UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-37707

iSUN, INC.
(Exact name of registrant as specified in its charter)

Delaware *(State or other jurisdiction of incorporation or organization)*	**47-2150172** *(I.R.S. Employer Identification Number)*
400 Avenue D, Suite 10 **Williston, Vermont** *(Address of Principal Executive Offices)*	**05495** *(Zip Code)*

(802) 658-3378
(Registrant's telephone number)

The Peck Company Holdings, Inc.
4050 Williston Road, Suite 511
South Burlington, VT 05403
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, Par Value $0.001
(Title of class)

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and, (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein and, will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ☐ NO ☒

The aggregate market value of the Common Stock held by non-affiliates as of June 30, 2020 was $19.8 million.

The number of shares of the Registrant’s Common Stock outstanding as March 12, 2021 was 8,478,584.

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SUMMARY RISK FACTORS

Investing in our shares of Common Stock involves numerous risks, including the risks described in "Part I—Item 1A. Risk Factors" of this Annual Report on Form 10-K. Below are some of our principal risks, any one of which could materially adversely affect our business, financial condition, results of operations, and prospects:

- **The impact of the coronavirus pandemic (COVID-19) on general market and economic conditions has yet to be determined and is likely to have a material adverse effect on our business and results of operations.**
- **We have had an extensive and profitable operating history, with the exception of 2019 and 2020, but it may be difficult to accurately evaluate our future business and prospects.**
- **Our management discovered a material weakness in our disclosure controls and procedures and internal control over financial reporting as required to be implemented by Section 404 of the Sarbanes-Oxley Act of 2002.**
- **We may require substantial additional funding which may not be available to us on acceptable terms, or at all. If we fail to raise the necessary additional capital, we may be unable to achieve growth of our operations.**
- **A material reduction in the retail price of traditional utility generated electricity or electricity from other sources could harm our business, financial condition, results of operations and prospects.**
- **Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems.**
- **Our growth strategy depends on the widespread adoption of solar power technology.**
- **Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits and incentives would adversely impact our business.**
- **Our business depends in part on the regulatory treatment of third-party owned solar energy systems.**
- **Our ability to provide solar energy systems to customers on an economically viable basis depends on our ability to help customers arrange financing for such systems.**
- **We may not realize the anticipated benefits of future acquisitions, and integration of these acquisitions may disrupt our business and management.**
- **We may require additional financing to sustain our operations, without which we may not be able to continue operations, and the terms of subsequent financings may adversely impact our stockholders.**
- **The share price of our Common Stock is subject to fluctuation, has been and may continue to be volatile and may decline regardless of our operating performance, resulting in substantial losses for investors who have purchased shares of our Common Stock.**

PART I

Item 1. Business.

Forward-looking Statements

Statements in this Annual Report on Form 10-K that are not historical facts constitute forward-looking statements. Examples of forward-looking statements include statements relating to industry prospects, our future economic performance including anticipated revenues and expenditures, results of operations or financial position, and other financial items, our business plans and objectives, and may include certain assumptions that underlie forward-looking statements. Risks and uncertainties that may affect our future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements include, among other things, those listed under "Risk Factors" and elsewhere in this Annual Report.

These risks and uncertainties include but are not limited to:

- the impact of the COVID-19 pandemic on our business;
- our limited operating history;
- our ability to raise additional capital to meet our objectives;
- our ability to compete in the solar power industry;
- our ability to sell solar power systems;
- our ability to arrange financing for our customers;
- government incentive programs related to solar energy;
- our ability to increase the size of our company and manage growth;
- our ability to acquire and integrate other businesses;
- disruptions to our supply chain from protective tariffs on imported components, supply shortages and/or fluctuations in pricing;
- our ability or inability to attract and/or retain competent employees;
- relationships with employees, consultants, customers, and suppliers; and
- the concentration of our business in one industry in limited geographic areas;

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology.

These statements are subject to business and economic risk and reflect management's current expectations and involve subjects that are inherently uncertain and difficult to predict. Actual events or results may differ materially. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of these statements. We are under no duty to update any of the forward-looking statements after the date of this Annual Report to conform these statements to actual results.

Business Introduction/Summary

We were originally formed on October 8, 2014 as a blank check company under the name Jensyn Acquisition Corp. for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, with one or more businesses or entities. On June 20, 2019, we completed a business combination (the "Reverse Merger and Recapitalization") pursuant to which we acquired Peck Electric Co. ("Peck Electric"). The Business Combination was a reverse merger treated as a recapitalization and that Peck Electric was deemed the accounting acquirer and takes over the historical information for the Company. Following the Reverse Merger and Recapitalization, we became known as The Peck Company Holdings, Inc. We conducted all of our business operations exclusively through our wholly owned subsidiary, Peck Electric, until January 19, 2021.

On January 19, 2021, we completed a business combination (the "Merger Agreement") pursuant to which we acquired iSun Energy LLC ("iSun Energy, LLC"). The Business Combination was an acquisition treated as a merger and reorganization and that iSun Energy, LLC became a wholly owned subsidiary of The Peck Company Holdings, Inc. Following the Merger Agreement, we changed our name to iSun, Inc. (formerly The Peck Company Holdings, Inc,) We now conduct all of our business operations exclusively through our wholly owned subsidiaries, Peck Electric and iSun Energy, LLC.

We are one of the largest commercial solar engineering, procurement and construction ("EPC") companies in the country and are expanding across the Northeastern United States. We were a second-generation family business founded under the name Peck Electric Co. in 1972 as a traditional electrical contractor. Our core values were and still are to align people, purpose, and profitability, and since taking leadership in 1994, Jeffrey Peck, our Chief Executive Officer, has applied such core values to expand into the solar industry. Today, we are guided by the mission to facilitate the reduction of carbon emissions through the expansion of clean, renewable energy and we believe that leveraging such core values to deploy resources toward profitable business is the only sustainable strategy to achieve these objectives.

The world recognizes the need to transition to a reliable, renewable energy grid in the next 50 years. Vermont and Hawaii are leading the way in the U.S. with renewable energy goals of 75% by 2032 and 100% by 2045, respectively. California committed to 100% carbon-free energy by 2045. The majority of the other states in the U.S. also have renewable energy goals, regardless of current Federal solar policy. We are a member of Renewable Energy Vermont, an organization that advocates for clean, practical and renewable solar energy. We intend to use near-term incentives to take advantage of long-term, sustainable energy transformation with a commitment to the environment and to our shareholders. Our triple bottom line, which is geared towards people, environment, and profit, has always been our guide since we began installing renewable energy and we intend that it remain our guide over the next 50 years as we construct our energy future.

We primarily provide EPC services to solar energy customers for projects ranging in size from several kilowatts for residential loads to multi-megawatt systems for large commercial and utility projects. To date, we have installed over 125 megawatts of solar systems since inception and are focused on profitable growth opportunities. We believe that we are well-positioned for what we believe to be the coming transformation to an all renewable energy economy. As a result of the completion of the Reverse Merger and Recapitalization, we have now opened our family company to the public market as part of our strategic growth plan. We are expanding across the Northeastern United States to serve the fast-growing demand for clean renewable energy. We are open to partnering with others to accelerate our growth process, and we are expanding our portfolio of company-owned solar arrays to establish recurring revenue streams for many years to come. We have established a leading presence in the market after five decades of successfully serving our customers, and we are now ready for new opportunities and the next five decades of success.

We manage our business through our construction operations and offer our EPC services and products consisting of solar, electrical and data installations. Approximately 80% of our revenue is derived from our solar EPC business, approximately 18% of revenue is derived from our electrical and data business and approximately 2% of revenue is currently derived from recurring revenue of Company-owned solar arrays. Recently our growth has been derived by increasing our solar customer base starting in 2013 and by continuing to serve the needs of existing electrical and data customers. We have installed some of the largest commercial and utility-scale solar arrays in the State of Vermont. Our union crews are expert constructors, and union access to an additional workforce makes us ready for rapid expansion to other states while maintaining control of operating costs. The skillset provided by our workforce is transferrable among our service offerings depending on current demand.

We also make investments in solar development projects and currently own approximately three megawatts of operating solar arrays operating under long-term power purchase agreements. These long-term recurring revenue streams, combined with our in-house development and construction capabilities, make this asset class a strategic long-term investment opportunity for us.

We have a three-pronged growth strategy that includes (1) organic expansion across the Northeastern United States, (2) conducting accretive merger and acquisition transactions to expand geographically, and (3) investing into Company-owned solar assets.

Consummation of the Business Combinations

On January 19, 2021, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") by and among the Company, Peck Mercury, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (the "Merger Sub"), iSun Energy LLC, a Delaware limited liability company ("iSun Energy, LLC"), the sole member of which was Sassoon M. Peress ("Peress"), and Peress, pursuant to which the Merger Sub merged with and into iSun Energy LLC (the "Merger") with iSun Energy LLC as the surviving company in the Merger and iSun Energy LLC becoming a wholly-owned subsidiary of the Company. In connection with Merger, Peress will receive 400,000 shares of the Company's Common Stock over five years, 200,000 shares of which were issued at the closing, warrants to purchase up 200,000 shares of the Company's Common Stock, and up to 240,000 shares of the Company's Common Stock based on certain performance milestones.

iSun Energy LLC offers products and services designed to support the growing electric vehicle and smart city markets. The flagship iSun Energy & Mobility Hub is the result of 30 years of passion, dedication, and innovation through sustainability. The iSun solar EV carport charging systems incorporate solar panels to charge electric vehicles while providing unparalleled software insights into data surrounding the energy produced, consumed, air quality effects and other key metrics. The iSun Oasis Smart Solar Bench is expected to be an integral part in developing smart cities and campuses and has the ability to charge any mobile device through integrated solar panels that collect and store energy throughout the day. iSun's accompanying data platform allows for monitoring and analysis of key metrics through built in IoT (Internet of Things) sensors. The platform also affords both physical and digital advertising and branding, for additional recurring revenue opportunities. iSun's Augmented Reality 3D software platform helps clients visualize their projects before they are built, making it easy for our clients to adopt sustainable solutions and to understand their impact on sustainability.

As disclosed on our Current Report on Form 8-K filed with the SEC on June 26, 2019, on June 20, 2019 (the "Closing Date"), the Company consummated the previously announced business combination (the "Reverse Merger and Recapitalization") following a Special Meeting of its Stockholders held on June 19, 2019 (the "Special Meeting"), where the stockholders of the Company considered and approved, among other matters, a proposal to adopt that certain Share Exchange Agreement, dated as of February 26, 2019 (the "Exchange Agreement"), by and among Jensyn, Peck Electric Co., a Vermont corporation ("Peck Electric"), and Peck Electric's stockholders (the "Stockholders"). "Jensyn" refers to the Company prior to the closing of the Reverse Merger and Recapitalization (the "Closing"). In connection with the Closing and pursuant to the Exchange Agreement, among other things, the Company changed its name from "Jensyn Acquisition Corp." to "The Peck Company Holdings, Inc."

In connection with the Closing, Jensyn issued 3,234,501 shares of Jensyn's Common Stock to the Stockholders in exchange for all of the equity securities of Peck Electric, and Peck Electric became a wholly-owned subsidiary of the Company.

The Company redeemed a total of 492,037 shares of its Common Stock pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation resulting in a total payment to redeeming stockholders of $5,510,814.

In connection with the Reverse Merger and Recapitalization, the Company issued 493,299 shares of Common Stock in exchange for the cancellation of approximately $5,618,675 of obligations and, as contemplated by the Exchange Agreement, certain insiders and their transferees agreed to forfeit and cancel 281,758 shares of Common Stock.

Upon the Closing and after giving effect to the issuances, redemptions and forfeitures of Common Stock described above, and the conversion of 4,194,500 rights to purchase Common Stock into 419,450 shares of Common Stock, there were:

- warrants exercisable for 2,097,250 shares of Common Stock, consisting of 3,900,000 warrants originally sold as part of units in the Jensyn IPO and 294,500 warrants sold as part of the units issued in a private placement simultaneously with the consummation of the Jensyn IPO. Each warrant entitled its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share).

- Warrants exercisable for 195,000 shares of Common Stock, consisting of 390,000 warrants originally sold as part of Firm Units in the IPO. Each warrant entitled its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share).

- Purchase option for 390,000 Units was originally sold as part of the IPO. Each Unit has an exercise price of $12.00 per Unit and consists of the following:

  - One share of Common Stock

  - One right to receive one-tenth (1/10) of a share of Common Stock issued upon exercise of the Unit

  - One warrant entitling its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share).

Prior to the Reverse Merger and Recapitalization, we were a “shell company” (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended). As a result of the Reverse Merger and Recapitalization, we have ceased to be a “shell company” and have continued the existing business operations of the Company as a publicly traded company under the name “iSun, Inc.” (formerly The Peck Company Holdings, Inc.). The business combination was a reverse merger treated as a recapitalization and that, Peck Electric was deemed the accounting acquirer and took over the historical information for the Company.

Market Overview

We believe that a global energy transformation is occurring now as the world shifts from fossil fuels to clean renewable energy. Technology is available with proven reliability and low enough cost to allow widespread adoption. Bloomberg New Energy Finance is a leading provider of primary research on clean energy, advanced transport, digital industry, innovative materials, and commodities. Their annual summit in New York in March 2019 included many discussions by leaders that corroborate the long-term growth opportunities around the clean energy transformation well underway now and through 2050.

The solar industry is positioned for rapid growth. More than 80% of Peck Electric’s revenue mix is from solar array installations. Industry reports forecast a sharp acceleration in solar installations through 2050, and the US Energy Information Association noted in its 2019 outlook that it expects solar energy production to reach 48% of the overall mix of renewable energy production by 2050, from just 13% in 2018. The drivers of this acceleration include the declining cost of solar array equipment, a heightened focus on clean renewable energy production, and the consistent increase in demand of electric energy. We are uniquely positioned to benefit from this rapid escalation in solar array installations, given our 47-year history as a full service electric contractor and our existing, highly scalable and historically profitable solar installation business in Vermont.

Strategically positioned geographically in the Northeastern United States. We have historically operated exclusively in Vermont, which is one of the most attractive states for investment in solar arrays, with industry analysis suggesting over a 14% internal rate of return ("IRR") on solar investment in the state and an 8-year project payback. Almost the entirety of the Northeast region of the country is ranked in the top 10 markets based on return metrics to the array owner, including the top 3 markets which include Massachusetts (1), New Jersey (2), and Rhode Island (3), in addition to New York, which is the largest regional market and ranked 8th. By leveraging our existing infrastructure and labor relationships with the IBEW, we are uniquely positioned to expand into these important addressable markets with limited investment in additional infrastructure or capital equipment.

Our capabilities allow for expansion into high-growth adjacent markets . We hold a rich history as a business in operation in Vermont for 47 years. We began operations as a traditional electric contractor and hold a wide range of capabilities to install electric equipment for a variety of end uses. Today, these core capabilities have developed our business in solar array installation, traditional electric, and data services. We can deploy these capabilities to other large, rapidly growing clean/renewable end markets; namely electric vehicle ("EV") charging stations and energy storage. The rapid proliferation of EV charging stations has followed the shift in auto sales to electronic vehicles, and the EV charging market is expected to expand to over $30 billion by 2024 with a CAGR of 40% over the 5-year period. Energy storage measured by megawatts expanded by 44% year-over-year in 2018 and is projected to grow into a $4.7 billion market by 2024. Both of these markets represent adjacent, high growth expansion opportunities for us, and both require minimal investment of resources, infrastructure or capital spend given its complementary nature to our existing capabilities.

Strategy

Our strategic areas for growth include (1) organic growth by leveraging existing relationships to expand across the Northeast (2) accretive mergers and acquisitions of profitable businesses to expand geographic footprint, capabilities, and cash flow, and (3) investment into solar arrays that produce a steady stream of recurring revenue.

Organic growth from our existing customers will come from national developers requesting EPC services for project sizes ranging from the residential to the utility scale. The ideal project size range for us is from 100 kilowatts to 10 megawatts, which is considered commercial to small utility and is where the scale, margin, and risk are optimized. In addition, we can remain opportunistic for smaller residential projects when marketing costs are minimized or for larger utility projects when margins can be preserved.

