

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

**Atlantic Wind & Solar Inc.**

4600 140th Ave N Ste 200, Clearwater,

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Company Telephone: (727) 723-3300

[www.atlanticwindandsolar.com](http://www.atlanticwindandsolar.com)

[info@atlanticwindandsolar.com](mailto:info@atlanticwindandsolar.com)

SIC Code: 4290

**Annual Report**

**For the Period Ending: December 31, 2019**  
(the "Reporting Period")

As of December 31, 2019 the number of shares outstanding of our Common Stock was:

297,837,536

As of September 30,, 2019 the number of shares outstanding of our Common Stock was:

297,837,536

As of December 31, 2018 the number of shares outstanding of our Common Stock was:

44,697,084

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Atlantic Wind & Solar Inc.

9/19/2008 Name change: From Environmental Technologies International, Inc to Atlantic Wind & Solar, Inc.

3/22/02 Name change: From Aquatek UK Ltd to Environmental Technologies International

10/26/1998 Change of name from Dragon Environmental (UK) Limited to Aquatek UK Ltd.

11/14/1997 Change of name from Aetna Operating Company, Inc. to Dragon Environmental (UK) Limited

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Atlantic Wind & Solar, Inc. was incorporated in the State of West Virginia on December 31, 1976, under the name Aetna Operating Company, Inc. The issuer is currently active in the State of West Virginia.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

## 2) Security Information

|                                                     |                     |                                 |
|-----------------------------------------------------|---------------------|---------------------------------|
| Trading symbol:                                     | <u>AWSL</u>         |                                 |
| Exact title and class of securities outstanding:    | <u>Common Stock</u> |                                 |
| CUSIP:                                              | <u>049127103</u>    |                                 |
| Par or stated value:                                | <u>\$0.001</u>      |                                 |
| Total shares authorized:                            | <u>500,000,000</u>  | as of date: <u>Dec 31, 2019</u> |
| Total shares outstanding:                           | <u>297,837,536</u>  | as of date: <u>Dec 31, 2019</u> |
| Number of shares in the Public Float <sup>2</sup> : | <u>32,727,222</u>   | as of date: <u>Dec 31, 2019</u> |
| Total number of shareholders of record:             | <u>1,529</u>        | as of date: <u>Dec 31, 2019</u> |

|                                                  |                                      |                                 |
|--------------------------------------------------|--------------------------------------|---------------------------------|
| Trading symbol:                                  | <u>N/A</u>                           |                                 |
| Exact title and class of securities outstanding: | <u>Special Series B Common Stock</u> |                                 |
| CUSIP:                                           | <u>N/A</u>                           |                                 |
| Par or stated value:                             | <u>\$0.001</u>                       |                                 |
| Total shares authorized:                         | <u>100,000</u>                       | as of date: <u>Dec 31, 2019</u> |
| Total shares outstanding:                        | <u>100,000</u>                       | as of date: <u>Dec 31, 2019</u> |

|                                                  |                                         |                                 |
|--------------------------------------------------|-----------------------------------------|---------------------------------|
| Trading symbol:                                  | <u>N/A</u>                              |                                 |
| Exact title and class of securities outstanding: | <u>Special Series A Preferred Stock</u> |                                 |
| CUSIP:                                           | <u>N/A</u>                              |                                 |
| Par or stated value:                             | <u>\$1.00</u>                           |                                 |
| Total shares authorized:                         | <u>20,000,000</u>                       | as of date: <u>Dec 31, 2019</u> |
| Total shares outstanding:                        | <u>100,000</u>                          | as of date: <u>Dec 31, 2019</u> |

|                                                  |                                         |  |
|--------------------------------------------------|-----------------------------------------|--|
| Trading symbol:                                  | <u>N/A</u>                              |  |
| Exact title and class of securities outstanding: | <u>Special Series B Preferred Stock</u> |  |
| CUSIP:                                           | <u>N/A</u>                              |  |
| Par or stated value:                             | <u>\$1.00</u>                           |  |

Total shares authorized: 20,000,000 as of date: Dec 31, 2019 9  
Total shares outstanding: 0 as of date: Dec 31, 2019  
Transfer Agent

Name: Pacific Stock Transfer Company  
Phone: (702) 361-3033  
Email: info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: x No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On November 13, 2018 a resolution was passed to issue 200,000,000 shares to the shareholders of Watson Energy Investments LLC for the proposed acquisition of Watson Energy Investments LLC. On May 15, 2019, Atlantic and Watson formerly terminated and rescinded the agreement to acquire Watson and signed a mutual release.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

| Number of Shares outstanding as of:<br><br><u>Dec 31, 2017</u> | <u>Opening Balance:</u><br>Common A: 44,697,084<br>Common B: 0<br>Preferred A: 0<br>Preferred B: 5,731,846                                          |                                        |                     |                                                   |                                                                                        |                                                                                                                     |                                                                                                             |                                               |                                 |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------|---------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|
| Date of Transaction                                            | Transaction type (e.g. new issuance, cancellation, shares returned to treasury)                                                                     | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable) | Restricted or Unrestricted as of this filing? | Exemption or Registration Type? |
| Shares Outstanding on:<br><br>Dec 31, 2018                     | <u>Ending Balance:</u><br><u>Common A: 44,697,084</u><br><u>Common B: 0</u><br><u>Series A Preferred: 0</u><br><u>Series B Preferred: 5,731,846</u> |                                        |                     |                                                   |                                                                                        |                                                                                                                     |                                                                                                             |                                               |                                 |

