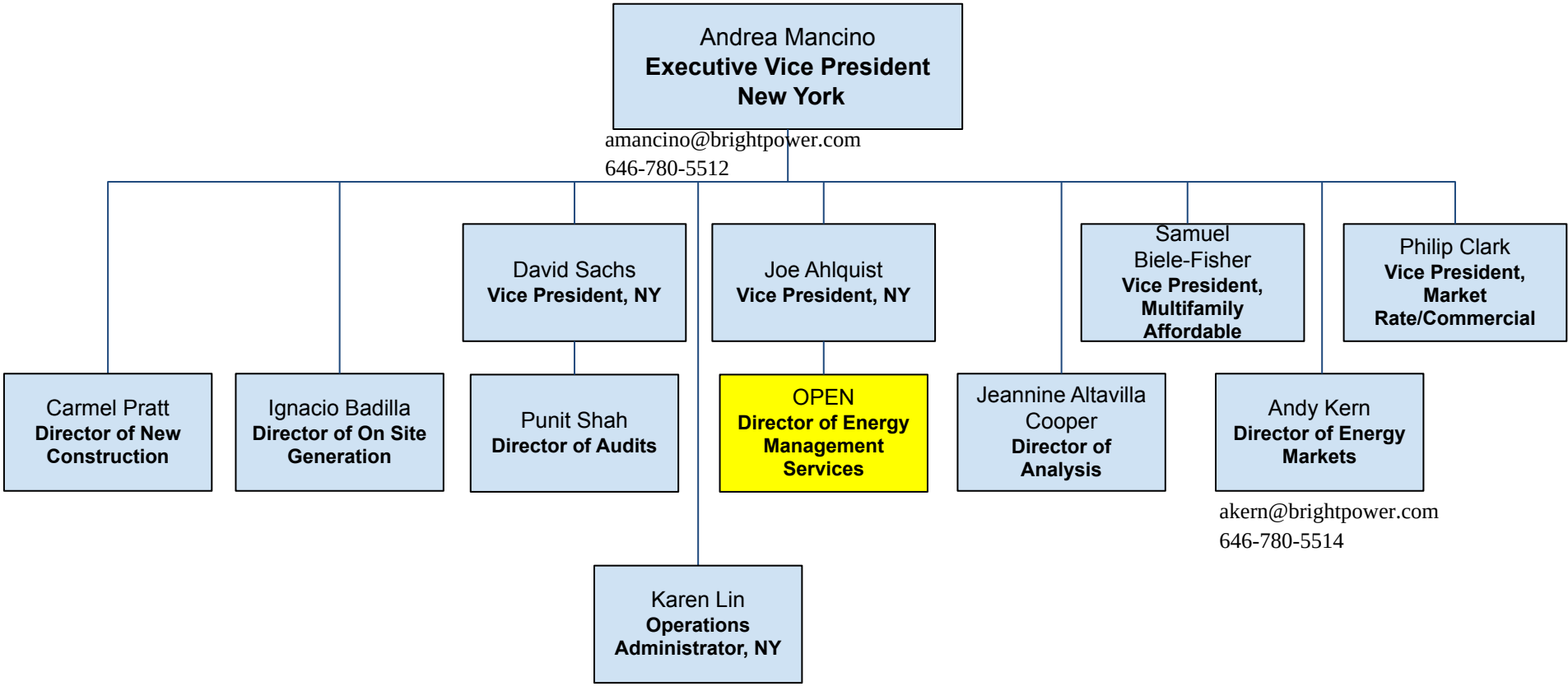
BRIGHT POWER

# *Bright Power Executive Leadership*



BRIGHT POWER

# *New York Business Unit*



# *Energy Procurement*

Andrew Kern
**Director of Energy Markets**

akern@brightpower.com
646-780-5514

Lydia Weiner
**Energy Markets Analyst**

lweiner@brightpower.com
415-316-0705

Riana Erickson
**Procurement Analyst**

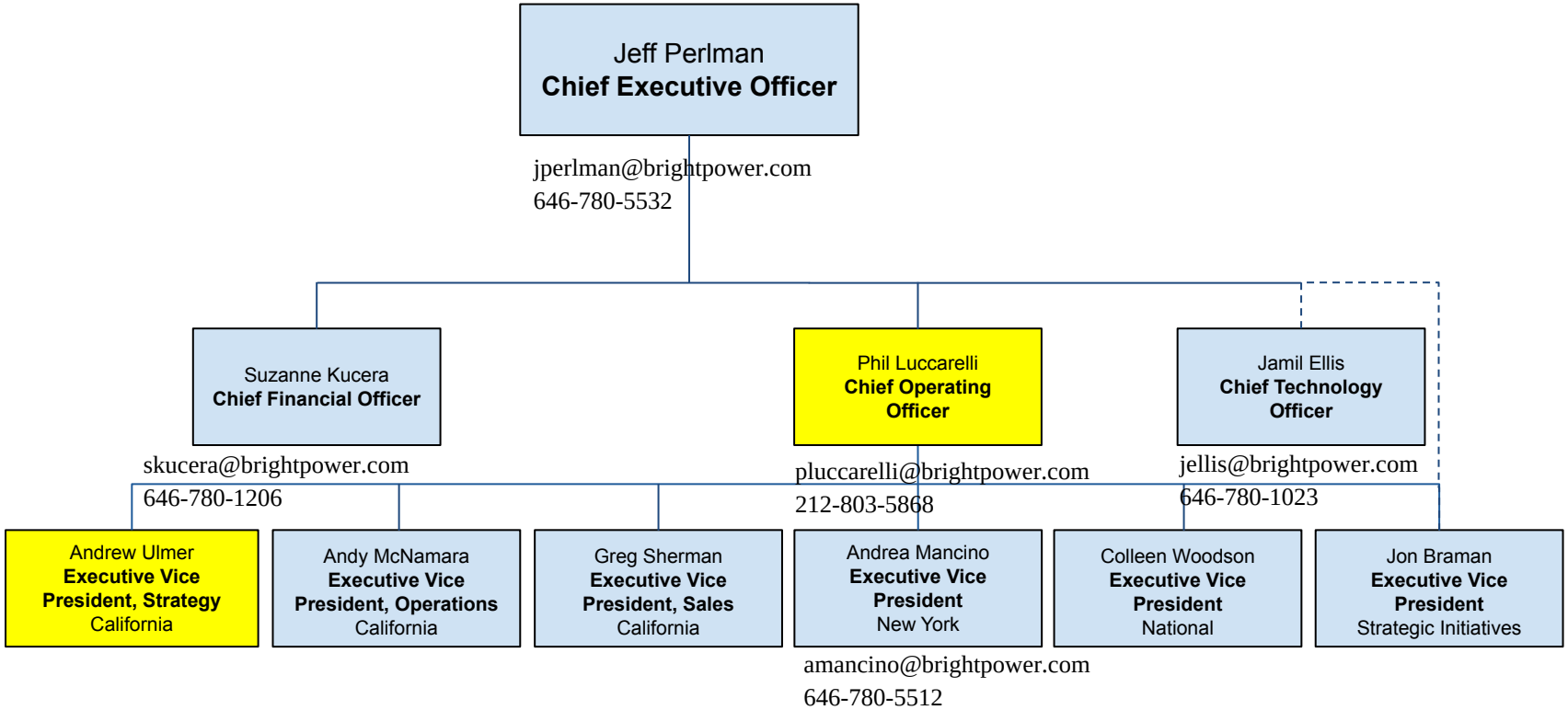
rerickson@brightpower.com
(646) 827-7708

Eric McLoughney
**Energy Markets Analyst**

emcloughney@brightpower.com
(646) 757-2634

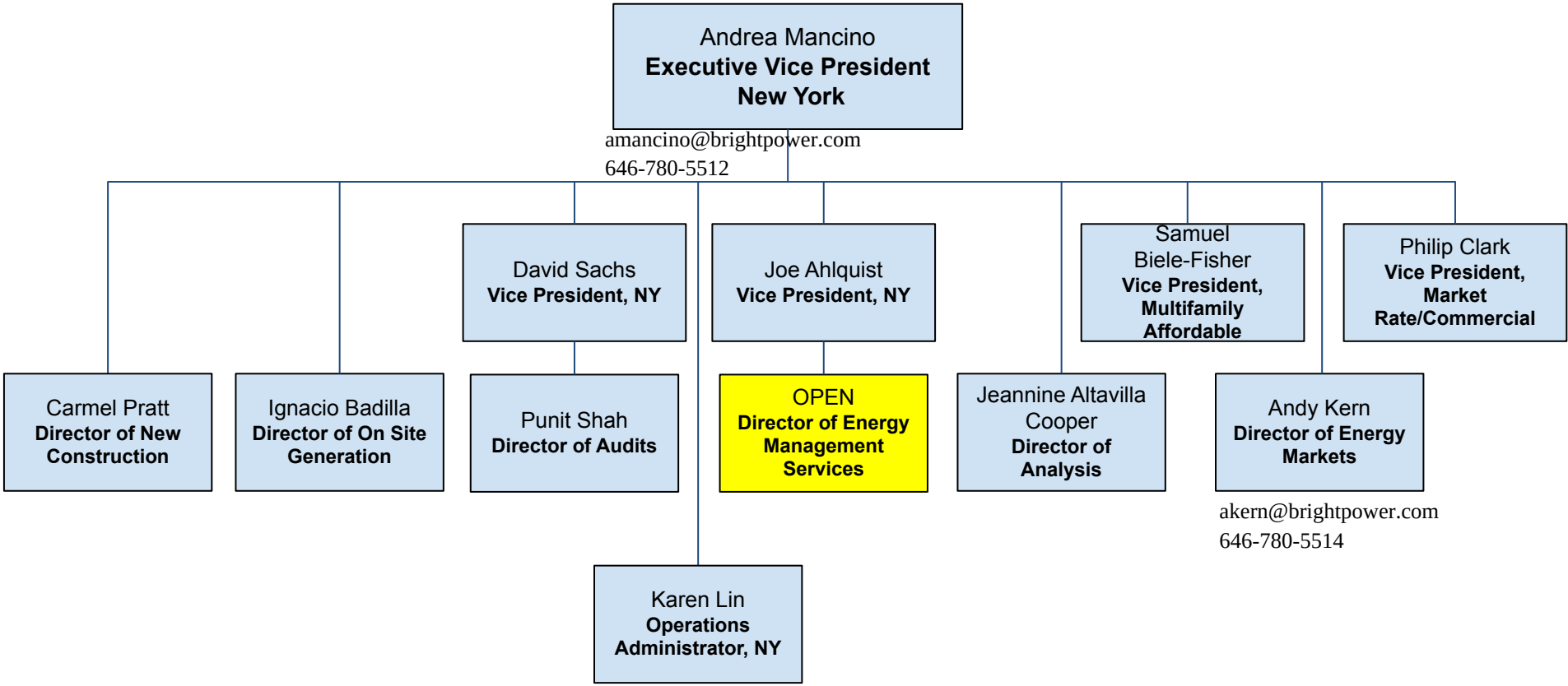
BRIGHT POWER

# *Bright Power Executive Leadership*



BRIGHT POWER

# *New York Business Unit*



# *Energy Procurement*

Andrew Kern
**Director of Energy Markets**

akern@brightpower.com
646-780-5514

Lydia Weiner
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lweiner@brightpower.com
415-316-0705

Riana Erickson
**Procurement Analyst**

rerickson@brightpower.com
(646) 827-7708

Eric McLoughney
**Energy Markets Analyst**

emcloughney@brightpower.com
(646) 757-2634

# UNITED STATES OF AMERICA
# STATE OF OHIO
# OFFICE OF THE SECRETARY OF STATE

*I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show BRIGHT POWER, INC, a Delaware corporation, having qualified to do business within the State of Ohio on September 29, 2014 under License No. 2330498 is currently in GOOD STANDING upon the records of this office.*

*Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 15th day of June, A.D. 2021.*

**Ohio Secretary of State**

**Validation Number: 202116602102**

# BRIGHT POWER, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018 AND 2017

**BRIGHT POWER, INC. AND SUBSIDIARY**

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**WAGNER & ZWERMAN LLP**

*Certified Public Accountants*

**Mark Wagner, CPA**
**Andrew M. Zwerman, CPA**
**Vincent J. Preto, CPA**
**John Antinore, CPA**

**201 Old Country Road, Ste 202**
**Melville, NY 11747**
**Phone: 631-777-1000 Fax: 631-777-1008**
**E-mail: staff@wzcpafirm.com**

# Independent Auditors' Report

To the Board of Directors of
Bright Power, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Bright Power, Inc. and Subsidiary (a Delaware corporation), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, stockholders' deficiency and cash flows for the years then ended, and the related notes to the consolidated financial statements.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