Accretive mergers and acquisitions activity is an important focus for us in order to accelerate revenue growth and cash flow. While geographic expansion is prioritized for the Northeastern United States, prudent acquisitions in other geographies will also be considered depending on the strategic fit and profitability characteristics.

The goal of solar array asset investments is long-term recurring revenue from the sale of power produced by the array asset. Our EPC capabilities provide the Company with a unique investment opportunity in the renewable energy space because we can enter the solar array value chain at any scale or stage. De-risked fully-operational solar arrays with reliable off-takers can be purchased by and operated by us. We believe that, at this end-stage, an IRR may be achieved in the range of 9% to 13%. However, higher returns of up to 20% IRR may be achieved with prudent investments in developed projects with permitting and off-takers that only require construction by the EPC. Further, returns of 20% IRR or more may be achieved if we develop a project internally with a low-risk, long-term off-taker. We believe we have the flexibility and capability to be opportunistic about prudent solar array asset investments at any stage.

Employees

As of March 12, 2021, we employed approximately 150 full-time employees. We may also utilize outside subcontractors to assist with installing solar systems for our commercial and residential customers. Our direct installation labor is a combination of employees and contract labor.

We have direct access to unionized labor, which provides a unique advantage for growth, because workforce resources can be scaled efficiently utilizing local labor unions in other states to meet specific project needs in other states without increasing fixed labor costs for us.

Financing

To promote sales, we assist customers in obtaining financing options. Our objective is to arrange the most flexible terms that meet the needs and wants of the customer. Although we do not directly provide financing, we have relationships to arrange financing with numerous private and public sources, including the Vermont State Employees Credit Union, which offers VGreen financing to maximize solar investment savings.

We believe it is best for customers to own their own systems, but some customers prefer not to own their systems. We also have the ability to arrange financing with third parties through power purchase agreements and leases for our customers.

Suppliers

We purchase solar panels, inverters and materials directly from multiple manufacturers and through distributors. We intend to further coordinate purchases and optimize supply relationships to realize the advantages of greater scale.

If one or more of our suppliers fail to meet our supply needs, ceases or reduces production due to its financial condition, acquisition by a competitor or otherwise, it may be difficult to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and our ability to satisfy this demand may be adversely affected. We do not, however, rely on any single supplier and our management believes that we can obtain needed solar panels and materials from a number of different suppliers. Accordingly, we believe that the loss of any single supplier would not materially affect our business.

We also utilize strategic companies with subcontractors for electrical installations, for racking and solar panel installations, as well as numerous subcontractors for grading, landscaping, and construction for our commercial, and industrial customers.

Installation

We are a licensed contractor in the markets that we serve, and we are responsible for every customer installation. We manage the entire process from permitting through inspection to interconnection to the power grid, thereby making the system installation process simple and seamless for its customers. Controlling every aspect of the installation process allows us to minimize costs, ensure quality and deliver high levels of customer satisfaction.

Even with controlling every aspect of the installation process, the ability to perform on a contract is subject to limitations. There remain jurisdictional approval processes outside our immediate control including, but not limited to, approvals of city, county, state or Federal government bodies or one of their respective agencies. Other aspects outside of our direct control include approvals from various utility companies and weather conditions.

After-Sales Support

It is our intent to provide continuing operation and maintenance services for our installed residential and commercial solar systems. We provide extended factory equipment technical support and act as a service liaison using our proprietary knowledge, technology, and solar electric energy engineering staff. We do this through a 5-year limited workmanship warranty and operations and maintenance program, which among other things, provides a service and technical support line to our customers. We generally respond to our job site related issues within 24 hours and offer assistance as long as required to maintain customer satisfaction. Our price to customers includes this warranty, and also includes the pass through of various manufacturers' warranties that are typically up to 25 years.

Customers

Currently, the majority of our revenue comes from commercial and small utility solar installations ranging in size from 100 kilowatts to 10 megawatts. We have experience that this size of project optimizes margin scale, and risk. Opportunistically, we also install residential scale projects (8 kilowatts to 20 kilowatts) when marketing costs are minimal or not required. Large utility scale projects over 10 megawatts can also be opportunistically selected when margins can be preserved.

Approximately 83% of our sales in 2020 were in commercial and small utility solar projects. Approximately 0.5% of revenues were generated by residential installations in 2020. In 2019, approximately 77% of our sales were in commercial and small utility solar projects, while approximately 3% of revenues came from residential solar. We expect that these percentages will vary from year to year.

We believe that we have an advantage in the commercial solar market in Vermont given our extensive contact list, resulting from our experience in the commercial and industrial construction market, which also provides access to customers that trust us. Through our network of vendors, participation in variety of industry trade associations and independent sales consultants, we now have a growing list of repeat clients, as well as an active and loyal referral network.

Competitors

In the solar installation market, we compete with companies that offer products similar to our products. Some of these companies have greater financial resources, operational experience, and technical capabilities than we do. When bidding for solar installation projects, however, our current experience suggests that we are the dominant or preferred competitor in the markets in which we compete. We do not believe that any competitor has more than 10% of the market across all the areas in which we currently operate. We compete with other solar installers on our expertise and proven track record of performance. Also, pricing, service and the ability to arrange financing may be important for a project award.

Seasonality

We often find that some customers tend to book projects by the end of a calendar year to realize the benefits of available subsidy programs prior to year-end. This results in third and fourth quarter sales being more robust usually at the expense of the first quarter. In the future, this seasonality may cause fluctuations in financial results. In addition, other seasonality trends may develop and the existing seasonality that we experience may change. Weather can also be an important factor affecting project timelines.

Technology and Intellectual Property

Generally, the solar EPC business is not dependent on intellectual property.

Government Regulation and Incentives

Government Regulation

We are not regulated as a public utility in the United States under applicable national, state or other local regulatory regimes where we conducts business.

To operate our systems, we obtain interconnection permission from the applicable local primary electric utility. Depending on the size of the solar energy system and local law requirements, interconnection permission is provided by the local utility and we and/or our customer. In almost all cases, interconnection permissions are issued on the basis of a standard process that has been pre-approved by the local public utility commission or other regulatory body with jurisdiction over net metering procedures. As such, no additional regulatory approvals are required once interconnection permission is given.

Our operations are subject to stringent and complex federal, state and local laws, including regulations governing the occupational health and safety of our employees and wage regulations. For example, we are subject to the requirements of OSHA, the DOT and comparable state laws that protect and regulate employee health and safety.

Government Incentives

Federal, state and local government bodies provide incentives to owners, end users, distributors, system integrators and manufacturers of solar energy systems to promote solar energy in the form of rebates, tax credits and other financial incentives such as system performance payments**,** payments for renewable energy credits associated with renewable energy generation and exclusion of solar energy systems from property tax assessments. These incentives enable Peck Electric to lower the price it charges customers to own or lease, our solar energy systems, helping to catalyze customer acceptance of solar energy as an alternative to utility-provided power.

The federal government currently offers a 26% investment tax credit ("ITC") under Section 48(a) of the Internal Revenue Code for the installation of certain solar power facilities until December 31, 2022, after which it will fall to 22% in 2023 and 10% in 2024.

The economics of purchasing a solar energy system are also improved by eligibility for accelerated depreciation, also known as the modified accelerated cost recovery system, or MACRS, depreciation, which allows for the depreciation of equipment according to an accelerated schedule set forth by the Internal Revenue Service. The acceleration of depreciation creates a valuable tax benefit that reduces the overall cost of the solar energy system and increases the return on investment.

Approximately 50% of states in the U.S. offer a personal and/or corporate investment or production tax credit for solar energy that is additive to the ITC. Further, these states, and many local jurisdictions, have established property tax incentives for renewable energy systems that include exemptions, exclusions, abatements, and credits. Many state governments, traditional utilities, municipal utilities and co-operative utilities offer a rebate or other cash incentive for the installation and operation of a solar energy system or energy efficiency measures. Capital costs or "up-front" rebates provide funds to solar customers based on the cost, size or expected production of a customer's solar energy system. Performance-based incentives provide cash payments to a solar energy system owner based on the energy generated by their solar energy system during a pre-determined period, and they are paid over that time period. Depending on the cost of the system and other site-specific variables, tax incentives can typically cover 30-40% of the cost of a commercial or residential solar system.

Many states also have adopted procurement requirements for renewable energy production that requires regulated utilities to procure a specified percentage of total electricity delivered to customers in the State from eligible renewable energy sources, such as solar energy systems, by a specified date.

Corporate Information

Our address is 400 Avenue D, Suite 10, Williston, VT 05495 and our telephone number is (802) 658-3378. Our corporate website is: *www.isunenergy.com*. The content of our website shall not be deemed incorporated by reference in this Annual Report.

Item 1A. Risk Factors.

An investment in our Common Stock involves significant risks. You should carefully consider the risk factors contained in this Annual Report and in our filings with the SEC before you decide to invest in our Common Stock. Our business, prospects, financial condition and results of operations may be materially and adversely affected as a result of any of such risks. The value of our Common Stock could decline as a result of any of these risks. You could lose all or part of your investment in our Common Stock. Some of our statements in sections entitled "Risk Factors" are forward-looking statements. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

The impact of the coronavirus pandemic (COVID-19) on general market and economic conditions has yet to be determined and is likely to have a material adverse effect on our business and results of operations.

As of the date of this Annual Report on Form 10-K, the coronavirus pandemic (COVID-19) has resulted in widespread disruption to capital markets and general economic and business climate. It is too early for us to predict the long-term effects of this health crisis. In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China. On March 16, 2020, in response to intensifying efforts to contain the spread of COVID-19, we temporarily limited access to headquarters and began implementing remote work environments for our employees. On March 25, 2020, we closed our headquarters and advised all employees to work remotely until more guidance is provided. On August 1, 2020, we reopened our headquarters on a limited basis with the proper workplace safety protocols in place while allowing all employees to continue remote work at their discretion. We continue to monitor the outbreak of COVID-19 to help ensure the health and safety of our associates and our customers. We are also continuing to communicate with our suppliers regarding the flow of product and potential temporary effects on our supply chain. On March 12, 2021, Governor Phil Scott extended Vermont's State of Emergency and all existing mitigation orders and closures until April 15, 2021. Given the dynamic nature of these circumstances, the duration of business disruption and the related financial affect cannot be reasonably estimated at this time. We continue to provide service and maintenance in support of critical infrastructure including utilities and telecommunications. The extent to which COVID-19 affects our results, or those of our suppliers, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions and related costs to contain or treat it, among others.

Risks Related to Our Financial Position and Capital Requirements

We have had an extensive and profitable operating history, with the exception of 2019 and 2020, but it may be difficult to accurately evaluate our future business and prospects.

Although we were founded in 1972, we did not begin selling solar systems until 2013 when our management believed that solar asset investment was profitable. Our management believes that our success will depend in large part on our ability to continue to successfully sell solar systems in the Northeast and in other states against determined competition, and to consummate synergistic acquisitions. No assurance can be given that we will operate profitably or that we will have adequate working capital to meet our obligations as they become due.

Our management discovered a material weakness in our disclosure controls and procedures and internal control over financial reporting as required to be implemented by Section 404 of the Sarbanes-Oxley Act of 2002.

We are currently subject to Section 404 of the Sarbanes-Oxley Act of 2002 and are required to provide management's attestation on internal controls. Our management has identified control deficiencies and the need for a stronger internal controls environment relating to revenue activities. The ineffectiveness of the design, implementation and operation of the controls surrounding these matters creates a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis. Accordingly, our management concluded that this deficiency represents a material weakness in our internal control over financial reporting as of December 31, 2020. Although our management has taken significant steps to remediate this weakness, our management can give no assurance yet that all the measures it has taken will on a permanent and sustainable basis remediate the material weaknesses in our disclosure controls and procedures and internal control over financial reporting or that any other material weaknesses or restatements of financial results will not arise in the future. We plan to take steps to remedy this material weakness. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in the future, we will not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our Common Stock.

We may require substantial additional funding which may not be available to it on acceptable terms, or at all. If we fail to raise the necessary additional capital, we may be unable to achieve growth of our operations.

The Company was not profitable in 2019 and 2020. In order to grow our operations, we may increase our spending to fund our operating expenses and capital expenditures.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue our organic growth or corporate acquisitions. Any of these events could significantly harm our business, financial condition, and strategy.

In order to carry out our business plan and implement our strategy, we anticipate that we will need to obtain additional financing from time to time, and we may choose to raise additional funds through strategic collaborations, public or private equity or debt financing, bank lines of credit, asset sales, government grants, or other arrangements. Our management cannot be sure that any additional funding, if needed, will be available on favorable terms or at all. Furthermore, any additional equity or equity-related financing obtained may be dilutive to our stockholders, and debt or equity financing, if available, may subject us to restrictive covenants and significant interest costs.

An inability to raise capital when needed could harm our business, financial condition and results of operations, and could cause our stock price to decline or require that it cease operations.

Risks Related to Our Business and Industry

A material reduction in the retail price of traditional utility generated electricity or electricity from other sources could harm our business, financial condition, results of operations and prospects.

Our management believes that a significant number of our customers decide to buy solar energy because they want to pay less for electricity than what is offered by the traditional utilities.

The customer's decision to choose solar energy may also be affected by the cost of other renewable energy sources. Decreases in the retail prices of electricity from the traditional utilities or from other renewable energy sources would harm our ability to offer competitive pricing and could harm our business. The price of electricity from traditional utilities could decrease as a result of:

- construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy or other generation technologies;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; or
- development of new energy generation technologies that provide less expensive energy.

A reduction in utility electricity prices would make the purchase or the lease of our solar energy systems less economically attractive. If the retail price of energy available from traditional utilities were to decrease due to any of these reasons, or other reasons, we would be at a competitive disadvantage, may be unable to attract new customers and our growth would be limited.

Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems.

Federal, state and local government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned electricity generation. In the United States, governments and utilities continuously modify these regulations and policies. These regulations and policies could deter customers from purchasing renewable energy, including solar energy systems. This could result in a significant reduction in the potential demand for our solar energy systems. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase our customers' cost to use our systems and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by solar energy systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, would require us to lower the price of our solar energy systems to compete with the price of electricity from the electric grid.

In addition, any changes to government or internal utility regulations and policies that favor electric utilities could reduce our competitiveness and cause a significant reduction in demand for our products and services. For example, certain jurisdictions have proposed assessing fees on customers purchasing energy from solar energy systems or imposing a new charge that would disproportionately impact solar energy system customers who utilize net metering, either of which would increase the cost of energy to those customers and could reduce demand for our solar energy systems. It is possible charges could be imposed on not just future customers but our existing customers, causing a potentially significant consumer relations problem and harming our reputation and business. Due to the current concentration of our business in Vermont, any such changes in these markets would be particularly harmful to our business, results of operations, and future growth.

Our growth strategy depends on the widespread adoption of solar power technology.

The market for solar power products is emerging and rapidly evolving, and our future success is uncertain. If solar power technology proves unsuitable for widespread commercial deployment or if demand for solar power products fails to develop sufficiently, we would be unable to generate enough revenues to achieve and sustain profitability and positive cash flow. The factors influencing the widespread adoption of solar power technology include but are not limited to:

- cost-effectiveness of solar power technologies as compared with conventional and non-solar alternative energy technologies;
- performance and reliability of solar power products as compared with conventional and non-solar alternative energy products;
- fluctuations in economic and market conditions which impact the viability of conventional and non-solar alternative energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- continued deregulation of the electric power industry and broader energy industry; and
- availability of governmental subsidies and incentives.

Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits and incentives would adversely impact our business.

U.S. federal, state and local government bodies provide incentives to end users, distributors, system integrators and manufacturers of solar energy systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments and payments for renewable energy credits associated with renewable energy generation. These governmental rebates, tax credits and other financial incentives enhance the return on investment for our customers and incent them to purchase solar systems. These incentives enables us to lower the price that we charge customers for energy and for solar energy systems. However, these incentives may expire on a particular date, end when the allocated funding is exhausted, or be reduced or terminated as solar energy adoption rates increase. These reductions or terminations often occur without warning.