|            |              |             |                       |          |     |                                               |                                                           |              |           |
|------------|--------------|-------------|-----------------------|----------|-----|-----------------------------------------------|-----------------------------------------------------------|--------------|-----------|
| 02/08/2019 | Cancel       | (1,475,535) | Pref B                | \$1.00   | No  | Gilles Trahan                                 | Interest on Pref Shares purchased and received for salary | Restricted   | Reg D     |
| 02/08/2019 | New Issuance | 100,000     | Pref A                | \$1.00   | No  | Gilles Trahan                                 | In exchange of 1,475,535 Pref B                           | Restricted   | Reg D     |
| 02/08/2019 | Cancel       | (121,000)   | Pref B                | \$1.00   | No  | Woodthorp Management Ltd B/O Carl Bullard     | Settlement of Engineering Services                        | Restricted   | Reg D     |
| 02/08/2019 | Cancel       | (976,572)   | Pref B                | \$1.00   | No  | Maxm Securities Ltd b/o Gilles Trahan         | \$1,000,000 investment                                    | Restricted   | Reg D     |
| 02/08/2019 | Cancel       | (1,852,977) | Pref B                | \$1.00   | No  | Martin Baldwin                                | Interest on Pref Shares purchased and received for salary | Restricted   | Reg D     |
| 02/08/2019 | Cancel       | (1,305,762) | Pref B                | \$1.00   | No  | Venecia Gafter                                | Interest on Pref Shares purchased and received for salary | Restricted   | Reg D     |
| 02/13/2019 | New Issuance | 200,000,000 | Common Stock          | \$0.03   | No  | M-Clan LLC (3)                                | Anticipation of acquiring Watson Energy                   | Restricted   | Reg D     |
| 0307/2019  | New Issuance | 664,452     | Common Stock          | \$0.01   | Yes | Continuation Capital Inc. M/D (5) Paul Winkle | Debt Conversion Settlement fee                            | Unrestricted | Reg 3(a)1 |
| 0307/2019  | New Issuance | 1,000,000   | Common Stock          | \$0.01   | Yes | Continuation Capital Inc. M/D Paul Winkle     | Debt Conversion                                           | Unrestricted | Reg 3(a)1 |
| 4/1/2019   | New Issuance | 7,476,000   | Common Stock          | \$0.0055 | Yes | Continuation Capital Inc. M/D Paul Winkle     | Debt Conversion                                           | Unrestricted | Reg 3(a)1 |
| 7/3/2019   | New Issuance | 168,743,719 | Common Stock          | \$0.03   | No  | Kevin Bagnall                                 | Acquisition KBI                                           | Restricted   | Reg D     |
| 7/3/2019   | New Issuance | 73,500      | Series B-Common Stock | \$0.03   | No  | Kevin Bagnall                                 | Acquisition KBI                                           | Restricted   | Reg D     |
| 7/3/2019   | New Issuance | 16,180,904  | Common Stock          | \$0.03   | No  | David May                                     | Acquisition KBI                                           | Restricted   | Reg D     |
| 7/3/2019   | New Issuance | 7,000       | Series B-Common Stock | \$0.03   | No  | David May                                     | Acquisition KBI                                           | Restricted   | Reg D     |
| 7/3/2019   | New Issuance | 13,869,346  | Common Stock          | \$0.03   | No  | Paul Wylie III                                | Acquisition KBI                                           | Restricted   | Reg D     |

|           |              |               |                       |        |    |                       |                                         |            |       |
|-----------|--------------|---------------|-----------------------|--------|----|-----------------------|-----------------------------------------|------------|-------|
| 7/3/2019  | New Issuance | 6,000         | Series B-Common Stock | \$0.03 | No | Paul Wylie III        | Acquisition KBI                         | Restricted | Reg D |
| 7/15/2019 | New Issuance | 2,311,557     | Common Stock          | \$0.03 | No | Andrew Baren          | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 1000          | Series B-Common Stock | \$0.03 | No | Andrew Baren          | Acquisition KBI                         | Restricted | Reg D |
| 7/15/2019 | New Issuance | 2,311,557     | Common Stock          | \$0.03 | No | Christopher Chapin    | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 1000          | Series B-Common Stock | \$0.03 | No | Christopher Chapin    | Acquisition KBI                         | Restricted | Reg D |
| 7/15/2019 | New Issuance | 2,311,557     | Common Stock          | \$0.03 | No | George Barnum         | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 1000          | Series B-Common Stock | \$0.03 | No | George Barnum         | Acquisition KBI                         | Restricted | Reg D |
| 7/15/2019 | New Issuance | 2,311,556     | Common Stock          | \$0.03 | No | Gregory McLaughlin    | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 1,000         | Series B-Common Stock | \$0.03 | No | Gregory McLaughlin    | Acquisition KBI                         | Restricted | Reg D |
| 7/15/2019 | New Issuance | 1,155,778     | Common Stock          | \$0.03 | No | Robert Policastro     | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 500           | Series B-Common Stock | \$0.03 | No | Robert Policastro     | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | Cancel       | (200,000,000) | Common Stock          | \$0.03 | No | M-Clan LLC (3)        | Anticipation of acquiring Watson Energy | Restricted | Reg D |
| 7/15/2019 | New Issuance | 8,090,462     | Common Stock          | \$0.03 | No | Thomas Alfredo        | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 3,500         | Series B-Common Stock | \$0.03 | No | Thomas Alfredo        | Acquisition KBI                         | Restricted | Reg D |
| 7/17/2019 | New Issuance | 577,889       | Common Stock          | \$0.03 | No | Jennifer Alfredo      | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 250           | Series B-Common Stock | \$0.03 | No | Jennifer Alfredo      | Acquisition KBI                         | Restricted | Reg D |
| 7/17/2019 | New Issuance | 577,889       | Common Stock          | \$0.03 | No | Rosemary Alfredo      | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 250           | Series B-Common Stock | \$0.03 | No | Rosemary Alfredo      | Acquisition KBI                         | Restricted | Reg D |
| 7/17/2019 | New Issuance | 4,623,115     | Common Stock          | \$0.03 | No | William Norman Bishop | Acquisition KBI                         | Restricted | Reg D |
| 7/3/2019  | New Issuance | 2000          | Series B-Common Stock | \$0.03 | No | William Norman Bishop | Acquisition KBI                         | Restricted | Reg D |

|                                            |                                                                                                                                                          |            |                       |          |     |                                              |                               |            |       |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------|----------|-----|----------------------------------------------|-------------------------------|------------|-------|
| 7/17/2019                                  | New Issuance                                                                                                                                             | 2,311,557  | Common Stock          | \$0.03   | No  | Paul Anthony Goddard                         | Acquisition KBI               | Restricted | Reg D |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 1000       | Series B-Common Stock | \$0.03   | No  | Paul Anthony Goddard                         | Acquisition KBI               | Restricted | Reg D |
| 7/17/2019                                  | New Issuance                                                                                                                                             | 2,311,557  | Common Stock          | \$0.03   | No  | Carlos Hernandez                             | Acquisition KBI               | Restricted | Reg D |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 1000       | Series B-Common Stock | \$0.03   | No  | Carlos Hernandez                             | Acquisition KBI               | Restricted | Reg D |
| 7/17/2019                                  | New Issuance                                                                                                                                             | 2,311,557  | Common Stock          | \$0.03   | No  | NAB Longlane Properties (4) (Steven Vincent) | Acquisition KBI               | Restricted | Reg D |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 1000       | Series B-Common Stock | \$0.03   | No  | NAB Longlane Properties (Steven Vincent)     | Acquisition KBI               | Restricted | Reg D |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 3,000,000  | Common Stock          | \$0.01   | Yes | Martin Baldwin                               | Debt & Pref share forgiveness | Restricted | Reg S |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 10,000,000 | Common Stock          | \$0.0062 | Yes | Gilles Trahan                                | Debt & Pref share forgiveness | Restricted | Reg S |
| 7/3/2019                                   | New Issuance                                                                                                                                             | 1,000,000  | Common Stock          | \$0.12   | No  | Maria Gafter                                 | Debt & Pref share forgiveness | Restricted | Reg D |
| Shares Outstanding on:<br><br>Dec 31, 2019 | <u>Ending Balance:</u><br><u>Common A: 297,837,536</u><br><u>Common B: 100,000</u><br><u>Series A Preferred: 100,000</u><br><u>Series B Preferred: 0</u> |            |                       |          |     |                                              |                               |            |       |

