



American Powernet Management, LP and Affiliates

Combined Financial Statements and Supplementary Information

December 31, 2022 and 2021



American Powernet Management, LP and Affiliates

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December 31, 2022 and 2021

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Independent Auditor's Report

To the Partners
American Powernet Management, LP and Affiliates
Wyomissing, Pennsylvania

Opinion

We have audited the combined financial statements of American Powernet Management, LP and affiliates (the Company), which comprise the combined balance sheet as of December 31, 2022 and 2021, the related combined statements of income, comprehensive income, changes in partners' equity, and cash flows for the years then ended, and the related notes to the combined financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and; therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Handwritten signature of RKL LLP in black ink.

May 26, 2023
Wyomissing, Pennsylvania

American Powernet Management, LP and Affiliates

Combined Balance Sheet

	December 31, 2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,984,123	\$ 5,509,968
Accounts receivable	13,909,810	10,136,022
Prepaid expenses	9,285	162,248
Total Current Assets	17,903,218	15,808,238
Property and Equipment		
Furniture, equipment, and software	448,254	296,671
Accumulated depreciation	(177,512)	(173,352)
Property and Equipment, Net	270,742	123,319
Other Assets		
Security deposits	2,732,154	2,109,332
Investments	596,493	759,618
Other	188,723	25,558
Total Other Assets	3,517,370	2,894,508
Total Assets	\$ 21,691,330	\$ 18,826,065
Liabilities and Partners' Equity		
Current Liabilities		
Note payable, lines of credit	\$ 1,600,000	\$ 1,600,000
Accounts payable	12,227,279	9,864,744
Accrued expenses	182,250	82,361
Total Current Liabilities	14,009,529	11,547,105
Security Deposits Payable	3,894,717	3,413,466
Total Liabilities	17,904,246	14,960,571
Partners' Equity		
Partners' capital	3,964,987	3,620,517
Accumulated other comprehensive income (loss)	(177,903)	244,977
Total Partners' Equity	3,787,084	3,865,494
Total Liabilities and Partners' Equity	\$ 21,691,330	\$ 18,826,065

See accompanying notes.

American Powernet Management, LP and Affiliates

Combined Statement of Income

	Years Ended December 31,	
	2022	2021
Revenue		
Energy sales	\$ 140,110,118	\$ 97,208,507
Management fee income	2,812,336	2,828,057
Grant income	137,804	-
Total Revenue	143,060,258	100,036,564
Cost of Energy Purchases	140,499,009	97,759,595
Gross Profit	2,561,249	2,276,969
General and Administrative Expenses	1,592,488	1,678,594
Operating Income	968,761	598,375
Other (Income) Expense		
Interest expense	43,268	19,520
Interest income	(24,816)	(3,602)
Net (gain) loss on investments	12,705	(3,831)
Total Other (Income) Expense	31,157	12,087
Net Income	\$ 937,604	\$ 586,288

American Powernet Management, LP and Affiliates**Combined Statement of Comprehensive Income**

	Years Ended December 31,	
	2022	2021
Net Income	\$ 937,604	\$ 586,288
Other Comprehensive Income (Loss)		
Unrealized gains on investments		
Net unrealized holding gains (losses) arising during period	(435,585)	36,173
Reclassification adjustment for realized (gains) losses included in net income	12,705	(3,831)
Total Other Comprehensive Income (Loss)	(422,880)	32,342
Comprehensive Income	\$ 514,724	\$ 618,630

American Powernet Management, LP and Affiliates**Combined Statement of Changes in Partners' Equity**

	Partners' Capital	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2020	\$ 3,923,066	\$ 212,635	\$ 4,135,701
Net income	586,288	-	586,288
Unrealized gains on investments	-	32,342	32,342
Partners' withdrawals, net	(888,837)	-	(888,837)
Balance at December 31, 2021	3,620,517	244,977	3,865,494
Net income	937,604	-	937,604
Unrealized loss on investments	-	(422,880)	(422,880)
Partners' withdrawals, net	(593,134)	-	(593,134)
Balance at December 31, 2022	<u><u>\$ 3,964,987</u></u>	<u><u>\$ (177,903)</u></u>	<u><u>\$ 3,787,084</u></u>