Reductions in, or eliminations or expirations of, governmental incentives could adversely impact our results of operations and our ability to compete in our industry, causing us to increase the prices of our solar energy systems, and reducing the size of our addressable market. In addition, this would adversely impact our ability to attract investment partners and to form new financing funds and our ability to offer attractive financing to prospective customers.

Our business depends in part on the regulatory treatment of third-party owned solar energy systems.

Our leases and any power purchase agreements are third-party ownership arrangements. Sales of electricity by third parties face regulatory challenges in some states and jurisdictions. Other challenges pertain to whether third-party owned systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems, whether third-party owned systems are eligible at all for these incentives, and whether third-party owned systems are eligible for net metering and the associated significant cost savings. Reductions in, or eliminations of, this treatment of these third-party arrangements could reduce demand for our systems, adversely impact our access to capital and could cause us to increase the price that we charge our customers for energy.

Our ability to provide solar energy systems to customers on an economically viable basis depends on our ability to help customers arrange financing for such systems.

Our solar energy systems have been eligible for federal investment tax credits or U.S. Treasury grants, as well as depreciation benefits. We have relied on, and will continue to rely on, financing structures that monetize a substantial portion of those benefits and provide financing for our solar energy systems. With the lapse of the U.S. Treasury grant program, we anticipate that our customers' reliance on these tax-advantaged financing structures will increase substantially. If, for any reason, our customers were unable to continue to monetize those benefits through these arrangements, we may be unable to provide and maintain solar energy systems for new customers on an economically viable basis.

The availability of this tax-advantaged financing depends upon many factors, including, but not limited to:

- the state of financial and credit markets;
- changes in the legal or tax risks associated with these financings; and
- non-renewal of these incentives or decreases in the associated benefits.

U.S. Treasury grants are no longer available for new solar energy systems. Changes in existing law and interpretations by the Internal Revenue Service and the courts could reduce the willingness of funding sources to provide funds to customers of these solar energy systems. We cannot assure you that this type of financing will be available to our customers. If, for any reason, we are unable to find financing for solar energy systems, we may no longer be able to provide solar energy systems to new customers on an economically viable basis. This would have a material adverse effect on our business, financial condition, and results of operations.

Rising interest rates could adversely impact our business.

Increases in interest rates could have an adverse impact on our business by increasing our cost of capital, which would increase our interest expense and make acquisitions more expensive to undertake.

Further, rising interest rates may negatively impact our ability to arrange financing for our customers on favorable terms to facilitate our customers' purchases of our solar energy systems. The majority of our cash flows to date have been from the sales of solar energy systems. Rising interest rates may have the effect of depressing the sales of solar energy systems because many consumers finance their purchases.

As a result, an increase in interest rates may negatively affect our costs and reduce our revenues, which would have an adverse effect on our business, financial condition, and results of operations.

If we cannot compete successfully against other solar and energy companies, we may not be successful in developing our operations and our business may suffer.

The solar and energy industries are characterized by intense competition and rapid technological advances, both in the United States and internationally. We compete with solar companies with business models that are similar to ours. In addition, we compete with solar companies in the downstream value chain of solar energy. For example, we face competition from purely finance driven organizations that acquire customers and then subcontract out the installation of solar energy systems, from installation businesses that seek financing from external parties, from large construction companies and utilities, and increasingly from sophisticated electrical and roofing companies. Some of these competitors specialize in the residential solar energy market, and some may provide energy at lower costs than we do. Further, some competitors are integrating vertically in order to ensure supply and to control costs. Many of our competitors also have significant brand name recognition and have extensive knowledge of our target markets.

If we are unable to compete in the market, we will have an adverse effect on our business, financial condition, and results of operations.

Adverse economic conditions may have material adverse consequences on our business, results of operations and financial condition.

Unpredictable and unstable changes in economic conditions, including recession, inflation, increased government intervention, or other changes, may adversely affect our general business strategy. We rely upon our ability to generate additional sources of liquidity and we may need to raise additional funds through public or private debt or equity financings in order to fund existing operations or to take advantage of opportunities, including acquisitions of complementary businesses or technologies. Any adverse event would have a material adverse impact on our business, results of operations and financial condition.

Our business is concentrated in certain markets, putting it at risk of region-specific disruptions.

As of December 31, 2020, a vast majority of our total installations were in New England. Our management expects our near-term future growth to occur throughout the Northeastern United States, and to further expand our customer base and operational infrastructure. Accordingly, our business and results of operations are particularly susceptible to adverse economic, regulatory, political, weather and other conditions in such markets and in other markets that may become similarly concentrated.

If we are unable to retain and recruit qualified technicians and advisors, or if our key executives, key employees or consultants discontinue their employment or consulting relationship with us, we may delay our development efforts or otherwise harm our business.

We may not be able to attract or retain qualified management or technical personnel in the future due to the intense competition for qualified personnel among solar, energy, and other businesses. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract, retain, and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the successful development of any product candidates, our ability to raise additional capital, and our ability to implement our overall business strategy.

We are highly dependent on members of our management and technical staff. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level, and senior managers as well as junior, mid-level, and senior technical personnel. The loss of any of our executive officers, key employees, or consultants and our inability to find suitable replacements could potentially harm our business, financial condition, and prospects. We may be unable to attract and retain personnel on acceptable terms given the competition among solar and energy companies. Certain of our current officers, directors, and/or consultants hereafter appointed may from time to time serve as officers, directors, scientific advisors, and/or consultants of other solar and energy companies. We do not maintain “key man” insurance policies on any of our officers or employees. Other than certain members of our senior management team, all of our employees are employed “at will” and, therefore, each employee may leave our employment and join a competitor at any time.

We plan to grant stock options, restricted stock grants, or other forms of equity awards in the future as a method of attracting and retaining employees, motivating performance, and aligning the interests of employees with those of our stockholders. If we are unable to implement and maintain equity compensation arrangements that provide sufficient incentives, we may be unable to retain our existing employees and attract additional qualified candidates. If we are unable to retain our existing employees and attract additional qualified candidates, our business and results of operations could be adversely affected.

The execution of our business plan and development strategy may be seriously harmed if integration of our senior management team is not successful.

As our business continues to grow and in the event that we acquire new businesses, we may experience significant changes in our senior management team. Failure to integrate our Board of Directors and senior management teams may negatively affect the operations of our business.

We may not successfully implement our business model.

Our business model is predicated on our ability to build and sell solar systems at a profit, and through organic growth, geographic expansion and strategic acquisitions. Our management intends to continue to operate our business as it has previously, with sourcing and marketing methods that we have used successfully in the past. However, our management cannot assure you that our methods will continue to attract new customers nor that we can maintain profitability in the very competitive solar systems marketplace.

We may not be able to effectively manage our growth.

Our future growth, if any, may cause a significant strain on our management and our operational, financial, and other resources. Our ability to manage our growth effectively will require us to implement and improve our operational, financial, and management systems and to expand, train, manage, and motivate our employees. These demands may require the hiring of additional management personnel and the development of additional expertise by our management. Any increase in resources used without a corresponding increase in our operational, financial, and management systems could have a material adverse effect on our business, financial condition, and results of operations.

We may not realize the anticipated benefits of future acquisitions, and integration of these acquisitions may disrupt our business and management.

In the future, we may acquire companies, project pipelines, products or technologies or enter into joint ventures or other strategic initiatives. We may not realize the anticipated benefits of this acquisition or any other future acquisition, and any acquisition has numerous risks. These risks include the following:

- difficulty in assimilating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies or products with our current technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of our ongoing business and distraction of management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company’s accounting, management information, and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors, and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact operating results;
- potential failure of the due diligence processes to identify significant issues with product quality, legal and financial liabilities, among other things;

- potential inability to assert that internal controls over financial reporting are effective; and
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

Mergers and acquisitions of companies are inherently risky and, if we do not complete the integration of acquired businesses successfully and in a timely manner, we may not realize the anticipated benefits of the acquisitions to the extent anticipated, which could adversely affect our business, financial condition, or results of operations.

With respect to providing electricity on a price-competitive basis, solar systems face competition from traditional regulated electric utilities, from less-regulated third party energy service providers and from new renewable energy companies.

The solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large traditional utilities. We believe that our primary competitors are the traditional utilities that supply electricity to our potential customers. Traditional utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result, these competitors may be able to devote more resources to the research, development, promotion, and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Traditional utilities could also offer other value-added products or services that could help them to compete with us even if the cost of electricity they offer is higher than that of ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity more cheaply than electricity generated by our solar energy systems.

We also compete with companies that are not regulated like traditional utilities, but that have access to the traditional utility electricity transmission and distribution infrastructure pursuant to state and local pro-competitive and consumer choice policies. These energy service companies are able to offer customers electricity supply-only solutions that are competitive with our solar energy system options on both price and usage of renewable energy technology while avoiding the long-term agreements and physical installations that our current fund-financed business model requires. This may limit our ability to attract new customers; particularly those who wish to avoid long-term contracts or have an aesthetic or other objection to putting solar panels on their roofs.

As the solar industry grows and evolves, we will also face new competitors who are not currently in the market. Low technological barriers to entry characterize our industry and well-capitalized companies could choose to enter the market and compete with it. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors will limit our growth and will have a material adverse effect on our business and prospects.

Developments in alternative technologies or improvements in distributed solar energy generation may materially adversely affect demand for our offerings.

Significant developments in alternative technologies, such as advances in other forms of distributed solar power generation, storage solutions such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production may materially and adversely affect our business and prospects in ways management does not currently anticipate. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay deployment of our solar energy systems, which could result in product obsolescence, the loss of competitiveness of our systems, decreased revenue and a loss of market share to competitors.

Due to the limited number of suppliers in our industry, the acquisition of any of these suppliers by a competitor or any shortage, delay, price change, imposition of tariffs or duties or other limitation in our ability to obtain components or technologies that we use could result in sales and installation delays, cancellations, and loss of market share.

While we purchase our products from several different suppliers, if one or more of the suppliers on which we rely to meet anticipated demand ceases or reduces production due to its financial condition, is acquired by a competitor or otherwise is unable to increase production as industry demand increases, or is otherwise unable to allocate sufficient production to us, it may be difficult for us to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and our ability to satisfy this demand may be adversely affected. There are a limited number of suppliers of solar energy system components and technologies. While we believe there are other sources of supply for these products available, transitioning to a new supplier may result in additional costs and delays in acquiring our solar products and deploying our systems. These issues could harm our business or financial performance.

In addition, the acquisition of a component supplier or technology provider by one of our competitors could limit our access to such components or technologies and require significant redesigns of our solar energy systems or installation procedures and have a material adverse effect on our business.

There have also been periods of industry-wide shortages of key components, including solar panels, in times of industry disruption. The manufacturing infrastructure for some of these components has a long lead-time, requires significant capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components. The solar industry is frequently experiencing significant disruption and, as a result, shortages of key components, including solar panels, may be more likely to occur, which in turn may result in price increases for such components. Even if industry-wide shortages do not occur, suppliers may decide to allocate key components with high demand or insufficient production capacity to more profitable customers, customers with long-term supply agreements or customers other than us and our supply of such components may be reduced as a result.

Typically, we purchase the components for our solar energy systems on an as-needed basis and do not operate under long-term supply agreements. The vast majority of our purchases are denominated in U.S. dollars. Since our revenue is also generated in U.S. dollars, we are mostly insulated from currency fluctuations. However, since our suppliers often incur a significant amount of their costs by purchasing raw materials and generating operating expenses in foreign currencies, if the value of the U.S. dollar depreciates significantly or for a prolonged period of time against these other currencies, this may cause our suppliers to raise the prices they charge us, which could harm our financial results. Since we purchase most of the solar photovoltaic modules that we use from China, we are particularly exposed to exchange rate risk from increases in the value of the Chinese Renminbi. Any supply shortages, delays, price changes or other limitation in our ability to obtain components or technologies that we use could limit our growth, cause cancellations or adversely affect our profitability, and result in loss of market share and damage to our brand.

We act as the licensed general contractor for our customers and are subject to risks associated with construction, cost overruns, delays, regulatory compliance and other contingencies, any of which could have a material adverse effect on our business and results of operations.

We are a licensed contractor and we are normally the general contractor, electrician, construction manager, and installer for our solar energy systems. We may be liable to customers for any damage that we cause to the home, belongings or property of our customers during the installation of our systems. For example, we penetrate our customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of installation of solar energy systems. In addition, because the solar energy systems that we deploy are high-voltage energy systems, we may incur liability for the failure to comply with electrical standards and manufacturer recommendations. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, cost overruns, delays, or other execution issues may cause us to not achieve our expected results or cover our costs for that project.

In addition, the installation of solar energy systems is subject to oversight and regulation in accordance with national, state, and local laws and ordinances relating to building, fire and electrical codes, safety, environmental protection, utility interconnection and metering, and related matters. We also rely on certain employees to maintain professional licenses in many of the jurisdictions in which we operate, and our failure to employ properly licensed personnel could adversely affect our licensing status in those jurisdictions. It is difficult and costly to track the requirements of every authority having jurisdiction over our operations and our solar energy systems. Any new government regulations or utility policies pertaining to our systems, or changes to existing government regulations or utility policies pertaining to our systems, may result in significant additional expenses to our customers and, as a result, could cause a significant reduction in demand for our systems.

If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected.

We depend on information systems throughout our company to process orders, manage inventory, process and bill shipments and collect cash from our customers, respond to customer inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors. If we were to experience a prolonged disruption in our information systems that involve interactions with customers and suppliers, it could result in the loss of sales and customers and/or increased costs, which could adversely affect our overall business operation.

Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant monetary penalties, operational delays, and adverse publicity.

The installation of solar energy systems requires our employees to work at heights with complicated and potentially dangerous electrical systems. The evaluation and modification of buildings as part of the installation process requires our employees to work in locations that may contain potentially dangerous levels of asbestos, lead, mold or other materials known or believed to be hazardous to human health. We also maintain a fleet of trucks and other vehicles to support our installers and operations. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation under the U.S. Occupational Safety and Health Act ("OSHA"), the U.S. Department of Transportation ("DOT"), and equivalent state laws. Changes to OSHA or DOT requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA regulations, even if no work-related serious injury or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures or suspend or limit operations. While we have not experienced a high level of injuries to date, high injury rates could expose us to increased liability. In the past, we have had workplace accidents and received citations from OSHA regulators for alleged safety violations, resulting in fines. Any such accidents, citations, violations, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business.

Problems with product quality or performance may cause us to incur warranty expenses, damage our market reputation, and prevent us from maintaining or increasing our market share.

If our products fail to perform as expected while under warranty, or if we are unable to support the warranties, sales of our products may be adversely affected, or our costs may increase, and our business, results of operations, and financial condition could be materially and adversely affected.

We may also be subject to warranty or product liability claims against us that are not covered by insurance or are in excess of our available insurance limits. In addition, quality issues can have various other ramifications, including delays in the recognition of revenue, loss of revenue, loss of future sales opportunities, increased costs associated with repairing or replacing products, and a negative impact on our goodwill and reputation. The possibility of future product failures could cause us to incur substantial expenses to repair or replace defective products. Furthermore, widespread product failures may damage our market reputation and reduce our market share causing sales to decline.

Seasonality may cause fluctuations in our financial results.

We often find that some customers tend to book projects by the end of a calendar year to realize the benefits of available subsidy programs prior to year-end. This results in third and fourth quarter sales being more robust usually at the expense of the first quarter. In the future, this seasonality may cause fluctuations in financial results. In addition, other seasonality trends may develop and the existing seasonality that we experience may change. Weather can also be an important factor affecting project timelines.

A failure to comply with laws and regulations relating to our interactions with current or prospective commercial or residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.