- 1 Beneficial owner Basil Meecham  
 2 Ghilotti Bros beneficial owner is Mike Ghilotti  
 3 M-Clan LLC beneficial owner is Jim McCabe  
 4 NAB Longlane Properties beneficial owner is Steven Vincent  
 5 Continuation Capital Inc. beneficial owner is Paul Winkle

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

| Date of Note Issuance <sup>(1)</sup> | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date     | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)                                                                                                                    | Name of Noteholder                               | Reason for Issuance (e.g. Loan, Services, etc.) |
|--------------------------------------|--------------------------|-----------------------------------|-----------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| March 1, 2019                        | \$112,382                | \$153,500                         | \$0                   | February 19, 2020 | Convertible into shares of common stock at the election of the note holder based on a conversion price of 50% of the lowest Volume Weighted Average Price ("VWAP") for the 20 days preceding the election date. | Continuation Capital Inc.<br><br>M/D Paul Winkle | Debt settlement agreement                       |

1 The Company entered into a Settlement Agreement and Stipulation (the "Settlement Agreement") with Continuation Capital, Inc. a Delaware corporation ("CCI"). Pursuant to the Settlement Agreement, the Company agreed to issue shares of its common stock to CCI in exchange for the settlement of certain past due obligations of the Company (the "Subject Debts") in the aggregate amount of \$153,500 (the "Settlement Amount"). Prior to its entering into the Settlement Agreement, CCI had purchased the Subject Debts from certain debtors of the Company, pursuant to separate claim purchase agreements between CCI and such vendors. CCI sought payment of the Subject Debts by the Company in the matter entitled Continuation Capital Inc., a Delaware corporation, vs. Atlantic Wind and Solar, Inc., a West Virginia corporation ("the CCI Action"), in the Circuit Court of the Twelfth Judicial Circuit in and for Manatee County, Florida (the "Florida Circuit Court"). In settlement of the CCI Action, the Company and CCI entered into the Settlement Agreement. On February 18, 2019, the Florida Circuit Court entered an order approving the Settlement Agreement (the "CCI Order"). In the CCI Order, the Florida Circuit Court found, among other things, that the Settlement Agreement was fair to CCI, within the meaning of Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), and that the sale of shares of Company common stock (the "Settlement Shares") to CCI and the resale of the Settlement Shares by CCI, assuming satisfaction of all other applicable securities laws and regulations, will be exempt from registration under the Securities Act. Pursuant to the terms of the Settlement Agreement, as approved by the CCI Order, the Company agreed to issue Settlement Shares to CCI in one or more tranches, as necessary, sufficient to satisfy the Settlement Amount, by delivery of one or more issuance requests (each, a "Share Request") to the Company. Each Share Request is to state the portion of the Settlement Amount to be satisfied by such Share Request. In accordance with the Settlement Agreement, the per share price of the Settlement Shares shall be equal to 50% of the lowest- traded price of the Company's common stock for the twenty-day trading period immediately preceding the date of the applicable Share Request. Share Requests shall be made by CCI, until such time as the Settlement Amount shall have been paid in full.

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: **Kurt Streams**  
Title: **CGA**  
Relationship to Issuer: **Accountant**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Statement of Changes in Shareholders' Equity  
G. Financial notes; and  
H. Audit letter, if audited

**The Company has appended the unaudited condensed financial statements for the 12 months ended December 31, 2019 and 2018 hereto:**

#### 5) Issuer's Business, Products and Services

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Atlantic Wind and Solar ("The Company") began as a global commercial solar project developer. While the company continues to actively seek for development purposes utility scale solar opportunities for the right location and client, we have begun to leverage our recent acquisition of KB Industries into other profitable areas within the commercial, industrial, and institutional project sectors. We have expanded our renewable energy offerings to include other new and innovative technologies such as zero emissions waste to electricity generation and are in the process of adding additional engineered solutions to our sustainable infrastructure offerings.

With the acquisition of KB Industries, The Company has entered a new phase of the company's growth path. The firm's flagship product, Flexi®-Pave, is a type of concrete that utilizes crumb rubber reclaimed from recycled/scrap tires and is used in a wide variety of construction infrastructure projects such as parking lots, curbing, sidewalks, walkways and paths, jogging trails, etc. for municipal, state, Federal, and corporations. As one of the main ingredients is recycled crumb rubber, Flexi®-Pave is somewhat flexible as the name implies and exhibits a small amount of "give" when walked or driven on, which opens the door to countless applications. Another feature of the product which has been independently tested and verified is its ability to facilitate beneficial bacteria growth which in turn reduces groundwater pollution under many conditions. Some of the more noteworthy installations around the world include Yellow Stone National Park, NASA, Arlington Cemetery, multiple locations throughout the USA as well as numerous high profile locations in the UK, such as The Royal Botanical Gardens, Kew.

The company is looking forward into the future by pursuing investments in two areas for new revenue streams – tire recycling facilities and waste to electricity plants that produce literally zero emissions, while continuing to introduce new products that will expand our sustainable infrastructure portfolio.

The Company has secured written options to lease and/or purchase two large tire recycling facilities, one located in the southern US while the other is in the western part of the country. Each of these facilities has the capability to produce crumb rubber for use in the manufacturing of Flexi®-Pave, as well for other applications and both facilities are projected to provide a simple ROI of 35% or higher based on very conservative projected operating and finance costs relative to the income projections. The same crumb rubber is planned to support the introduction of a new type of erosion control retaining wall using the same patented process used for Flexi®-Pave, and in fact is currently undergoing a series of technical and engineering tests funded by the State of CA.

The area where we have seen the greatest level of interest has been in what we call "zero emissions waste to electricity", or ZeW2E for short. This type of power production solution will accept nearly every type of trash including food waste, manure, municipal solid waste, sludge from waste water treatment plants, plastic, cloth, wood and other yard waste, etc. – and process it into a pellet that resembles rabbit food in size and texture and can be sold as a fuel source, or ultimately used to power generators and produce electricity. We have already received a number of written contracts from a country in South America and are actively working on projects in Puerto Rico, Thailand, several African countries and the UK to name just a few. In addition to being able to produce reliable power, the ZeW2E solution also addresses a major health concern for the world – the ever increasing amount of trash being produced daily which in many cases creates short and long term health issues for people residing near landfills and illegal dumps.