American Powernet Management, LP and Affiliates

Combined Statement of Cash Flows

	Years Ended December 31,	
	2022	2021
Cash Flows from Operating Activities		
Net income	\$ 937,604	\$ 586,288
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	4,160	5,036
Realized (gains) losses on investments	12,705	(3,831)
(Increase) decrease in assets		
Accounts receivable	(3,773,788)	(2,725,420)
Prepaid expenses	152,963	(150,365)
Other assets	(163,165)	(9,204)
Increase (decrease) in liabilities		
Accounts payable	2,362,535	3,847,887
Accrued expenses	99,889	(94,385)
Net Cash Provided by (Used in) Operating Activities	(367,097)	1,456,006
Cash Flows from Investing Activities		
Capital expenditures	(151,583)	-
Purchases of investments	(272,460)	(279,617)
Net Cash Used in Investing Activities	(424,043)	(279,617)
Cash Flows from Financing Activities		
Net borrowings on line of credit	-	1,000,000
Security deposits	(622,822)	(443,362)
Security deposits payable	481,251	(9,312)
Partner withdrawals, net	(593,134)	(888,837)
Net Cash Used in Financing Activities	(734,705)	(341,511)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,525,845)	834,878
Cash and Cash Equivalents at Beginning of Year	5,509,968	4,675,090
Cash and Cash Equivalents at End of Year	\$ 3,984,123	\$ 5,509,968
Supplementary Cash Flows Information		
Interest paid	\$ 43,268	\$ 19,771
Change in unrealized gains (losses) on investments	\$ (422,880)	\$ 32,342

American Powernet Management, LP and Affiliates

Notes to Combined Financial Statements

December 31, 2022 and 2021

Note 1 - Nature of Operations

American Powernet Management, LP and affiliates, d/b/a American Powernet, financial statements represent the combined financial statements of American Powernet Management, LP, American Powernet Services, LP, and APN Starfirst, LP (collectively the Company). American Powernet Management, LP and affiliates d/b/a American Powernet derives revenues from energy purchases, and sales and commission earnings and consulting for management services performed.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows.

Principles of Combination

The combined financial statements of the American Powernet Management, LP and affiliates, d/b/a American Powernet, include the accounts of American Powernet Management, LP, American Powernet Services, LP, and APN Starfirst, LP. Combined financial statements are presented due to common ownership among the entities. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly-liquid, short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Restricted Cash

Amounts in restricted cash are required to be set aside by a contractual agreement with customers for energy supply needs.

American Powernet Management, LP and Affiliates

Notes to Combined Financial Statements

December 31, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Restricted Cash (continued)

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the combined balance sheet to the total of the same such amounts in the combined statement of cash flows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,363,960	\$ 4,200,805
Restricted cash	<u>1,620,163</u>	<u>1,309,163</u>
Total cash and cash equivalents, and restricted cash shown in the combined statement of cash flows	<u>\$ 3,984,123</u>	<u>\$ 5,509,968</u>

Investments

Securities classified as available for sale are those securities that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Securities available for sale are carried at fair value. Unrealized gains or losses are reported as increases or decreases in other comprehensive income (loss). Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the term of the securities.

The Company evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. The Company employs a systematic methodology that considers available evidence in evaluating potential impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Company evaluates, among other factors, the magnitude and duration of the decline in fair value; the expected cash flows of the securities; the financial health of, and business outlook for, the issuer; the performance of the underlying assets for interests in securitized assets; and the Company's intent and ability to hold the investment. Once a decline in fair value is determined to be other than temporary, an impairment charge is recorded in investment income and a new cost basis in the investment is established.

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, agings of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due. The Company does not accrue interest income on its delinquent accounts receivable. There was no allowance for doubtful accounts for the years ended December 31, 2022 and 2021.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Major renewals and betterments are capitalized while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Upon retirement, sale, or other disposition of property and equipment, the asset and related allowance for depreciation are eliminated from the accounts, and any gain or loss on the transaction is included in income. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives of furniture and equipment used to calculate depreciation are as follows:

Furniture and equipment	5 to 10 years
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Security Deposits

Security deposits recorded as long-term assets are amounts that have been posted by the Company as collateral with various suppliers, which allow the Company to sell energy to customers in various locations.

Security deposits recorded as long-term liabilities are amounts that are due to customers based on terms of the stated contracts and the location of the customer business. The security deposits are held as long as the Company is doing business with the customer and are amounts due to the customer.