Our business includes contracts and transactions with commercial and residential customers. We must comply with numerous federal, state, and local laws and regulations that govern matters relating to our interactions with residential consumers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties, and door-to-door solicitation. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may expand current laws or regulations, or enact new laws and regulations, regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we do business, acquire customers, and manage and use information that we collect from and about current and prospective customers and the costs associated therewith. We strive to comply with all applicable laws and regulations relating to our interactions with residential customers. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Non-compliance with any such law or regulations could also expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments, including non-U.S. governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

Risks Related to the Regulation of Our Company

Because we were previously considered to be a "shell company" under applicable securities laws and regulations, investors may not be able to rely on the resale exemption provided by Rule 144 of the Securities Act until certain requirements have been satisfied. As a result, investors may not be able to easily re-sell our securities and could lose their entire investment.

Prior to the Reverse Merger and Recapitalization, we were considered to be a "shell company" under Rule 405 of Regulation C of the Securities Act. A "shell company" is a company with either no or nominal operations or assets, or assets consisting solely of cash and cash equivalents. In order to rely on the resale exemption provided by Rule 144, certain requirements must be met, including that the Company is current in the filings required by the Securities Exchange of 1934, as amended. Because shareholders may not be able to rely on an exemption for the resale of their securities other than Rule 144, they may not be able to easily re-sell our securities in the future and could lose their entire investment as a result. See "Shares Eligible For Future Sale – Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies".

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Common Stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an "emerging growth company" for up to five years, although we will cease to be an "emerging growth company" upon the earliest of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering ("IPO"), (ii) the last day of the first fiscal year in which our annual gross revenues are $1.07 billion or more, (iii) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities or (iv) the date on which we are deemed to be a "large accelerated filer" as defined in the Exchange Act. We cannot predict if investors will find shares of our Common Stock less attractive or us less comparable to certain other public companies because we will rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our Common Stock price may be more volatile.

Pursuant to the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act for so long as we are an "emerging growth company."

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, and generally requires in the same report a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. We are required to provide management's attestation on internal controls effective December 31, 2020. However, under the JOBS Act, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until we are no longer an "emerging growth company." We will be an "emerging growth company" until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Common Stock that is held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An "emerging growth company" can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have chosen to "opt out" of such extended transition period and, as a result, we must comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

If we are not able to comply with the applicable continued listing requirements or standards of Nasdaq, Nasdaq could delist our Common Stock.

Our Common Stock is currently listed on Nasdaq. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements. There can be no assurances that we will be able to comply with the applicable listing standards. Although we are currently in compliance with such listing standards, we may in the future fall out of compliance with such standards. If we are unable to maintain compliance with these Nasdaq requirements, our Common Stock will be delisted from Nasdaq.

Our Common Stock currently trades on Nasdaq, and, to date, trading of our Common Stock has been limited. If a more active market does not develop, it may be difficult for you to sell the Common Stock you own or result in your sale at a price that is less than the price you paid.

To date, trading of our Common Stock on Nasdaq has been limited and there can be no assurance that there will be a more active market for our Common Stock either now or in the future. If a more active and liquid trading market does not develop or if developed cannot be sustained, you may have difficulty selling any of the shares of Common Stock that you purchased. The market price for our Common Stock may decline below the price you paid, and you may not be able to sell your shares of Common Stock at or above the price you paid, or at all.

On January 5, 2021, the Company received a written notice (the "Notice") from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that the Company was not in compliance with Listing Rule 5620(a) (the "Annual Meeting Rule"), which requires the Company to hold an annual meeting of shareholders no later than one year after the end of the Company's fiscal yearend for continued listing on the NASDAQ Capital Market. The Notice is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company's securities on the NASDAQ Capital Market. The Company submitted a compliance plan to Nasdaq and was granted until May 11, 2021 to comply with the Annual Meeting Rule. The Company anticipates holding its 2019 and 2020 Annual Meeting of Stockholders on May 11, 2021.

In the event that our Common Stock is delisted from Nasdaq, U.S. broker-dealers may be discouraged from effecting transactions in shares of our Common Stock because they may be considered penny stocks and thus be subject to the penny stock rules.

The SEC has adopted a number of rules to regulate "penny stock" that restricts transactions involving stock which is deemed to be penny stock. Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These rules may have the effect of reducing the liquidity of penny stocks. "Penny stocks" generally are equity securities with a price of less than $5.00 per share (other than securities registered on certain national securities exchanges or quoted on NASDAQ if current price and volume information with respect to transactions in such securities is provided by the exchange or system). Our shares of Common Stock have in the past constituted, and may again in the future constitute, "penny stock" within the meaning of the rules. The additional sales practice and disclosure requirements imposed upon U.S. broker-dealers may discourage such broker-dealers from effecting transactions in shares of our Common Stock, which could severely limit the market liquidity of such shares of common stock and impede their sale in the secondary market.

A U.S. broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with a net worth in excess of $1,000,000 or an annual income exceeding $200,000, or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the "penny stock" regulations require the U.S. broker-dealer to deliver, prior to any transaction involving a "penny stock", a disclosure schedule prepared in accordance with SEC standards relating to the "penny stock" market, unless the broker-dealer or the transaction is otherwise exempt. A U.S. broker-dealer is also required to disclose commissions payable to the U.S. broker-dealer and the registered representative and current quotations for the securities. Finally, a U.S. broker-dealer is required to submit monthly statements disclosing recent price information with respect to the "penny stock" held in a customer's account and information with respect to the limited market in "penny stocks".

Stockholders should be aware that, according to the SEC, the market for "penny stocks" has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, resulting in investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities.

Anti-takeover provisions contained in our Second Amended and Restated Certificate of Incorporation and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

The Company's Second Amended and Restated Certificate of Incorporation and Bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our Board of Directors. These provisions include:

- A classified Board of Directors with three-year staggered terms, which may delay the ability of stockholders to the change the membership of a majority of our Board of Directors;

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;

- the exclusive right of our Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our Board of Directors;

- the ability of our Board of Directors to determine whether to issue shares of our preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;

- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an Annual or Special Meeting of our Stockholders;
- the requirement that an Annual Meeting of Stockholders may be called only by the Chairman of the Board of Directors, the Chief Executive officer, or the Board of Directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- limiting the liability of, and providing indemnification to, our directors and officers;
- controlling the procedures for the conduct and scheduling of stockholder meetings;
- providing that directors may be removed prior to the expiration of their terms by stockholders only for cause; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

These provisions, alone or together, could delay hostile takeovers and changes in control of the Company or changes in our Board of Directors and management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware ("DGCL"), which prevents some stockholders holding more than 15% of our outstanding Common Stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding Common Stock. Any provision of our Second Amended and Restated Certificate of Incorporation or Bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Common Stock and could also affect the price that some investors are willing to pay for our Common Stock.

Risks Related to Offerings and Ownership of Our Common Stock

The issuance of our Common Stock related to the Exchange and Subscription Agreement with GreenSeed Investors, LLC was dilutive.

The Company entered into an Exchange and Subscription Agreement (the "Exchange Agreement") dated April 22, 2020 with GreenSeed Investors, LLC, a Delaware limited liability company ("GSI"), and Solar Project Partners, LLC, a Delaware limited liability company ("SPP"). Under the terms of the Exchange Agreement, the shares of Preferred Stock are convertible into shares of Common Stock. The shares of Preferred Stock were converted into 370,370 shares of Common Stock on February 22, 2021. In addition, on February 9, 2021 warrants issued to GSI to purchase shares of Common Stock were exercised on a cashless basis. An aggregate of 117,376 shares of Common Stock were issued in connection with such exercise.

The sale or issuance of our Common Stock to Lincoln Park may cause dilution and the sale of the shares of Common Stock acquired by Lincoln Park, or the perception that such sales may occur, could cause the price of our Common Stock to fall.

On September 26, 2019, we entered into the Purchase Agreement with Lincoln Park, pursuant to which Lincoln Park has committed to purchase up to $15,000,000 of our Common Stock. Upon the execution of the Purchase Agreement, we issued 81,263 Commitment Shares to Lincoln Park in consideration for Lincoln Park's commitment to purchase shares of our Common Stock under the Purchase Agreement and we may issue up to an additional 40,937 shares of Common Stock pro rata in connection with each purchase made by Lincoln Park pursuant to the Purchase Agreement. The remaining shares of our Common Stock that may be issued under the Purchase Agreement may be sold by us to Lincoln Park at our discretion from time to time over a 24-month period commencing after the satisfaction of certain conditions set forth in the Purchase Agreement. The purchase price for the shares of our Common Stock that we may sell to Lincoln Park under the Purchase Agreement will fluctuate based on the price of our Common Stock. Depending on market liquidity at the time, sales of such shares may cause the trading price of our Common Stock to fall.

We generally have the right to control the timing and amount of any future sales of our shares to Lincoln Park. Additional sales of our Common Stock, if any, to Lincoln Park will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Lincoln Park all, some or none of the shares of our Common Stock that may be available for us to sell pursuant to the Purchase Agreement. If and when we do sell shares of our Common Stock to Lincoln Park, after Lincoln Park has acquired such shares, Lincoln Park may resell all, some or none of such shares at any time or from time to time in its discretion. Therefore, sales to Lincoln Park by us could result in substantial dilution to the interests of other holders of our shares of Common Stock. Additionally, the sale of a substantial number of shares of our Common Stock to Lincoln Park, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

The issuance of our Common Stock related to the Form S-3 Registration Statement and Sales Agreement with Alliance Global Partners ("Agent") may cause dilution and could cause the price of our Common Stock to fall.

A substantial majority of the outstanding shares of our Common Stock and exercisable options are freely tradable without restriction or further registration under the Securities Act of 1933, as amended.

The Registration Statement contains a Base Prospectus, which covers the offering, issuance and sale by iSun of up to $50,000,000 in the aggregate of our shares of Common Stock from time to time in one or more offerings.

Pursuant to Sales Agreement with the Agent, as amended, iSun may offer and sell from time to time up to an aggregate of $915,000 of the Placement Shares through the Agent. Sales of the Placement Shares pursuant to the Sales Agreement, may be made in sales deemed to be "at the market offerings" as defined in Rule 415 promulgated under the Securities Act. The Agent will act as sales agent and will use commercially reasonable efforts to sell on iSun's behalf all of the Placement Shares requested to be sold by iSun, consistent with its normal trading and sales practices, on mutually agreed terms between the Agent and iSun.

Sales of a substantial number of shares of our Common Stock in the public market, future sales of substantial amounts of shares of our Common Stock in the public market, or the perception that these sales could occur, could cause the market price of our Common Stock to decline. Increased sales of our Common Stock in the market for any reason could exert significant downward pressure on our stock price.

We may require additional financing to sustain our operations, without which we may not be able to continue operations, and the terms of subsequent financings may adversely impact our stockholders.

As of December 31, 2020, we had a working capital of $242,865 and had a net loss of $4,328 for the year ended December 31, 2020. On January 8, 2021 we entered into a Securities Purchase Agreement with two institutional investors providing for the issuance and sale by the Company of an aggregate 840,000 shares of our Common Stock in a registered direct offering at a purchase price of $12.50 per Share for gross proceeds of approximately $10.5 million before deducting fees and offering expenses.

We may utilize the Shelf Registration to issue and sell up to $50,000,000 in the aggregate of our shares of Common Stock. The extent that we rely on the Shelf Registration as a source of funding will depend on a number of factors including, the prevailing market price of our Common Stock and the extent to which we are able to secure working capital from other sources. After utilizing approximately $10.5 million in a registered direct offering, the Company can utilize the Shelf Registration to generate approximately $39.5 million in additional offerings.

We may direct Lincoln Park to purchase up to $15,000,000 worth of shares of our Common Stock under the Purchase Agreement over a 24-month period, generally in amounts up to 50,000 shares of our Common Stock, which may be increased to up to 100,000 shares of our Common Stock depending on the market price of our Common Stock at the time of sale, and, in each case, subject to a maximum limit of $250,000 per purchase, subject to certain exceptions, on any single business day (such share amounts being subject to adjustment for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction as provided in the Purchase Agreement). Assuming a purchase price of $13.80 per share (the closing sale price of the Common Stock on February 5, 2021) and the purchase by Lincoln Park of 50,000 shares of Common Stock, gross proceeds to us would be $690,000.

The extent that we rely on Lincoln Park as a source of funding will depend on a number of factors including, the prevailing market price of our Common Stock and the extent to which we are able to secure working capital from other sources. If obtaining sufficient funding from Lincoln Park were to prove unavailable or prohibitively dilutive, we will need to secure another source of funding in order to satisfy our working capital needs. Even if we sell all $15,000,000 of Common Stock under the Purchase Agreement to Lincoln Park, we may still need additional capital to finance our future production plans and working capital needs, and we may have to raise funds through the issuance of equity or debt securities. Depending on the type and the terms of any financing we pursue, stockholders' rights and the value of their investment in our Common Stock could be reduced. A financing could involve one or more types of securities including Common Stock, preferred stock, convertible debt or warrants to acquire Common Stock. These securities could be issued at or below the then prevailing market price for our Common Stock. In addition, if we issue secured debt securities, the holders of the debt would have a claim to our assets that would be prior to the rights of stockholders until the debt is paid. Interest on these debt securities would increase costs and negatively impact operating results. If the issuance of new securities results in diminished rights to holders of our Common Stock, the market price of our Common Stock could be negatively impacted.

Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, the consequences could be a material adverse effect on our business, operating results, financial condition and prospects.

Our management will have broad discretion over the use of the net proceeds from our sale of shares of Common Stock to Lincoln Park or utilization of the Sales Agreement with AGP, you may not agree with how we use the proceeds and the proceeds may not be invested successfully.

Our management will have broad discretion as to the use of the net proceeds from our sale of shares of Common Stock to Lincoln Park or utilization of the Sales Agreement with AGP, and we could use them for purposes other than those contemplated at the time of commencement of this offering. Accordingly, you will be relying on the judgment of our management with regard to the use of those net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that, pending their use, we may invest those net proceeds in a way that does not yield a favorable, or any, return for us. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flows.

The share price of our Common Stock is subject to fluctuation, has been and may continue to be volatile and may decline regardless of our operating performance, resulting in substantial losses for investors who have purchased shares of our Common Stock.

We expect that the market price of our Common Stock may continue to be volatile for the foreseeable future. The market price of our Common Stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the factors listed below and other factors described in this "Risk Factors" section:

- actual or anticipated fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and Common stock market valuations of other technology companies generally;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- changes in our Board of Directors or management;
- sales of large blocks of our Common Stock, including sales by our executive officers, directors and significant stockholders;
- potential lawsuits threatened or filed against us;
- short sales, hedging and other derivative transactions involving our Common Stock;
- general economic conditions in the United States and abroad; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many software companies. Stock prices of many software companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business, operating results, financial condition and cash flows.

We have no history of paying dividends on our Common Stock, and we do not anticipate paying dividends in the foreseeable future.

We have not previously paid dividends on our Common Stock. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. Investors must rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

Our Second Amended and Restated Certificate of Incorporation authorizes us to issue shares of blank check preferred stock, and issuances of such preferred stock, or securities convertible into or exercisable for such preferred stock, may result in immediate dilution to existing stockholders, including investors in this offering.

If we raise additional funds through future issuances of preferred stock or debt securities convertible into preferred stock, our stockholders could suffer significant dilution, and any new preferred stock or debt securities that we issue could have rights, preferences and privileges superior to those of holders of shares of Common Stock. Although we have no present plans to issue any additional shares of preferred stock, in the event that we issue additional shares of our preferred stock, or securities convertible into or exercisable for such preferred stock after the date of the offering, the investors in this offering will be diluted. We may choose to raise additional capital using such preferred stock or debt securities because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may fluctuate significantly due to general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities become delisted from Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our Common Stock adversely, the price and trading volume of our Common Stock could decline.

The trading market for our Common Stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage of us, our stock price and trading volume would likely be negatively impacted. If any of the analysts who may cover us change their recommendation regarding our Common Stock adversely, or provide more favorable relative recommendations about our competitors, the price of our Common Stock would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our Common Stock price or trading volume to decline.