**Auditors' Responsibility** (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bright Power, Inc. and Subsidiary as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidated schedule of general and administrative expenses included on page 23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
Melville, NY
June 19, 2019

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED BALANCE SHEETS**
**AS OF DECEMBER 31, 2018 AND 2017**

ASSETS

| | 2018 | 2017 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 893,646 | $ 527,078 |
| Accounts receivable | 5,994,365 | 5,823,734 |
| Costs and estimated earnings in excess of billings of uncompleted contracts | 1,504,441 | 599,339 |
| Prepaid expenses | 82,467 | 493,682 |
| Total current assets | 8,474,919 | 7,443,833 |
| PROPERTY AND EQUIPMENT | | |
| Furniture, fixtures and equipment | 510,217 | 345,444 |
| Less - accumulated depreciation | (179,466) | (132,886) |
| Total property and equipment - net of depreciation | 330,751 | 212,558 |
| OTHER ASSETS | | |
| Software - net of accumulated amortization | 1,692,064 | 1,435,221 |
| Customer lists - net of accumulated amortization | 65,658 | 88,943 |
| Domain name | 15,000 | 15,000 |
| Security deposits | 89,819 | 87,264 |
| Total other assets | 1,862,541 | 1,626,428 |
| TOTAL ASSETS | $ 10,668,211 | $ 9,282,819 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED BALANCE SHEETS**
**AS OF DECEMBER 31, 2018 AND 2017**

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

| | 2018 | 2017 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable | $ 1,934,154 | $ 1,601,536 |
| Accrued expenses | 1,027,568 | 3,752,202 |
| Credit cards payable | 93,238 | 57,810 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 1,589,506 | 53 |
| Equipment financing payable | - | 6,425 |
| Security deposits payable | 6,450 | 6,450 |
| Unearned revenues | 1,761,454 | 1,637,426 |
| Total current liabilities | 6,412,370 | 7,061,902 |
| LONG-TERM DEBT | | |
| Deferred rent liability | 165,273 | 142,825 |
| Loans payable to related parties | 1,030,862 | 450,888 |
| WindSail loan payable: | | |
| Principal (maximum $8 million borrowings) | 6,500,000 | 4,700,000 |
| Unamortized debt issuance costs | - | (81,142) |
| Accrued interest | 941,798 | 635,351 |
| Total long term debt | 8,637,933 | 5,847,922 |
| Total liabilities | 15,050,303 | 12,909,824 |
| STOCKHOLDERS' DEFICIENCY | | |
| Preferred stock: | | |
| Series A convertible preferred stock - ($0.001 par value; 500,000 shares authorized; 339,333 issued and outstanding; liquidation value $1,961,711) | 339 | 339 |
| Additional paid-in-capital | 1,990,362 | 1,990,362 |
| Common stock: | | |
| Par value ($0.001 par value; 2,500,000 shares authorized; 944,847 and 944,243 shares issued and outstanding, respectively) | 944 | 942 |
| Additional paid-in-capital | 502,070 | 706,536 |
| Accumulated deficit | (6,875,807) | (6,325,184) |
| Total stockholders' deficiency | (4,382,092) | (3,627,005) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY | $ 10,668,211 | $ 9,282,819 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | 2018 | 2017 |
|---|---|---|
| INCOME | | |
| Construction services | $ 16,891,546 | $ 14,712,012 |
| Professional services | 7,621,606 | 5,437,570 |
| Subscription services | 3,065,912 | 2,677,037 |
| Total revenue | 27,579,064 | 22,826,619 |
| COST OF REVENUE | | |
| Construction services | 13,561,748 | 10,704,314 |
| Professional services | 3,608,903 | 3,461,569 |
| Subscription services | 1,754,005 | 1,677,685 |
| Total cost of revenue | 18,924,656 | 15,843,568 |
| Gross profit | 8,654,408 | 6,983,051 |
| OPERATING EXPENSES | | |
| General and administrative expenses | 4,041,712 | 3,396,359 |
| Depreciation and amortization | 1,062,280 | 827,138 |
| Sales and marketing | 2,842,603 | 2,112,939 |
| Research and development | 159,990 | 207,538 |
| Total operating expenses | 8,106,585 | 6,543,974 |
| Net income from operations | 547,823 | 439,077 |
| OTHER EXPENSE | | |
| Interest expense | 1,073,386 | 894,230 |
| Other expense | 1,073,386 | 894,230 |
| Total loss before income taxes | (525,563) | (455,153) |
| INCOME TAX EXPENSE | | |
| Income tax expense | 25,060 | 12,400 |
| Total income tax expense | 25,060 | 12,400 |
| Net loss | $ (550,623) | $ (467,553) |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY**
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | Common Stock | | | Preferred Stock | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Par Value | Additional Paid-In-Capital | Shares | Par Value | Additional Paid-In-Capital | Accumulated Deficit | Total |
| Balance - January 1, 2017 | 941,624 | $ 941 | $ 636,563 | 339,333 | $ 339 | $ 1,957,733 | $ (5,825,002) | $ (3,229,426) |
| Issuance of common stock | 2,619 | 1 | 4,755 | - | - | - | - | 4,756 |
| Accumulated dividends | - | - | - | - | - | 32,629 | (32,629) | - |
| Stock compensation expense | - | - | 65,218 | - | - | - | - | 65,218 |
| Net loss | - | - | - | - | - | - | (467,553) | (467,553) |
| Balance - December 31, 2017 | 944,243 | $ 942 | $ 706,536 | 339,333 | $ 339 | $ 1,990,362 | $ (6,325,184) | $ (3,627,005) |
| Issuance of common stock | 604 | 2 | 1,424 | - | - | - | - | 1,426 |
| Stock compensation expense | - | - | (205,890) | - | - | - | - | (205,890) |
| Net loss | - | - | - | - | - | - | (550,623) | (550,623) |
| Balance - December 31, 2018 | 944,847 | $ 944 | $ 502,070 | 339,333 | $ 339 | $ 1,990,362 | $ (6,875,807) | $ (4,382,092) |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | 2018 | 2017 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net loss | $ (550,623) | $ (467,553) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 1,062,185 | 827,138 |
| Amortization of deferred loan costs | 81,142 | 86,911 |
| Provision for doubtful accounts | 210,000 | 77,346 |
| Stock compensation expense | (205,890) | 65,218 |
| Changes in assets and liabilities: | | |
| Decrease in accounts receivable | (380,631) | (3,101,661) |
| (Increase) in costs and estimated earnings in excess of billings of uncompleted contracts | (905,102) | (353,609) |
| (Increase) decrease in prepaid expenses | 411,215 | (436,837) |
| (Increase) in security deposits | (2,555) | (28,644) |
| Increase (decrease) in accounts payable | 332,618 | 481,763 |
| Increase in accrued expenses | (2,724,634) | 1,692,236 |
| (Decrease) in credit cards payable | 35,367 | (27,961) |
| Increase in billings in excess of costs and estimated earnings on uncompleted contracts | 1,589,453 | 53 |
| Increase (decrease) in deferred rent liability | 22,448 | 111,711 |
| Increase in PIK Interest | 306,447 | 267,490 |
| Increase (decrease) in unearned revenues | 124,028 | 1,316,911 |
| Net cash provided by operating activities | (594,532) | 510,512 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchases) of property and equipment | (164,773) | (66,813) |
| Acquisition of Fiveboro Solar LLC | - | (20,000) |
| Software costs capitalized | (1,249,163) | (1,117,709) |
| Net cash (used in) investing activities | (1,413,936) | (1,204,522) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from (repayments of) notes payable | 1,800,000 | 300,000 |
| (Repayments of) equipment financing payable | (6,364) | (1,457) |
| Issuance of common stock | 1,426 | 4,751 |
| Borrowings from related parties | 579,974 | 39,434 |
| Net cash provided by financing activities | 2,375,036 | 342,728 |
| Net change in cash | 366,568 | (351,282) |
| Beginning cash balance | 527,078 | 878,360 |
| Ending cash balance | $ 893,646 | $ 527,078 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | $ 581,254 | $ 435,204 |
| Taxes paid | $ 22,908 | $ 10,070 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 1: ORGANIZATION

Bright Power, Inc. ("BPI") provides energy management solutions to building owners, focusing on multifamily residential buildings. The Company has a national footprint with the majority of its business in the New York Metropolitan area. The Company opened an office in Oakland, California in 2015. The Company's services include energy benchmarking using its proprietary EnergyScoreCards software, along with energy audits, financial and technical feasibility analysis, energy management, grant & rebate assistance, green building consulting and training for professionals and building managers. BPI's design and installation services include solar electricity and solar thermal systems, heating, cooling and HVAC systems, lighting design, construction management and commissioning.

On January 4, 2016, BPI acquired the assets of Fiveboro Solar LLC ("Fiveboro"), a New York limited liability company. The purpose of the acquisition was to expand Bright Power's ability to directly carry out installation of solar power generating equipment. In parallel with the acquisition of Fiveboro, BPI also formed a subsidiary, Bright Power Installation & Construction LLC ("BPIC"), which carries out the activities involved with solar installations. BPIC is a Delaware limited liability company whose sole member is Bright Power, Inc.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of major accounting policies is presented to assist the reader in evaluating the consolidated financial statements and other data contained herein.

Basis of Presentation
The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation
The accompanying financial statements are presented on a consolidated basis and include the accounts of Bright Power, Inc. and Bright Power Installation & Construction LLC, collectively referred to as the "Company", as discussed in Note 1. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Cash Equivalents
For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable
Accounts receivable related to the Company's non-construction lines of business are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The Company believes its risk of loss on currently outstanding receivables is limited and, accordingly, has not provided an allowance for doubtful accounts as of December 31, 2018. Further, included in accounts receivable is $0 and $327,771 of receivables for services not yet performed and as such are also included in unearned revenues as of December 31, 2018 and 2017, respectively. Included in unearned revenues is $106,248 and $0 of customer deposits as of December 31, 2018 and 2017, respectively, for services not yet performed.

Contract Receivables
Contract receivables related to the Company's long-term construction contracts are recorded when invoices are issued and are presented in the balance sheet at the net amount the Company expects to collect from its customers. Contract receivables are written off when they are determined to be uncollectible. Management has performed an analysis of its outstanding contract receivables and has recorded an allowance for doubtful accounts of $77,484 and $146,943 as of December 31, 2018 and 2017, respectively, to reduce contract receivables to their estimated net realizable value.

Property and Equipment
Property and equipment are recorded at cost and are depreciated on a straight line basis over their estimated useful lives, which is five to seven years for all furniture, fixtures and equipment and five years for vehicles. Major renewals or betterments are capitalized while routine costs for repairs and maintenance are expensed as incurred. When items of property and equipment are sold or otherwise disposed, the carrying amount of the asset is removed from the accounts and any resulting gain or loss is recognized in earnings. Depreciation expense for the years ended December 31, 2018 and 2017 was $46,675 and $25,555, respectively.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Impairment of Long-Lived Assets
Long-lived assets, such as property and equipment, are tested for impairment whenever events or changes in circumstances may indicate that the carrying value of such assets is not recoverable. The impairment test is performed by comparing the undiscounted cash flows associated with the use and disposition of the asset or asset group to its carrying value at the time of such event. If such cash flows are in excess of the carrying value of the asset or asset group, no impairment is recorded; however if such cash flows are less than the carrying value, management records an impairment charge for the difference between the asset's or asset group's fair value and its carrying value. During the years ended December 31, 2018 and 2017 no such events or changes in circumstances occurred and accordingly, the Company's long-lived assets were not deemed to be impaired.

Intangibles
The Company's intangibles, consisting of software costs, customer lists and a domain name, are being amortized over their estimated useful lives as more fully described in Note 5.

Revenue and Cost Recognition
The Company records revenue when earned. In the ordinary course of business, the Company bills in advance for services to be provided. Such revenue is initially recorded as unearned revenue, and is then earned over the life of the contract or as services are performed, depending on the nature of the contract. The balance in unearned revenue represents the amount of revenue billed for services to be provided in the future. All such services are expected to be provided within the next twelve months.

Revenues from fixed priced, long term construction contracts are recognized under the percentage of completion method, measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers "cost to cost" to be the best available measure of progress on these contracts.

Contract costs include all direct material and labor costs and all other direct and indirect costs related to contract performance. Selling and general administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which losses are determined. Changes in job performance, job conditions and estimated profitability, including those from settlements, may result in revisions to cost and income and are recognized in the period in which revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. An amount equal to contract cost attributable to claims is included in revenues when realization is probable and the amount can be reasonably estimated.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue and Cost Recognition (Continued)
The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenue recognized in excess of amounts billed. The liability "Billing in excess of cost and estimated earnings on uncompleted contracts," represents billings in excess of revenues.

