

CGE ENERGY, INC.

CGE ENERGY, INC.
AND
SUBSIDIARY CLEAN GREEN ENERGY INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
JUNE 30, 2018

(Unaudited)

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**CGE Energy, Inc.
and
Subsidiary Clean Green Energy, Inc.**

**Consolidated Financial Statements
For the Nine Month Period Ended June 30, 2018
(Unaudited)**

Officer's Certificate

Re: Nine Month Period Ended June 30, 2018 Consolidated Financial Statement

**CC: Harold Telners, Chief Financial Officer
Gary Westerholm, Vice President of Finance**

I, the undersigned, Bryan Zaplitny, President and CEO, as well as the Officers of CGE Energy, Inc. and its wholly owned subsidiary, Clean Green Energy, Inc. (collectively, the "Companies"), hereby certify that the accompanying consolidated balance sheet as of June 30, 2018, the consolidated statement of operations and consolidated statement of cash flows for the Nine Month Period Ended June 30, 2018, have been compiled from figures shown in the records of the companies and fairly represent the results of operations of the Companies for the period presented.

We acknowledge our responsibility for ensuring that the financial statements fairly present the entity's financial position, financial performance and cash flows. They have been prepared based on properly maintained financial records. We confirm that the financial statements, as they relate to the Companies are free of material misstatements, including omissions.

/s/ Bryan Zaplitny
President/CEO
CGE Energy, Inc.

Brighton, Michigan
September 28, 2018

MANAGEMENT'S DISCUSSION FUTURE FINANCIAL CONDITION

The following is Management's discussion and analysis of certain significant factors that will affect the financial condition and results of operations of CGE Energy, Inc. (the "Company"). This discussion should be read in conjunction with the Company's historical unaudited Financial Statements — Non-GAAP Basis and the notes thereto included elsewhere in this report. The Company's actual results in the future could differ significantly from the historical results.

In conjunction with the objective to become SEC fully-reporting for compliance required for up-list to higher exchange, Management is in-process to report results of operations in a manner that more closely reflects the accounting principles generally accepted in the United States of America ("US GAAP"), including utilizing the Straight-Line Depreciation Method versus the Accelerated Depreciation Method.

Management is reporting retained earnings as Pre-merger deficit and Post-merger income. Separating Pre-merger and Post-merger gives a better indication of the progress the Company has made since the merger. During a majority of the Post-merger period the Company was in the development stage of our proprietary Sustain Program; patenting of our WIND•e20® wind turbine; the development, engineering and construction of a 1/10th scale demonstration unit with ROUSH Industries; received backing from a major capital provider to fund energy projects (the "banking partner"); and creating proprietary software to help enable the national scaling of the Sustain Program. In June of 2017, the Company advanced the Sustain Program to a commercialization stage.

The current presentation of financial measures provide Management with additional means to understand and evaluate the operating results and trends in our ongoing business by including long-term revenues streams and the intrinsic intangibles such as patents. Management also uses results of operations to evaluate the operating performance of CGE Energy, Inc. and compare it against past periods, make operating decisions, and serve as a basis for strategic planning. In addition, Management understands that some investors and financial analysts find this information helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors.

Forward-Looking Statements

The Company may make forward-looking statements that involve judgments, assumptions and other uncertainties beyond its control. These forward-looking statements may include, among others, our Mutual Success Agreement project backlog and recurring revenue and the timing of such matters, statements concerning revenue and cost trends, cost recovery, cost reduction strategies and anticipated outcomes, pricing strategies, changes in the utility industry, planned capital expenditures, financing needs and availability, statements of the Company's expectations, beliefs, future plans and strategies, anticipated events or trends and similar comments concerning matters that are not historical facts. These types of forward-looking statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause the actual results and performance of the Company to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statements. Important factors that could cause actual results to differ materially from those expectations include: market-related effects on revenues and other operating uncertainties, uncertainties relating to economic and political conditions and uncertainties regarding the impact of regulations, changes in government policy and competition. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing factors should not be construed as exclusive.