With several signed contracts in hand, The Company is poised to grow rapidly over the next several years and become a major player in two industries where the US needs leadership – renewable power generation and sustainable infrastructure solutions. The company is using an experienced group of advisors to guide the firm and several of these advisors have committed to joining the company on a full-time basis at the appropriate time.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Wholly owned subsidiary - KBI Industries Inc.

About KB Industries: K.B. Industries, Inc. (KBI) KBI developed the world's first flexible porous paving surface using recycled tires in 2002. From its category leading KBI Flexi®-Pave to its newest innovations in water treatment and shoreline protection, KBI combines sustainable technology and experience to solve infrastructure problems using innovative materials and design approaches. By combining recycled car and truck tire rubber along with rock aggregate in a monolithic surface, KBI created a massively porous but structural material that can be used for a

variety of infrastructure applications with demonstrated success. Visit: [www.kbius.com](http://www.kbius.com) or call (727) 723-3300 or to learn more go to <http://kbius.com/projects/> or <https://www.youtube.com/user/KBIGlobal/videos>

4600 140th Ave N Ste 200, Clearwater, FL 33762. [www.kbius.com](http://www.kbius.com) Tel: +1 (727) 723-3300 The company's sole officer and director is Kevin Bagnall who is also the Issuers President, CEO and Chairman of the board of directors.

C. Describe the issuers' principal products or services, and their markets

Products or Services --

Flexi®-porous pavement.

Addressing an international waste crisisThe, Flexi®-Pave product is derived from recycled tires and allows for replenishing of water aquifers. Installations around the world include Yellow Stone National Park, NASA and the Florida Keys.

The Company recreated and revolutionized the porous paving industry with the introduction of the original KBI Flexi®-Pave. By combining recycled passenger tire rubber along with rock aggregate in a monolithic surface, we created a massively porous, but structural material that can be used for a variety of infrastructure application to great success.

Wireless IT Networking Hardware & Software, Wireless IT Management Services, Wireless networking Monetization and wifi monetization application technology and Venue Sponsorship & Digital Marketing Managed Services.

Market – Everywhere asphalt and or concrete is used for road and walkways, driveways, parking lots around the world.

Electricity Generation

The company generates and sells electricity to power consumers globally. The power is generated primarily by solar and waste to energy generation.

Market - Global.

**6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Issuer entered into an agreement with Meridian-HRCF Sunplex LLC ("Meridian"), 4600 140th Avenue North, Suite 190, Clearwater, Florida 33762 to license an office for operations of the Company commencing July 1, 2017 for a monthly rental rate currently of \$5,058.51, and increasing to \$5,211.94 in July 2021 and continuing at that rate through the lease maturity in October 2021. KBI uses road construction equipment and heavy duty vehicles to operate its Flexi®-porous pavement business, some of which are taken to customer job sites and stored there during a project, or at KBI's Meridian facility and other locations.

**7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Information provided below is at Dec 31, 2019, and based on a total of 297,837,536 common shares issued and outstanding and 100,000 shares of preferred stock issued and outstanding.

| Name of Officer/<br>Director and<br>Control Person | Affiliation with<br>Company (e.g. Officer/<br>Director/Owner of<br>more than 5%) | Residential Address<br>(City / State Only) | Number of<br>shares owned | Share type/<br>class                   | Ownership<br>Percentage<br>of Class<br>Outstanding | Note                                                              |
|----------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------|---------------------------|----------------------------------------|----------------------------------------------------|-------------------------------------------------------------------|
| Kevin Bagnall                                      | President, Secretary,<br>Treasurer, Director<br>and Owner of more<br>than 5%     | Tampa Bay FL                               | 168,743,719               | Common<br>Stock                        | 57%                                                | Issued in connection<br>with the acquisition of<br>KB Industries  |
| David May                                          | Over 5% owner                                                                    | Tampa Bay FL                               | 16,180,904                | Common<br>Stock                        | 5%                                                 | Issued in connection<br>with the acquisition of<br>KB Industries. |
| John S. Wilkes                                     | Director                                                                         | Toronto, ON                                | 7,070,001                 | Common<br>Stock                        | 2%                                                 | Acquired in private<br>purchase in 2014                           |
| Kevin Bagnall                                      | President, Secretary,<br>Treasurer, Director<br>and Owner of more<br>than 5%     | Tampa Bay, FL                              | 73,500                    | Special<br>Series B<br>Common<br>Stock | 73%                                                | Issued in connection<br>with the acquisition of<br>KB Industries  |
| David May                                          | Owner of more than<br>5%                                                         | Tampa Bay FL                               | 7,000                     | Special<br>Series B<br>Common<br>Stock | 7%                                                 | Issued in connection<br>with the acquisition of<br>KB Industries  |
| Paul Wylie III                                     | Owner of more than<br>5%                                                         | Tampa Bay FL                               | 6,000                     | Special<br>Series B<br>Common<br>Stock | 6%                                                 | Issued in connection<br>with the acquisition of<br>KB Industries  |
| Gilles Trahan                                      | Owner of more than<br>5%                                                         | Nassau, Bahamas                            | 100,000                   | Preferred A                            | 100%                                               | Issued in exchange of<br>1,475,535 Preferred B<br>Shares          |

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Sharon D. Mitchell, Attorney at Law  
Firm: SD Mitchell & Associates, PLC  
Address 1: 829 Harcourt Rd.  
Address 2: Grosse Pointe Park, Michigan 48230  
Phone: (248) 515-6035  
Email: [sharondmac2013@gmail.com](mailto:sharondmac2013@gmail.com)

### Accountant or Auditor

me: Kurt Streams  
Firm: N/A  
Address 1: 1446 Redding Road  
Address 2: Fairfield, CT 06824  
Phone: 475.999.1289  
Email: [kurtstreams@gmail.com](mailto:kurtstreams@gmail.com)

### Investor Relations

None

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

None

## 10) Issuer Certification

*Principal Executive Officer:*

I, Kevin Bagnall certify that:

1. I have reviewed this Annual disclosure Statement and financial statements of Atlantic Wind & Solar Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 30, 2020

/s/ Kevin Bagnall  
CEO and CFO

*Principal Financial Officer:*

I, Kevin Bagnall certify that:

1. I have reviewed this Annual disclosure Statement and financial statements of Atlantic Wind & Solar Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 30, 2020

/s/ Kevin Bagnall  
CEO and CFO

**ATLANTIC WIND AND SOLAR, INC.**

Unaudited Consolidated Financial Statements  
December 31, 2019



# ATLANTIC WIND AND SOLAR, INC.

December 31, 2019

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**ATLANTIC WIND AND SOLAR, INC.**