Income Taxes
The Company accounts for income taxes using the asset and liability approach. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Uncertain Tax Positions
Accounting principles generally accepted in the United States of America require Company management to evaluate tax positions taken or expected to be taken by the Company on its tax returns and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by its companies, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that the Company's income tax returns for the years including and subsequent to 2015 remain subject to examination, based on the normal statutory periods subject to audit, notwithstanding any events or circumstances that may exist, which could expand the open period.

Stock-Based Compensation
The Company accounts for its stock option plan and for stock-based employee compensation arrangements in accordance with provisions of FASB ASC 718, *Stock Compensation*. In accordance with those provisions, equity instruments granted to employees are recognized at the grant-date fair value of the award as compensation expense over the requisite service period, or as performance conditions are expected to be met, net of expected forfeitures.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs
The cost of advertising for the Company is expensed as incurred and was $43,638 and $5,398 for the years ended December 31, 2018 and 2017, respectively, and is included in sales and marketing expenses in the statement of income.

Reclassifications
Certain amounts in the December 31, 2017 consolidated financial statements have been reclassified to conform to the December 31, 2018 presentation.

Subsequent Events
Management has evaluated events and transactions that occurred through June 19, 2019, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

## NOTE 3: FINANCIAL CONDITION AND CAPITAL RESOURCES

The Company has generated losses in recent years as it has continued to focus on efforts to grow its business and establish a strong revenue base. The cash needs of the business have been financed primarily through borrowings from both related and unrelated parties as well as through contributions from stockholders. The Company expects that cash flow from operations coupled with the refinancing of its facility with WindSail (Note 10) will enable the Company to continue as a going concern for a reasonable period of time, as there are sufficient resources on hand and available to the Company to sustain operations for one year past the date of management's review (Note 2). Changes in economic conditions, increased competition or lack of strong brand recognition as well as other events beyond the Company's control could have a material adverse effect on the cash flows of the business and the liquidity of the Company. If this were to happen, the Company would seek additional funding, reduce planned expenditures and eliminate non-essential costs. To the extent additional funding is required, the Company will seek, and believes it can obtain, additional financing from its current shareholders and from other investors in the private debt or equity capital markets. However, there can be no assurance as to what impact this may have on the Company or its ability to obtain sufficient financing to meet its short and long-term cash needs.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 4: INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2018:

| Description | Useful life | Gross Carrying Value | Accumulated Amortization | Net Book Value | Costs Capitalized |
|---|---|---|---|---|---|
| Software | 3-5 Years | $4,349,193 | $ (2,657,129) | $ 1,692,064 | $ 1,249,163 |
| Customer Lists | 8 Years | 197,263 | (131,605) | 65,658 | - |
| Domain | Indefinite | 15,000 | (-) | 15,000 | - |
| | | $4,561,456 | $(2,788,734) | $ 1,772,722 | $ 1,249,163 |

Intangible assets consist of the following at December 31, 2017:

| Description | Useful life | Gross Carrying Value | Accumulated Amortization | Net Book Value | Costs Capitalized |
|---|---|---|---|---|---|
| Software | 3-5 Years | $3,100,030 | $ (1,664,809) | $ 1,435,221 | $ 1,117,335 |
| Customer Lists | 8 Years | 197,263 | (108,320) | 88,943 | 20,000 |
| Domain | Indefinite | 15,000 | (-) | 15,000 | - |
| | | $3,312,293 | $(1,773,129) | $ 1,539,164 | $ 1,137,335 |

Amortization expense was $1,015,605 and $801,583 for the years ended December 31, 2018 and 2017, respectively. Estimated amortization is $930,557 for 2019, $624,432 for 2020, $196,836 for 2021, and $5,899 for 2022.

## NOTE 5: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The following is a summary of cost and estimated earnings on uncompleted contracts as of December 31, 2018:

| | |
|---|---|
| Contract costs incurred | $ 7,529,850 |
| Estimated revenues | 7,278,311 |
| | 14,808,161 |
| Less: Billing to date | (14,893,226) |
| TOTAL | $ (85,065) |
| | |
| Cost and estimated earnings in excess of billing on uncompleted contracts | $ 1,504,441 |
| Billing in excess of cost and estimated earnings on uncompleted contracts | (1.589.806) |
| TOTAL | $ (85,065) |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 6: BACKLOG

The estimated gross revenue on work to be performed on signed contracts for which work has not commenced was $3.78 million at December 31, 2018. In addition to the backlog of work to be performed, there is gross revenue to be reported in future periods under the percentage of completion method on contracts in progress at December 31, 2018 of $27.0 million.

## NOTE 7: CREDIT CARDS PAYABLE

The Company has various business credit cards held jointly in the Company's name and by an executive of the Company. The total credit available on these company credit cards is $163,500. Some of the credit cards require minimum monthly payments based on outstanding borrowings, while others require payment in full within 20 days of the statement date. Interest is not charged on borrowings but will charge a delinquent fee of the greater of $39 or 2.99% for balances past due. There is no collateral on the balances.

## NOTE 8: EQUIPMENT FINANCING PAYABLE

The Company has an equipment financing line of credit for the purchase of servers, networking equipment, and employee computers. The total credit available on this line of credit is $54,000. The Company gets billed on a monthly basis. The Company typically purchases equipment using the line of credit at promotional interest rates of 1.99% to 3.99%. If the promotional interest rates expire, the interest rates climb to 23.74%. The Company will then quickly pay off these higher interest balances to minimize finance charges.

## NOTE 9: LOANS PAYABLE

| Loans payable consist of the following: | 2018 | 2017 |
|---|---|---|
| Loan Payable to WindSail Credit Fund, L.P.<br>Principal balance of up to $8,000,000 (plus accrued interest) to be re-paid at the facility termination date of January 2022. The loan is collateralized by all assets of the Company, but principally the partially discounted value of the Company's accounts receivable, the value of the near term business pipeline (as defined), as well as a percentage of the value of the Company's established recurring revenue (as defined). As of December 31, 2018, borrowings were $6,500,000 plus accrued interest of $941,798. As of December 31, 2017, borrowings were $4,700,000 plus accrued interest of $635,351. The loan requires interest to be paid in cash at an annual rate of 9.75% and accrues paid in kind interest at an annual rate of 4.5%. | $ 7,441,798 | $ 5,335,351 |
| TOTAL LOANS PAYABLE | 7,441,798 | 5,335,351 |
| Less – unamortized debt issuance costs | (-) | (81,142) |
| Long-term debt, less unamortized issuance costs | 7,441,798 | 5,254,209 |
| Less – current maturities | (-) | (-) |
| LONG TERM PORTION | $ 7,441,798 | $ 5,254,209 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 9: LOANS PAYABLE** (Continued)

Aggregated maturities of loans payable are as follows:

| Year ended December 31, | |
|---|---|
| 2019 | $ - |
| 2020 | - |
| 2021 | - |
| 2022 | 7,441,798 |
| Total | $ 7,441,798 |

**NOTE 10: LOANS PAYABLE TO RELATED PARTIES**

The Company has borrowed from various related parties. These loans are subordinate to the Company's WindSail loan facility and were amended in 2015 such that their maturity dates are now coincident with the termination date of the WindSail loan. The borrowings outstanding from related parties were as follows at December 31, 2018 and 2017:

| | 2018 | 2017 |
|---|---|---|
| Shareholder Loan Payable to Eleanor Perlman<br>Unsecured principal balance of $100,000 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on January 18, 2020; Eleanor Perlman is the mother of the Company's President. | $ 151,428 | $ 137,075 |
| Shareholder Loan Payable to Jeffrey Perlman<br>Unsecured principal balance of $77,426 accrues interest at an annual rate of Prime + 2.0% (5.25% at December 31, 2016); principal and unpaid interest is due on January 18, 2020; Jeffrey Perlman is the Company's President. | 99,246 | 92,613 |
| Shareholder Loan Payable to Pamela Bookman<br>Unsecured principal balance of $160,038 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on January 18, 2020; Pamela Bookman is the spouse of the Company's President. | 244,362 | 221,200 |
| Shareholder Loan Payable to Arlene Karten<br>Unsecured principal balance of $200,000 accrues interest at an annual rate of 6.0%; principal and unpaid interest is due on June 1, 2020; Arlene Karten is the mother-in-law of the Company's President. | 207,036 | - |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 10: LOANS PAYABLE TO RELATED PARTIES (Continued)

| Due to Owner | 2018 | 2017 |
|---|---|---|
| Unsecured principal balance of $298,240 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on demand; Jeffrey Perlman is the Company's President. | 328,790 | - |
| Total loans payable to related parties | $1,030,862 | $ 450,888 |

Aggregated maturities of loans payable are as follows:

| Year ended December 31, | |
|---|---|
| 2019 | $ - |
| 2020 | 1,030,862 |
| Total | $ 1,030,862 |

## NOTE 11: SERIES A CONVERTIBLE PREFERRED STOCK

The Company is authorized to issue 500,000 shares of Series A Convertible Preferred Stock ("Series A"). The Series A stock is senior to the Company's common stock. Series A holders have voting rights equal to the number of shares they would hold on an if-converted basis; however the Series A holders do not have the right to vote on the election of directors. The Series A stock accrues dividends at a rate of 4% per year whether or not declared by the Board of Directors through May 31, 2017. Cumulative accrued dividends of $186,341 are included in the carrying amount of the Series A stock at December 31, 2018. In the event of a Liquidity Event, as defined, the Series A holders are entitled to a liquidation payment equal to $5.55 per share, subject to adjustment in the event of a dilution event, plus all accrued and unpaid dividends. The Series A shares are automatically convertible into common shares at a price of $5.55 per share, subject to adjustment, either upon a successful initial public offering by the Company having an aggregate offering value of at least $3,000,000 and resulting in the Company having a market capitalization of at least $10,000,000 or at the approval of a majority of the Series A holders. The Series A holders may also individually convert their shares any time.

## NOTE 12: STOCK-BASED COMPENSATION

Warrants

In conjunction with the issuance of the line of credit by WindSail (Note 10), the Company granted WindSail 78,033 warrants to purchase shares of common stock of the Company at a price of $0.001 per share. The fair value of the warrants was determined to be $169,261 and was recorded as additional financing costs that are being amortized over the life of the debt (Note 5). The warrants were valued using the Black-Scholes pricing model. Assumptions used to value the warrants were: (a) $2.17 per share value of common stock, as determined by an independent third party appraiser; (b) expected term of 6 years, based on the assumption that the Company was going to be profitable within six years and the warrants were going to be exercised (the warrants were subsequently exercised); (c) risk free rate of 1.845% based on a six-year treasury note at the date of issuance; and (d) annualized volatility 60%.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 12: STOCK-BASED COMPENSATION** (Continued)

Stock Option Plan

The Company sponsors a Stock Incentive Plan (the "Plan") which encourages and enables the officers, employees, directors, consultants and other key persons to acquire ownership interests in the Company. The Plan is administered by the Board of Directors which has the power and authority to grant options and set terms pursuant to the Plan. The maximum number of shares issuable under the plan is 500,000 at December 31, 2018. Stock that is issuable upon exercise will be provided by the Company from its pool of authorized but unissued shares.

During the year ended December 31, 2018, the Company issued 12,000 stock options to employees that all vest at various intervals over the next 4 years and require the employee to remain with the Company to earn the vested shares. All new options granted have a contractual term of 10 years (from grant date) and will expire no earlier than January 1, 2028.

During the year ended December 31, 2017, the Company issued 80,000 stock options to employees that all vest at various intervals over the next 4 years and require the employee to remain with the Company to earn the vested shares. All new options granted have a contractual term of 10 years (from grant date) and will expire no earlier than January 1, 2027.

Also, on July 1, 2015, the Company re-priced and re-issued 183,000 employee stock options to bring the strike price more in-line with recent third party valuations. The new strike price for these options is $2.36, replacing previous strike prices ranging from $2.93 to $6.06. At the same time, the re-issued options were given a 10 year expiration date and will therefore continue until July 1, 2025.

Consistent with accounting practice, the Company recognized the cost of the option re-pricing event associated with vested options of $107,353 during 2015 and will recognize the cost associated with un-vested options $100,540 over the remaining vesting period of the options which have an average term of 2.5 years.