MANAGEMENT'S DISCUSSION

COMPANY OVERVIEW

CGE Energy, Inc. and its wholly-owned subsidiary Clean Green Energy, Inc. (hereinafter "CGE Energy", "Company", "our" or "we") operates as an energy solutions provider who develops, engineers and implements comprehensive energy projects that reduce the energy and operating costs of our customers' facilities. With these projects, we make it easy for businesses, local governments and non-profits to receive the benefits of sustainable energy without upfront capital expenditure.

Our sustainability services include energy efficiency, renewable energy, infrastructure improvements, ongoing maintenance, energy independence, energy supply stability, and building safety. Energy projects are offered under proprietary business models, such as the CGE Sustain program (refer to Lines of Business). Our projects vastly improve how a customer's building is illuminated, heated, cooled, and operated as well as how electricity is generated and water is utilized. Engineered and customized to meet our customer's energy needs, upgrades may include our proprietary WIND•e20® wind turbine, solar panels, combined heat and power (CHP) generators, energy storage, LED lighting, heating and cooling systems, water conservation, plus energy management and control systems.

CGE Energy's team have been innovators within the sustainable energy industry since 1989. We, along with the support of our collective strategic alliances with leaders in various fields, help guide our customers throughout their journey to sustainability. We provide turn-key project development and implementation, bring project funding, deliver ongoing maintenance and repair, and guarantee the customer's energy savings. Through these long-term customer relationships, we are able to monitor their ongoing energy needs and continue to positively impact their energy goals and the vision of their organization. "Power to make a difference" is the cornerstone on which we base all of our business' operations.

As of June 30, 2018, CGE Energy has successfully implemented of thousands of energy projects, saving our customers more than \$130,000,000 in energy costs to date.

LINES OF BUSINESS

CGE Sustain Program – From the perspective of our customers, the "CGE Sustain" program makes it easy for them to receive the benefits of sustainable energy projects without upfront capital expenditure. Our customers don't purchase the upgrades to their facility's energy infrastructure, but instead enter a monthly contract to bring them guaranteed energy savings. A Sustain customer's utility bill is reduced each month, energy savings fully pay for the program, and the excess savings go to the customer's bottom line. Sustain projects include comprehensive infrastructure improvements, energy efficiency upgrades, and renewable energy generation; each completely operated, maintained and guaranteed during the program. For CGE Energy, Sustain contracts are guaranteed, fixed rate, long-term income streams for 10-25 years. We are cash flow positive for the entire contract, with the asset on our balance sheet.

WIND•e20® Wind Turbine – As a wholly-owned subsidiary of CGE Energy, we have invested significantly in the development of a proprietary small wind turbine technology, WIND•e20®. The 105-foot turbine can be installed, maintained and removed without a crane. The turbine is quiet, safe for birds, and its blades even fold down before any storms– all feats that further that differentiate our company. As of June 30, 2018, five (5) patents have been granted. Previously, a turbine prototype has been installed in Ishpeming, Michigan. Developments not-yet-public include features that involve improving life safety, responding to emergencies, communication and community infrastructure. CGE Energy is in the process of engineering and design optimization for the manufacturing of the production units with their strategic manufacturing partner, ROUSH Industries. To facilitate pre-sales of the 105-foot turbines, we are also currently building 1/10 scale demonstration units with Roush.

Direct Sale and Installation - For customers that would like to own and operate their own energy technologies, CGE Energy provides many funding options, including traditional financing and alternatives such as PACE property assessed financing.

CGE Protect Maintenance Program – We provide our “CGE Protect” customers with worry-free maintenance coverage of their energy equipment, with all labor, materials and equipment included in the program. The performance, operation and maintenance is guaranteed during the program and the customers experience a savings in time and money over repairing their energy system internally. Standalone CGE Protect contracts typically run for 60 or 120 months and act as an ongoing annuity with great profit margins for CGE Energy. As of June 30, 2018, CGE Energy has approximately 23,200,000 square feet of facility under CGE Protect service contracts.