**Unaudited Consolidated Balance Sheets**

|                                                                                                                                                                                                                             | December 31, 2019 | December 31, 2018 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                                                                                                                                                                                               |                   |                   |
| <b>Current assets</b>                                                                                                                                                                                                       |                   |                   |
| Cash                                                                                                                                                                                                                        | \$ 27,463         | \$ 23,186         |
| Accounts receivable, net                                                                                                                                                                                                    | 350,975           | 255,314           |
| <b>Total current assets</b>                                                                                                                                                                                                 | 378,438           | 278,500           |
| <b>Long term assets</b>                                                                                                                                                                                                     |                   |                   |
| Operating lease - right of use asset                                                                                                                                                                                        | 82,703            | —                 |
| Property and equipment, net                                                                                                                                                                                                 | 19,042            | 341,783           |
| Deferred financing costs, net                                                                                                                                                                                               | 17,831            | 21,174            |
| <b>Total assets</b>                                                                                                                                                                                                         | \$ 498,014        | \$ 641,457        |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>                                                                                                                                                                                |                   |                   |
| <b>Current liabilities</b>                                                                                                                                                                                                  |                   |                   |
| Accounts payable and accrued liabilities                                                                                                                                                                                    | \$ 658,563        | \$ 566,940        |
| Lease obligation - operating lease, net of current portion                                                                                                                                                                  | 47,282            | —                 |
| Dividends payable                                                                                                                                                                                                           | 10,718            | —                 |
| Current portion of loans payable                                                                                                                                                                                            | 99,089            | 97,428            |
| Related party payables                                                                                                                                                                                                      | 1,775,417         | 1,606,841         |
| Convertible note payable                                                                                                                                                                                                    | 97,332            | —                 |
| <b>Total current liabilities</b>                                                                                                                                                                                            | 2,688,401         | 2,173,781         |
| Lease obligation - operating leases, net of current portion                                                                                                                                                                 | 37,708            | —                 |
| Series A preferred stock liability                                                                                                                                                                                          | 100,000           | —                 |
| Loans payable, net of current portion                                                                                                                                                                                       | 775,696           | 659,508           |
| <b>Total liabilities</b>                                                                                                                                                                                                    | 3,601,805         | 2,833,289         |
| <b>Stockholders' deficit</b>                                                                                                                                                                                                |                   |                   |
| Series A Preferred stock, \$1.00 par value; 20,000,000 shares authorized at December 31, 2019 and 2018; 100,000 shares issued and outstanding at December 31, 2019 and 0 shares issued and outstanding at December 31, 2018 | —                 | —                 |
| Common stock – Series A, \$0.001 par value; 500,000,000 shares authorized; 297,848,053 and 67,848,053 shares issued and outstanding at December 31, 2019 and December 31, 2018, respectively                                | 297,848           | 67,848            |

Common stock - Series B, \$0.001 par value; 100,000 shares authorized,  
issued and outstanding at December 31, 2019; 0 shares authorized, issued  
and outstanding at December 31, 2018

|                                                    |                    |                    |
|----------------------------------------------------|--------------------|--------------------|
|                                                    | 100                | —                  |
| Additional paid in capital                         | —                  | 401,368            |
| Accumulated deficit                                | (3,401,739)        | (2,758,476)        |
| <b>Total stockholders' deficit</b>                 | <b>(3,103,791)</b> | <b>(2,289,260)</b> |
| <b>Total liabilities and stockholders' deficit</b> | <b>\$ 498,014</b>  | <b>\$ 641,457</b>  |

See accompanying notes to unaudited consolidated financial statements.

**ATLANTIC WIND AND SOLAR, INC.**  
**Unaudited Consolidated Statements of Operations**

|                                                   | For the Three Months |              | For the Year       |              |
|---------------------------------------------------|----------------------|--------------|--------------------|--------------|
|                                                   | Ended December 31,   |              | Ended December 31, |              |
|                                                   | 2019                 | 2018         | 2019               | 2018         |
| <b>REVENUE</b>                                    |                      |              |                    |              |
| Sales                                             | \$ 133,443           | \$ 524,361   | \$ 1,272,797       | \$ 1,462,653 |
| Services                                          | 35,644               | 136,121      | 473,156            | 498,921      |
| Total revenue                                     | 169,087              | 660,482      | 1,745,953          | 1,861,574    |
| <b>COSTS OF REVENUE AND OPERATING EXPENSES</b>    |                      |              |                    |              |
| Costs of revenue                                  | 179,049              | 175,025      | 679,781            | 742,189      |
| Operating expenses                                | 561,564              | 320,313      | 1,376,360          | 1,007,142    |
| Total costs of revenue and operating expenses     | 740,613              | 495,338      | 2,056,141          | 1,749,331    |
| Income (loss) from operations                     | (571,564 )           | 165,144      | (310,188 )         | 112,243      |
| Other income (expense)                            |                      |              |                    |              |
| Gain on fair market value of derivative liability | 222,392              | —            | 402,308            | —            |
| Interest expense                                  | (13,293 )            | (25,209 )    | (128,466 )         | (44,975 )    |
| Other income (expense), net                       | 108,758              | (155,736 )   | 175,997            | (105,691 )   |
| Other income (expense), net                       | 317,857              | (180,945 )   | 449,839            | (150,666 )   |
| Loss from operations before income taxes          | (253,707 )           | (15,801 )    | (139,651 )         | (38,423 )    |
| Income tax expense                                | —                    | —            | —                  | —            |
| Net loss                                          | \$ (253,707 )        | \$ (15,801 ) | \$ (139,651 )      | \$ (38,423 ) |
| Basic loss per common share                       | \$ 0.00              | \$ 0.00      | \$ 0.00            | \$ (0.00 )   |
| Diluted loss per common share                     | \$ 0.00              | \$ 0.00      | \$ 0.00            | \$ (0.00 )   |
| Weighted average basic shares outstanding         | 297,848,053          | 67,848,053   | 198,916,546        | 67,848,053   |

|                                             |             |            |             |            |
|---------------------------------------------|-------------|------------|-------------|------------|
| Weighted average diluted shares outstanding | 297,848,053 | 67,848,053 | 198,916,546 | 67,848,053 |
|---------------------------------------------|-------------|------------|-------------|------------|

See accompanying notes to unaudited consolidated financial statements.