Our executive officers, directors and principal stockholders own a significant percentage of our Common Stock and will be able to exert significant control over matters subject to stockholder approval.

As of March 12, 2021, our directors, executive officers and holders of more than 5% of our equity securities, together with their affiliates, beneficially own 50% of our outstanding shares of Common Stock. As a result, these stockholders have significant influence to determine the outcome of matters submitted to our stockholders for approval, including the ability to control the election of our directors, amend or prevent amendment of our Second Amended and Restated Certificate of Incorporation or Bylaws or effect or prevent a change in corporate control, merger, consolidation, takeover or other business combination. In addition, any sale of a significant amount of our Common Stock held by our directors, executive officers and principal stockholders, or the possibility of such sales, could adversely affect the market price of our Common Stock. Our management's stock ownership may also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our Common Stock price or prevent our stockholders from realizing any gains from our Common Stock.

Implications of Being an "Emerging Growth Company"

As a public reporting company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- are not required to obtain an attestation and report from our auditors on our management's assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act (the "Sarbanes-Oxley Act");

- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives (commonly referred to as "compensation discussion and analysis");

- are not required to obtain a non-binding advisory vote from our stockholders on executive compensation or golden parachute arrangements (commonly referred to as the "say-on-pay," "say-on-frequency" and "say-on-golden-parachute" votes);

- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;

- may present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") disclosure; and

- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

Certain of these reduced reporting requirements and exemptions were already available to us due to the fact that we also qualify as a "smaller reporting company" under the SEC's rules. For instance, smaller reporting companies are not required to obtain an auditor attestation and report regarding internal control over financial reporting, are not required to provide a compensation discussion and analysis, are not required to provide a pay-for-performance graph or CEO pay ratio disclosure, and may present only two years of audited financial statements and related MD&A disclosure.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. In this regard, the JOBS Act provides that we would cease to be an "emerging growth company" if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our Common Stock held by non-affiliates, or issue more than $1 billion in principal amount of non-convertible debt over a three-year period. Under current SEC rules, however, we will continue to qualify as a "smaller reporting company" for so long as we have a public float (i.e., the market value of common equity held by non-affiliates) of less than $700 million and annual revenue of less than $100 million as of the last business day of our most recently completed second fiscal quarter.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We leased space and occupy 6,250 square feet of office space and 6,750 square feet of warehouse space at 400 Avenue D, Suite 10, Williston, VT 05495. We believe that this space is sufficient to meet our current needs across all business segments.

Item 3. Legal Proceedings.

We are not currently a party to any legal proceedings that, individually or in the aggregate, are deemed to be material to our financial condition or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Common Stock is traded on Nasdaq under the symbol "ISUN." The last reported sale price of our Common Stock on March 12, 2021 on Nasdaq was $13.80 per share.

Holders of Common Stock.

On March 12, 2021, we had 9,387 registered holders of record of our Common Stock.

Dividends and dividend policy.

We have never declared or paid any cash dividend on our Common Stock, nor do we currently intend to pay any cash dividend on our Common Stock in the foreseeable future. We expect to retain our earnings, if any, for the growth and development of our business.

Item 6. Selected Financial Data

As a smaller reporting company, we are not required to provide the information under this item, pursuant to Regulation S-K Item 301(c).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Business Introduction / Overview

iSun, Inc., the principal office of which is located in Williston, Vermont, is one of the largest commercial solar engineering, procurement and construction ("EPC") companies in the country and is expanding across the Northeastern United States ("U.S."). The Company is a second-generation business founded under the name Peck Electric Co. ("Peck Electric") in 1972 as a traditional electrical contractor. The Company's core values are to align people, purpose, and profitability, and since taking leadership in 1994, Jeffrey Peck, the Company's Chief Executive Officer, has applied such core values to expand into the solar industry. Today, the Company is guided by the mission to facilitate the reduction of carbon emissions through the expansion of clean, renewable energy and we believe that leveraging such core values to deploy resources toward profitable business is the only sustainable strategy to achieve these objectives.

The world recognizes the need to transition to a reliable, renewable energy grid in the next 50 years. Vermont and Hawaii are leading the way in the U.S. with renewable energy goals of 75% by 2032 and 100% by 2045, respectively. California committed to 100% carbon-free energy by 2045. The majority of the other states in the U.S. also have renewable energy goals regardless of current Federal solar policy. We are a member of Renewable Energy Vermont, an organization that advocates for clean, practical and renewable solar energy. The Company intends to use near-term incentives to take advantage of long-term, sustainable energy transformation with a commitment to the environment and to its shareholders. Our triple bottom line, which is geared towards people, environment, and profit, has always been our guide since we began installing renewable energy and we intend that it remain our guide over the next 50 years as we construct our energy future.

After installing more than 200 megawatts of solar energy, we believe that we are well-positioned for what we believe to be the coming transformation to an all renewable energy economy. As a result of the completion of our business combination transaction with Jensyn Acquisition Corp. ("Jensyn") on June 20, 2019, pursuant to which we acquired Peck Electric Co. (the "Reverse Merger and Recapitalization"), we have now opened our company to the public market as part of our strategic growth plan. We are expanding across the Northeastern U.S. to serve the fast-growing demand for clean renewable energy. We are open to partnering with others to accelerate our growth process, and we are expanding our portfolio of company-owned solar arrays to establish recurring revenue streams for many years to come. We have established a leading presence in the market after five decades of successfully serving our customers, and we are now ready for new opportunities and the next five decades of success.

We have a three-pronged growth strategy that includes (1) organic expansion across the Northeastern United States, (2) conducting accretive merger and acquisition transactions to expand geographically, and (3) investing into company-owned solar assets.

On January 19, 2021, we entered in an agreement to acquire iSun Energy LLC based in Burlington, Vermont. iSun Energy, LLC offers a portfolio of products that supports the growing electric vehicle market, specifically carports, charging stations and user-facing technology. The flagship iSun Energy & Mobility Hub is the result of 30 years of passion, dedication, and innovation through sustainability. The iSun solar EV carport charging systems incorporate solar panels to charge electric vehicles while providing unparalleled software insights into data surrounding the energy produced, consumed, air quality effects and other key metrics. The iSun Oasis Smart Solar Bench is expected to be an integral part in developing smart cities and campuses and has the ability to charge any mobile device through integrated solar panels that collect and store energy throughout the day. iSun's accompanying data platform allows for monitoring and analysis of key metrics through built in IoT (Internet of Things) sensors. The platform also affords both physical and digital advertising and branding, for additional recurring revenue opportunities. iSun's Augmented Reality 3D software platform helps clients visualize their projects before they are built, making it easy for our clients to adopt sustainable solutions and to understand their impact on sustainability. As we continue to execute on our three-pronged growth strategy, the iSun Energy, LLC acquisition allows to further enable the transition to renewable and clean energy. As our portfolio of offerings continues to expand, we are able to further provide energy as a service to the marketplace.

With the filing of our Form S-3 Registration Statement on December 4, 2020, we have the ability to access the capital markets up to $50,000,000 in aggregate to support our statement growth strategy. The access to capital accelerates our growth process and allows us to continue our expansion plans into new territories, aggressively pursue accretive merger and acquisition transactions and continue investing in our company-owned solar assets which now consist of the product offerings of iSun Energy LLC. There is currently approximately $39.5 million available under the Registration Statement as we drew down approximately $10.5 million through our Registered Direct Offering.

On April 24, 2020, we were fortunate to obtain a loan under the CARES Act Payroll Protection Program ("PPP") of $1,487,624. The loan allowed us to maintain our workforce during the shutdown caused by the COVID-19 pandemic. On December 1, 2020, the Company received notification from NBT Bank that the Small Business Administration has approved the forgiveness of the PPP loan in its entirety and as such, the full $1,496,468 has been recognized in the income statement as a gain upon debt extinguishment for the year ended December 31, 2020.

Equity and Ownership Structure

On June 20, 2019, Jensyn consummated the Reverse Merger and Recapitalization, which resulted in the acquisition of 100% of the issued and outstanding equity securities of Peck Electric by Jensyn, and in Peck Electric becoming a wholly-owned subsidiary of Jensyn. Jensyn was originally incorporated as a special purpose acquisition company, formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar Recapitalization. Simultaneously with the Reverse Merger and Recapitalization, we changed our name to "The Peck Company Holdings, Inc." We conducted all of our business operations exclusively through our wholly-owned subsidiary, Peck Electric.

Unless the context otherwise requires, "we," "us," "our" and the "Company" refers to iSun, Inc. (formerly The Peck Company Holdings, Inc.) and its subsidiary after June 20, 2019, and "Peck Electric" refers to the business of Peck Electric before June 20, 2019. Upon closing of the Reverse Merger and Recapitalization, Peck Electric was deemed the accounting acquirer and takes over the historical information for the Company.

Effective January 19, 2021, the Company changed its corporate name from The Peck Company Holdings, Inc. to iSun, Inc. (the "Name Change"). The Name Change was effected through a parent/subsidiary short-form merger of iSun, Inc., our wholly owned Delaware subsidiary formed solely for the purpose of the name change, with and into us. We were the surviving entity. To effectuate the short-form merger, we filed a Certificate of Merger with the Secretary of State of the State of Delaware on January 19, 2021. The merger became effective on January 19, 2021 with the State of Delaware and, for purposes of the quotation of our Common Stock on the Nasdaq Capital Market ("Nasdaq"), effective at the open of the market on January 20, 2021. We conduct all of our business operations exclusively through our wholly-owned subsidiaries, Peck Electric and iSun Energy LLC.

Critical Accounting Policies

The following discussion and analysis of the Company's financial condition and results of operations are based upon the Company's financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Significant estimates include estimates used to review the Company's impairments and estimations of long-lived assets, impairment on investment, revenue recognition utilizing a cost to cost method, allowances for uncollectible accounts, and the valuation allowance on deferred tax assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable in 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.

Revenue Recognition

We recognize revenue from contracts with customers under Accounting Standards Codification ("ASC") Topic 606 ("Topic 606"). Under Topic 606, revenue is recognized when, or as, control of promised goods and services is transferred to customers, and the amount of revenue recognized reflects the consideration to which an entity expects to be entitled in exchange for the goods and services transferred. We primarily recognize revenue over time utilizing the cost-to-cost measure of progress on contracts for specific projects and for certain master service and other service agreements.

Contracts. We derive revenue primarily from construction projects performed under: (i) master and other service agreements, which are typically priced using either a time and materials or a fixed price per unit basis; and (ii) contracts for specific projects requiring the construction and installation of an entire infrastructure system or specified units within an infrastructure system, which are subject to multiple pricing options, including fixed price, unit price, time and materials, or cost plus a markup.

The total contract transaction price and cost estimation processes used for recognizing revenue over time under the cost-to-cost method is based on the professional knowledge and experience of our project managers, engineers and financial professionals. Management reviews estimates of total contract transaction price and total project costs on an ongoing basis. Changes in job performance, job conditions and management's assessment of expected variable consideration are factors that influence estimates of the total contract transaction price, total costs to complete those contracts and our profit recognition. Changes in these factors could result in revisions to revenue in the period in which the revisions are determined, which could materially affect our consolidated results of operations for that period. Provisions for losses on uncompleted contracts are recorded in the period in which such losses are determined. For the year ended December 31, 2020 and 2019, project profit was affected by less than 5% as a result of changes in contract estimates included in projects that were in process as of December 31, 2020 and 2019.

Performance Obligations. A performance obligation is a contractual promise to transfer a distinct good or service to a customer and is the unit of account under Topic 606. The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when or as the performance obligation is satisfied. Our contracts often require significant services to integrate complex activities and equipment into a single deliverable and are therefore generally accounted for as a single performance obligation, even when delivering multiple distinct services. Contract amendments and change orders, which are generally not distinct from the existing contract, are typically accounted for as a modification of the existing contract and performance obligation. The vast majority of our performance obligations are completed within one year.

When more than one contract is entered into with a customer on or close to the same date, management evaluates whether those contracts should be combined and accounted for as a single contract as well as whether those contracts should be accounted for as one, or more than one, performance obligation. This evaluation requires significant judgment and is based on the facts and circumstances of the various contracts.

Union Labor

The Company uses union labor in order to construct and maintain the solar, electric and data work that comprise the core activities of its business. As such, contributions were made by the Company to the National Joint Apprenticeship and Training Committee, the National Electrical Benefit Funds, Union Pension Plans and a union Health and Welfare Fund. Each employee contributes monthly to the International Brotherhood of Electrical Workers ("IBEW"). The Company's contract with the IBEW expires May 31, 2022.

The Company's management believes that access to unionized labor provides a unique advantage for growth, because workforce resources can be scaled efficiently utilizing labor unions in other states to meet specific project needs in other states without substantially increasing fixed costs for the Company.

Business Insurance / Captive Insurance Group

In 2018, Peck Electric joined a captive insurance group. The Company's management believes that belonging to a captive insurance group will stabilize business insurance expenses and will lock in lower rates that are not subject to change from year-to-year and instead are based on the Company's favorable experience modification rate.

Revenue Drivers

The Company's business includes the design and construction of solar arrays for its customers. Revenue is recognized for each construction project on a percentage of completion basis. From time to time, the Company constructs solar arrays for its own account or purchases a solar array that must still be constructed. In these instances, no revenue is recognized for the construction of the solar array. In instances where the Company owns the solar array, revenue is recognized for the sale of the electricity generated to third parties. As a result, depending on whether it is building for others or for its own account, the Company's revenue is subject to significant variation.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020 COMPARED TO THE YEAR ENDED DECEMBER 31, 2019

REVENUE AND COST OF EARNED REVENUE

For the year ended December 31, 2020, our revenue decreased 25.4% to $21,052,211 compared to $28,221,569 for the year ended December 31, 2019. Cost of earned revenue for the year ended December 31, 2020, was 26.2% lower at $17,742,118 compared to $24,050,197 for the year ended December 31, 2019. Our revenue was limited due to the shutdown as a result of the COVID-19 pandemic. The Company had several projects that were scheduled to begin in the second quarter of the year that were rescheduled until the end of the third quarter. The delay in project start dates impacted our ability to grow revenue during 2020 but will positively impact future periods as project start dates were rescheduled to the first quarter of 2021.

Gross profit was $2,343,137 for the year ended December 31, 2020. This compares to $4,171,372 of gross profit for the year ended December 31, 2019. The gross margin was 11.1% in the year ended December 31, 2020 compared to 14.8% in the year ended December 31, 2019. Approximately 80% of revenue in the year ended December 31, 2020 was from solar installations compared to 77% of revenues in the year ended December 31, 2019. The solar installation represents higher margin installation in comparison to our traditional electrical and data installations which lead to an increase in gross margin. However, the impact of our worksite shutdowns as a result of the COVID-19 pandemic eroded our margins as we were required to remove all material and equipment from our projects. Once our projects were able to resume operations, we incurred additional costs related to remobilizing and training our workforce as well as delivering material and equipment to the respective jobs sites.

For 2021, we anticipate an increase in revenue over 2020 due to several factors. The sum of our backlog projects are already near $61 million and are anticipated to be completed within twelve to eighteen months. We are not typically bidding competitively for projects, but instead engage with our customers over a long-term basis to develop project designs and to help customers reduce project costs. Therefore, the $61 million in project-based revenue anticipated for the next twelve to eighteen months represents projects that have a high probability for conversion. Historically, we have been awarded over 90% of the projects we have reviewed for construction. The upfront assistance and coordination with our clients can be considered our marketing effort, which is a significant advantage for converting a high percentage of its pipeline projects.

In addition, we are engaging existing customers and new partners outside of Vermont as part of our planned 2021 expansion across the Northeast. The Company has already identified over $26 million of opportunities in other states that are included in its 2021 and 2022 projections.

