BENEFICIAL HOLDINGS, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2021
AND FOR THE THREE MONTHS THEN ENDED
AND
AS OF DECEMBER 31, 2020 AND 2019
AND FOR THE YEARS THEN ENDED

(UNAUDITED)

BENEFICIAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2021	December 31, 2020	December 31, 2019
ASSETS			
Cash	$ 704	$ 108	$ 7
Accounts receivable	346,000	346,000	26,000
Notes receivable	454,107	438,577	380,711
Investment in solar projects	232,436	232,436	232,436
Total assets	**$ 1,033,246**	**$ 1,017,120**	**$ 639,154**
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Liabilities:			
Accounts payable and accrued liabilities	$ 38,950	$ 35,760	$ 23,000
Accrued liabilities- related party	1,838,128	1,612,363	761,443
Accrued liabilities- employees	5,687,970	5,532,470	4,160,470
Series A Notes payable	175,000	175,000	175,000
Note payable- related party	5,911,880	5,911,880	5,911,880
Other notes payable	200,000	200,000	200,000
Total liabilities	13,851,928	13,467,473	11,231,793
Minority Interest	87,218	87,218	87,218
Stockholders' deficit:			
Series B preferred stock, par value $0.000001; 2,000,000 shares authorized; 2,000,000 shares issued and outstanding	20	20	20
Common stock, par value $0.000001; 200,000,000 shares authorized: 941,069 shares issued and outstanding	1	1	1
Additional paid in capital	4,911,936	4,911,936	4,911,936
Accumulated deficit	(17,817,857)	(17,449,528)	(15,591,814)
Total stockholders' deficit	(12,905,900)	(12,537,571)	(10,679,857)
Total liabilities and stockholders' deficit	**$ 1,033,246**	**$ 1,017,120**	**$ 639,154**

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

BENEFICIAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2021	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
Fee Income	$ -	$ 320,000	$ 26,000
Interest income	15,530	57,865	65,847
Total Revenue	15,530	377,865	91,847
Operating expense:			
General and administrative expense	155,594	1,374,659	1,396,993
Interest expense	228,265	860,920	771,443
Total expenses	383,859	2,235,579	2,168,435
Net loss	**$ (368,329)**	**$ (1,857,714)**	**$ (2,076,588)**
Net loss per common share - basic and diluted	$ (0.39)	$ (1.97)	$ (2.21)
Weighted average common shares outstanding - basic and diluted	941,069	941,069	941,069

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

BENEFICIAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EFICIT
(UNAUDITED)

	Series B Preferred Stock		Common Stock		Additional Paid -In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance at December 31, 2018	2,000,000	$ 20	941,069	$ 1	$ 4,911,936	$ (13,515,226)	$ (8,603,269)
Net loss	-	-	-	-	-	(2,076,588)	(2,076,588)
Balance at December 31, 2019	2,000,000	20	941,069	1	4,911,936	(15,591,814)	(10,679,857)
Net loss	-	-	-	-	-	(1,857,714)	(1,857,714)
Balance at December 31, 2020	2,000,000	20	941,069	1	4,911,936	(17,449,528)	(12,537,571)
Net loss	-	-	-	-	-	(368,329)	(368,329)
Balance at March 31, 2021	**2,000,000**	**$ 20**	**941,069**	**$ 1**	**$ 4,911,936**	**$ (17,817,857)**	**$ (12,905,900)**

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

BENEFICIAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2021	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (368,329)	$ (1,857,714)	$ (2,076,588)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Increase in accounts receivable	-	(320,000)	(26,000)
Increase in notes receivable	(15,530)	(57,865)	(65,847)
Accounts payable and accrued liabilities	3,190	12,760	23,000
Accounts payable and accrued liabilities – related party	225,765	850,920	761,443
Acccrued liabilities - employees	155,500	1,372,000	1,372,000
Net cash genreated by/ (used in) operating activities	596	101	(11,993)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from note payable, related party	-	-	11,880
Net cash provided by financing activities		-	11,880
Net change in cash	596	101	(113)
Cash, beginning of year	108	7	119
Cash, end of year	**$ 704**	**$ 108**	**$ 7**

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

BENEFICIAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – ORGANIZATION AND BUSINESS

Beneficial Holdings, Inc., a Nevada Corporation, (the "Company") was incorporated on December 20, 1990. Since its formation, the Company has been engaged in several lines of business.

The Company operates businesses which provide solutions and technology the built environment. As such it competes in the real estate services sector, the infrastructure sector and the clean energy sector.

The Company's common stock is quoted on the OTC Pink Market under the symbol "BFHJ."

