CGE Energy

Power to make a difference ™

CGE ENERGY, INC.
and
SUBSIDIARY CLEAN GREEN ENERGY INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2018

(Unaudited - Presented on GAAP Basis of Accounting)

CGE Energy

Power to make a difference ™

LETTER FROM THE CEO

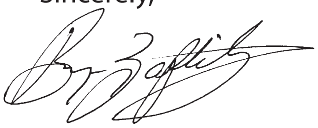
Welcome to the future of how we see energy. Our vision at CGE Energy is reducing energy consumption and operation costs for businesses and organizations so that they can take part in the emerging worldwide renewable energy movement.

CGE Energy has been at the forefront of alternative energy since 1989. For over 30 years, we have worked to reduce energy use through the most efficient technologies and to generate power onsite through renewable energy resources. This not only makes sense for our customers financially, it also makes sense for our environment. Through renewable energy, we have the opportunity to leave our planet better off than how we found it for our children and grandchildren. We have a responsibility to make a difference, and proper stewardship is the way to address it.

The phrase "Power to Make a Difference" sits beneath our logo at CGE Energy. It is more than a slogan or a catchphrase to us. It acts as the cornerstone on which we base all that we do as a company. The reduction of energy consumption and the generation of renewable energy may be what we do, but making a difference in our world is why we come in to work each day to do it.

Each day, we work hard to take our customer's wasted energy dollars, and turn them into an impactful resource that can be used to pay it forward in the community. These energy savings can be re-invested to create American jobs or donated to charities important to the customer.

Sincerely,



IMPACT as of DECEMBER 31, 2018

1.16 BILLION
KWH OF ENERGY SAVED

$143 MILLION
DOLLARS SAVED FOR CLIENTS

1.77 BILLION
LBS OF CO2 REMOVED

TABLE OF CONTENTS

FINANCIAL STATEMENTS	PAGE NO.
Officer’s Certificate	1
Management’s Discussion	2-4
Consolidated Balance Sheet	5
Consolidated Statement of Operations	6
Consolidated Statement of Cash Flows	7
Consolidated Notes to Financial Statements	8-12

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

Consolidated Financial Statements
For the Three Month Period Ended December 31, 2018
(Unaudited - Presented on GAAP Basis of Accounting)

Officer's Certificate

Re: Three Month Period Ended December 31, 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 (unaudited) as of December 31, 2018, the consolidated statement of operations (unaudited) and consolidated statement of cash flows (unaudited) for the Three Month Period Ended December 31, 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.

Prior to September 30, 2018 the Financial Statements have been prepared on a Non-GAAP basis. The companies are in the process of a GAAP audit. Our September 30, 2018 report will be reissued on the GAAP basis of reporting. This statement while "Unaudited" is presented on the GAAP basis of accounting.

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
March 31, 2019

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 audited Financial Statements prepared on the 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.

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 December 31, 2018, CGE Energy has successful implemented of thousands of energy projects, saving our customers more than $143,000,000 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 December 31, 2018, four (4) patents have been granted, plus one (1) patent pending. Previously, a turbine prototype has been installed in Ishpeming, Michigan. 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 December 31, 2018, CGE Energy has approximately 23,400,000 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 at commissioning, 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 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 a "Mutual Success Agreement" (hereinafter "MSA"). An MSA is an agreement for a customer to proceed with a fully contracted project if pre-defined project milestones based on developing a successful project for the customer (i.e. 10% positive cash flow in the first month of a Sustain program) can be acheived. After an MSA is signed, a comprehensive energy audit is preformed 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 completed contract basis once construction has commissioned.

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.

Installation in progress:

As of December 31, 2018, our project installations in progress totaled $6.9 Million.

Fully-engineered backlog:

As of December 31, 2018, fully-engineered Mutual Success Agreement project backlog totaled and estimated future revenue of $3.7 Million.