SELLING AND MARKETING EXPENSES

We rely on referrals from customers and on its industry reputation, and therefore have not historically incurred significant selling and marketing expenses.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative (G&A) expenses were $3,343,895 for the year ended December 31, 2020, compared to $2,385,900 for the year ended December 31, 2019. As a percentage of revenue, G&A expenses increased to 15.9% in the year ended December 31, 2020 compared to 8.5% in the year ended December 31, 2019. In total dollars, G&A expense increased primarily due to the added personal costs required to support the Company's growth initiatives compared to the year ended December 31, 2019. With the acquisition of iSun Energy LLC, we do anticipate an increase in G&A to support the new opportunities provided by our expanded product and service offerings. We continue to search for talented individuals that can support our growth strategies.

WAREHOUSE AND OTHER OPERATING EXPENSES

Warehousing and other operating expenses for 2020 are expected to be stable or decrease compared to prior years as we continue to look for opportunities to streamline our operations and decrease our cost structure. To date, we have reduced certain administrative and insurance costs and restructured our utilization of skilled labor in order to reduce the overhead burden, without compromising the ability to operate effectively.

OTHER INCOME (EXPENSES)

Interest expense for the twelve months ended December 31, 2020, was $302,542 compared to $244,068 for the same period of the prior year as a result of increased utilization of our line of credit. We recognized a gain on the forgiveness of the PPP loan of $1,496,468 for the twelve months ended December 31, 2020.

INCOME (BENEFIT)TAX EXPENSE

The US GAAP effective tax rate for the years ended December 31, 2020 was 99.12% and December 31, 2019 was 163.19%. The proforma effective tax rate for the years ended December 31, 2020 was 27.72% and December 31, 2019 was 27.72%. At December 31, 2020, the change in the effective tax rate (“ETR”) is driven by the non-taxable income generated from the forgiveness of a loan under the CARES Act Payroll Protection Program (“PPP”) of $1,487,624. At December 31, 2019, the change in the effective tax rate (“ETR”) is driven by the conversion from an S-corporation to C-corporation, which occurred on the date of the Reverse Merger and Recapitalization. This conversion resulted in non-recurring deferred tax expense of $1,098,481 for the year ended December 31, 2019 related to the recognition of deferred tax liabilities for temporary differences that existed on the date of the change. Excluding the impact of the conversion, the Company’s ETR was 27.72% based on the statutory tax rates in the jurisdictions where the Company is subject to income taxes.

NET LOSS

The net loss for the year ended December 31, 2020 was $4,328 compared to a net loss of $427,795 for the year ended December 31, 2019.

Certain Non-GAAP Measures

We periodically review the following key non-GAAP measures to evaluate our business and trends, measure our performance, prepare financial projections and make strategic decisions.

EBITDA and Adjusted EBITDA

Included in this presentation are discussions and reconciliations of earnings before interest, income tax and depreciation and amortization (“EBITDA”) and EBITDA adjusted for certain non-cash, non-recurring or non-core expenses (“Adjusted EBITDA”) to net loss in accordance with GAAP. Adjusted EBITDA excludes certain non-cash and other expenses, certain legal services costs, professional and consulting fees and expenses, and one-time Reverse Merger and Recapitalization expenses and certain adjustments. We believe that these non-GAAP measures illustrate the underlying financial and business trends relating to our results of operations and comparability between current and prior periods. We also use these non-GAAP measures to establish and monitor operational goals.

These non-GAAP measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute or superior to, the other measures of financial performance prepared in accordance with GAAP. Using only the non-GAAP financial measures, particularly Adjusted EBITDA, to analyze our performance would have material limitations because such calculations are based on a subjective determination regarding the nature and classification of events and circumstances that investors may find significant. We compensate for these limitations by presenting both the GAAP and non-GAAP measures of our operating results. Although other companies may report measures entitled “Adjusted EBITDA” or similar in nature, numerous methods may exist for calculating a company’s Adjusted EBITDA or similar measures. As a result, the methods that we use to calculate Adjusted EBITDA may differ from the methods used by other companies to calculate their non-GAAP measures.

The reconciliations of EBITDA and Adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, are shown in the table below:

	Year ended December 31,	
	2020	2019
Net loss	$ (4,328)	$ (427,795)
Depreciation and amortization	585,690	621,233
Interest expense	302,542	244,068
Income tax (benefit)	(487,173)	1,104,840
EBITDA	396,731	1,542,346
Other costs (1)	-	273,819
Adjusted EBITDA	396,731	1,816,165
Weighted Average shares outstanding	5,301,471	4,447,681
Adjusted EPS	0.07	0.41

(1) Other costs consist of one-time expenses of multiple year financial audits and other legal and professional fees associated with the Reverse Merger and Recapitalization. Prior to the Reverse Merger and Recapitalization, the Company did not require annual financial statement audits. As part of the preparation for being a publicly traded entity, the Company was required to undergo financial statement audit for the years ended December 31, 2017. The cost of this expense is included in other costs.

(2) As the forgiveness of the PPP loan is considered a one-time expense, the Company considered including the forgiveness of $1,496,468 as a reconciling item. The Company excluded the forgiveness on the basis that had it not been awarded a PPP loan, the Company would have terminated, furlough or reduced its workforce during the COVID-19 pandemic shutdown.

LIQUIDITY AND CAPITAL RESOURCES

We had $699,154 in unrestricted cash at December 31, 2020, as compared to $95,930 at December 31, 2019.

As of December 31, 2020, our working capital surplus was $242,865 compared to a working capital surplus of $362,586 at December 31, 2019. On January 8, 2021, we entered into a Securities Purchase Agreement with two institutional investors providing for the issuance and sale by the Company of an aggregate 840,000 shares of our Common Stock in a registered direct offering at a purchase price of $12.50 per Share for gross proceeds of approximately $10.5 million before deducting fees and offering expenses.

We believe that the aggregate of our existing cash and cash equivalents, including our working capital line of credit, shelf registration and equity line of capital, will be sufficient to meet our operating cash requirements until at least March 30, 2022.

As of March 12, 2021, we have approximately $20.5 million in cash availability. During the first quarter of 2021, we received cash proceeds of approximately $15 million from the exercise of our Public Warrants and an additional approximately $2.5 million from the exercise of 292,500 Unit Purchase Options. The available funds will support the execution of our approximate $61 million in backlog. We believe the backlog is executable within the next twelve to eighteen months which would support our transition back to profitability in 2021.

With the filing of our Form S-3 Registration Statement on December 4, 2020, we have the ability to access the capital markets up to $50,000,000 in aggregate to support our statement growth strategy. The access to capital accelerates our growth process and allows us to continue our expansion plans into new territories, aggressively pursue accretive merger and acquisition transactions and continue investing in our company-owned solar assets which now consist of the product offerings of iSun Energy LLC. There is currently approximately $39.5 million available under the Registration Statement as we drew down approximately $10.5 million through our Registered Direct Offering.

Under the terms of the equity line of credit entered into on September 26, 2019, Lincoln Park Capital is required to purchase shares up to a total value of $15,000,000 pursuant to certain terms and conditions. As of December 31, 2020, $15,000,000 of the equity line of credit is available for use. We can require the purchase of 50,000 shares of Common Stock under a regular purchase. On the next day following a regular purchase, we can require the purchase of an accelerated purchase equal to 200% of the shares sold in the regular purchase as well as an additional accelerated purchase equal to 300% of the shares sold in the regular purchase. The total number of shares authorized under the Purchase Agreement total 3,024,194 which would allow us to maximize the equity line of credit within 10 business days. At that moment, we have no plans to utilize our equity line of credit, but we do have the capability to raise capital utilizing this at-the-market offering and receive the cash proceeds from the transaction to fund our operating activities.

Cash flow provided by operating activities was $435,814 for the year ended December 31, 2020, compared to $2,130,694 of cash used by operating activities in the year ended December 31, 2019. The increase in cash provided by operating activities was primarily the result of the decrease in accounts receivable of $914,356 and an increase in billings in excess of costs of $1,014,099.

Net cash used in investing activities was $65,351 for the year ended December 31, 2020, compared to $4,276 used in the year ended December 31, 2019. This increase was related to the continued investment in our captive insurance.

Net cash provided by financing activities was $232,761 for the year ended December 31, 2020 compared to $1,917,683 of cash provided by financing activities for the year ended December 31, 2019. The cash flow used by financing activities was utilized to make payments against the line of credit as well as payments against long-term debt. The Company also received proceeds from the PPP loan of $1,496,468.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

As of December 31, 2020, our variable interest rate debt was primarily related to our Credit Facility with NBT Bank. Interest on outstanding revolving loans and our term loan under our Credit Facility accrues at variable rates based on, prime rate, as defined in the Credit Facility, plus a margin. As of December 31, 2020, we had $2.5 million aggregate principal amount of outstanding revolving loans under our Credit Facility with a weighted average interest rate of 3.25%. A 100 basis point increase in the applicable interest rates under our credit facilities would have increased our interest expense by approximately $30,000 for the year ended December 31, 2020.

As of December 31, 2020, our fixed interest rate debt primarily included $2.0 million aggregate principal amount of with variable interest rates, which accrued interest at a weighted average interest rate of approximately 4.4%. None of this debt subjects us to interest rate risk, but we may be subject to changes in interest rates if and when we refinance this debt at maturity or otherwise.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on its financial condition, revenues, results of operations, liquidity, or capital expenditures.

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
iSun, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of iSun, Inc. (formerly The Peck Company Holdings, Inc.) (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2019
New York, NY
March 15, 2021

Table of Contents

iSun, Inc.
(formerly known as The Peck Company Holdings, Inc.)
Consolidated Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash	$ 699,154	$ 95,930
Accounts receivable, net of allowance	6,215,957	7,294,605
Costs and estimated earnings in excess of billings	1,354,602	1,272,372
Other current assets	214,963	201,326
Total current assets	8,484,676	8,864,233
Property and equipment:		
Building and improvements	672,727	672,727
Vehicles	1,199,535	1,283,364
Tools and equipment	508,846	517,602
Solar arrays	6,386,025	6,386,025
	8,767,133	8,859,718
Less accumulated depreciation	(2,647,333)	(2,193,007)
	6,119,800	6,666,711
Other Assets:		
Captive insurance investment	198,105	140,875
Investment in GreenSeed Investors, LLC	4,724,444	-
Investment in Solar Partner Projects, LLC	96,052	-
	5,018,601	140,875
Total assets	$ 19,623,077	$ 15,671,819
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable, includes book overdraft of $1,246,437 and $1,496,695 at December 31, 2020 and 2019, respectively	$ 4,086,173	$ 4,274,517
Accrued expenses	172,021	119,211
Billings in excess of costs and estimated earnings on uncompleted contracts	1,140,125	126,026
Due to stockholders	24,315	342,718
Line of credit	2,482,127	3,185,041
Current portion of deferred compensation	28,656	27,880
Current portion of long-term debt	308,394	426,254
Total current liabilities	8,241,811	8,501,647
Long-term liabilities:		
Deferred compensation, net of current portion	62,531	88,883
Deferred tax liability	610,558	1,098,481
Long-term debt, net of current portion	1,701,495	1,966,047
Total liabilities	10,616,395	11,655,058
Commitments and Contingencies (Note 9)		
Stockholders' equity:		
Preferred stock – 0.0001 par value 200,000 shares authorized, 200,000 and 0 issued and outstanding at December 31, 2020 and December 31, 2019, respectively (Liquidation Value of $5,000,000)	20	-
Common stock – 0.0001 par value 49,000,000 shares authorized, 5,313,268 and 5,298,159 issued and outstanding as of December 31, 2020 and 2019, respectively	531	529
Additional paid-in capital	5,682,139	412,356
Retained earnings	3,323,992	3,603,876
Total Stockholders' equity	9,006,682	4,016,761
Total liabilities and stockholders' equity	$ 19,623,077	$ 15,671,819

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

iSun, Inc.
(formerly known as The Peck Company Holdings, Inc.)
Consolidated Statements of Operations
For the Years Ended December 31, 2020 and 2019

	2020	2019
Earned revenue	$ 21,052,211	$ 28,221,569
Cost of earned revenue	18,709,074	24,050,197
Gross profit	2,343,137	4,171,372
Warehouse and other operating expenses	684,669	864,359
General and administrative expenses	3,343,895	2,385,900
Total operating expenses	4,028,564	3,250,259
Operating (loss) income	(1,685,427)	921,113
Other expenses		
Gain on forgiveness of PPP loan	1,496,468	-
Interest expense	(302,542)	(244,068)
(Loss) income before income taxes	(491,501)	677,045
(Benefit) provision for income taxes	(487,173)	1,104,840
Net loss	(4,328)	(427,795)
Net income applicable to preferred stock dividend	(275,556)	-
Net loss available to shares of common stockholders	$ (279,884)	$ (427,795)
Weighted average shares of common stock outstanding		
Basic and diluted	5,301,471	4,447,681
Basic and diluted	$ (0.05)	$ (0.10)

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

iSun, Inc.
(formerly known as The Peck Company Holdings, Inc.)
Consolidated Statement of Changes in Stockholders' Equity
December 31, 2020 and 2019

	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amounts	Shares	Amounts			
Balance as of January 1, 2019	-	$ -	3,234,501	$ 323	$ 552,630	$ 4,518,085	$ 5,071,038
Cash distributions to shareholders	-	-	-	-	-	(486,414)	(486,414)
Conversion of rights to common shares	-	-	419,450	42	-	-	42
Combination with Peck Electric Co.	-	-	1,820,744	182	(129,324)	-	(129,142)
Shares issued for equity line	-	-	81,263	8	(10,976)	-	(10,968)
Forfeitures	-	-	(257,799)	(26)	26	-	-
Net loss	-	-	-	-	-	(427,795)	(427,795)
Balance as of December 31, 2019	-	$ -	5,298,159	$ 529	$ 412,356	$ 3,603,876	$ 4,016,761
Investment in Green Seed Investors, LLC	200,000	20	-	-	4,999,980	-	5,000,000
Investment in Solar Project Partners, LLC	-	-	-	-	96,052	-	96,052
Preferred stock dividend	-	-	-	-	-	(275,556)	(275,556)
Exercise of warrants	-	-	15,109	2	173,751	-	173,753
Net loss	-	-	-	-	-	(4,328)	(4,328)
Balance as of, December 31, 2020	200,000	$ 20	5,313,268	$ 531	$ 5,682,139	$ 3,323,992	$ 9,006,682

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

Table of Contents

iSun, Inc.
(formerly known as The Peck Company Holdings, Inc.)
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Net loss	$ (4,328)	$ (427,795)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	585,690	621,233
Bad debt expense	164,292	69,000
Gain on forgiveness of PPP loan	(1,496,468)	-
Deferred finance charge amortization	3,073	1,544
(Benefit) provision for deferred income taxes	(487,923)	1,098,481
Changes in operating assets and liabilities:		
Accounts receivable	914,356	(5,309,192)
Prepaid expenses	(13,637)	(201,326)
Costs and estimated earnings in excess of billings	(82,230)	(553,388)
Accounts payable	(188,344)	2,778,732
Accrued expenses	52,810	(117,249)
Billings in excess of costs and estimated earnings on uncompleted contracts	1,014,099	(54,601)
Accrued losses on contract in progress	-	(9,128)
Deferred compensation	(25,576)	(27,005)
Net cash provided by (used in) operating activities	435,814	(2,130,694)
Cash flows from investing activities:		
Purchase of equipment	(8,121)	(39,612)
Cash surrender value – life insurance	-	224,530
Investment costs	-	(129,142)
Investment in captive insurance	(57,230)	(60,052)
Net cash used in investing activities	(65,351)	(4,276)
Cash flows from financing activities:		
Proceeds from line of credit	18,080,985	13,927,654
Payments of line of credit	(18,783,899)	(11,715,137)
Proceeds from long-term debt	-	9,338
Deferred finance charges	-	(21,547)
Payments of long-term debt	(416,143)	(347,356)
Due to stockholders	(318,403)	295,299
Proceeds from PPP loan	1,496,468	-
Proceeds from warrant exercise	173,753	-
Equity line issuance costs	-	(10,968)
Stockholder distributions paid	-	(219,600)
Net cash provided by financing activities	232,761	1,917,683
Net increase (decrease) in cash	603,224	(217,287)
Cash, beginning of year	95,930	313,217
Cash, end of year	$ 699,154	$ 95,930
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Interest	$ 293,751	$ 244,068
Income taxes	750	5,859
Supplemental schedule of non-cash investing and financing activities:		
Shares of Preferred Stock issued for investment	$ 5,000,000	$ -
Warrants issued for investment	$ 96,052	$ -
Preferred dividends satisfied with distribution from investment	$ 275,556	$ -
Vehicles purchased and financed	$ 30,658	$ 126,793
Shares of Common Stock issued for equity line, at par	$ -	$ 8
Accrued S corporation distributions which have not been paid	$ -	$ 266,814

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

iSUN, INC.
(formerly known as The Peck Company Holdings, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

a) Organization

iSun, Inc.(formerly known as The Peck Holdings, Inc.) is a solar engineering, construction and procurement contractor for commercial and industrial customers across the Northeastern United States. The Company also provides electrical contracting services and data and communication services. The work is performed under fixed-price and modified fixed-price contracts and time and materials contracts. The Company is incorporated in the State of Delaware and has its corporate headquarters in Williston, Vermont.