PROJECT FINANCING

We are the exclusive owner of our Sustain energy projects. To finance our Sustain energy projects, we sell to our banking partner the right to receive a portion of the long-term payments from the customer. We sell a portion of these date specified, non-recourse, payments due from customer to our banking partner at a discount for cash. Each project’s energy savings performance is measured once, proving performance for the entire term of the Contract, and signed off by the customer at project commissioning. Sustain Contracts are not considered a performance-based “service”. The cash received by CGE Energy from our banking partner is then used to pay for the purchase and installation of the equipment required for a given Sustain project. Once the completed project is accepted by the customer, collection liability remains with the banking partner and is non-recourse to CGE Energy. CGE Energy is the owner of the Equipment and is the beneficial owner of all rights associated with ownership. The portion of the long-term payments from the customer not sold to the banking partner are retained by CGE Energy.

MUTUAL SUCCESS AGREEMENT BACKLOG

Our Mutual Success Agreement project backlog is created when a potential customer enters into what we call a “Mutual Success Agreement” (hereinafter “MSA”). An MSA is an agreement for a customer to proceed with a fully contracted project if we can achieve pre-defined project milestone based on developing a successful project for the customer (i.e. 10% positive cash flow in the first month of a Sustain program). Only after an MSA is signed, we invest into a comprehensive energy audit to determine the scope of the project as well as identify the actual guaranteed savings that will be achieved from upgrading the customer’s energy infrastructure. At this point, we also determine what equipment will be used and assemble project funding. Historically, approximately 80% of our Mutual Success Agreement backlog projects ultimately have resulted in a signed contract. After CGE Energy and the customer sign the formal Sustain Agreement, (one which achieves the MSA milestones) the contract agreement becomes executed and the project moves to fully contracted backlog. Fully contracted backlog begins converting into revenues generated on a percentage-of-completion basis once construction has commenced.

We have divided our Mutual Success Agreement project backlog into two categories to better represent the stage of engineering and level of estimation of the project scope and contract value.

Fully-engineered project scope:

As of June 30, 2018, fully-engineered Mutual Success Agreement project backlog totaled and estimated future revenue of \$6.85 Million.

Partially-engineered project scope:

As of June 30, 2018, partially-engineered Mutual Success Agreement project backlog totaled an estimated future revenue of \$1.93 Million. *(This has been conservatively discounted by 30% to account for potential variance in project scope and contract value from a partially-engineered estimate to fully-engineered.)*

CGE Energy, Inc. and Subsidiary
Consolidated Balance Sheet
As of June 30, 2018
(Unaudited)

ASSETS

Current Assets:	
Cash	\$ 28,225
Cash in Transit	
Accounts Receivable	3,031,263
Inventory	137,963
Project Development Costs (See Note B)	17,420
Total Current Assets	3,214,871
Property and Equipment: (See Note C)	
Equipment-Sustain	769,561
Equipment-Turbine Prototype	3,008,825
Equipment-Other	447,931
	4,226,316
Less Accumulated Depreciation	(1,630,266)
Total Property and Equipment	2,596,050
Other Assets	
Prepaid Expenses	54,197
Sustain Contracts Receivable (See Note F)	1,977,022
Patents and Trademarks (See Note G)	5,189,297
	7,220,517
Total Other Assets	7,220,517
Total Assets	\$ 13,031,438

LIABILITIES AND EQUITY

Current Liabilities:	
Accounts Payable	\$ 1,919,791
Customer Deposits	46,675
Total Current Liabilities	1,966,467
Long Term Liabilities:	
Accrued Warranty (See Note H)	676,618
Long Term Contracts Payable (See Note I)	-
Notes Payable (See Note J)	9,080,846
Total Long Term Liabilities	9,757,464
Capital	
Common Stock - \$0.00001 par value 92,000,000 shares authorized 67,951,825 shares Issued and Outstanding	680
Preferred Stock - \$0.00001 par value, 100,000,000 authorized No shares issued and outstanding	-
Paid-In-Capital	32,245,165
Pre-merger Deficit	(32,543,460)
Post-merger Income	1,605,122
Total Capital	1,307,507
Total Liabilities and Capital	\$ 13,031,438

CGE Energy, Inc. and Subsidiary
Consolidated Statement of Operations
For the Nine Month Period Ended June 30, 2018
(Unaudited)