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and its controlled joint ventures. All intercompany balances have been eliminated.

The accompanying financial statements have been prepared in conformity with General Accepted Accounting Principles in the United States ("GAAP"), which contemplates continuation of the Company as a going concern, dependent upon the Company's ability, among other matters, to establish itself as a profitable business. As of March 31, 2021, the Company had an accumulated deficit of $17,817,857. For the three months ended March 31, 2021 and for years ended December 31, 2021 and 2019 the Company incurred losses of $368,329, $1,857,714 and $2,076,588, respectively.

Going Concern Uncertainty

The Company has suffered recurring losses from operations and has a working capital deficit that raise substantial doubt about its ability to continue as a going concern. The Company plans to raise cash from public or private debt or equity financing, on an as needed basis and in the longer term, revenues from operations. The Company's ability to continue as a going concern is dependent upon obtaining sufficient financing and attaining profitable operations. However, there can be no assurance that management will be successful in obtaining additional funding or in attaining profitable operations, and therefore, these matters raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties, nor do they include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers amounts held by financial institutions and short-term investments with an original maturity of 90 days or less to be cash and cash equivalents. The Company had no interest-bearing amounts on deposit in excess of federally insured limits at March 31, 2021 and at December 31, 2020 and 2019.

Fair value measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* , defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Any such valuation adjustments are applied consistently over time. Management has determined that it will not, at this time, adopt fair value accounting for nonfinancial assets or liabilities currently recorded in the financial statements. The estimated fair value of the Company's current assets and current liabilities approximates their carrying amount due to their readily available nature and short maturity.

Revenue

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the related temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized when the rate change is enacted. Valuation allowances are recorded to reduce deferred tax assets to the amount that will more likely than not be realized. The Company recognizes the effect of uncertain income tax positions only if the positions are more likely than not of being sustained in an audit, based on the technical merits of the position. Recognized uncertain income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which those changes in judgment occur. The Company recognizes both interest and penalties related to uncertain tax positions as part of the income tax provision.

Earnings per Common Share ("EPS")

Basic EPS is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of common shares outstanding plus all potentially dilutive common shares outstanding during the period. As of March 31, 2021 and at December 31, 2020 and 2019, potentially dilutive common shares consist of options to purchase 32,960,181, 32,960,181 and 25,460,181 shares of the Company's common shares, respectively. Potentially dilutive common shares also include 2,000,000 shares of Series B Preferred Stock convertible to 2,000,000 of common stock at March 31, 2020 and 979,480 shares of common stock at December 31, 2020 and 2019, respectively. The options and preferred stock were excluded from the calculation of the diluted EPS as their inclusion would have been anti-dilutive.

Stock-Based Compensation

The Company recognizes compensation expense for all share-based payments granted based on the grant date fair value estimated. Compensation expense is generally recognized on a straight-line basis over the employee's requisite service period based on the award's estimated lives for fixed awards with ratable vesting provisions.

Use of Estimates

The Company's financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities.

Management evaluates estimates, including those related to contingencies, on an ongoing basis. Estimates are based upon historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Discontinued Operations

The results of operations of a component of the Company that can be clearly distinguished, operationally and for financial reporting purposes, that either has been disposed of or is classified as held for sale is reported in discontinued operations, if the disposal represents a strategic shift that has, or will have, a major effect on the Company's operations and financial results. General corporate overhead is not allocated to discontinued operations for all periods presented. Interest expense on debt required to be repaid as a result of disposal transactions is allocated to discontinued operations.

Subsequent events

The Company's management reviewed all material events from March 31, 2021 through the issuance date of this report for disclosure consideration.

Note 3 – BUSINESS ACTIVITIES

The company has been engaged in the business of providing services to the Built Environment since March, 2012.

From March, 2012 to March, 2020 the Company, through its wholly owned subsidiary, BFHJ Project Solutions, LLC ("Project Solutions") was engaged in managing a small portfolio of multifamily and retail properties in the southeast for a private owner. The multifamily properties were sold in 2014, the retail projects were sold in 2020 and the engagement was terminated upon the final sale.

In 2013 the Company invested $125,000 in a LED lighting manufacturer and installation company (the "LED Company"). The investment was a secured note receivable guaranteed by the principal and secured by all hard assets and intellectual property. The principal pledged his voting control of the LED Company to the Company as part of the transaction. Additionally the principal agreed to merge the LED Company into the Company upon the Company completing a 5,000:1 reverse stock split (the 2013 Reverse Split). The 2013 Reverse Split was competed, however, the principal of the LED Company defaulted on the merger agreement, the Note and several other agreements associated with the transaction. The Company has been successful in obtaining a judgement against LED Company, its subsidiaries and affiliates, as well as the principal of the LED Company. The balance of the Note, along with accrued interest and penalties is $454,106 at March 31, 2021, $438,576 at December 31, 2020 and $380,711 at December 31, 2019. The Company, through its wholly owned subsidiary, Genco International Technologies, LLC ("Genco") is vigorously pursuing collection.