Income Taxes

The Company is treated as a pass-through entity for federal and state income tax purposes. Consequently, federal and state income taxes are not payable by, or provided by, the Company. The partners are taxed individually on their share of the Company's earnings. The Company's net income or loss is allocated among the partners in accordance with their pro-rata share of the Company. Generally though, distributions made to the partners are to fund their individual tax liabilities related to the Company income. The Company files composite tax returns in several states.

U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2019.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of risk consist principally of cash and cash equivalents, accounts receivable, and other receivables.

Note 2 - Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk (continued)

The Company regularly maintains amounts on deposit with various financial institutions in excess of that insured by the Federal Deposit Insurance Corporation. The Company believes that it limits its credit exposure by placing its temporary cash investments with, what management believes to be, high credit quality financial institutions.

Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when or as performance obligations are satisfied.

The Company's revenue is primarily derived from the sale of power as a licensed entity. The Company sells primarily to commercial customers in the United States. Sales are subject to economic conditions and may fluctuate based on changes in the industry, trade policies, and financial markets. The Company assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. Customer contracts generally are standardized and noncancellable for the duration of the stated contract term. Certain customer contracts may include various termination rights which, if deemed to be substantive, would impact the determination of the contract term and may give rise to material rights with respect to renewal options.

Revenue from the sale of power is recognized upon transfer to the customer, which is typically upon allocation from the power grid.

Additionally the Company derives revenue from management fees charged to customers associated with the sale and distribution of power. These fees are calculated based on agreed upon rates in customer contracts.

As discussed previously, revenue from the sale of power and revenue from management fees are recognized at a point in time. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on the transaction price, which includes fixed consideration and estimates of variable consideration such as early payment discounts, volume discounts, rebates, and rights of return, if applicable.

Payment terms on invoiced amounts are due upon receipt. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing the products and not to receive financing from, or provide financing to, the customer.

American Powernet Management, LP and Affiliates

Notes to Combined Financial Statements

December 31, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available for sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held to maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available for sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the combined statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this new guidance on its combined financial statements.

Note 3 - Investments

Management classifies all of its investments in certificates of deposit and cryptocurrencies as available for sale and, accordingly, carries its investments at estimated fair market value. Unrealized gains and losses on the contracts and investments are recorded as a separate component of other comprehensive income (loss). Realized gains and losses are included in the net income of the Company, and the cost of the contracts is computed using the specific identification method.

Market values of the investments held are summarized as follows at December 31:

		Gross Unrealized Holding Gain	Gross Unrealized Holding Loss	Market Value
2022	Cost			
Certificates of deposit	\$ 161,193	\$ -	\$ -	\$ 161,193
Cryptocurrencies	613,203	-	(177,903)	435,300
	<u>\$ 774,396</u>	<u>\$ -</u>	<u>\$ (177,903)</u>	<u>\$ 596,493</u>
2021				
Certificates of deposit	\$ 157,475	\$ 7,167	\$ -	\$ 164,642
Cryptocurrencies	357,166	240,743	(2,933)	594,976
	<u>\$ 514,641</u>	<u>\$ 247,910</u>	<u>\$ (2,933)</u>	<u>\$ 759,618</u>

Note 4 - Note Payable, Lines of Credit

The Company has lines of credit available totaling \$9,000,000 from Santander Bank. The lines consist of a working capital line of credit of \$2,000,000 and a credit facility of \$7,000,000 to fund client related letters of credit to secure purchases of electricity. A line of credit in the amount of \$13,000,000 to support the relationship with a single, publicly traded company has been closed as of December 31, 2022 because that client's business with the Company has concluded. The lines of credit mature on September 30, 2023. The terms of the credit facility provide for monthly interest payments at the bank's prime rate (8.00% and 3.25% at December 31, 2022 and 2021, respectively) on outstanding balances. These notes are secured by a first lien priority security interest in the Company's assets and cross guarantees of American PowerNet Services, L.P., APN Starfirst, L.P., and American PowerNet Management, L.P. The working capital line of credit is personally guaranteed by the partners of the Company. At December 31, 2022 and 2021, the Company had borrowed \$600,000 on the working capital line of credit. \$4,010,000 of letters of credit were outstanding against the availability of the line of credit at both December 31, 2022 and 2021.