The number, weighted average exercise price and weighted-average grant-date fair value of options outstanding during the year are as follows (prior year figures have been adjusted for stock splits) for the year ended December 31, 2018 are presented as follows:

| | Total Options Issued and Outstanding | Non-Vested | Vested | Weighted -Average Exercise Price | Weighted Average Grant Date Fair Value |
|---|---|---|---|---|---|
| Beginning of Year | 395,467 | 121,212 | 274,255 | $ 2.16 | $ 0.76 |
| Granted – New | 12,000 | 12,000 | - | 4.18 | 1.39 |
| Granted – Increased | - | - | - | - | - |
| Vested | - | (43,358) | 43,358 | | |
| Exercised | (604) | - | (604) | 2.48 | 1.41 |
| Forfeited | (30,903) | 1,404 | (32,307) | 2.57 | 1.38 |
| End of Year | 375,960 | 91,258 | 284,702 | $ 2.16 | $ 0.72 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 12: STOCK-BASED COMPENSATION** (Continued)

The number, weighted average exercise price and weighted-average grant-date fair value of options outstanding during the year are as follows (prior year figures have been adjusted for stock splits) for the year ended December 31, 2017:

| | Total Options Issued and Outstanding | Non-Vested | Vested | Weighted -Average Exercise Price | Weighted Average Grant Date Fair Value |
|---|---|---|---|---|---|
| Beginning of Year | 367,467 | 92,792 | 274,675 | $ 1.61 | $ 0.59 |
| Granted – New | 80,000 | 80,000 | - | 3.68 | 1.38 |
| Granted – Increased | - | - | - | - | - |
| Vested | - | (14,918) | 14,918 | | |
| Exercised | (2,619) | - | (2,619) | 2.36 | 1.37 |
| Forfeited | (49,381) | (36,662) | (12,719) | 2.46 | 1.24 |
| End of Year | 395,467 | 121,212 | 274,255 | $ 2.16 | $ 0.76 |

The following summarizes the Company's stock options as of December 31, 2018:

| | Options Currently Outstanding | Options Currently Exercisable |
|---|---|---|
| Number | 375,960 | 284,702 |
| Weighted-Average Exercise Price | $2.16 | $1.76 |
| Weighted-Average Remaining Term | 6.08 | 4.39 |

The following summarizes the Company's stock options as of December 31, 2017:

| | Options Currently Outstanding | Options Currently Exercisable |
|---|---|---|
| Number | 396,466 | 274,254 |
| Weighted-Average Exercise Price | $2.16 | $1.73 |
| Weighted-Average Remaining Term | 5.98 | 4.79 |

The fair value of options granted during the year was determined using the Black-Scholes option pricing model. That model utilizes various inputs to estimate the fair value of options, some of which are observable and others of which are not. The following summarizes the inputs to the Black-Scholes model used to value the options granted:

| | 2018 | 2017 |
|---|---|---|
| Fair value of stock at grant date | $1.3878 | $1.3596 to $1.3942 |
| Expected contractual term | 10 | 10 |
| Expected dividends | $0 | $0 |
| Risk free rate | 1.89% | 1.96% |
| Volatility | 59.00% | 58.43% |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 12: STOCK-BASED COMPENSATION (Continued)

The fair value of the Company's common stock was determined based on an independent valuation performed by a business valuation expert. The expected contractual term is based upon the expectation that within four years the Company will generate profit, the value of its common stock will be above the strike price, and most vested option holders would exercise. The risk free rate was determined by utilizing the rate on a 10 year treasury note at the grant date, which coincides with the expected term.

Based on the above, and the specific terms of the grants, including vesting provisions and the performance conditions met and expected to be met, total compensation cost recognized was $(205,890) and $65,218 during the years ended December 31, 2018 and 2017, respectively, including the previously mentioned re-issued grants during the year ended December 31, 2018. The compensation cost for the year ended December 31, 2018 includes adjustments for previously-forfeited options for employees that did not meet the performance conditions set forth in the grant agreements.

Total compensation cost expected to be recognized on non-vested options was $123,078 and $93,844 at December 31, 2018 and 2017, respectively. The weighted average period over which this compensation cost is expected to be recognized is 8.12 and 3.43 years, respectively.

## NOTE 13: INCOME TAXES

BPI is a C-Corporation that is subject to Federal, New York State and New York City income taxes. Additionally, BPI is subject to franchise tax in Delaware. BPI files its tax returns on a cash basis. Although BPI is expected to report net taxable losses for the years ended December 31, 2018 and 2017 on its tax returns, it is subject to minimum taxes that are based on capital in New York, New York City and Delaware. Accordingly, a provision for state and local income taxes has been included in the consolidated financial statements.

The provision for income taxes is comprised of the following for the years ended December 31, 2018 and 2017:

| Current Provision | 2018 | 2017 |
|---|---|---|
| Federal | $ - | $ - |
| State | 21,820 | 6,875 |
| Local | 3,240 | 5,525 |
| | 25,060 | 12,400 |
| Deferred Provision | | |
| Federal | - | - |
| State | - | - |
| Local | - | - |
| | - | - |
| Total provision | $ 25,060 | $ 12,400 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

**NOTE 13: INCOME TAXES** (Continued)

The deferred provision for income taxes includes a tax benefit derived from net operating losses generated in December 31, 2018 and 2017 of $4,297,170 and $2,409,560, respectively, which was fully off-set by a valuation allowance as management has determined that it is more likely than not that such carry forwards will not be utilized.

The effective tax rate differs from the Federal statutory rate primarily because of minimum state income taxes and a valuation allowance on expected net operating loss carry forward benefits.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for income tax purposes as well as the tax-effects of net operating loss carry forwards. BPI's deferred tax assets are as follows as of December 31:

| | 2018 | 2017 |
|---|---|---|
| Accounts payable | $ 406,172 | $ 336,323 |
| Accrued expenses | 215,789 | 781,387 |
| Billings in excess of costs and estimated earnings | 333,796 | 11 |
| Unearned revenue | 369,905 | 343,850 |
| Deferred rent | 34,707 | 29,993 |
| Net operating losses | 4,297,170 | 2,409,561 |
| Total assets | 5,657,539 | 3,901,125 |
| | | |
| Accounts receivable | (1,574,749) | (1,302,731) |
| Costs and estimated earnings in excess of billings | - | (74,258) |
| Prepaid expenses | (17,318) | (103,673) |
| Depreciation | (144,566) | (77,822) |
| Total liabilities | (1,736,633) | (1,558,484) |
| Net deferred tax asset | 3,920,906 | 2,342,641 |
| Less: Valuation allowance | (3,920,906) | (2,342,641) |
| Net deferred taxes | $ - | $ - |

The valuation allowance increased by $1,578,265 and $25,222 during the years ended December 31, 2018 and 2017, respectively, due to the net change in net deferred tax assets, which are fully reserved as described above. As of December 31, 2018, total gross net operating loss carry forwards of $8,727,064 for Federal income tax purposes, and $6,280,783 and $6,317,883 for State and New York City purposes, respectively, that are available to offset future taxable income. Such carry forwards will expire from 2030 - 2037 if sufficient taxable income is not generated to utilize the carryforwards.

BPIC is a single member limited liability company and is treated as a disregarded entity for federal and state income tax purposes, with all income tax liabilities and/or benefits of BPIC being passed through to BPI, the sole member. As such, BPIC is considered a division of BPI and recognition of federal or state income taxes for BPIC have been provided for in the accompanying consolidated financial statements.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2018**

## NOTE 14: OPERATING LEASES

The Company leases office space in New York, NY from 11 Hanover Square Corp. pursuant to a lease for the 21st through 25th floors, which terminates June 30, 2024. The current monthly rent payments are $43,867 plus any escalations as outlined in the agreement. The Company also leases office space from Powerhouse, a co-working space dedicated to clean energy companies, in Oakland, CA. The lease amount varies per month based on occupancy and is renewed annually. As of December 31, 2018, the monthly rent payments were $4,375.

Approximate minimum annual lease payments are as follows:

| Years Ended | Amounts |
|---|---|
| December 31, 2019 | $ 534,301 |
| December 31, 2020 | 550,330 |
| December 31, 2021 | 566,840 |
| December 31, 2022 | 583,845 |
| December 31, 2023 | 601,361 |
| Total | $2,836,677 |

The total rent and utility expense for the year ended December 31, 2018 and 2017 was $719,418 and $621,190, respectively.

The Company also subleases a portion of the 21st floor to Komanoff Energy Associates. The lease agreement ended December 31, 2014 and was extended through December 31, 2015. A new agreement was approved in 2016 for the period of January 1, 2016 through December 31, 2016. No new agreement was approved for 2017 and the lease is on a month to month basis. The total subleased rental income for the years ended December 31, 2018 and 2017 were $31,474 and $31,474, respectively, and is offset against rent and utilities expense in general and administrative expenses on the statement of income.

## NOTE 15: RISKS AND UNCERTAINTIES

The Company maintains cash balances with high quality financial institutions and may periodically exceed federally insured limits of $250,000. As of December 31, 2018, there was $1,011,478 in excess of insured limits.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**SUPPLEMENTARY INFORMATION**
**CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES**
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | 2018 | 2017 |
|---|---|---|
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Gross salaries and wages | $ 2,172,944 | $ 1,475,402 |
| Professional fees | 411,239 | 565,613 |
| Rent and utility expense, net | 687,944 | 589,716 |
| Office expenses | 373,302 | 348,489 |
| Insurance | 37,142 | 24,925 |
| Travel and entertainment | 105,914 | 92,218 |
| Provision for doubtful accounts | 210,000 | 77,346 |
| Stock compensation expense | (205,890) | 65,218 |
| Repairs and maintenance | 14,171 | - |
| Dues and subscriptions | 19,160 | 28,670 |
| Finance costs | 31,782 | 18,164 |
| Payroll expenses | 8,796 | 1,840 |
| Miscellaneous expenses | 100,838 | 90,118 |
| Licenses and fees | 10,791 | 18,640 |
| Professional development | 63,579 | - |
| Total general and administrative expenses | $ 4,041,712 | $ 3,396,359 |

# BRIGHT POWER, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019 AND 2018

**BRIGHT POWER, INC. AND SUBSIDIARY**

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**WAGNER & ZWERMAN LLP**

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# Independent Auditors' Report

To the Board of Directors of
Bright Power, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Bright Power, Inc. and Subsidiary (a Delaware corporation), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of income, stockholders' deficiency and cash flows for the years then ended, and the related notes to the consolidated financial statements.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

**Auditors' Responsibility** (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bright Power, Inc. and Subsidiary as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidated schedule of general and administrative expenses included on page 23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
Melville, NY
January 26, 2021

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED BALANCE SHEETS**
**AS OF DECEMBER 31, 2019 AND 2018**

ASSETS

| | 2019 | 2018 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 638,170 | $ 893,646 |
| Accounts receivable | 9,130,293 | 5,994,365 |
| Costs and estimated earnings in excess of billings of uncompleted contracts | 2,808,380 | 1,504,441 |
| Prepaid expenses | 286,261 | 82,467 |
| Total current assets | 12,863,104 | 8,474,919 |
| PROPERTY AND EQUIPMENT | | |
| Furniture, fixtures and equipment | 610,616 | 510,217 |
| Less - accumulated depreciation | (221,786) | (179,466) |
| Total property and equipment - net of depreciation | 388,830 | 330,751 |
| OTHER ASSETS | | |
| Software - net of accumulated amortization | 1,589,633 | 1,692,064 |
| Customer lists - net of accumulated amortization | 45,677 | 65,658 |
| Domain name | 15,000 | 15,000 |
| Security deposits | 108,156 | 89,819 |
| Total other assets | 1,758,466 | 1,862,541 |
| TOTAL ASSETS | $ 15,010,400 | $ 10,668,211 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED BALANCE SHEETS**
**AS OF DECEMBER 31, 2019 AND 2018**