Green Econometrics, LLC ("Green Econ") acted as an advisor to LED Company in the prospective transaction. In conjunction with the default by LED Company as noted above, the Company terminated its agreement to acquire Green Econ for common shares of the Company in December, 2015 and terminated all contractual relationships with Green Econ and the principal of Green Econ.

In January, 2014 the Company through a wholly owned subsidiary, BFHJ Energy Solutions, LLC (“BES”), began development of a solar powered LED streetlight with a Malaysian technology company. Several working prototypes were produced. BES retains rights to the technology.

In January, 2015 the Company, through BES, entered into an agreement with a Taiwanese technology company to jointly develop a sensor based building monitoring system “the Virtual Property Manager^{SM}“ for application in the United States commercial property market. Working prototypes of the sensors were produced as well as monitoring protocols. BES retains rights to the technology and the service mark.

In May, 2015 the Company, through BES, acquired certain assets of a privately held energy conservation measures and solar photovoltaic (“solar pv”) project contractor (the “EPC Company”) for $1,000,000 cash. BES completed all work in process of EPC Company during 2015 and 2016 and terminated the contractor activities of BES.

In July, 2016 the Company formed a wholly-owned clean energy development company (BFHJ Clean Energy. LLC, “Clean Energy”) to pursue opportunities to develop, own and operate solar pv, energy storage, waste to energy and combined heat and power projects.

In August, 2016 the Company, through Clean Energy, entered into a joint venture with a solar development company in Tennessee (the “TVA JV”) to develop six projects, totaling 6 MW, under the Tennessee Valley Authority Solar Solutions Initiative.

In December, 2016 the Company, through Clean Energy, acquired development rights to 8 MW of solar pv projects in New Hampshire for $20,000.

In December, 2017 the Company, through Clean Energy, entered into a series of agreements with a Taiwanese solar panel manufacturer (“Taiwan Solar Company”) to assist Taiwan Solar Company with two solar pv projects in New Hampshire. Additionally, Clean Energy retains the right to acquire the solar pv projects for $3.2M.

In February, 2018 the TVA JV entered into an agreement with a solar project owner (the “CA Solar Company”) to sell three of the projects controlled by the TVA JV to CA Solar Company upon completion. Only one project was completed and sold as the CA Solar Company defaulted on the balance of its agreements. The TVA JV retains all development rights to the remaining 5 projects.

In February, 2018 the Company, through Clean Energy, entered into a contract to sell upwards of 10MW of solar projects in New Hampshire upon completion to CA Solar Company. CA Solar Company defaulted on this agreement in July, 2018. Clean Energy retains all rights to the New Hampshire projects.

In October, 2018 the Company, through Project Solutions, entered into a joint venture with a landowner to develop a 250 unit multifamily rental property in northern New Jersey (the “Bergen JV”). The Bergen JV has entered into various agreements to acquire the land and development rights necessary to develop the project. Project Solutions is currently completing the land assemblage in order to commence the development.

In May, 2019 the Company, through Clean Energy, entered into an agreement with a Korean power engineering company (the “Korean ESS Company”) to jointly develop battery storage projects in the United States.

In December, 2019 the Company, through Clean Energy, entered into an agreement with a Korean electric utility company (the “Korean Utility”) to pursue the acquisition of operating solar projects and develop new solar and battery projects in the United States (the “BFHJ-Korean JV”). Presently the BFHJ-Korean JV is pursuing the acquisition of $280 million of operating solar projects and the development of $1 billion of new solar pv and battery projects. Through June, 2021 the BFHJ-Korean JV has entered into several joint ventures with solar project developers in Nevada and Puerto Rico to develop in excess of 50 MW of solar pv projects and 300MWH of battery storage. The Korean ESS Company is providing engineering support for all battery storage applications.