The Company has a \$12,000,000 line of credit available from PNC Bank. The terms of the agreement provide for monthly interest payments at the daily LIBOR rate plus 2.00% (6.36% and 2.08% at December 31, 2022 and 2021, respectively) on any outstanding balances. The note is secured by customer security deposits and an interest in the Company assets and cross guarantees of American PowerNet Services, L.P., APN Starfirst, L.P., and American PowerNet Management, L.P. The line of credit is personally guaranteed by the partners of the Company. The line of credit matures on December 31, 2023. At both December 31, 2022 and 2021, the Company had \$1,000,000 outstanding on the line of credit. Also, outstanding against the availability on the line of credit were letters of credit totaling \$6,000,000 at both December 31, 2022 and 2021.

The line of credit with Santander Bank has certain financial covenants which must be met annually. All covenants with Santander Bank were met during the year ended December 31, 2022.

The line of credit with PNC Bank has certain financial covenants which must be met annually. The financial covenants with PNC Bank did not pass for the year ended December 31, 2022, but the failure was waived by PNC Bank.

Note 5 - Employee Retirement Plan

The Company provides a 401(k) plan to all eligible employees. Employees will receive an employer match annually based on the terms of the plan document. Total contributions and costs paid by the Company for the years ended December 31, 2022 and 2021 were \$29,394 and \$29,904, respectively.

Note 6 - Deferred Compensation

In 2006, American Powernet Management, LP adopted the Supplemental Executive Compensation Plan, which allows for deferred compensation to certain key employees. The value of the Plan is based upon the calculation and payments outlined in the agreement. All employer contributions to the Plan have a three-year vesting period. At December 31, 2022 and 2021, the Company has accrued a liability of \$77,287 and \$58,270, respectively.

Note 7 - Fair Value Measurements

FASB ASC's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the combined financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The investments disclosed in Note 3 are Level 2 investments.

Note 8 - Commitments and Contingencies

Related Party Lease

The Company is party to a lease with a related party for office space. The lease has a five-year term with lease expenses annually amounting to \$60,000. The lease expires in December 2024.

Litigation

The Company is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the Company's combined financial statements or results of operations.

Note 8 - Commitments and Contingencies (continued)

Major Customer

Revenues from five customers represented approximately 85% and 80% of total revenues during the years ended December 31, 2022 and 2021, respectively. The total accounts receivable from these customers at December 31, 2022 and 2021 was \$8,524,523 and \$3,907,045, respectively. The loss of one or more of these large customers could have a materially adverse effect on the Company's business.

Note 9 - Risks and Uncertainties

In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. The actions taken to mitigate it adversely affected the economy, financial markets, and the geographical area in which the Company operates. The pandemic and other world events have caused continuing economic and political uncertainties that have also affected the demand for our products or services. It is unknown how long these conditions will last and what the complete financial effect will be to the Company, if any.

Additionally, it is reasonably possible that estimates made in the combined financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 10 - Subsequent Events

The Company has evaluated subsequent events through May 26, 2023. This date is the date the combined financial statements were available to be issued. No events subsequent to December 31, 2022 were noted.

American Powernet Management, LP and Affiliates

Combining Balance Sheet

		December 31, 2022								
		Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP				
Assets										
Current Assets										
Cash and cash equivalents	\$	3,984,123	\$	-	\$	3,492,240	\$	484,337	\$	7,546
Accounts receivable		13,909,810		-		12,282,837		1,626,230		743
Intercompany		-		-		(1,615,744)		1,600,000		15,744
Prepaid expenses		9,285		-		-		-		9,285
Total Current Assets		17,903,218		-		14,159,333		3,710,567		33,318
Property and Equipment										
Furniture, equipment, and software		448,254		-		245,083		-		203,171
Accumulated depreciation		(177,512)		-		(3,500)		-		(174,012)
Property and Equipment, Net		270,742		-		241,583		-		29,159
Other Assets										
Security deposits		2,732,154		-		1,961,380		770,774		-
Investments		596,493		-		435,300		-		161,193
Other		188,723		-		10,000		-		178,723
Total Other Assets		3,517,370		-		2,406,680		770,774		339,916
Total Assets	\$	21,691,330	\$	-	\$	16,807,596	\$	4,481,341	\$	402,393

American Powernet Management, LP and Affiliates

Combining Balance Sheet (continued)