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

| | 2019 | 2018 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable | $ 4,021,133 | $ 1,934,154 |
| Accrued expenses | 1,190,584 | 1,027,568 |
| Credit cards payable | 86,769 | 93,238 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 2,337,986 | 1,589,506 |
| Security deposits payable | 6,450 | 6,450 |
| Unearned revenues | 1,227,618 | 1,761,454 |
| Total current liabilities | 8,870,540 | 6,412,370 |
| LONG-TERM DEBT | | |
| Deferred rent liability | 172,159 | 165,273 |
| WindSail loan payable: | | |
| Principal (maximum $8 million borrowings) | 8,000,000 | 6,500,000 |
| Accrued interest | 1,311,046 | 941,798 |
| | 9,311,046 | 7,441,798 |
| Loans payable to related parties | 1,126,656 | 1,030,862 |
| Total long term debt | 10,609,861 | 8,637,933 |
| Total liabilities | 19,480,401 | 15,050,303 |
| STOCKHOLDERS' DEFICIENCY | | |
| Preferred stock: | | |
| Series A convertible preferred stock - ($0.001 par value; 500,000 shares authorized; 339,333 issued and outstanding; liquidation value $1,961,711) | 339 | 339 |
| Additional paid-in-capital | 1,990,362 | 1,990,362 |
| Common stock: | | |
| Par value ($0.001 par value; 2,500,000 shares authorized; 944,847 and 944,243 shares issued and outstanding, respectively) | 944 | 944 |
| Additional paid-in-capital | 597,291 | 502,070 |
| Accumulated deficit | (7,058,937) | (6,875,807) |
| Total stockholders' deficiency | (4,470,001) | (4,382,092) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY | $ 15,010,400 | $ 10,668,211 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|---|---|---|
| INCOME | | |
| Installation services | $ 21,491,248 | $ 16,891,546 |
| Professional services | 8,835,384 | 7,621,606 |
| Subscription services | 6,324,072 | 3,065,912 |
| Total revenue | 36,650,704 | 27,579,064 |
| COST OF REVENUE | | |
| Installation services | 16,824,345 | 13,561,748 |
| Professional services | 5,670,785 | 3,608,903 |
| Subscription services | 3,677,488 | 1,754,005 |
| Total cost of revenue | 26,172,618 | 18,924,656 |
| Gross profit | 10,478,086 | 8,654,408 |
| OPERATING EXPENSES | | |
| General and administrative expenses | 4,669,542 | 4,041,712 |
| Depreciation and amortization | 1,153,403 | 1,062,280 |
| Sales and marketing | 3,238,452 | 2,842,603 |
| Research and development | 303,808 | 159,990 |
| Total operating expenses | 9,365,205 | 8,106,585 |
| Net income from operations | 1,112,881 | 547,823 |
| Interest expense | 1,285,074 | 1,073,386 |
| Total loss before income taxes | (172,193) | (525,563) |
| Income tax expense | 10,937 | 25,060 |
| Net loss | $ (183,130) | $ (550,623) |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | Common Stock | | | Preferred Stock | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Par Value | Additional Paid-In-Capital | Shares | Par Value | Additional Paid-In-Capital | Accumulated Deficit | Total |
| Balance - January 1, 2018 | 944,243 | $ 942 | $ 706,536 | 339,333 | $ 339 | $ 1,990,362 | $ (6,325,184) | $ (3,627,005) |
| Issuance of common stock | 604 | 2 | 1,424 | - | - | - | - | 1,426 |
| Accumulated dividends | - | - | - | - | - | - | - | - |
| Stock compensation expense | - | - | (205,890) | - | - | - | - | (205,890) |
| Net loss | - | - | - | - | - | - | (550,623) | (550,623) |
| Balance - December 31, 2018 | 944,847 | $ 944 | $ 502,070 | 339,333 | $ 339 | $ 1,990,362 | $ (6,875,807) | $ (4,382,092) |
| Issuance of common stock | - | - | 8,677 | - | - | - | - | 8,677 |
| Stock compensation expense | - | - | 86,544 | - | - | - | - | 86,544 |
| Net loss | - | - | - | - | - | - | (183,130) | (183,130) |
| Balance - December 31, 2019 | 944,847 | $ 944 | $ 597,291 | 339,333 | $ 339 | $ 1,990,362 | $ (7,058,937) | $ (4,470,001) |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net loss | $ (183,130) | $ (550,623) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 1,153,402 | 1,062,185 |
| Amortization of deferred loan costs | - | 81,142 |
| Provision for doubtful accounts | 14,587 | 210,000 |
| Stock compensation expense | 86,544 | (205,890) |
| Changes in assets and liabilities: | | |
| (Increase) in accounts receivable | (3,150,515) | (380,631) |
| (Increase) in costs and estimated earnings in excess of billings of uncompleted contracts | (1,303,939) | (905,102) |
| (Increase) decrease in prepaid expenses | (203,794) | 411,215 |
| (Increase) in security deposits | (18,337) | (2,555) |
| Increase in accounts payable | 2,086,978 | 332,618 |
| Increase (decrease) in accrued expenses | 163,016 | (2,724,634) |
| (Decrease) increase in credit cards payable | (5,607) | 35,367 |
| Increase in billings in excess of costs and estimated earnings on uncompleted contracts | 748,480 | 1,589,453 |
| Increase in deferred rent liability | 6,886 | 22,448 |
| Increase in PIK Interest | 369,248 | 306,447 |
| (Decrease) increase in unearned revenues | (533,836) | 124,028 |
| Net cash (used in) operating activities | (770,017) | (594,532) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchases) of property and equipment | (100,399) | (164,773) |
| Software costs capitalized | (988,670) | (1,249,163) |
| Net cash (used in) investing activities | (1,089,069) | (1,413,936) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | 1,500,000 | 1,800,000 |
| (Repayments of) equipment financing payable | (862) | (6,364) |
| Issuance of common stock | 8,678 | 1,426 |
| Borrowings from related parties | 95,794 | 579,974 |
| Net cash provided by financing activities | 1,603,610 | 2,375,036 |
| Net change in cash | (255,476) | 366,568 |
| Beginning cash balance | 893,646 | 527,078 |
| Ending cash balance | $ 638,170 | $ 893,646 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | $ 915,827 | $ 581,254 |
| Taxes paid | $ 18,374 | $ 22,908 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 1: ORGANIZATION

Bright Power, Inc. ("BPI") provides energy management solutions to building owners, focusing on multifamily residential buildings. The Company has a national footprint with the majority of its business in the New York Metropolitan area. The Company opened an office in Oakland, California in 2015. The Company's services include energy benchmarking using its proprietary EnergyScoreCards software, along with energy audits, financial and technical feasibility analysis, energy management, grant & rebate assistance, green building consulting and training for professionals and building managers. BPI's design and installation services include solar electricity and solar thermal systems, heating, cooling and HVAC systems, lighting design, installation management and commissioning.

On January 4, 2016, BPI acquired the assets of Fiveboro Solar LLC ("Fiveboro"), a New York limited liability company. The purpose of the acquisition was to expand Bright Power's ability to directly carry out installation of solar power generating equipment. In parallel with the acquisition of Fiveboro, BPI also formed a subsidiary, Bright Power Installation & Construction LLC ("BPIC"), which carries out the activities involved with solar installations. BPIC is a Delaware limited liability company whose sole member is Bright Power, Inc. As more fully described in Note 15, in December 2019, the Company decided to shut down the operations of BPIC.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of major accounting policies is presented to assist the reader in evaluating the consolidated financial statements and other data contained herein.

### Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### Principles of Consolidation

The accompanying financial statements are presented on a consolidated basis and include the accounts of Bright Power, Inc. and Bright Power Installation & Construction LLC, collectively referred to as the "Company", as discussed in Note 1. All intercompany accounts and transactions have been eliminated in consolidation.

### Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable related to the Company's non-installation lines of business are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The Company believes its risk of loss on currently outstanding receivables is limited and, accordingly, has not provided an allowance for doubtful accounts as of December 31, 2019. Further, included in accounts receivable is $1,046,662 and $0 of receivables for services not yet performed and as such are also included in unearned revenues as of December 31, 2019 and 2018, respectively. Included in unearned revenues is $78,810 and $106,248 of customer deposits as of December 31, 2019 and 2018, respectively, for services not yet performed.

Contract receivables related to the Company's long-term installation contracts are recorded when invoices are issued and are presented in the balance sheet at the net amount the Company expects to collect from its customers. Contract receivables are written off when they are determined to be uncollectible. Management has performed an analysis of its outstanding contract receivables and has recorded an allowance for doubtful accounts of $92,071 and $77,484 as of December 31, 2019 and 2018, respectively, to reduce contract receivables to their estimated net realizable value.

Property and Equipment

Property and equipment are recorded at cost and are depreciated on a straight line basis over their estimated useful lives, which is five to seven years for all furniture, fixtures and equipment and five years for vehicles. Major renewals or betterments are capitalized while routine costs for repairs and maintenance are expensed as incurred. When items of property and equipment are sold or otherwise disposed, the carrying amount of the asset is removed from the accounts and any resulting gain or loss is recognized in earnings. Depreciation expense for the years ended December 31, 2019 and 2018 was $66,000 and $46,675, respectively.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are tested for impairment whenever events or changes in circumstances may indicate that the carrying value of such assets is not recoverable. The impairment test is performed by comparing the undiscounted cash flows associated with the use and disposition of the asset or asset group to its carrying value at the time of such event. If such cash flows are in excess of the carrying value of the asset or asset group, no impairment is recorded; however if such cash flows are less than the carrying value, management records an impairment charge for the difference between the asset's or asset group's fair value and its carrying value. During the years ended December 31, 2019 and 2018 no such events or changes in circumstances occurred and accordingly, the Company's long-lived assets were not deemed to be impaired.

Intangibles

The Company's intangibles, consisting of software costs, customer lists and a domain name, are being amortized over their estimated useful lives as more fully described in Note 4.

Revenue and Cost Recognition

The Company records revenue when earned. In the ordinary course of business, the Company bills in advance for services to be provided. Such revenue is initially recorded as unearned revenue, and is then earned over the life of the contract or as services are performed, depending on the nature of the contract. The balance in unearned revenue represents the amount of revenue billed for services to be provided in the future. All such services are expected to be provided within the next twelve months.

Revenues from fixed priced, long term installation contracts are recognized under the percentage of completion method, measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers "cost to cost" to be the best available measure of progress on these contracts.

Contract costs include all direct material and labor costs and all other direct and indirect costs related to contract performance. Selling and general administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which losses are determined. Changes in job performance, job conditions and estimated profitability, including those from settlements, may result in revisions to cost and income and are recognized in the period in which revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. An amount equal to contract cost attributable to claims is included in revenues when realization is probable and the amount can be reasonably estimated.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue and Cost Recognition (Continued)
The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenue recognized in excess of amounts billed. The liability "Billing in excess of cost and estimated earnings on uncompleted contracts," represents billings in excess of revenues.

Income Taxes
The Company accounts for income taxes using the asset and liability approach. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Uncertain Tax Positions
Accounting principles generally accepted in the United States of America require Company management to evaluate tax positions taken or expected to be taken by the Company on its tax returns and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by its companies, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that the Company's income tax returns for the years including and subsequent to 2016 remain subject to examination, based on the normal statutory periods subject to audit, notwithstanding any events or circumstances that may exist, which could expand the open period.

Stock-Based Compensation
The Company accounts for its stock option plan and for stock-based employee compensation arrangements in accordance with provisions of FASB ASC 718, *Stock Compensation*. In accordance with those provisions, equity instruments granted to employees are recognized at the grant-date fair value of the award as compensation expense over the requisite service period, or as performance conditions are expected to be met, net of expected forfeitures.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs
The cost of advertising for the Company is expensed as incurred and was $48,889 and $43,638 for the years ended December 31, 2019 and 2018, respectively, and is included in sales and marketing expenses in the statement of income.

Reclassifications
Certain amounts in the December 31, 2018 consolidated financial statements have been reclassified to conform to the December 31, 2019 presentation.

Subsequent Events
Management has evaluated events and transactions that occurred through January 26, 2021, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

## NOTE 3: FINANCIAL CONDITION AND CAPITAL RESOURCES

The Company has generated losses in recent years as it has continued to focus on efforts to grow its business and establish a strong revenue base. The cash needs of the business have been financed primarily through borrowings from both related and unrelated parties as well as through contributions from stockholders. The Company expects that cash flow from operations coupled with the refinancing of its facility with WindSail (Note 10) will enable the Company to continue as a going concern for a reasonable period of time, as there are sufficient resources on hand and available to the Company to sustain operations for one year past the date of management's review (Note 2). Changes in economic conditions, increased competition or lack of strong brand recognition as well as other events beyond the Company's control could have a material adverse effect on the cash flows of the business and the liquidity of the Company. If this were to happen, the Company would seek additional funding, reduce planned expenditures and eliminate non-essential costs. To the extent additional funding is required, the Company will seek, and believes it can obtain, additional financing from its current shareholders and from other investors in the private debt or equity capital markets. However, there can be no assurance as to what impact this may have on the Company or its ability to obtain sufficient financing to meet its short and long-term cash needs.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 4: INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2019:

| Description | Useful life | Gross Carrying Value | Accumulated Amortization | Net Book Value | Costs Capitalized |
|---|---|---|---|---|---|
| Software | 3-5 Years | $5,337,863 | $ (3,748,230) | $ 1,589,633 | $ 988,670 |
| Customer Lists | 8 Years | 197,263 | (151,586) | 45,677 | - |
| Domain | Indefinite | 15,000 | (-) | 15,000 | - |
| | | $5,550,126 | $(3,899,816) | $ 1,650,310 | $ 988,670 |

Intangible assets consist of the following at December 31, 2018:

| Description | Useful life | Gross Carrying Value | Accumulated Amortization | Net Book Value | Costs Capitalized |
|---|---|---|---|---|---|
| Software | 3-5 Years | $4,349,193 | $ (2,657,129) | $ 1,692,064 | $ 1,249,163 |
| Customer Lists | 8 Years | 197,263 | (131,605) | 65,658 | - |
| Domain | Indefinite | 15,000 | (-) | 15,000 | - |
| | | $4,561,456 | $(2,788,734) | $ 1,772,722 | $ 1,249,163 |

Amortization expense was $1,087,403 and $1,015,605 for the years ended December 31, 2019 and 2018, respectively. Estimated amortization is $953,988 for 2020, $525,393 for 2021, and $180,022 for 2022.