Sales	<u>\$ 1,541,196</u>	100%
Cost of Goods Sold	713,211	46%
	<hr/>	
Gross Profit	827,985	54%
Total Operating Expenses	<u>523,545</u>	34%
Net Income from Operations	<u>304,440</u>	20%
Other (Expense)		
Other(Expense)	<u>(1,198)</u>	0%
Total Other Expense	<u>(1,198)</u>	0%
Net Income	<u><u>\$ 303,242</u></u>	20%
Shares outstanding	67,951,825	
Income per Share	\$ 0.004	

CGE Energy, Inc. and Subsidiary
Consolidated Statement of Cash Flows
For the Nine Month Period Ended June 30, 2018
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Profit	\$	303,242
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation & Amortization		173,525
(Increase)/Decrease in:		
Accounts Receivable		169,813
Prepaid Expenses		(15,304)
Inventory-Stock		(22,230)
Project Development Costs		(17,420)
Increase/(Decrease) in:		
Accounts Payable		(384,760)
Customer Deposits		(35,332)
		171,534
NET CASH PROVIDED PROVIDED BY OPERATING ACTIVITIES		171,534
CASH FLOW PROVIDED (USED) FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment		(308,205)
Accrued Warranty		165,174
Sustain Contracts Receivable		(322,295)
		(465,326)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		(465,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Prior period adjustment		(121,115)
Loans and Notes Payable		327,739
		206,624
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		206,624
NET INCREASE (DECREASE) IN CASH		(87,168)
CASH AT SEPTEMBER 30, 2017		115,393
CASH AT JUNE 30, 2018	\$	28,225

**CGE Energy, Inc. and Subsidiary, Clean Green Energy, Inc.
Consolidated Notes to Financial Statements
For the Nine Month Period Ended June 30, 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

CGE Energy, Inc. and its wholly-owned subsidiary Clean Green Energy, Inc., (doing business as and hereinafter “CGE Energy”) is a developer of long-term energy projects which solve the unique energy challenges of their commercial, municipal, nonprofit and international customers.

Basis of Accounting and Consolidation

The accompanying consolidated financial statements have been prepared in a Non-GAAP format to present long-term contracts receivable, research and development and patent valuations. The Non-GAAP presentation increases assets by \$5,695,100, liabilities by \$2,372,285, sales by \$122,994 and net profit by \$383,776. Pre-merger deficit is shown separately from post-merger income. These financial statements include the activities of the Company and its wholly-owned subsidiary, Clean Green Energy, Inc. All inter-subsiary and inter-company balances and transactions have been eliminated in consolidations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and accounts receivable. The Company places its cash with high credit qualified financial institutions. At times, such cash in banks may be in excess of the FDIC insurance limit. With respect to accounts receivable, the Company only enters into contracts with high credit qualified customers who are also approved by our banking partner.

Inventory

Inventory is presented at lower of cost or market using the FIFO (first in first out) method.

Impairment of Long-Lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is determined by comparing the carrying value of the asset to its estimated future undiscounted cash flows, and impairment is recognized when such estimated cash flows are less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and estimated fair value.

Corporate Organization and Income Taxes

CGE Energy, Inc. and its wholly owned subsidiary, Clean Green Energy, Inc. are Delaware corporations. The company and its wholly owned subsidiary file a consolidated tax return.

Net gain (loss) per share

Basic earnings (loss) per share are computed by dividing net income (loss) (the numerator) by the weighted-average number of outstanding common shares (the denominator) for the period. There is no dilution of stock at this time.

NOTE B – PROJECT DEVELOPMENT COSTS

Project development costs consist primarily of sales, engineering, legal, finance and third-party expenses directly related to the development of a specific customer opportunity accrued while a project is in the Mutual Success Agreement project backlog phase and/or is an awarded RFP. These project development costs also includes associated travel expenses.

**CGE Energy, Inc. and Subsidiary, Clean Green Energy, Inc.
Consolidated Notes to Financial Statements
For the Nine Month Period Ended June 30, 2018**

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives or Sustain contract term for both the parent and subsidiary.

Equipment – Sustain: This number represents the Equipment installed within Sustain projects. The Company is the owner of this Equipment and is the beneficial owner of all rights associated with ownership.