NOTE 4 – NOTE PAYABLE, RELATED PARTY

The Company maintains a line of credit arrangement with an affiliate of Management (the “Credit Agreement”). The Credit Agreement, as amended, allows the Company to borrow up to $6,500,000 through December 31, 2021 when the Credit Agreement matures and is due and payable. The Credit Agreement bears interest at a rate of 12% per annum, compounded monthly. Substantially all of the Company’s assets are pledged to secure borrowings under the Credit Agreement. A total of $5,911,880 was advanced under the Credit Agreement as of March 31, 2021 and at December 31, 2020 and 2019, respectively. As of March 31, 2021 and at December 31, 2020 and 2019, accrued interest related to the Credit Agreement was $1,838,138, $1,612,363 and $761,443, respectively.

NOTE 5 – SERIES A NOTES PAYABLE

In 2013 the Company issued Series A Notes to third parties for a total of $175,000 in cash. These notes bear interest at a rate of 9% per annum with warrants to purchase 1,400,000 shares of the Company’s common stock at $0.01 per share through December 31, 2033.

NOTE 6 – EQUITY

Preferred Stock

The Company is authorized to issue up to 2,000,000 shares of $0.000001 par value Preferred Stock with designations, rights and preferences determined from time to time by the Board of Directors. Accordingly, the Board of Directors is empowered, without stockholder approval, to issue Preferred Stock with dividend, liquidation, conversion, voting, or other rights which could adversely affect the voting power or other rights of the holders of the Common Stock.

On February 22, 2021 the Company’s board of directors approved a modification to the conversion and voting rights of the Series B Preferred Stock. With this re-designation, the Series B Preferred Stock is convertible into 2,000,000 shares of common stock and pays a dividend of $0.001 per share in arrears, cumulative, commencing August 10, 2021. The Series B Preferred Shares have no voting rights, unless converted into common shares under the provisions of the amended designation.

Common Stock

On February 22, 2021 the Company granted certain holders of options and warrants to acquire the Company’s common stock the ability to offset the exercise price under such agreements against amounts owed to them by the Company, in effect making those agreements a cashless exercise. In June, 2021 two such holders notified the Company that they intend to exercise options to acquire shares under the provisions of the aforementioned grant. Such option and warrant holders hold options and warrants on a total of 15,000,000 shares of the Company’s common stock, *Options/Warrants*

A summary of activities in employee and non-employee options/warrants and the related information is as follows:

	Shares	Weighted Average Exercise Price	Remaining Contractual Term (years)
Outstanding balance, December 31, 2018	27,246,181	$0.07	10.6
Expired without exercise	1,786,000	$0.24	
Outstanding balance, December 31, 2019	25,460,181	$0.05	9.7
Granted	7,500,000	$0.01	5.0
Outstanding balance, December 31, 2020	32,960,181	$0.04	7.7
Granted	-0-		
Outstanding balance, March 31, 2021	32,960,181	$0.04	7.5
Exercisable	32,960,181	$0.04	7.5

NOTE 7 – INCOME TAXES

The Company had federal net operating tax loss carry-forwards ("NOL") of approximately $6,700,000 as of March 31, 2021. The NOL is available to offset future taxable income and begins to expire in 2030. Under Section 382 of the Internal Revenue Code, the NOL will be limited as a result of a change in control.

The Company periodically assesses the likelihood that it will be able to recover its deferred tax assets. The Company considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits. As of March 31, 2021 and at December 31, 2020 and 2019, the Company established valuation allowances equal to the full amount of the net deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

For the three months ended March 31, 2021 and for the years ended December 31, 2020 and 2019, no amounts have been recognized for uncertain tax positions and no amounts have been recognized related to interest or penalties related to uncertain tax positions. The Company has determined that it is not reasonably likely for the amounts of unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company is currently subject to a three-year statute of limitations by major tax jurisdictions.

NOTE 8 – RELATED PARTY TRANSACTIONS

Management of the Company has agreed to defer all compensation payable to them until the Company achieves sustainable operations. Management has deferred compensation for the 12 months ended December 31, 2019 and 2020 in the amounts of $1,372,000 and $1,372,000. An additional $155,000 in compensation has been deferred by Management for the three months ended March 31, 2021. At March 31, 2021 Management has deferred an aggregate of $11,112,275 of compensation under amendments to employment contracts approved by the Company.

As described in Note 4 herein, an affiliate of a member of Management has provided substantial funding to the Company under the terms of a Credit Agreement which is secured by all the assets of the Company.

As described in Notes 6 and 9 herein, two members of Management have notified the Company that they intend to exercise options and warrants to acquire up to 15,000,000 common shares of the Company under the terms of those agreements and offsetting the exercise price of such options and warrants in the aggregate amount of $350,000 against amounts owed them by the Company.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent to March 31, 2021, two members of Management notified the Company that they intend to exercise their options and warrants to acquire up to 15,000,000 common shares of the Company. See also Notes 6 and 8 herein.