## NOTE 5: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The following is a summary of cost and estimated earnings on uncompleted contracts as of December 31, 2019:

| | |
|---|---|
| Contract costs incurred | $ 14,533,161 |
| Estimated revenues | 17,905,222 |
| | 32,438,383 |
| Less: Billing to date | (31,967,989) |
| TOTAL | $ 470,394 |

| | |
|---|---|
| Cost and estimated earnings in excess of billing on uncompleted contracts | $ 2,808,380 |
| Billing in excess of cost and estimated earnings on uncompleted contracts | (2,337,986) |
| TOTAL | $ 470,394 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 5: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS** – (continued)

The following is a summary of cost and estimated earnings on uncompleted contracts as of December 31, 2018:

| | |
|---|---|
| Contract costs incurred | $ 7,529,850 |
| Estimated revenues | 7,278,311 |
| | 14,808,161 |
| Less: Billing to date | (14,893,226) |
| TOTAL | $ (85,065) |
| | |
| Cost and estimated earnings in excess of billing on uncompleted contracts | $ 1,504,441 |
| Billing in excess of cost and estimated earnings on uncompleted contracts | (1.589.806) |
| TOTAL | $ (85,065) |

**NOTE 6: BACKLOG**

The estimated gross revenue on work to be performed on signed contracts for which work has not commenced was $1,032,000 million at December 31, 2019. In addition to the backlog of work to be performed, there is gross revenue to be reported in future periods under the percentage of completion method on contracts in progress at December 31, 2019 of $50,500,000 million.

**NOTE 7: CREDIT CARDS PAYABLE**

The Company has various business credit cards held jointly in the Company's name and by an executive of the Company. The total credit available on these company credit cards is $273,000. Some of the credit cards require minimum monthly payments based on outstanding borrowings, while others require payment in full within 20 days of the statement date. Interest is not charged on borrowings but will charge a delinquent fee of the greater of $39 or 2.99% for balances past due. There is no collateral on the balances.

**NOTE 8: EQUIPMENT FINANCING PAYABLE**

The Company has an equipment financing line of credit for the purchase of servers, networking equipment, and employee computers. The total credit available on this line of credit is $54,000. The Company gets billed on a monthly basis. The Company typically purchases equipment using the line of credit at promotional interest rates of 1.99% to 3.99%. If the promotional interest rates expire, the interest rates climb to 23.74%. The Company will then quickly pay off these higher interest balances to minimize finance charges.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 9: LOANS PAYABLE

| Loans payable consist of the following: | 2019 | 2018 |
|---|---|---|
| Principal balance of up to $8,000,000 (plus accrued interest) to be re-paid at the facility termination date of January 2022. The loan is collateralized by all assets of the Company, but principally the partially discounted value of the Company's accounts receivable, the value of the near term business pipeline (as defined), as well as a percentage of the value of the Company's established recurring revenue (as defined). As of December 31, 2019, borrowings were $8,000,000 plus accrued interest of $1,311,046. As of December 31, 2018, borrowings were $6,500,000 plus accrued interest of $941,798. The loan requires interest to be paid in cash at an annual rate of 9.75% and accrues paid in kind interest at an annual rate of 4.5%. | $ 9,311,046 | $ 7,441,798 |
| TOTAL LOANS PAYABLE | $ 9,311,046 | $ 7,441,798 |

Aggregated maturities of loans payable are as follows:

| Year ended December 31, | |
|---|---|
| 2020 | $ - |
| 2021 | - |
| 2022 | 9,311,046 |
| Total | $ 9,311,046 |

## NOTE 10: LOANS PAYABLE TO RELATED PARTIES

The Company has borrowed from various related parties. These loans are subordinate to the Company's WindSail loan facility and were amended in 2015 such that their maturity dates are now coincident with the termination date of the WindSail loan. The borrowings outstanding from related parties were as follows at December 31, 2019 and 2018:

| | 2019 | 2018 |
|---|---|---|
| Shareholder Loan Payable to Eleanor Perlman<br>Unsecured principal balance of $100,000 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on June 1, 2021; Eleanor Perlman is the mother of the Company's President. | $ 167,285 | $ 151,428 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

| **NOTE 10: LOANS PAYABLE TO RELATED PARTIES** (Continued) | 2019 | 2018 |
|---|---|---|
| Shareholder Loan Payable to Jeffrey Perlman<br>Unsecured principal balance of $77,426 accrues interest at an annual rate of Prime + 2.0% (5.25% at December 31, 2016); principal and unpaid interest is due on June 1, 2021; Jeffrey Perlman is the Company's President. | 106,951 | 99,246 |
| Shareholder Loan Payable to Pamela Bookman<br>Unsecured principal balance of $160,038 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on June 1, 2021; Pamela Bookman is the spouse of the Company's President. | 269,950 | 244,362 |
| Shareholder Loan Payable to Arlene Karten<br>Unsecured principal balance of $200,000 accrues interest at an annual rate of 6.0%; principal and unpaid interest is due on June 1, 2021; Arlene Karten is the mother-in-law of the Company's President. | 219,036 | 207,036 |
| Due to Owner<br>Unsecured principal balance of $298,240 accrues interest at an annual rate of 10.0%; principal and unpaid interest is due on demand; Jeffrey Perlman is the Company's President. | 363,434 | 328,790 |
| Total loans payable to related parties | $1,126,656 | $1,030,862 |

Aggregated maturities of loans payable are as follows:

| Year ended December 31, | |
|---|---|
| 2020 | $ - |
| 2021 | 1,126,656 |
| Total | $ 1,126,656 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 11: SERIES A CONVERTIBLE PREFERRED STOCK

The Company is authorized to issue 500,000 shares of Series A Convertible Preferred Stock ("Series A"). The Series A stock is senior to the Company's common stock. Series A holders have voting rights equal to the number of shares they would hold on an if-converted basis; however the Series A holders do not have the right to vote on the election of directors. The Series A stock accrues dividends at a rate of 4% per year whether or not declared by the Board of Directors through May 31, 2017. Cumulative accrued dividends of $186,341 are included in the carrying amount of the Series A stock at December 31, 2019. In the event of a Liquidity Event, as defined, the Series A holders are entitled to a liquidation payment equal to $5.55 per share, subject to adjustment in the event of a dilution event, plus all accrued and unpaid dividends. The Series A shares are automatically convertible into common shares at a price of $5.55 per share, subject to adjustment, either upon a successful initial public offering by the Company having an aggregate offering value of at least $3,000,000 and resulting in the Company having a market capitalization of at least $10,000,000 or at the approval of a majority of the Series A holders. The Series A holders may also individually convert their shares any time.

## NOTE 12: STOCK-BASED COMPENSATION

Warrants

In conjunction with the issuance of the line of credit by WindSail (Note 10), the Company granted WindSail 78,033 warrants to purchase shares of common stock of the Company at a price of $0.001 per share. The fair value of the warrants was determined to be $169,261 and was recorded as additional financing costs that are being amortized over the life of the debt (Note 5). The warrants were valued using the Black-Scholes pricing model. Assumptions used to value the warrants were: (a) $2.17 per share value of common stock, as determined by an independent third party appraiser; (b) expected term of 6 years, based on the assumption that the Company was going to be profitable within six years and the warrants were going to be exercised (the warrants were subsequently exercised); (c) risk free rate of 1.845% based on a six-year treasury note at the date of issuance; and (d) annualized volatility 60%.

Stock Option Plan

The Company sponsors a Stock Incentive Plan (the "Plan") which encourages and enables the officers, employees, directors, consultants and other key persons to acquire ownership interests in the Company. The Plan is administered by the Board of Directors which has the power and authority to grant options and set terms pursuant to the Plan. The maximum number of shares issuable under the plan is 500,000 at December 31, 2019. Stock that is issuable upon exercise will be provided by the Company from its pool of authorized but unissued shares.

During the year ended December 31, 2019, the Company issued 91,000 stock options to employees that all vest at various intervals over the next 4 years and require the employee to remain with the Company to earn the vested shares. All new options granted have a contractual term of 10 years (from grant date) and will expire no earlier than January 1, 2029.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 12: STOCK-BASED COMPENSATION** (Continued)

During the year ended December 31, 2018, the Company issued 12,000 stock options to employees that all vest at various intervals over the next 4 years and require the employee to remain with the Company to earn the vested shares. All new options granted have a contractual term of 10 years (from grant date) and will expire no earlier than January 1, 2028.

Also, on July 1, 2015, the Company re-priced and re-issued 183,000 employee stock options to bring the strike price more in-line with recent third party valuations. The new strike price for these options is $2.36, replacing previous strike prices ranging from $2.93 to $6.06. At the same time, the re-issued options were given a 10 year expiration date and will therefore continue until July 1, 2025.

Consistent with accounting practice, the Company recognized the cost of the option re-pricing event associated with vested options of $107,353 during 2015 and will recognize the cost associated with un-vested options $100,540 over the remaining vesting period of the options which have an average term of 2.5 years.

The number, weighted average exercise price and weighted-average grant-date fair value of options outstanding during the year are as follows (prior year figures have been adjusted for stock splits) for the year ended December 31, 2019 are presented as follows:

| | Total Options Issued and Outstanding | Non-Vested | Vested | Weighted -Average Exercise Price | Weighted Average Grant Date Fair Value |
|---|---|---|---|---|---|
| Beginning of Year | 375,960 | 91,258 | 284,702 | $ 2.16 | $ 0.72 |
| Granted – New | 91,000 | 80,500 | 10,500 | 5.76 | 2.77 |
| Vested | - | (33,451) | 33,451 | | |
| Exercised | (3,667) | - | (3,667) | 2.36 | 0.72 |
| Forfeited | (31,417) | (29,743) | (1,674) | 2.80 | 1.11 |
| End of Year | 431,876 | 108,564 | 323,312 | $ 2.85 | $ 1.24 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 12: STOCK-BASED COMPENSATION** (Continued)

The number, weighted average exercise price and weighted-average grant-date fair value of options outstanding during the year are as follows (prior year figures have been adjusted for stock splits) for the year ended December 31, 2018:

| | Total Options Issued and Outstanding | Non-Vested | Vested | Weighted -Average Exercise Price | Weighted Average Grant Date Fair Value |
|---|---|---|---|---|---|
| Beginning of Year | 395,467 | 121,212 | 274,255 | $ 2.16 | $ 0.76 |
| Granted – New | 12,000 | 12,000 | - | 4.18 | 1.39 |
| Vested | - | (43,358) | 43,358 | | |
| Exercised | (604) | - | (604) | 2.48 | 1.41 |
| Forfeited | (30,903) | 1,404 | (32,307) | 2.57 | 1.38 |
| End of Year | 375,960 | 91,258 | 284,702 | $ 2.16 | $ 0.72 |

The following summarizes the Company's stock options as of December 31, 2019:

| | Options Currently Outstanding | Options Currently Exercisable |
|---|---|---|
| Number | 431,876 | 323,312 |
| Weighted-Average Exercise Price | $2.85 | $2.01 |
| Weighted-Average Remaining Term | 7.02 | 5.73 |

The following summarizes the Company's stock options as of December 31, 2018:

| | Options Currently Outstanding | Options Currently Exercisable |
|---|---|---|
| Number | 375,960 | 284,702 |
| Weighted-Average Exercise Price | $2.16 | $1.76 |
| Weighted-Average Remaining Term | 6.08 | 4.39 |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 12: STOCK-BASED COMPENSATION (Continued)

The fair value of options granted during the year was determined using the Black-Scholes option pricing model. That model utilizes various inputs to estimate the fair value of options, some of which are observable and others of which are not. The following summarizes the inputs to the Black-Scholes model used to value the options granted:

| | 2019 | 2018 |
|---|---|---|
| Fair value of stock at grant date | $3.01 | $1.3878 |
| Expected contractual term | 10 | 10 |
| Expected dividends | $0 | $0 |
| Risk free rate | 1.69% | 1.89% |
| Volatility | 46.00% | 59.00% |

The fair value of the Company's common stock was determined based on an independent valuation performed by a business valuation expert. The expected contractual term is based upon the expectation that within four years the Company will generate profit, the value of its common stock will be above the strike price, and most vested option holders would exercise. The risk free rate was determined by utilizing the rate on a 10 year treasury note at the grant date, which coincides with the expected term.