Effective January 19, 2021, the Company changed its corporate name from The Peck Company Holdings, Inc. to iSun, Inc. (the “Name Change”). The Name Change was affected through a parent/subsidiary short-form merger of iSun, Inc., our wholly-owned Delaware subsidiary formed solely for the purpose of the name change, with and into us. We were the surviving entity. To effectuate the short-form merger, we filed a Certificate of Merger with the Secretary of State of the State of Delaware on January 19, 2021. The merger became effective on January 19, 2021 with the State of Delaware and, for purposes of the quotation of our Common Stock on the Nasdaq Capital Market (“Nasdaq”), effective at the open of the market on January 20, 2021.

On February 26, 2019, Peck Electric Co., a privately-held company, entered into a Share Exchange Agreement (the “Exchange Agreement”) with Jensyn Acquisition Corp. (“Jensyn”), a publicly-held company whose primary business objective was to acquire, through a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination (the “Reverse Merger and Recapitalization”), with one or more target businesses (a special purpose acquisition company or “SPAC”). On June 20, 2019, with the approval of the stockholders of each of Peck Electric Co. and Jensyn, the Reverse Merger and Recapitalization was completed. In connection with the Reverse Merger and Recapitalization, Jensyn issued 3,234,501 shares of Jensyn’s Common Stock, par value $0.0001 per share (the “Common Stock”), to the stockholders of the Peck Electric Co. in exchange for all of the equity securities of Peck Electric Co., and Peck Electric Co. became a wholly-owned subsidiary of Jensyn. While Jensyn was the surviving legal entity, iSun, Inc. (formerly known as The Peck Company Holdings, Inc.) was deemed the acquiring entity for accounting purposes. Concurrent with the completion of the Reverse Merger and Recapitalization, Jensyn changed its name from “Jensyn Acquisition Corp.” to “The Peck Company Holdings, Inc.” Unless the context otherwise requires, “we,” “us,” “our,” “iSun” and the “Company” refer to the combined company.

As a SPAC Jensyn had substantially no business operations prior to June 20, 2019. For financial accounting and reporting purposes the Exchange Agreement was accounted for as a “reverse recapitalization” in accordance with U.S. GAAP. Under this method of accounting, Jensyn was treated as the “acquired” company for financial reporting purposes. This determination was primarily based on Peck Electric Co shareholders having a majority of the voting power of the combined company, Peck Electric Co. comprising the ongoing operations of the combined entity, Peck Electric Co. comprising a majority of the governing body of the combined company, and Peck Electric Co.’s senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Exchange Agreement was treated as the equivalent of the Peck Electric Co. issuing stock for the net assets and equity of Jensyn, consisting of $0 assets, accompanied by a recapitalization (referred to as “the Exchange Agreement”). The net assets of Jensyn were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Exchange Agreement are those of Peck Electric Co.

Prior to June 20, 2019, Peck Electric Co. was a “pass-through” (S-corporation) entity for income tax purposes and had no material income tax accounting reflected in its financial statements for financial reporting purposes since taxable income and deductions were “passed through” to Peck Electric Co.’s stockholders. As of the date of the completion of the Exchange Agreement, Peck Electric effectively became a C-Corporation, which changed the level of taxation from the stockholders to the Company. The deferred tax assets and liabilities that arise out of the change of tax status have been recorded to account for the temporary differences that existed on the date of the resulting in a deferred tax liability of $1,506,362. The financial statements of the Company now account for income taxes in accordance with Accounting Standards Codification (“ASC”) 740, Income taxes.

b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of iSun, Inc. and its wholly owned operating subsidiary, Peck Electric Co. All material intercompany transactions have been eliminated upon consolidation of these entities.

c) Emerging Growth Company Status

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012, (the “JOBS Act”). Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

The Company would cease to be an “emerging growth company” upon the earliest to occur of: the last day of the fiscal year in which it has more than $1.07 billion in annual revenue; the date it qualifies as a “large accelerated filer,” with at least $700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by it of more than $1.0 billion in non-convertible debt or December 31, 2021.

d) Revenue Recognition

The majority of the Company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

1) Revenue Recognition Policy

Solar Power Systems Sales and Engineering, Procurement, and Construction Services

The Company recognizes revenue from the sale of solar power systems, Engineering, Procurement and Construction ("EPC") services, and other construction type contracts over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. Construction contracts, such as the sale of a solar power system combined with EPC services, are generally accounted for as a single unit of account (a single performance obligation) and are not segmented between types of services. Our contracts often require significant services to integrate complex activities and equipment into a single deliverable, and are therefore generally accounted for as a single performance obligation, even when delivering multiple distinct services. For such services, the Company recognizes revenue using the cost to cost method, based primarily on contract cost incurred to date compared to total estimated contract cost. The cost to cost method (an input method) is the most faithful depiction of the Company's performance because it directly measures the value of the services transferred to the customer. Cost of revenue includes an allocation of indirect costs including depreciation and amortization. Subcontractor materials, labor and equipment, are included in revenue and cost of revenue when management believes that the Company is acting as a principal rather than as an agent (i.e., the Company integrates the materials, labor and equipment into the deliverables promised to the customer). Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level. Pre-contract costs are expensed as incurred unless they are expected to be recovered from the customer. As of December 31, 2020 and 2019, the Company had $0 in pre-contract costs classified as a current asset under contract assets on the Consolidated Balance Sheet. Project mobilization costs are generally charged to project costs as incurred when they are an integrated part of the performance obligation being transferred to the client. Customer payments on construction contracts are typically due within 30 to 45 days of billing, depending on the contract. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

For sales of solar power systems in which the Company sells a controlling interest in the project to a customer, revenue is recognized for the consideration received when control of the underlying project is transferred to the customer. Revenue may also be recognized for the sale of a solar power system after it has been completed due to the timing of when a sales contract has been entered into with the customer.

Energy Generation

Revenue from net metering credits is recorded as electricity is generated from the solar arrays and billed to customers (PPA off-taker) at the price rate stated in the applicable power purchase agreement (PPA).

Operation and Maintenance and Other Miscellaneous Services

Revenue for time and materials contracts is recognized as the service is provided.

2) Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2020	2019
Solar Operations		
Performance obligations satisfied at a point in time	$ -	$ 4,220,000
Performance obligations satisfied over time	$ 17,354,852	$ 17,849,945
	$ 17,354,852	$ 22,069,945
Electric Operations		
Performance obligations satisfied at a point in time	$ -	$ -
Performance obligations satisfied over time	$ 2,459,373	$ 4,962,539
	$ 2,459,373	$ 4,962,539
Data and Network Operations		
Performance obligations satisfied at a point in time	$ -	$ -
Performance obligations satisfied over time	$ 1,237,986	$ 1,189,085
	$ 1,237,986	$ 1,189,085
Total		
Performance obligations satisfied at a point in time	$ -	$ 4,220,000
Performance obligations satisfied over time	$ 21,052,211	$ 24,001,569
Total	$ 21,052,211	$ 28,221,569

3) Variable Consideration

The nature of the Company's contracts gives rise to several types of variable consideration, including claims and unpriced change orders; award and incentive fees; and liquidated damages and penalties. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount. Factors considered in determining whether revenue associated with claims (including change orders in dispute and unapproved change orders in regard to both scope and price) should be recognized include the following: (a) the contract or other evidence provides a legal basis for the claim, (b) additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, (c) claim-related costs are identifiable and considered reasonable in view of the work performed, and (d) evidence supporting the claim is objective and verifiable. If the requirements for recognizing revenue for claims or unapproved change orders are met, revenue is recorded only when the costs associated with the claims or unapproved change orders have been incurred. Back charges to suppliers or subcontractors are recognized as a reduction of cost when it is determined that recovery of such cost is probable and the amounts can be reliably estimated. Disputed back charges are recognized when the same requirements described above for claims accounting have been satisfied.

4) Remaining Performance Obligation

Remaining performance obligations, or backlog, represents the aggregate amount of the transaction price allocated to the remaining obligations that the Company has not performed under its customer contracts. The Company has elected to use the optional exemption in ASC 606-10-50-14, which exempts an entity from such disclosures if a performance obligation is part of a contract with an original expected duration of one year or less.

5) Warranties

The Company generally provides limited workmanship warranties up to five years for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred, and any estimated costs for warranties are included in the individual contract cost estimates for purposes of accounting for long-term contracts.

e) Accounts Receivable

Accounts receivable are recorded when invoices are issued and presented on the balance sheet net of the allowance for doubtful accounts. The allowance, which was $84,000 at December 31, 2020 and $84,000 at December 31, 2019, is estimated based on historical losses, the existing economic condition, and the financial stability of the Company's customers. Accounts are written off against the reserve when they are determined to be uncollectible.

f) Project Assets

Project assets primarily consist of costs related to solar power projects that are in various stages of development that are capitalized prior to the completion of the sale of the project, and are actively marketed and intended to be sold. In contrast to contract assets, the Company holds a controlling interest in the project itself. These project related costs include costs for land, development, and construction of a PV solar power system. Development costs may include legal, consulting, permitting, transmission upgrade, interconnection, and other similar costs. The Company typically classifies project assets as noncurrent due to the nature of solar power projects (long-lived assets) and the time required to complete all activities to develop, construct, and sell projects, which is typically longer than 12 months. Once the Company enters into a definitive sales agreement, such project assets are classified as current until the sale is completed and the Company has met all of the criteria to recognize the sale as revenue. Any income generated by a project while it remains within project assets is accounted for as a reduction to the basis in the project. If a project is completed and begins commercial operation prior to the closing of a sales arrangement, the completed project will remain in project assets until placed in service. All expenditures related to the development and construction of project assets, whether fully or partially owned, are presented as a component of cash flows from operating activities. Project assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A project is considered commercially viable or recoverable if it is anticipated to be sold for a profit once it is either fully developed or fully constructed. A partially developed or partially constructed project is considered to be commercially viable or recoverable if the anticipated selling price is higher than the carrying value of the related project assets. The Company examines a number of factors to determine if the project is expected to be recoverable, including whether there are any changes in environmental, permitting, market pricing, regulatory, or other conditions that may impact the project. Such changes could cause the costs of the project to increase or the selling price of the project to decrease. If a project is not considered recoverable, we impair the respective project assets and adjust the carrying value to the estimated fair value, with the resulting impairment recorded within "Selling, general and administrative" expense.

Project Asset were $0 for the years ended December 31, 2020 and 2019, respectively.

g) Property and Equipment

Property and equipment greater than $1,000 are recorded at cost, less accumulated depreciation. Cost includes the price paid to acquire or construct the assets, required installation costs, and any expenditures that substantially add to the value or substantially extend the useful life of the assets.

The solar arrays represent project assets that the Company may temporarily own and operate after being placed into service. The Company reports solar arrays at cost, less accumulated depreciation. The Company begins depreciation on the solar arrays when they are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings and improvements	39 years
Vehicles	3-5 years
Tools and equipment	3-7 years
Solar arrays	20 years

Total depreciation expense for the years ended December 31, 2020 and 2019 was $585,690 and $621,233, respectively.

The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts and any resulting gain or loss is included in operations. The cost of maintenance and repairs are charged to expense as incurred, while significant renewals or betterments are capitalized.

h) Long-Lived Assets

The Company assesses long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances arise, including consideration of technological obsolescence, that may indicate that the carrying amount of such assets may not be recoverable. These events and changes in circumstances may include a significant decrease in the market price of a long-lived asset; a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition; a significant adverse change in the business climate that could affect the value of a long-lived asset; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset; a current period operating or cash flow loss combined with a history of such losses or a projection of future losses associated with the use of a long-lived asset; or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. For purposes of recognition and measurement of an impairment loss, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

When impairment indicators are present, the Company compares undiscounted future cash flows, including the eventual disposition of the asset group at market value, to the asset group's carrying value to determine if the asset group is recoverable. If the carrying value of the asset group exceeds the undiscounted future cash flows, the Company measures any impairment by comparing the fair value of the asset group to its carrying value. Fair value is generally determined by considering (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and/or (iii) information available regarding the current market value for such assets.

If the fair value of an asset group is determined to be less than its carrying value, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. Estimating future cash flows requires significant judgment, and such projections may vary from the cash flows eventually realized.

The Company considers a long-lived asset to be abandoned after the Company has ceased use of such asset and they have no intent to use or repurpose the asset in the future. Abandoned long-lived assets are recorded at their salvage value, if any.

i) Asset Retirement Obligations

The Company develops, constructs, and operates certain solar arrays with land lease agreements that include a requirement for the removal of the assets at the end of the term of the agreement. The Company recognizes such asset retirement obligations ("ARO") in the period in which they are incurred based on the present value of estimated third-party recommissioning costs, and they capitalize the associated asset retirement costs as part of the carrying amount of the related assets. Once an asset is placed into service, the asset retirement cost is subsequently depreciated on a straight-line basis over the estimated useful life of the asset. Changes in AROs resulting from the passage of time are recognized as an increase in the carrying amount of the liability and as accretion expense. The AROs were not deemed significant to the financial statements and were therefore, not recorded as a liability at December 31, 2020 and 2019.

j) Concentration and Credit Risks

The Company occasionally has cash balances in a single financial institution during the year in excess of the Federal Deposit Insurance Corporation (FDIC) limit of up to $250,000 per financial institution. The differences between book and bank balances are outstanding checks and deposits in transit. At December 31, 2020, the uninsured balances were approximately $422,000.

k) Income Taxes

Through June 20, 2019 (the date of the completion of the Reverse Merger and Recapitalization) the former Peck Electric had elected to be taxed as an S-Corporation under the Internal Revenue Code and similar codes in states in which the Company was subject to taxation. While this election was in effect, the income (whether distributed or not) was taxed for federal income tax purposes to former Peck Electric stockholders. Accordingly, no provision for federal income tax was required. However, the Company did calculate a proforma provision. The provision for income taxes for former Peck Electric was primarily for Vermont minimum taxes. As of the date of the completion of the Reverse Merger and Recapitalization, the Company effectively became a C-Corporation, which changed the level of taxation from the stockholders to the Company. The deferred tax assets and liabilities that arise out of the change of tax status have been recorded to account for the temporary differences that existed on the date of the change resulting in a deferred tax liability of $1,506,362. At December 31, 2020 and 2019, the deferred tax liability was $610,558 and $1,098,481, respectively.

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the 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 be applied to taxable income in the years in which those 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 in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The financial statements of the Company account for deferred tax assets and liabilities in accordance with Accounting Standards Codification ("ASC") 740, Income taxes.