Partially-engineered backlog:

As of December 31, 2018, partially-engineered Mutual Success Agreement project backlog totaled an estimated future revenue of $1.8 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 December 31, 2018
(Unaudited - Presented on GAAP Basis of Accounting)

ASSETS		
Current Assets:		
Cash	$	2,178,350
Accounts Receivable-Net		19,544
Inventory		132,008
Project Development Costs		155,593
Prepaid Expenses		226,452
Total Current Assets		2,711,947
Property and Equipment:		
1/10th Scale Turbine under Construction		280,401
Equipment-Sustain		709,302
Equipment-Turbine Prototype		3,008,825
Equipment-Other		398,010
		4,396,538
Less Accumulated Depreciation		(1,642,346)
Total Property and Equipment		2,754,192
Other Assets		
Contract Assets		1,220,017
Total Other Assets		1,220,017
Total Assets	$	6,686,156
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	$	337,764
Project Deposit		2,652,997
Accrued Expenses		472,304
Short Term Portion of Long Term Liabilites		
Total Current Liabilities		3,463,066
Long Term Liabilities:		
Estimated Warranty Liability		216,586
Notes Payable (See Note 5)		10,397,445
Total Long Term Liabilities		10,614,031
Capital		
Common Stock - $0.00001 par value 92,000,000 shares authorized		
67,728,168 shares Issued and Outstanding		710
Preferred Stock - $0.00001 par value, 100,000,000 authorized		
No shares issued and outstanding		-
Paid-In-Capital		31,241,549
Retained Earnings		(38,633,200)
Total Capital		(7,390,941)
Total Liabilities and Capital	$	6,686,156

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

CGE Energy, Inc. and Subsidiary Consolidated Statement of Operations For the Three Month Period Ended December 31, 2018 (Unaudited - Presented on GAAP Basis of Accounting)

Sales	$ 936,540	100%
Cost of Goods Sold	392,564	42%
Gross Profit	543,976	58%
Total Operating Expenses	398,117	43%
Net Income from Operations	145,859	16%
Interest Expense		
Interest Expense	30,052	3%
Total Other Expense	30,052	3%
Net Income	$ 115,807	12%
Shares outstanding	70,978,168	
Income per Share	$ 0.002	

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

CGE Energy, Inc. and Subsidiary Consolidated Statement of Cash Flows For the Three Month Period Ended December, 31, 2018 (Unaudited - Presented on GAAP Basis of Accounting)

Cash Flows From Operating Activities		
Net Profit	$	115,807
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation & Amortization		55,016
(Increase)/Decrease in:		
Accounts Receivable		18,213
Prepaid Expenses		-
Inventory-Stock		(11,583)
Project Development Costs		28,716
Increase/(Decrease) in:		
Accounts Payable		(127,047)
Accrued Expenses		44,412
Project Deposits		2,549,317
Net Cash Provided By Operating Activities		2,672,851
Cash Flow (Used) by Investing Activies		
Purchase of Property and Equipment		(310,979)
Sustain Contracts Receivable		(347,574)
Accrued Warranty		170,141
Net Cash (Used) By Investing Activities		(488,412)
Cash Flows (Used) By Financing Activities		
Loans and Notes Payable		(12,051)
Paid in Capital		-
Net Cash (Used) By Financing Activities		(12,051)
Net Increase in Cash		2,172,388
Cash at September 30, 2018		5,962
Cash at December 31, 2018	$	2,178,350

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

1 – DESCRIPTION OF BUSINESS

Business Description

CGE Energy, Inc. and its wholly-owned subsidiary Clean Green Energy, Inc., (doing business as and hereinafter "CGE Energy") are Delaware corporations. The Company is a developer of long-term energy projects which solve the unique energy challenges of their commercial, municipal, and nonprofit customers. The Company provides solutions, both services and products, that enable its customers to reduce their energy consumption, lower their operating and maintenance costs, realize environmental benefits and receive positive cash flow.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Consolidation

The accompanying consolidated financial statements have been prepared in accordance with GAAP. These financial statements include the activities of CGE Energy and its wholly-owned subsidiary, Clean Green Energy, Inc. All inter-company balances and transactions have been eliminated in consolidation.

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 of $250,000. At December 31, 2018 there was $1,928,350 at risk. With respect to accounts receivable, the Company only enters into contracts with high credit qualified customers who are also approved by our banking partner.

Accounts Receivable

Accounts Receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts' receivable considered to be uncollectable based upon historical experience and management's evaluation of outstanding accounts receivable. Bad debts are written off against the allowance when identified.

Inventory

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

Prepaid Expenses

Prepaid expenses consist primarily of short-term prepaid expenditures that will amortize within one year.

Project Development Costs

Project development costs consist primarily of sales, engineering, finance and third-party expenses directly related to the development of a specific customer project accrued while a project is in the design and installation phase. Once the project is installed, these costs are moved to the Sustain Equipment account.

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.

Equipment – Sustain**:** 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**:** the cost of the turbine prototype located in Ishpeming, Michigan.