Based on the above, and the specific terms of the grants, including vesting provisions and the performance conditions met and expected to be met, total compensation cost recognized was $86,544 and $(205,890) during the years ended December 31, 2019 and 2018, respectively, including the previously mentioned re-issued grants during the year ended December 31, 2019. The compensation cost for the year ended December 31, 2019 includes adjustments for previously-forfeited options for employees that did not meet the performance conditions set forth in the grant agreements.

Total compensation cost expected to be recognized on non-vested options was $282,049 and $123,078 at December 31, 2019 and 2018, respectively. The weighted average period over which this compensation cost is expected to be recognized is 8.72 and 8.12 years, respectively.

## NOTE 13: INCOME TAXES

BPI is a C-Corporation that is subject to Federal, New York State and New York City income taxes. Additionally, BPI is subject to franchise tax in Delaware. BPI files its tax returns on a cash basis. Although BPI is expected to report net taxable losses for the years ended December 31, 2019 and 2018 on its tax returns, it is subject to minimum taxes that are based on capital in New York, New York City and Delaware. Accordingly, a provision for state and local income taxes has been included in the consolidated financial statements.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

**NOTE 13: INCOME TAXES** (Continued)
The provision for income taxes is comprised of the following for the years ended December 31, 2019 and 2018:

| Current Provision | 2019 | 2018 |
|---|---|---|
| Federal | $ - | $ - |
| State | 7,437 | 21,820 |
| Local | 3,500 | 3,240 |
| | 10,937 | 25,060 |
| Deferred Provision | | |
| Federal | - | - |
| State | - | - |
| Local | - | - |
| | - | - |
| Total provision | $ 10,937 | $ 25,060 |

The deferred provision for income taxes includes a tax benefit derived from net operating losses generated in December 31, 2019 and 2018 of $3,702,414 and $4,646,340, respectively, which was fully off-set by a valuation allowance as management has determined that it is more likely than not that such carry forwards will not be utilized.

The effective tax rate differs from the Federal statutory rate primarily because of minimum state income taxes and a valuation allowance on expected net operating loss carry forward benefits.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for income tax purposes as well as the tax-effects of net operating loss carry forwards. BPI's deferred tax assets are as follows as of December 31:

| | 2019 | 2018 |
|---|---|---|
| Accounts payable | $ 844,438 | $ 406,172 |
| Accrued expenses | 264,846 | 215,789 |
| Billings in excess of costs and estimated earnings | 490,977 | 333,796 |
| Unearned revenue | 257,800 | 369,905 |
| Deferred rent | 275,320 | 34,707 |
| Net operating losses | 3,702,414 | 4,646,340 |
| Total assets | 5,835,794 | 6,006,711 |
| | | |
| Accounts receivable | (1,917,362) | (1,258,817) |
| Costs and estimated earnings in excess of billings | (589,760) | (315,933) |
| Prepaid expenses | (59,992) | (17,318) |
| Depreciation | (418,146) | (499,899) |
| Total liabilities | (2,985,360) | (2,091,966) |
| Net deferred tax asset | 2,850,435 | 3,914,744 |
| Less: Valuation allowance | (2,850,435) | (3,914,744) |
| Net deferred taxes | $ - | $ - |

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 13: INCOME TAXES (Continued)

The valuation allowance decreased by $1,064,310 and increased $1,578,265 during the years ended December 31, 2019 and 2018, respectively, due to the net change in net deferred tax assets, which are fully reserved as described above. As of December 31, 2019, total gross net operating loss carry forwards of $9,935,220 for Federal income tax purposes, and $3,978,511 and $5,971,995 for State and New York City purposes, respectively, that are available to offset future taxable income. Such carry forwards will expire from 2030 - 2037 if sufficient taxable income is not generated to utilize the carryforwards.

BPIC is a single member limited liability company and is treated as a disregarded entity for federal and state income tax purposes, with all income tax liabilities and/or benefits of BPIC being passed through to BPI, the sole member. As such, BPIC is considered a division of BPI and recognition of federal or state income taxes for BPIC have been provided for in the accompanying consolidated financial statements.

## NOTE 14: OPERATING LEASES

The Company leases office space in New York, NY from 11 Hanover Square Corp. pursuant to a lease for the 21st through 25th floors, which terminates June 30, 2024. The current monthly rent payments are $45,183 plus any escalations as outlined in the agreement. Effective June 1, 2019 The Company amended the original lease to include additional office space on the 11th Floor from 11 Hanover Sqaure Corp. which also terminates June 30, 2024. The current monthly rent payments are $11,177 plus any escalations as outlined in the agreement. The Company was in a lease with Powerhouse, a co-working space dedicated to clean energy companies, in Oakland, CA. The lease amount varied per month based on occupancy and was renewed annually, this lease was terminated as of June 2019. As of June 1, 2019 The Company entered into a lease to rent office space from Brickman Plaza LLC in Oakland, CA. which terminates in July 2023. The current monthly rent payments are $12,884 plus any escalations as outlined in the agreement.

Approximate minimum annual lease payments are as follows:

| Years Ended | Amounts |
|---|---|
| December 31, 2020 | 901,801 |
| December 31, 2021 | 881,904 |
| December 31, 2022 | 914,158 |
| December 31, 2023 | 781,404 |
| December 31. 2024 | 380,601 |
| Total | $3,859,868 |

The total rent and utility expense for the year ended December 31, 2019 and 2018 was $820,293 and $719,418, respectively.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**DECEMBER 31, 2019**

## NOTE 14: OPERATING LEASES (Continued)

The Company also subleases a portion of the 21st floor to Komanoff Energy Associates. The lease agreement ended December 31, 2014 and was extended through December 31, 2015. The lease was then put on a month to month basis until January 1, 2019, when a lease agreement took effect and is due to expire on June 30th 2020. The total subleased rental income for the years ended December 31, 2019 and 2018 were $34,393 and $31,474, respectively, and is offset against rent and utilities expense in general and administrative expenses on the statement of income.

## NOTE 15: LEGAL SETTLEMENT

In April of 2019 Bright Power Installation and Construction LLC, the subsidiary, elected to be represented by International Brotherhood of Electrical Workers, (IBEW) Local 3. Due to many internal issues with the operations of that division of the company, it was management's decision to shut down all operations of Bright Power Installation and Construction LLC as of December 16, 2019. There was a settlement agreement between IBEW and Bright Power Inc that Bright Power would cease all operations, permanently layoff all bargaining unit employees, and each laid off bargaining unit employee would receive a severance pay and PTO payout. The total amount of settlement paid out amongst 14 laid off employees was $52,486.

## NOTE 16: RISKS AND UNCERTAINTIES

The Company maintains cash balances with high quality financial institutions and may periodically exceed federally insured limits of $250,000. As of December 31, 2019, there was approximately $1,900,000 in excess of insured limits.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Company's operating results. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain. The extent of the impact of COVID-19 will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain and cannot be predicted.

**BRIGHT POWER, INC. AND SUBSIDIARY**
**SUPPLEMENTARY INFORMATION**
**CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES**
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|---|---|---|
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Gross salaries and wages | $ 2,189,693 | $ 2,172,944 |
| Professional fees | 519,990 | 411,239 |
| Rent and utility expense, net | 820,293 | 687,944 |
| Office expenses | 657,096 | 373,302 |
| Insurance | 67,554 | 37,142 |
| Travel and entertainment | 167,801 | 105,914 |
| Provision for doubtful accounts | 14,587 | 210,000 |
| Stock compensation expense | 86,544 | (205,890) |
| Repairs and maintenance | (485) | 14,171 |
| Dues and subscriptions | 23,913 | 19,160 |
| Finance costs | 18,154 | 31,782 |
| Payroll expenses | 15,109 | 8,796 |
| Miscellaneous expenses | 71,798 | 100,838 |
| Licenses and fees | 17,494 | 10,791 |
| Professional development | 1 | 63,579 |
| Total general and administrative expenses | $ 4,669,542 | $ 4,041,712 |

Corporate Structure

**Parent Company** --

Bright Power, Inc. DBA Bright Coastal (California DBA)

**Wholly Owned Subsidiary**--

Bright Power Installation and Construction, LLC

dun & bradstreet

# BRIGHT POWER, INC. DUNS: 18-125-6723

## Business Information Report

### Company Information

11 Hanover Sq Fl 21
New York, NY 10005

This is a **single location** location.

| | |
|---|---|
| **Website** | www.brightpower.biz |
| **Telephone** | (646) 780-5516 |
| **Chief Executive:** | DIRECTOR(S): THE OFFICER(S) |
| **Stock Symbol:** | NA |
| **Year Started** | 2004 |
| **Employees** | 90 |

| **Financial Statement** | |
|---|---|
| **Sales** | NA |
| **Net Worth** | NA |
| **History:** | NA |
| **Financial Condition:** | NA |
| **Financing:** | NA |
| **SIC:** | 8748 |
| **Line of Business:** | Business consulting services |

### Corporate Family:

This business is a single location of the corporate family.

## Scores

### PAYDEX ®

**79**

2 days beyond terms

**Based on up to 24 months of trade.**
**D&B PAYDEX® Key**

High risk of late payment
(average 30 to 120 days beyond terms)

Medium risk of late payment
(average 30 days or less beyond terms)

Low risk of late payment
(average prompt to 30+ days sooner)

### Credit Limit Recommendation

Risk Category
**Low**

Conservative Credit Limit
**$40k**

Aggressive Credit Limit
**$90k**

## D&B Rating ®

Rating

# 1R3

Number of employees: **1R indicates 10 or more employees**
Composite Credit Appraisal: **3 is fair**

**The credit rating was assigned based on D&B's assessment of the company's financial ratios and its cash flow. For more information, see the D&B Rating Key.**

**Below is an overview of the company's rating history since 07/15/2009**

| D&B Rating | Date Applied |
|---|---|
| 1R3 | 2017-01-04 |
| 1R2 | 2014-11-19 |
| 1R3 | 2013-06-10 |
| 1R2 | 2012-11-06 |
| 1R3 | 2012-01-16 |
| 1R2 | 2010-11-20 |
| 1R3 | 2010-10-18 |
| -- | 2009-07-15 |

**The Summary Analysis section reflects information in D&B´s file as of October 12, 2018**

## D&B Viability Rating

**3** Viability Score

Compared to ALL US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3: **15%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

**2** Portfolio Comparison

Compared to ALL US Businesses within the D&B Database:

- Model Segment: **Established Trade Payments**
- Level of Risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked2 within this model segment: **16%**
- Within this model segment, the average probability of becoming no longer viable: **5%**

| B | Data Depth Indicator | |
|---|---|---|



**Data Depth Indicator:**

Rich Firmographics
Extensive Commercial Trading Activity
Basic Financial Attributes

| G | Company Profile | Financial Data | Trade Payments | Company Size | Years in Business |
|---|---|---|---|---|---|
| | | **Not Available** | **Available (3+Trade)** | **Large** | **Established** |

Compared to ALL US Businesses within the D&B Database:

- Financial Data: **Not Available**
- Trade Payments: **Available: 3+Trade**
- Company Size: **Large: Employees:50+ or Sales: $500K+**
- Years in Business: **Established: 5+**

## History & Operations

### History

The following information was reported: **02/02/2018**

Officer(s):
JEFFREY ERIC PERLMAN, CEO
ANDREW MCNAMARA, V PRES
GREGORY SHERMAN, V PRES
STEVEN APONTE, V PRES
JONATHAN BRAMAN, V PRES
JOHN KECK, V PRES
DANIEL LEVIN, V PRES
JAMES HANNAH, V PRES
SAM WEISENBERG, V PRES

**DIRECTOR(S):**
THE OFFICER(S)

The New York Secretary of State's business registrations file showed that Bright Power, Inc. was registered as a Corporation on December 28, 2004, under the file registration number 3142795.
Business started 2004. 59% of capital stock is owned by Jeffrey Eric Perlman. 41% of capital stock is owned by Private Investors.
JEFFREY ERIC PERLMAN born 1979. 2004-present active here. 2006-present Association for Energy Affordability, Bronx, NY. 2004-present Co-Founder of Greening A Block, New York, NY. 2005-2002 worked as Consultant with Capital E, Washington, DC. 2004-2003 Co-Executive Director and Founder of Big Apple Solar Installation Commitment, New York, NY. 2003-2001 worked as Installer and Business/Networking Consultant with Solar Energy Systems, Inc., Brooklyn, NY. 1997-2000 worked as Engineer and Driver with Team Lux-Yale College Solar Car Team, New Haven, CT.
ANDREW MCNAMARA. 2005-present active here.
GREGORY SHERMAN. 2005-present active here.
STEVEN APONTE. Antecedents are unknown.
JONATHAN BRAMAN. Antecedents are unknown.
JOHN KECK. Antecedents are unknown.
DANIEL LEVIN. Antecedents are unknown.
JAMES HANNAH. Antecedents are unknown.
JAMES HANNAH. Antecedents are unknown.
Business address has changed from 37 W 28th St Fl 12, New York, NY, 10001 to 43 W 33rd Street Ste 302, New York, NY, 10001.
Business address has changed from 43 W 33rd Street Ste 302, New York, NY, 10001 to 11 Hanover Sq Fl 15, New York, NY, 10005.
Business address has changed from 76 Beaver St, New York, NY, 10005 to 11 Hanover Sq Fl 15, New York, NY, 10005.
Business address has changed from 11 Hanover Sq Flr 15, New York, NY, 10005 to 11 Hanover Sq Fl 21, New York, NY, 10005.