**ATLANTIC WIND AND SOLAR, INC.**

**Consolidated Statements of Changes in Stockholders' Equity**  
**(Unaudited)**

**Year Ended December 31, 2019**

|                                                      | <b>Common stock</b> |                 | <b>Preferred Stock</b> | <b>Additional Paid-in</b> | <b>Accumulated</b>     | <b>Total stockholders'</b> |
|------------------------------------------------------|---------------------|-----------------|------------------------|---------------------------|------------------------|----------------------------|
|                                                      | <b>Series A</b>     | <b>Series B</b> | <b>Series A</b>        | <b>Capital</b>            | <b>deficit</b>         | <b>equity</b>              |
| <b>Balance at January 1, 2019</b>                    | \$ 67,848           | \$ —            | \$ —                   | \$ 401,368                | \$ (2,691,128 )        | \$ (2,221,912 )            |
| Related party note payable forgiven                  | —                   | —               | —                      | 17,457                    | —                      | 17,457                     |
| Recapitalization – K.B. Industries, Inc. Acquisition | 230,000             | 100             | —                      | (418,825 )                | (564,911 )             | (753,636 )                 |
| Accrued dividend – Preferred Stock Series A          | —                   | —               | —                      | —                         | (6,049 )               | (6,049 )                   |
| Net loss                                             | —                   | —               | —                      | —                         | (139,651 )             | (139,651 )                 |
| <b>Balance at December 31, 2019</b>                  | <b>\$ 297,848</b>   | <b>\$ 100</b>   | <b>\$ —</b>            | <b>\$ —</b>               | <b>\$ (3,401,739 )</b> | <b>\$ (3,103,791 )</b>     |

**Year Ended December 31, 2018**

|                                     | <b>Common stock</b> |                 | <b>Preferred Stock</b> | <b>Additional Paid-in</b> | <b>Accumulated</b>     | <b>Total stockholders'</b> |
|-------------------------------------|---------------------|-----------------|------------------------|---------------------------|------------------------|----------------------------|
|                                     | <b>Series A</b>     | <b>Series B</b> | <b>Series A</b>        | <b>Capital</b>            | <b>deficit</b>         | <b>equity</b>              |
| <b>Balance at January 1, 2018</b>   | \$ 67,848           | \$ —            | \$ —                   | \$ 401,368                | \$ (2,720,053 )        | \$ (2,250,837 )            |
| Net loss                            | —                   | —               | —                      | —                         | (38,423 )              | (38,423 )                  |
| <b>Balance at December 31, 2018</b> | <b>\$ 67,848</b>    | <b>\$ —</b>     | <b>\$ —</b>            | <b>\$ 401,368</b>         | <b>\$ (2,758,476 )</b> | <b>\$ (2,289,260 )</b>     |

See accompanying notes to unaudited consolidated financial statements.

**ATLANTIC WIND AND SOLAR, INC.**  
**Unaudited Consolidated Statements of Cash Flows**

|                                                                                      | Year ended December 31, |                  |
|--------------------------------------------------------------------------------------|-------------------------|------------------|
|                                                                                      | 2019                    | 2018             |
| <b>Cash flows from operating activities</b>                                          |                         |                  |
| Net loss                                                                             | \$ (139,651)            | \$ (22,622)      |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: |                         |                  |
| Depreciation and amortization expense                                                | 419,335                 | 2,508            |
| Gain on fair market value of derivative liability                                    | (402,308)               | —                |
| Forgiveness of officer compensation payable                                          | (100,000)               | —                |
| Bad debt expense                                                                     | 46,991                  | —                |
| Changes in operating assets and liabilities:                                         |                         |                  |
| Related party interest payable                                                       | 1,129                   | —                |
| Accounts receivable                                                                  | (142,652)               | 80,179           |
| Accounts payable and accrued liabilities                                             | 173,605                 | 7,447            |
| Lease obligation – operating lease                                                   | (49,577)                |                  |
| <b>Net cash used in operating activities</b>                                         | <b>(19,254)</b>         | <b>67,512</b>    |
| <b>Cash flows used in investing activities</b>                                       |                         |                  |
| Purchases of property and equipment                                                  | (3,706)                 | (9,447)          |
| <b>Cash flows from (used in) financing activities</b>                                |                         |                  |
| Proceeds from (repayments of) long-term notes payable, net                           | 18,760                  | (119,924)        |
| Proceeds from related party payables                                                 | 4,200                   | 36,693           |
| <b>Net cash from (used in) financing activities</b>                                  | <b>22,960</b>           | <b>(83,231)</b>  |
| <b>Net change in cash</b>                                                            | <b>4,277</b>            | <b>(25,166)</b>  |
| <b>Cash at beginning of period</b>                                                   | <b>23,186</b>           | <b>42,453</b>    |
| <b>Cash at end of period</b>                                                         | <b>\$ 27,463</b>        | <b>\$ 17,287</b> |
| <b>Supplemental cash flow information</b>                                            |                         |                  |
| Cash paid for interest                                                               | \$ —                    | \$ —             |
| Cash paid for income taxes                                                           | \$ —                    | \$ —             |
| <b>Non-cash operating and financing activities</b>                                   |                         |                  |

|                                             |    |        |    |   |
|---------------------------------------------|----|--------|----|---|
| Related party note payable forgiven         | \$ | 17,457 | \$ | — |
| Dividend payable – Preferred Stock Series A | \$ | 3,025  |    | — |

See accompanying notes to unaudited consolidated financial statements.

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**ATLANTIC WIND AND SOLAR, INC.**  
**Notes to Unaudited Consolidated Financial Statements**

**Note 1 – Organization and Business Operations**

Atlantic Wind and Solar, Inc. (the “Company” or “Atlantic”), located in Toronto, Ontario, was organized on January 13, 1977 under the laws of the state of West Virginia as Aetna Operating Company Inc. The Company changed its name to Atlantic Wind and Solar, Inc. on October 19, 2008.

On June 6, 2019 (the “Merger Date”), Atlantic entered into an Agreement and Plan of Reorganization (the “Merger Agreement”) with K.B. Industries, Inc. (KBI), a Florida corporation that was incorporated on November 15, 2002. Under terms on the Merger Agreement, Atlantic issued a total of 230,000,000 shares of Atlantic’s Series Common Stock and 100,000 shares of Series B Common Stock to KBI shareholders in exchange for 100% of the equity interests of KBI, which became a 100% subsidiary of Atlantic. The transaction was a reverse acquisition by a non-operating shell and therefore accounted for as a capital transaction rather than a business combination. KBI was determined to be the accounting acquirer. The historical financial information is that of KBI and includes Atlantic’s liabilities that were assumed under the Merger Agreement. The historical financial information is that of KBI.