	December 31, 2022				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
<i>Liabilities and Partners' Equity</i>					
Current Liabilities					
Note payable, lines of credit	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	\$ -
Accounts payable	12,227,279	-	12,174,863	-	52,416
Accrued expenses	182,250	-	111,073	(6,110)	77,287
Total Current Liabilities	14,009,529	-	13,885,936	(6,110)	129,703
Security Deposits Payable	3,894,717	-	1,599,186	2,295,531	-
Total Liabilities	17,904,246	-	15,485,122	2,289,421	129,703
Partners' Equity					
Partners' capital	3,964,987	-	1,506,500	2,191,920	266,567
Accumulated other comprehensive income (loss)	(177,903)	-	(184,026)	-	6,123
Total Partners' Equity	3,787,084	-	1,322,474	2,191,920	272,690
Total Liabilities and Partners' Equity	\$ 21,691,330	\$ -	\$ 16,807,596	\$ 4,481,341	\$ 402,393

American Powernet Management, LP and Affiliates

Combining Balance Sheet (continued)

		December 31, 2021								
		Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP				
Assets										
Current Assets										
Cash and cash equivalents	\$	5,509,968	\$	-	\$	4,454,844	\$	939,923	\$	115,201
Accounts receivable		10,136,022		-		8,777,130		1,328,612		30,280
Intercompany		-		-		(1,600,000)		1,600,000		-
Prepaid expenses		162,248		-		157,025		-		5,223
Total Current Assets		15,808,238		-		11,788,999		3,868,535		150,704
Property and Equipment										
Furniture, equipment, and software		296,671		-		93,500		-		203,171
Accumulated depreciation		(173,352)		-		(3,500)		-		(169,852)
Property and Equipment, Net		123,319		-		90,000		-		33,319
Other Assets										
Security deposits		2,109,332		-		1,467,647		641,685		-
Investments		759,618		-		595,449		-		164,169
Other		25,558		-		10,000		-		15,558
Total Other Assets		2,894,508		-		2,073,096		641,685		179,727
Total Assets		\$ 18,826,065	\$	-	\$	13,952,095	\$	4,510,220	\$	363,750

American Powernet Management, LP and Affiliates

Combining Balance Sheet (continued)

December 31, 2021				
		American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
	Combined	Eliminations and Adjustments		
<i>Liabilities and Partners' Equity</i>				
Current Liabilities				
Note payable, lines of credit	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -
Accounts payable	9,864,744	-	9,821,630	43,114
Accrued expenses	82,361	-	7,349	58,276
Total Current Liabilities	11,547,105	-	11,428,979	101,390
Security Deposits Payable	3,413,466	-	1,098,407	-
Total Liabilities	14,960,571	-	12,527,386	101,390
Partners' Equity				
Partners' capital	3,620,517	-	1,179,732	262,360
Accumulated other comprehensive income	244,977	-	244,977	-
Total Partners' Equity	3,865,494	-	1,424,709	262,360
Total Liabilities and Partners' Equity	\$ 18,826,065	\$ -	\$ 13,952,095	\$ 363,750

American Powernet Management, LP and Affiliates

Combining Statement of Income

	Year Ended December 31, 2022				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
Revenue					
Energy sales	\$ 140,110,118	\$ -	\$ 123,757,118	\$ 16,353,000	\$ -
Management fee income	2,812,336	(2,118,300)	2,619,830	153,300	2,157,506
Grant income	137,804	-	137,804	-	-
Total Revenue	143,060,258	(2,118,300)	126,514,752	16,506,300	2,157,506
Cost of Energy Purchases	140,499,009	-	124,153,686	16,345,323	-
Gross Profit	2,561,249	(2,118,300)	2,361,066	160,977	2,157,506
General and Administrative Expenses	1,592,488	(2,118,300)	2,151,567	154,571	1,404,650
Operating Income	968,761	-	209,499	6,406	752,856
Other (Income) Expense					
Interest expense	43,268	-	43,268	-	-
Interest income	(24,816)	-	(15,646)	(7,089)	(2,081)
Net gain on investments	12,705	-	1,560	-	11,145
Total Other (Income) Expense	31,157	-	29,182	(7,089)	9,064
Net Income	\$ 937,604	\$ -	\$ 180,317	\$ 13,495	\$ 743,792

American Powernet Management, LP and Affiliates

Combining Statement of Income (continued)