## Operations

02/02/2018

Description:
Provides business consulting services, specializing in energy conservation (100%).

Terms are Net 30 days. Sells to commercial concerns and government. Territory : United States.

**Employees:** 90 which includes officer(s).

**Facilities:** Leases 3,600 sq. ft. on 15th floor of multi story building.

## SIC & NAICS

SIC:
Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations that if we use the standard 4-digit code.The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

8748 9904 Energy conservation consultant

**NAICS:**
541690 Other Scientific and Technical Consulting Services

# Payments

## PAYDEX® ®

The D&B PAYDEX® is a unique, dollar weighted indicator of payment performance based on up to 20 payment experiences as reported to D&B by trade references.

### 3 Month PAYDEX®

80 ▲

When weighted by dollar amount, payments to suppliers average ON TERMS terms.

Based on payments collected over the last 3 months

### 24 Month PAYDEX®

79 ▼

When weighted by dollar amount, payments to suppliers average 2 days beyond terms terms.

Based on payments collected over the last 24 months

When dollar amounts are not considered, then approximately 95 of the company's payments are within terms.

- **High risk of late payment (average 30 to 120 days beyond terms)**
- **Medium risk of late payment (average 30 days or less beyond terms)**
- **Low risk of late payment (average prompt to 30+ days sooner)**

## Payments Summary

**Total (Last 24 Months):** 20

| | Total Received | Total Dollar Amount | Largest High Credit Payment summary | Within Terms | Days Slow 31 | 30-80 | 81-90 | 90 |
|---|---|---|---|---|---|---|---|---|
| **Top Industries** | | | | | | | | |
| Telephone communictns | 2 | $100.00 | $100.00 | 100% | 0 | 0 | 0 | 0 |
| Misc business credit | 2 | $300.00 | $0.00 | 100% | 0 | 0 | 0 | 0 |
| Nonclassified | 1 | $25,000.00 | $25,000.00 | 100% | 0 | 0 | 0 | 0 |
| Management services | 1 | $15,000.00 | $15,000.00 | 100% | 0 | 0 | 0 | 0 |
| Management consulting | 1 | $10,000.00 | $10,000.00 | 100% | 0 | 0 | 0 | 0 |
| Whol industrial equip | 1 | $7,500.00 | $7,500.00 | 100% | 0 | 0 | 0 | 0 |
| Radiotelephone commun | 1 | $2,500.00 | $2,500.00 | 100% | 0 | 0 | 0 | 0 |
| Accounting services | 1 | $2,500.00 | $2,500.00 | 50% | 0 | 50 | 0 | 0 |
| Ret mail-order house | 1 | $750.00 | $750.00 | 100% | 0 | 0 | 0 | 0 |
| Lithographic printing | 1 | $250.00 | $250.00 | 100% | 0 | 0 | 0 | 0 |
| Whol industrial suppl | 1 | $50.00 | $50.00 | 100% | 0 | 0 | 0 | 0 |
| **Other Categories** | | | | | | | | |
| Cash experiences | 7 | $31,500 | $30,000 | -- | -- | -- | -- | -- |
| Unknown | 0 | $0 | $0 | -- | -- | -- | -- | -- |
| Unfavorable comments | 0 | $0 | $0 | -- | -- | -- | -- | -- |
| Placed for collections with D&B: | 0 | $0 | $0 | -- | -- | -- | -- | -- |
| Other | 0 | N/A | $0 | -- | -- | -- | -- | -- |
| Total in D&B's file | 20 | $95,450 | $30,000 | -- | -- | -- | -- | -- |

The highest Now Owes on file is $2,500

The highest Past Due on file is $1,000

There are 20 payment experience(s) in D&Bs file for the most recent 24 months, with 9 experience(s) reported during the last three month period.

## Payments Details

**Total (Last 24 Months):** 20

| Date | Paying Record | High Credit | Now Owes | Past Due | Selling Terms | Last sale w/f (Mo. ) |
|---|---|---|---|---|---|---|
| 09/2018 | Ppt | -- | $50 | $0 | -- | 1 mo |
| 09/2018 | Ppt | -- | $250 | $0 | -- | 1 mo |
| 09/2018 | Ppt | $15,000 | $750 | $0 | -- | 1 mo |
| 09/2018 | Ppt | $50 | $50 | $0 | N30 | 1 mo |
| 09/2018 | (005) | $1,000 | $0 | $0 | Cash account | 1 mo |
| 08/2018 | Ppt | $2,500 | $2,500 | $0 | -- | 1 mo |
| 08/2018 | Ppt | $100 | $0 | $0 | -- | 6-12 mos |
| 08/2018 | Ppt | -- | $0 | $0 | -- | 6-12 mos |
| 08/2018 | (009) | $100 | $0 | $0 | Cash account | 2-3 mos |
| 06/2018 | (010) | $50 | -- | -- | Cash account | 1 mo |
| 05/2018 | Ppt | $750 | $0 | $0 | N30 | 6-12 mos |
| 04/2018 | (012) | $50 | -- | -- | Cash account | 1 mo |
| 03/2018 | (013) | $30,000 | -- | -- | Sales COD | -- |
| 02/2018 | Ppt | $7,500 | $0 | $0 | -- | 6-12 mos |
| 12/2017 | (015) | $250 | -- | -- | Cash account | 1 mo |
| 10/2017 | Ppt | $250 | -- | -- | -- | 1 mo |
| 09/2017 | Ppt-Slow 60 | $2,500 | $2,500 | $1,000 | -- | 1 mo |
| 08/2017 | Ppt | $10,000 | $0 | $0 | -- | 4-5 mos |
| 04/2017 | (019) | $50 | -- | -- | Cash account | 6-12 mos |
| 10/2016 | Ppt | $25,000 | $0 | $0 | -- | 6-12 mos |

Payments Detail Key: 30 or more days beyond terms

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

## Banking and Finance

### Statement Update

Key Business Ratios from D&B

We currently do not have enough information to generate the graphs for the selected Key Business Ratio.

- This Company

Key Financial Comparisons

| | ($) | ($) | ($) |
|---|---|---|---|
| **This Company's Operating Results Year Over Year** | | | |
| Net Sales | NA | NA | NA |
| Gross Profit | NA | NA | NA |
| Net Profit | NA | NA | NA |
| Dividends / Withdrawals | NA | NA | NA |
| Working Capital | NA | NA | NA |
| **This Company's Assets Year Over Year** | | | |
| Cash | NA | NA | NA |
| Accounts Receivable | NA | NA | NA |
| Notes Receivable | NA | NA | NA |
| Inventories | NA | NA | NA |
| Other Current | NA | NA | NA |
| Total Current | NA | NA | NA |
| Fixed Assets | NA | NA | NA |
| Other Non Current | NA | NA | NA |
| Total Assets | NA | NA | NA |
| **This Company's Liabilities Year Over Year** | | | |
| Accounts Payable | NA | NA | NA |
| Bank Loan | NA | NA | NA |
| Notes Payable | NA | NA | NA |
| Other Current Liabilities | NA | NA | NA |
| Total Current Liabilities | NA | NA | NA |
| Other Long Term and Short Term Liabilities | NA | NA | NA |
| Defferred Credit | NA | NA | NA |
| Net Worth | NA | NA | NA |
| Total Liabilities and Net Worth | NA | NA | NA |

We currently do not have any recent financial statements on file for your business. Submitting financial statements can help improve your D&B scores. To submit a financial statement, please call customer service at 800-333-0505.

### Key Business Ratios

| | This Company | Industry Median | Industry Quartile |
|---|---|---|---|
| **Solvency** | | | |
| Quick Ratio | NA | NA | NA |
| Current Ratio | NA | NA | NA |
| Current Liabilities to Net Worth | NA | NA | NA |
| Current Liabilities to Inventory | NA | NA | NA |
| Total Current | NA | NA | NA |
| Fixed Assets to Net Worth | NA | NA | NA |
| **Efficiency** | | | |
| Collection Period | NA | NA | NA |
| Inventory Turn Over | NA | NA | NA |
| Sales to NWC | NA | NA | NA |
| Acct Pay to Sales | NA | NA | NA |
| **Profitability** | | | |
| Return on Sales | NA | NA | NA |
| Return on Assets | NA | NA | NA |
| Return on NetWorth | NA | NA | NA |

## Public Filings

### Summary

The following data includes both open and closed filings found in D&B's database on this company.

| Record Type | # of Records | Most Recent Filing Date |
|---|---|---|
| Bankruptcy Proceedings | 0 | - |
| Judgments | 0 | - |
| Liens | 0 | - |
| Suits | 0 | - |
| UCCs | 3 | 03/19/15 |

The following Public Filing data is for information purposes only and is not the official record.
Certified copies can only be obtained from the official source.

### Judgments

**We currently don't have enough data to display this section**

### Liens

**We currently don't have enough data to display this section**

## Suits

**We currently don't have enough data to display this section**

## UCC Filings

| | |
|---|---|
| **Collateral:** | All Assets and proceeds |
| **Type:** | Original |
| **Sec.Party:** | WINDSAIL CREDIT FUND, L.P., AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT, BOSTON, MA |
| **Debtor:** | BRIGHT POWER, INC. |
| **Filing No.:** | 2014 5150941 |
| **Filed With:** | SECRETARY OF STATE/UCC DIVISION, DOVER, DE |
| **Date Filed:** | 12/18/14 |
| **Latest Info Received:** | 01/16/15 |

| | |
|---|---|
| **Collateral:** | Leased Equipment and proceeds - Leased Computer equipment and proceeds |
| **Type:** | Original |
| **Sec.Party:** | WEBBANK, SALT LAKE CITY, UT |
| **Debtor:** | BRIGHT POWER, INC. |
| **Filing No.:** | 1503195281792 |
| **Filed With:** | SECRETARY OF STATE/UCC DIVISION, ALBANY, NY |
| **Date Filed:** | 03/19/15 |
| **Latest Info Received:** | 03/26/15 |

| | |
|---|---|
| **Type:** | Original |
| **Sec.Party:** | BETHEX FEDERAL CREDIT UNION, BRONX, NY |
| **Debtor:** | BRIGHT POWER, INC. |
| **Filing No.:** | 0901050004086 |
| **Filed With:** | SECRETARY OF STATE/UCC DIVISION, ALBANY, NY |
| **Date Filed:** | 01/05/09 |
| **Latest Info Received:** | 01/18/09 |

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

## Government Activity

### Summary

| | |
|---|---|
| **Borrower (Dir/Guar):** | NO |
| **Administrative Debt:** | NO |
| **Contractor:** | NO |
| **Grantee:** | NO |
| **Party excluded from federal program(s):** | NO |

Possible Candidate:

| | |
|---|---|
| **Labor Surplus Area:** | N/A |
| **Small Business:** | YES (2018) |
| **8(A) Firm:** | N/A |

The public record items contained herein may have been paid, terminated, vacated, or released prior to today's date

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

## Special Events

N/A

## Corporate Linkage

Parent

| Company Name | DUNS # | City, State |
|---|---|---|
| BRIGHT POWER, INC. | 18-125-6723 | NEW YORK, NEW YORK |

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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**8/10/2021 2:19:12 PM**

**in**

**Case No(s). 14-1734-EL-AGG**

Summary: In the Matter of the Application of Bright Power, Inc