Equipment – Turbine Prototype: This number represents the cost of the turbine prototype located in Ishpeming, Michigan.

Equipment – Other: This number represents computer equipment and software, furniture and fixtures, leasehold improvements, equipment as well as vehicles.

NOTE D – INVESTMENT IN CLEAN GREEN ENERGY, INC, WHOLLY OWNED SUBSIDIARY

The Company owns 100% of the authorized Common Stock of its wholly owned subsidiary, Clean Green Energy, Inc.

NOTE E – LEASE OBLIGATIONS

Its subsidiary, Clean Green Energy Inc. has a month-to-month lease on its current office and operations facility of \$5,300 per month.

NOTE F- SUSTAIN CONTRACTS RECEIVABLE

Sustain contract receivables, \$1,977,022, represents the remaining payments due from customers.

NOTE G - PATENTS, TRADEMARKS, AND INTELLECTUAL PROPERTY

PATENTS

CGE Energy, Inc. via its wholly owned subsidiary, Clean Green Energy, Inc. applied for three patents in connection with their WIND•e20® technology from the US Patent and Trademark office. Three patents have been granted and the fourth is patent-pending. CGE Energy, Inc., including its wholly owned subsidiary, Clean Green Energy, also owns patent rights for other related technologies as further described below.

WIND•e20® vertical axis wind turbine technology: Clean Green Energy holds multiple patent rights for the WIND•e20® vertical axis wind turbine technology.

US8985948 - Fluid driven vertical axis turbine

US8823199 - Fluid driven turbine

US9970410 - Installation and erection assembly for an elongated structure

US20130136612 - Fluid Driven Turbine & Turbine Using Same. (Patent-pending)

WindStor® vertical axis wind turbine technology: CGE Energy, Inc. holds a joint patent with Analytical Design Service Corporation for the WindStor® vertical axis wind turbine technology.

**CGE Energy, Inc. and Subsidiary, Clean Green Energy, Inc.
Consolidated Notes to Financial Statements
For the Nine Month Period Ended June 30, 2018**

Danotek generator technology: CGE Energy, Inc. holds a joint patent with Danotek Motion Technologies, Inc. for the proprietary generator and cooling mechanism utilized in the WindStor® vertical axis wind turbine design.

Dermond vertical axis wind turbine technology: CGE Energy, Inc. holds patent rights for the Dermond vertical axis wind turbine technology.

INTELLECTUAL PROPERTY

CGE Energy, Inc. owns a proprietary method to process vanadium bearing ore into high purity vanadium products, in particular vanadium electrolyte for vanadium redox batteries.

TRADEMARKS

Clean Green Energy, Inc. has filed for and received Trademarks from the US Patent and Trademark office for its WIND•e20® wind turbine, R.A.M.P.® maintenance program, and Project EverGREEN Schools® initiative. Trademarks have been applied for EverGREEN Energy System and NET ZER·O REC.

Project EverGreen Schools®
US Serial Number 85492829

WIND-e20®
US Serial Number 85485827

R.A.M.P.®
US Serial Number 85924054

NOTE H- ACCRUED WARRANTY

Represents estimated expenses to maintain the equipment over the life of the Sustain contracts.

NOTE I – LONG TERM CONTRACTS PAYABLE

Once the completed project is accepted by the customer, collection liability remains with the banking partner. A portion of Contract payments are sold outright, and the banking partner assumes the full risk of collection, without recourse to CGE Energy in the event of a loss.

NOTE J – NOTES PAYABLE

Related Party *	\$8,917,080
Equipment Loans	63,766
<u>Other</u>	<u>100,000</u>
Total	\$9,080,846

*Related Party comprises of investments into the Company by President/CEO Bryan Zaplitny with repayment deferred to a later date.

CGE Energy, Inc. and Subsidiary, Clean Green Energy, Inc.
Consolidated Notes to Financial Statements
For the Nine Month Period Ended June 30, 2018

NOTE K– RESEARCH & DEVELOPMENT

Research and development costs are expensed as incurred. Research and development costs for the 9-month period June 30, 2018 were \$18,695.

NOTE L– SUBSEQUENT EVENTS

None.