	Year Ended December 31, 2021				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
Revenue					
Energy sales	\$ 97,208,507	\$ -	\$ 87,032,586	\$ 10,175,921	\$ -
Management fee income	2,828,057	(2,665,300)	2,673,519	153,300	2,666,538
Total Revenue	100,036,564	(2,665,300)	89,706,105	10,329,221	2,666,538
Cost of Energy Purchases	97,759,595	-	87,574,748	10,184,847	-
Gross Profit	2,276,969	(2,665,300)	2,131,357	144,374	2,666,538
General and Administrative Expenses	1,678,594	(2,665,300)	2,744,576	171,550	1,427,768
Operating Income (Loss)	598,375	-	(613,219)	(27,176)	1,238,770
Other (Income) Expense					
Interest expense	19,520	-	19,771	(251)	-
Interest income	(3,602)	-	(77)	-	(3,525)
Net loss on investments	(3,831)	-	-	-	(3,831)
Total Other (Income) Expense	12,087	-	19,694	(251)	(7,356)
Net Income (Loss)	<u>\$ 586,288</u>	<u>\$ -</u>	<u>\$ (632,913)</u>	<u>\$ (26,925)</u>	<u>\$ 1,246,126</u>

American Powernet Management, LP and Affiliates

Combining Schedule of General and Administrative Expenses

	Year Ended December 31, 2022				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
Salaries	\$ 789,116	\$ -	\$ -	\$ -	\$ 789,116
Amortization	351	-	-	-	351
Bank charges	53,269	-	52,523	-	746
Contributions	16,143	-	-	-	16,143
Deferred compensation	59,555	-	-	-	59,555
Depreciation	4,160	-	-	-	4,160
Dues and subscriptions	68,364	-	31,425	-	36,939
Employee benefits	35,392	-	-	-	35,392
Freight and postage	1,879	-	-	-	1,879
Insurance	143,200	-	5,596	-	137,604
Legal and accounting	42,376	-	36,588	308	5,480
Management fee	-	(2,118,300)	1,965,000	153,300	-
Miscellaneous	47,607	-	22,470	-	25,137
Office supplies	33,400	-	-	-	33,400
Outside services	84,551	-	10,229	566	73,756
Payroll taxes	63,221	-	-	-	63,221
Rent	60,000	-	-	-	60,000
Permits and licenses	30,530	-	24,404	400	5,726
Repairs and maintenance	8,102	-	-	-	8,102
Taxes	7,829	-	3,332	(3)	4,500
Telephone	2,835	-	-	-	2,835
Travel	22,840	-	-	-	22,840
Utilities	17,768	-	-	-	17,768
Total General and Administrative Expenses	\$ 1,592,488	\$ (2,118,300)	\$ 2,151,567	\$ 154,571	\$ 1,404,650

American Powernet Management, LP and Affiliates

Combining Schedule of General and Administrative Expenses (continued)

	Year Ended December 31, 2021				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
Salaries	\$ 889,756	\$ -	\$ -	\$ -	\$ 889,756
Amortization	351	-	-	-	351
Bank charges	24,174	-	27,171	-	(2,997)
Contributions	17,525	-	-	-	17,525
Deferred compensation	21,000	-	-	-	21,000
Depreciation	5,036	-	-	-	5,036
Dues and subscriptions	127,727	-	63,108	-	64,619
Employee benefits	50,416	-	-	-	50,416
Freight and postage	3,196	-	-	-	3,196
Insurance	104,646	-	27,983	-	76,663
Legal and accounting	46,018	-	43,266	(238)	2,990
Management fee	-	(2,665,300)	2,512,000	153,300	-
Miscellaneous	38,820	-	(358)	-	39,178
Office supplies	8,009	-	78	145	7,786
Outside services	76,943	-	11,240	720	64,983
Payroll taxes	66,644	-	-	-	66,644
Penalties and fines	29,971	-	29,971	-	-
Rent	60,000	-	-	-	60,000
Permits and licenses	28,732	-	17,665	6,700	4,367
Repairs and maintenance	10,207	-	1,390	-	8,817
Taxes	26,126	-	11,062	10,923	4,141
Telephone	3,032	-	-	-	3,032
Travel	13,869	-	-	-	13,869
Utilities	26,396	-	-	-	26,396
Total General and Administrative Expenses	\$ 1,678,594	\$ (2,665,300)	\$ 2,744,576	\$ 171,550	\$ 1,427,768