KBI is a Clearwater, Florida-based innovative infrastructure products company that developed and sells an innovative flexible porous paving product, Flexi®-Pave, and a suite of products and solutions designed to solve infrastructure challenges in water treatment and shoreline protection. KBI’s products are installed in several North American locations, including the NASA Space Center on Cape Canaveral, the Indianapolis Motor Speedway, Walt Disney World, Yellowstone National Park, Arlington National Cemetery, Keeneland Race Track, the Smithsonian Institute and the City of Key West, Florida and in the United Kingdom, including Windsor Castle, St. Paul’s Cathedral and the Royal Botanical Gardens at Kew.

**Note 2 - Significant Accounting Policies**

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.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

### Allowance for Doubtful Accounts

We make judgments related to our ability to collect outstanding accounts receivable and unbilled work-in-progress. We provide allowances for receivables when their collection becomes doubtful by recording an expense. We determine the allowance based on our assessment of the realization of receivables using historical information and current economic trends, including assessing the probability of collection from customers. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments owed to us, an increase in the allowance for doubtful accounts would be required. We evaluate the adequacy of the allowance regularly and make adjustments accordingly. Adjustments to the allowance for doubtful accounts could materially affect our results of operations.

**ATLANTIC WIND AND SOLAR, INC.**  
**Notes to Unaudited Consolidated Financial Statements**

**Note 2 - Significant Accounting Policies (continued)**

Property and Equipment

Property and equipment are stated at cost or estimated fair value if acquired in an acquisition, less accumulated depreciation, and are depreciated over their estimated useful lives, or the lease term, if shorter, using the straight-line method. Leasehold improvements are stated at cost, less accumulated amortization, and are amortized over the shorter of the lease term or estimated useful life of the asset. Maintenance and repair costs are expensed as incurred.

We review our long-lived assets, such as property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. We evaluate the recoverability of an asset or asset group by comparing its carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, we recognize an impairment charge as the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Income taxes

We record deferred tax assets and liabilities for the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating losses and tax credit carry-forwards. We measure deferred tax assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We reduce deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that these benefits will not be realized.

We use a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities.

Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

*Level 1* — Quoted prices in active markets for identical assets or liabilities.

*Level 2* — Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* — Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

**ATLANTIC WIND AND SOLAR, INC.**  
**Notes to Unaudited Consolidated Financial Statements**

**Note 2 - Significant Accounting Policies (continued)**

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of accounts receivables. We perform on-going evaluations of customers' financial condition and, generally, require no collateral from customers.

A substantial portion of our revenue is from a limited number of customers, all in the infrastructure construction industry.

For the year ended December 31, 2019, one customer accounted for 13% of revenue from operations. This customer is an infrastructure construction in the U.S. For the year ended December 31, 2018, one customer accounted for 10% of revenue from operations. This customer is a National Park in the U.S.

As of December 31, 2019, three customers accounted for 10%, 13% and 54% of accounts receivables, respectively. As of December 31, 2018, one customer accounted for 73% of accounts receivables.

Revenue Recognition

The Company's financial statements are prepared under the accrual method of accounting. Revenues will be recognized in the period the services are performed and costs are recorded in the period incurred. Revenue is recognized when (1) the evidence of the agreement exists, (2) services have been rendered, (3) the price is fixed or determinable, and (4) collectability is reasonably assured.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") established Topic 842, Leases, by issuing Accounting Standards Update ("ASU") 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; and ASU 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the condensed consolidated statements of operations.

We adopted the new standard on January 1, 2019, its effective date. We used the optional transition method approach with the effective date as the date of initial application. Consequently, prior periods will not be restated, and the disclosures required under ASC 840 will continue to be provided for dates and periods before January 1, 2019.

The new standard provides several optional practical expedients in transition. We elected the 'package of practical expedients', which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs.

The new standard also provides practical expedients for an entity's ongoing accounting. We currently have elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, we will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. We also have elected the practical expedient to not separate lease and non-lease components for all our leases and will not reassess whether initial direct costs qualify for capitalization (see Note 8).

**ATLANTIC WIND AND SOLAR, INC.**  
**Notes to Unaudited Consolidated Financial Statements**

**Note 2 - Significant Accounting Policies (continued)**

Recent Accounting Pronouncements (continued)

The adoption of the standard resulted in the recognition of additional ROU assets and lease liabilities of approximately \$130,000 as of January 1, 2019, that did not change previously reported net income and did not result in a cumulative effect adjustment to accumulated deficit and did not impact cash flows.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326) — Measurement of Credit Losses on Financial Instruments (ASU 2016-13). ASU 2016-13 requires entities to establish an allowance for credit losses for most financial assets. Prior GAAP was based on an incurred loss methodology for recognizing credit losses on financial assets measured at amortized cost and available-for sale debt securities. The update is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 31, 2018. We have not yet completed the full assessment of the impact on our consolidated financial statements or related disclosures, however management does not believe there will be a significant impact.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (ASC 820) — Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 removes certain disclosures, modifies certain disclosures and adds additional disclosures. ASU 2018-13 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2019. Early adoption is permitted. We have not yet completed the full assessment of the impact on our consolidated financial statements or related disclosures, however management does not believe there will be a significant impact.

**Note 3 – Recapitalization**

On the Merger Date, Atlantic and KBI entered into the Merger Agreement and under its terms Atlantic issued 230,000,000 shares of Atlantic Series A Common Stock and 100,000 shares of Series B Common Stock to KBI shareholders (the “Merger Shares”) in exchange for 100% of the equity interests of KBI. As of the Merger date, Atlantic had no assets and \$607,715 in liabilities (the “Assumed Liabilities”) detailed in the table below:

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Accounts payable and accrued liabilities           | \$ 247,137        |
| Convertible note payable                           | 97,332            |
| Related party payables, including accrued interest | 163,246           |
| Series A Preferred Stock loan payable              | 100,000           |
|                                                    | <u>\$ 607,715</u> |

The Series A Common Stock issued was valued at \$0.04 per share, being the closing price of the shares on the day preceding the Merger Date, and the Series B Common Stock, which is not publicly traded and not convertible into Series A Common Stock, was valued at its \$0.001 par value. On the Merger Date, the excess of the market value of the Merger Shares over their par value and the \$607,715 in Assumed Liabilities was charged to Additional Paid-in Capital until the Additional Paid-in Capital balance was reduced to zero and the remainder was charged to Retained Earnings.