Equipment – Other: the computer equipment, software, furniture and fixtures, leasehold improvements, equipment, and vehicles.

Gains or losses on disposal of property and equipment are reflected in the other income/expense section of the consolidated statement of income.

Contract Assets

Contract Assets are accounts receivable, the remaining payments due on Sustain contracts. Contracts typically range from 7 to 20 years.

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.

Project Deposit

Project Deposits are the initial deposits received on Sustain Contracts. Once the Contracts are commissioned Project Deposits become revenue.

Accrued Interest

Interest accrued on long term contracts not yet paid.

Estimated Warranty Liability

Estimated expenses to maintain various types of equipment over the life of the Sustain contracts. Estimated Warranty Liability is calculated based on industry/manufacturer guidance and historical experience. Estimates are evaluated annually for changes.

Revenue Recognition

The Company derives revenues from energy efficiency and renewable energy products and services. Energy efficiency products and services include the design, engineering, and installation of equipment and other measures to improve the efficiency, and control the operation, of a facility's energy infrastructure. Renewable energy products and services include solar, chp and wind technology products and systems.

Revenue from the installation or construction of projects is recognized on the completed contract method.

The Company recognizes revenues from the sale and delivery of Sustain projects when produced and delivered to the customer, in accordance with specific contract terms.

The company recognizes revenues from maintenance contracts, verification and consulting services as the related services are performed.

Cost of Sales

Cost of Sales includes the cost of labor, materials, equipment, subcontracting and engineering that are required for the development and installation of projects.

Income Taxes

Due to net operating losses carried forward from previous years the corporation has no tax liability. It is anticipated that these losses will be used up over the next two fiscal years.

The company and its wholly owned subsidiary file a consolidated tax return.

Earnings per share

Basic earnings per share are computed by dividing net income (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.

3 – ACCOUNTS RECEIVABLE-NET

Accounts Receivable	$ 68,344
Allowance for doubtful accounts	(48,800)
Accounts Receivable-Net	$ 19,544

Allowance for doubtful accounts represents our estimate of settlement of billing for engineering and design of a project that will not be completed.

4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

1/10th Scale Turbine under Construction	$ 280,401
Equipment-Sustain	483,337
Equipment-Turbine Prototype	3,008,825
Equipment-other	398,010
	4,396,538
Less Accumulated Depreciation	(1,642,346)
Property and Equipment -Net	$ 2,754,192

Depreciation expense for Equipment- Sustain for the year ending December 31, 2018 is $9,256 and is included in cost of sales. Depreciation expense for Equipment-Turbine Prototype and Equipment-other is $45,759 and is included in operating expenses.

5 – PATENTS, TRADEMARKS, AND INTELLECTUAL PROPERTY

PATENTS

CGE Energy, Inc. via its wholly owned subsidiary, Clean Green Energy, Inc. holds patents related to the WIND•e20® technology from the US Patent and Trademark office. Three patents have been granted in the United States. Additionally, the CGE Energy WIND•e20® has received a patent in the United Kingdom and has a patent pending in Europe. 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

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.

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 received Trademarks from the US Patent and Trademark office for its WIND•e20® wind turbine, 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

6 – LEASE OBLIGATIONS

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

7 – NOTES PAYABLE

Note Payable A	1% term loan, no defined payback schedule	$10,199,963

Note Payable B	per agreement dated 9-18-2018 original principal $50,000 interest $25,000	75,000
Note Payable C	per agreement dated 9-18-2018 original principal $50,000 interest $25,000	75,000
Equipment Loan A	5% term loan, monthly payment $1,190, Matures May, 2020, secured by truck.	21,616
Equipment Loan B	5% term loan, monthly payment $2,536, Matures February, 2020 secured by vehicles	25,866
Total		$10,397,445

NOTE 8 – RESEARCH & DEVELOPMENT

Research and development costs are typically expensed as incurred. Research and development costs for the three month period ended December 31, 2018 were $ 0

NOTE 9 – RELATED PARTY

During the three month period ended December 31, 2018, the Corporation incurred rental expenses for leased office spaces from Sterling Investment Properties, LLC. Bryan Zaplitny, President, CEO and a major shareholder of CGE Energy, Inc is a principal partner of Sterling Investment Properties, LLC. The total amount of rent paid in this reporting period was $15,900.

NOTE 10 – SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through March 29, 2019, which is the date these financial statements were available to be issued. There were no subsequent events that require recognition or additional disclosure in these financial statements.