## Notes to Unaudited Consolidated Financial Statements

### Note 4 – Related Party Payables

The Company has relied on advanced from and expenses paid by Company shareholders, officers and directors (“Related Parties”). Balances due to Related Parties consisted of the following at December 31, 2019 and 2018:

|                 | December<br>31, 2019 | December 31, 20<br>18 |
|-----------------|----------------------|-----------------------|
| Related Party 1 | \$<br>9,133          | \$<br>-               |
| Related Party 2 | 148,371              | -                     |
| Related Party 3 | 59,529               | 59,529                |
| Related Party 4 | 1,551,512            | 1,547,312             |
|                 | \$ 1,768,545         | \$ 1,606,841          |

The balance due to related party 1 is a demand note payable consisting of a principal amount for expenses paid on behalf of the Company and accrued wages and bears interest at 9% per annum, compounded monthly, until repaid in full. The \$9,132 outstanding balance is included in the Assumed Liabilities. The balance due to related party 2 is a demand note payable consisting of a settlement with a former Atlantic officer and interest at 1.17% per annum. The \$148,371 outstanding balance is included in the Assumed Liabilities. As of December 31, 2019, the Company had a total of \$6,409 in interest payable to the related parties, of which \$5,743 was included in the Assumed Liabilities.

The balances due to related parties 3 and 4 consists of expenses paid on behalf of the Company that are repayable on demand and do not bear interest.

### Note 5 – Convertible Note Payable

Included in the Assumed Liabilities is a convertible note payable that is due on demand by the holder and may be converted at any time at the option of the holder into Common Stock of the Company at a rate equal to a 50% discount from the lowest trading price of the Company’s Common Stock during the 25 trading days immediately prior to conversion. As of December 31, 2019, \$97,332 in note principal is outstanding.

### Note 6 – Loans Payable

KBI has entered into loan agreements to purchase vehicles and working capital used to operate its business. As of December 31, 2019 and December 31, 2018, the loans had outstanding principal balances as follows:

|                                    | December<br>31, 2019 | December 31, 20<br>18 |
|------------------------------------|----------------------|-----------------------|
| Vehicle loans                      | \$ 37,481            | 68,074                |
| Small Business Administration loan | 588,329              | 606,261               |
| Other loans                        | 178,723              | 82,601                |
|                                    | \$ 804,533           | \$ 756,936            |

In February 2017, KBI borrowed \$39,266 to purchase a construction vehicle. The loan bears interest at 5.0% per annum and requires monthly payments of \$759 through February 2021. As of December 31, 2019, the loan principal balance is \$18,465. During 2019, KBI paid off two loans used to purchase vehicles.

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**ATLANTIC WIND AND SOLAR, INC.**  
**Notes to Unaudited Consolidated Financial Statements**

**Note 6 – Loans Payable (continued)**

In October 2019, KBI entered into a bank loan through a Small Business Administration (“SBA”) lending program that replaces a previous bank loan through a SBA lending program. The original principal is \$552,879 and requires monthly payments of \$10,029 through July 2025. As of December 31, 2019, the loan principal balance is \$546,488.

In March 2019, KBI borrowed \$100,000 from a third party lender, of which KBI received \$90,000 in proceeds and paid \$10,000 in closing and financing costs. The loan bears interest at 12.0% per annum and requires monthly payments of \$1,101 through April 2039. As of December 31, 2019, the loan principal balance is \$99,053.

In 2017, KBI borrowed \$35,294 from a third party lender. The loan is subject to administrative, maintenance and other fees. KBI currently makes monthly payments of \$612. As of December 31, 2019, the outstanding balance is \$10,201.

**Note 7 - Stockholders' Equity**Common Stock – Series A

As of the Merger Date, Atlantic had 67,848,053 shares of Series A Common Stock issued and outstanding that is considered as outstanding as of January 1, 2018, the earliest period presented in these unaudited consolidated financial statements. One share of Series A Common Stock is entitled to one vote on matters presented to Common Stock shareholders. On the Merger Date, Atlantic issued 230,000,000 Series A Common Stock shares to the KBI shareholders.

Common Stock - Series B

In 2019, Atlantic's Board of Directors authorized the issuance of 100,000 Series B Common Stock, par value \$0.001 per share. One share of Series B Common Stock is entitled to two hundred votes on matters presented to Common Stock shareholders. On the Merger Date, Atlantic issued 100,000 Series B Common Stock shares to the KBI shareholders.

Series A Preferred Stock

Included in the Assumed Liabilities is 100,000 shares of Series A Preferred Stock, par value \$1.00 per share, that is mandatorily redeemable on December 31, 2019, accrues cumulative dividends at a rate of 12% per annum on the outstanding par value and is convertible to common stock at a 35% discount to the lowest closing price of the common stock for the 30 days immediately prior to conversion. Because the Series A Preferred Stock is mandatorily redeemable and accrues a guaranteed dividend, the Company has determined it contains characteristics of a note payable more so than equity and has classified the \$100,000 value of the Series A Preferred Stock as a liability on its balance sheet. As of December 31, 2019, the Company has \$7,693 in accrued dividends payable on the Series A Preferred Stock, of which \$4,668 was included in the Assumed Liabilities.

**Note 8 – Commitments and Contingencies****Litigation**

From time to time, we are involved in various legal matters arising in the normal course of business. We do not expect the outcome of such proceedings, either individually or in the aggregate, to have a material effect on our financial position, cash flows or results of operations.

## Note 8 – Commitments and Contingencies (continued)

### Leases Commitment

Under Topic 842, operating lease expense is generally recognized evenly over the term of the lease. KBI has an operating lease for its Clearwater, Florida facility that terminates in October 2021. KBI did not enter into any new leases in the year ended December 31, 2019. There was no sublease rental income for the years ended December 31, 2019 and 2018. We paid approximately \$58,000 against Lease obligations in the year ended December 31, 2019. We paid approximately \$58,000 in rent expense for the year ended December 31, 2018.

Our lease agreement does not provide an implicit borrowing rate; therefore, an internal incremental borrowing rate is determined based on information available at lease commencement date for purposes of determining the present value of lease payments. We used the incremental borrowing rate on December 31, 2018 for all leases that commenced prior to that date.

ROU lease asset and lease liability for our operating lease is recorded in the condensed consolidated balance sheet as follows:

|                                                              | As of<br>December 31, 2019 |
|--------------------------------------------------------------|----------------------------|
| Operating leases - right of use assets                       | \$ 82,703                  |
| Accounts payable and accrued liabilities                     | \$ 47,282                  |
| Lease obligations — operating leases, net of current portion | 37,708                     |
| Total lease liability                                        | \$ 84,990                  |
| Weighted average remaining lease term (in years)             | 1.8                        |
| Weighted average discount rate                               | 7.75 %                     |

Future lease payments included in the measurement of lease liabilities on the condensed consolidated balance sheet as of September 30, 2019, for the following five fiscal years and thereafter were as follows:

|                                     | For the year ending<br>December 31, |
|-------------------------------------|-------------------------------------|
| 2020                                | \$ 59,809                           |
| 2021                                | — 51,198                            |
| Total future minimum lease payments | 111,007                             |
| Present value adjustment            | — 26,017                            |
| Total                               | \$ 84,990                           |