The Company also uses a more-likely-than-not measurement for all tax positions taken or expected to be taken on a tax return in order for those tax positions to be recognized in the financial statements. If the Company were to incur interest and penalties related to income taxes, these would be included in the provision for income taxes. Generally, the three tax years previously filed remain subject to examination by federal and state tax authorities.

l) Sales Tax

The Company's accounting policy is to exclude state sales tax collected and remitted from revenues and costs of sales, respectively.

m) Use of Estimates

The preparation of consolidated 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 the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates their estimates, including those related to inputs used to recognize revenue over time, investments, impairment on investments and valuation of deferred tax assets. Actual results could differ from those estimates.

n) Recently Issued Accounting Pronouncements

Prior to June 20, 2019, the Company was defined as a non-public entity for purposes of applying transition guidance related to new or revised accounting standards under GAAP and was required to adopt new or revised accounting standards after the required adoption dates that applied to public companies. Subsequent to June 20, 2019, the Company maintains its emerging growth company status until no later than December 31, 2021. The Company will maintain the election available to an emerging growth company to use any extended transition period applicable to non-public companies when complying with a new or revised accounting standard. The Company retains its emerging growth status and therefore elects to adopt new or revised accounting standards on the adoption date required for a private company.

In January 2020, the FASB issued ASU No. 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815).* This ASU clarifies the interaction among accounting standards for equity securities, equity method investments and certain derivatives. We are currently assessing the provisions of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures. This guidance is effective for fiscal years beginning after December 15, 2020 with early adoption permitted. We are currently assessing the provisions of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures.

In August 2020, the FASB issued ASU No. 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas. The ASU is effective for public companies, excluding entities eligible to be smaller reporting companies, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020 and adoption must be as of the beginning of the Company's annual fiscal year. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-09, *Debt (Topic 470).* This ASU amends SEC paragraphs pursuant to SEC release No. 33-10762. We are currently assessing the provisions of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures. This guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either operating or financing, with such classifications affecting the pattern of expense recognition in the income statement. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and early adoption is permitted. This standard is effective for the Company's annual reporting period beginning after December 15, 2021. We are currently assessing the provisions of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures.

In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842),* to provide a one-year deferral of the effective dates. We are adopting the deferral and currently assessing the provisions of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures.

In June 2016 the FASB issued ASU No. 2016-13, *Financial Instruments-Credit losses (Topic 326)*. This new guidance will change how entities account for credit impairment for trade and other receivables, as well as for certain financial assets and other instruments. The update will replace the current incurred loss model with an expected loss model. Under the incurred loss model, a loss (or allowance) is recognized only when an event has occurred (such as a payment delinquency) that causes the entity to believe that a loss is probable (that is has been "incurred"). Under the expected loss model, a loss (or allowance) is recognized upon initial recognitions of the asset that reflects all future events that leads to a loss being realized, regardless of whether it is probable that the future event will occur. The incurred loss model considers past events and conditions, while the expected loss model includes expectations for the future which have yet to occur. ASU 2018-19 was issued in November 2018 and excludes operating leases from the new guidance. The standard will require entities to record a cumulative-effect adjustment to the balance sheet as of the beginning of the first reporting period in which the guidance is effective. As an Emerging Growth Company, the standard is effective for the Company's 2021 annual reporting period and interim periods beginning first quarter of 2022. The Company is evaluating the impact of ASU 2016-13 will have on its consolidated financial statements and associated disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740).* This ASU reduces the complexity over accounting for income taxes by removing certain exceptions and amending guidance to improve consistent application of accounting over income taxes. We are currently assessing the provision of this guidance to determine whether or not its adoption will have an impact on our consolidated financial statements and related disclosures. The Company is currently evaluating the impact of ASU No. 2019-12 will have on its consolidated financial statements.

o) Deferred Finance Costs

Deferred financing costs relate to the Company's debt and equity instruments. Deferred financing costs relating to debt instruments are amortized over the terms of the related instrument using the effective interest method. The Company incurred $0 and $21,547 of deferred financing costs during the year ended December 31, 2020 and 2019, respectively, in connection with a refinance of its revolving line of credit. Amortization expense associated with deferred financing costs, which is included in interest expense, totaled $3,073 and $1,544 for the years ended December 31, 2020 and 2019, respectively. Debt financing costs relating to the equity credit line were offset against additional paid in capital as the shares issued were fully earned on the execution of the agreement. The Company incurred $0 and $413,032 of deferred financing costs that was recorded to additional paid in capital for the year ended December 31, 2020 and 2019, respectively.

p) Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, cash collateral deposited with insurance carriers, deferred compensation plan liabilities, accounts payable and other current liabilities, and debt obligations.

Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value guidance establishes a valuation hierarchy, which requires maximizing the use of observable inputs when measuring fair value. The three levels of inputs that may be used are: (i) Level 1 - quoted market prices in active markets for identical assets or liabilities; (ii) Level 2 - observable market-based inputs or other observable inputs; and (iii) Level 3 - significant unobservable inputs that cannot be corroborated by observable market data, which are generally determined using valuation models incorporating management estimates of market participant assumptions. In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

Fair values of financial instruments are estimated using public market prices, quotes from financial institutions and other available information. Due to their short-term maturity, the carrying amounts of cash, accounts receivable, accounts payable and other current liabilities approximate their fair values. Management believes the carrying values of notes and other receivables, cash collateral deposited with insurance carriers, and outstanding balances on its line of credit and long-term debt approximate their fair values as these amounts are estimated using public market prices, quotes from financial institutions and other available information.

At December 31, 2019, the earnout provision of the Share Exchange was considered a Level 3 measurement. Given that the earnout provision was not met, it is no longer considered a Level 3 investment at December 31, 2020. The Company determined that it was unlikely that the earnout provision would be met, therefore no value was assigned.

q) Debt Extinguishment

Under ASC 470, debt should be derecognized when the debt is extinguished, in accordance with the guidance in ASC 405-20, *Liabilities: Extinguishments of Liabilities.* Under this guidance, debt is extinguished when the debt is paid, or the debtor is legally released from being the primary obligor by the creditor. On December 1, 2020, the Company received notification from NBT Bank that the Small Business Administration has approved the forgiveness of the PPP loan in its entirety and as such, the full $1,496,468 has been recognized in the income statement as a gain upon debt extinguishment for the year ended December 31, 2020.

r) Segment Information

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding the method to allocate resources and assess performance. The Company currently has one reportable segment with different product offerings for financial reporting purposes, which represents the Company's core business.

2. EXCHANGE AGREEMENT/REVERSE MERGER AND RECAPITALIZATION

As discussed in Note 1, on June 20, 2019, the Company consummated the business combination pursuant to the Reverse Merger and Recapitalization between Jensyn and Peck Electric Co. The material actions arising from the Exchange Agreement are outlined below:

a) Exchange of Shares

Upon the closing of the Exchange Agreement, the stockholders of Peck Electric Co. exchanged their shares of capital stock in Peck Electric Co. for 3,234,501 shares of the Jensyn's Common Stock (the "Share Exchange"), representing approximately 59% of Jensyn's outstanding shares after giving effect to the Reverse Merger and Recapitalization. As a result of the Share Exchange, Peck Electric became a wholly owned subsidiary of the Company.

Upon the closing of the Reverse Merger and Recapitalization and after giving effect to the issuances of Common Stock and the conversion of 4,194,500 rights to purchase Common Stock into 419,450 shares of Common Stock. In addition, 1,819,482 shares of the Company were issued to Jensyn shareholders upon the closing of the Reverse Merger and Recapitalization. The Company also redeemed a total of 492,037 shares of its Common Stock pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation resulting in a total payment to redeeming stockholders of $5,510,814.

i. warrants exercisable for 2,097,250 shares of Common Stock, consisting of 3,900,000 warrants originally sold as part of units in Jensyn's initial public offering (the "IPO") and 294,500 warrants sold as part of the units issued in a private placement simultaneously with the consummation of the Jensyn IPO. Each warrant entitles its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share)

ii. warrants exercisable for 195,000 shares of Common Stock, consisting of 390,000 private warrants originally sold as part of Firm Units in the IPO. Each warrant entitled its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share).

iii. Purchase option for 390,000 Units was originally sold as part of the IPO. Each Unit has an exercise price of $12.00 per Unit and consists of the following:

- One share of Common Stock
- One right to receive one-tenth (1/10) of a share of Common Stock issued upon exercise of the Unit
- One warrant entitling its holder to purchase one-half of one share of Common Stock at an exercise price of $5.75 per half share ($11.50 per whole share).

b) Earnout

The Exchange Agreement contained a provision that if certain conditions were met by June 30, 2020, the end of the Earnout Period, the Company would issue 898,473 shares of Common Stock to the original Peck Electric Co. stockholders, issue 11,231 shares of Common Stock to Exit Strategy Partners, LLC, and issue shares of Common Stock to certain of the initial stockholders of the Company a number of shares of the Company's Common Stock equal to the number of shares of the Company's Common Stock forfeited and canceled by such stockholders to the extent that such shares are used to satisfy Company obligations or to induce investors to make an equity investment in the Company at or prior to the Closing as described below under "Issuance of Additional Shares and Forfeiture of Sponsor Shares." The Board of Directors of the Company established a Special Committee of the Board of Directors to determine whether the conditions were met. Based on the findings of the Special Committee, the Board of Directors has determined that the conditions were not met. Accordingly, no shares were issued pursuant to this provision.

c) Issuance of Additional Shares and Forfeiture of Sponsor Shares

In connection with the Reverse Merger and Recapitalization arising out of the Exchange Agreement, the Company issued 493,299 shares of Common Stock in exchange for the cancellation of approximately $5,618,675 of obligations and, as contemplated by the Exchange Agreement, certain insiders and their transferees agreed to forfeit and cancel 281,758 shares of Common Stock. As of December 31, 2019, 257,799 shares of Common Stock were forfeited. No new shares will be issued as the earnout provisions of Exchange Agreement were not met by June 30, 2020, the end of the Earnout Period. The remaining 23,959 shares of Common Stock are pending forfeiture and cancellation as of December 31, 2020.

3. EXCHANGE AND SUBSCRIPTION AGREEMENT

The Company entered into an Exchange and Subscription Agreement (the “Exchange Agreement”) dated April 22, 2020 with GreenSeed Investors, LLC, a Delaware limited liability company (“GSI”), and Solar Project Partners, LLC, a Delaware limited liability company (“SPP”).

The primary purpose of GSI is to facilitate the green bond platform and provide capital for the acquisition of solar projects by SPP. The investment in GSI provides access to early stage financing to support the Company’s EPC operations while establishing a large pipeline of projects. The investment in SPP provides the Company with the opportunity to retain a long-term ownership in the completed solar projects. As such, the Company recorded the investments as long-term other assets.

Pursuant to the Exchange Agreement, the Company subscribed for 500,000 Units of Class B Preferred Membership units of GSI in exchange for 200,000 shares of the Company’s Series A Preferred Stock (the “Preferred Shares”). In addition to the investment of Preferred Shares by the Company, GSI obtain additional capital contributions which valued the Units at $10.00 per Unit. As the Company acquired 500,000 Units, the market transactions were utilized as a Level 1 fair value instruments in determining the valuation of the investment. As of April 22, 2020, the fair value of the investment in GSI was $5,000,000. Separately, the Company subscribed for and purchased 100,000 Units of SPP in exchange for the issuance by the Company of a Warrant to acquire 275,000 shares of the Company’s Common Stock at an exercise price of $15.00 per share. As of December 31, 2020, the fair value of the warrants was $96,052. The key assumptions used in the valuation of the warrants were as follows; a) volatility of 71.36%, b) term of 5 years, c) risk free rate of 0.36% and d) a dividend yield of 0%.

The Exchange Agreement provides that as long as the dividend payment on the Preferred Shares in each calendar quarter is equal to the aggregate distribution with respect to the GSI Units, such payments and distributions shall be offset and neither GSI nor the Company need to make any cash payments to the other. For the year ended December 31, 2020, the Company received a return of capital from GSI in the amount of $275,556 which offset the dividends payable in accordance with the operating agreement between the Company and GSI.

The Company granted to GSI the right to repurchase up to 400,000 (in tranches of 50,000) of the Units at a valuation of $10.00 per Unit totaling $4,000,000.

The Company granted to GSI registration rights with respect to the Preferred Shares, the Warrant, and the Common Stock underlying the Warrant.

The GSI and SPP investments are measured at cost, less impairment, if any, plus or minus changes resulting from observable price changes in ordinary transactions for the identical or similar investment of the same issuer. As the Company does not have significant influence over operating or financial policies of GSI and SPP, the cost method of accounting for the investment was determined to be appropriate. Changes in the fair value of the investment are recorded as net appreciation in fair value of investment in the Consolidated Statements of Operations. At December 31, 2020, the equity investment for GSI and SPP was $4,724,444 and $96,052, respectively. No net appreciation or depreciation in fair value of the investments was recorded during the year ended December 31, 2020, as there were no observable price changes.

	December 31, 2020	December 31, 2019
Initial value as of April 22, 2020	$ 5,000,000	$ -
Return of capital	(275,556)	-
Total	$ 4,724,444	$ -

4. LIQUIDITY AND FINANCIAL CONDITION

In 2020, the Company experienced a net operating loss but positive cash flow from operations. At December 31, 2020, the Company had balances of cash of $699,154 working capital of $242,865 and total stockholders' equity of $9,006,682. To date, the Company has relied predominantly on operating cash flow to fund its operations and borrowings from its credit facilities.

The Company does not expect to continue to incur losses from operations as the net operating loss was a result of the negative impact of the COVID-19 pandemic. The Company's operations were delayed for approximately six months of the year ended December 31, 2020, which resulted in an overall reduction in revenue.

On January 8, 2021 we entered into a Securities Purchase Agreement with two institutional investors providing for the issuance and sale by the Company of an aggregate 840,000 shares of our Common Stock in a registered direct offering at a purchase price of $12.50 per Share for gross proceeds of approximately $10.5 million before deducting fees and offering expenses. The Company's Form S-3 Registration Statement is effective and allows the Company to offer, issue and sell up to $50,000,000 in the aggregate of our shares of Common Stock. After the registered direct offering, the Company has approximately $39.5 million available under the shelf registration.

Under the terms of the equity line of credit, Lincoln Park Capital is required to purchase shares up to a total value of $15,000,000 pursuant to certain terms and conditions. The Company can require the purchase of 50,000 shares of Common Stock under a regular purchase. On the next day following a regular purchase, the Company can require the purchase of an accelerated purchase equal to 200% of the shares sold in the regular purchase as well as an additional accelerated purchase equal to 300% of the shares sold in the regular purchase. The total number of shares authorized under the Purchase Agreement total 3,024,194 which would allow the Company to maximize the equity line of credit within 10 business days.

On various dates from January 1, 2021 through March 12, 2021, certain holders of the Company's Public Warrants exercised the right to convert the warrants into shares of Common Stock. As of March 12, 2021, a total of 2,598,902 Public Warrants were submitted for exercise resulting in an issuance of 1,299,451 with net proceeds of $14,943,687 being received by the Company. Subsequent to the conversion of the warrants, the Company has approximately $22 million in cash availability.

The Company believes its current cash on hand, proceeds generated from the registered direct offering, the availability under the equity line of credits, the collectability of its accounts receivable and project backlog are sufficient to meet its operating and capital requirements for at least the next twelve months from the date these financial statements are issued.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of:

	December 31, 2020	December 31, 2019
Accounts receivable - contracts in progress	$ 6,206,760	$ 7,190,412
Accounts receivable - retainage	93,197	188,193
	6,299,957	7,378,605
Allowance for doubtful accounts	(84,000)	(84,000)
Total	$ 6,215,957	$ 7,294,605

Bad debt expense was $164,292 and $69,000 for the years ended December 31, 2020 and 2019, respectively.

Contract assets represent revenue recognized in excess of amounts billed, unbilled receivables, and retainage. Unbilled receivables represent an unconditional right to payment subject only to the passage of time, which are reclassified to accounts receivable when they are billed under the terms of the contract. Contract assets were as follows at December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
Costs in excess of billings	$ 216,261	$ 1,066,159
Unbilled receivables, included in costs in excess of billings	1,138,341	206,213
	1,354,602	1,272,372
Retainage	93,197	188,193
	$ 1,447,799	$ 1,460,565

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date, billings in excess of costs, and retainage. The Company anticipates that substantially all incurred cost associated with contract assets as of December 31, 2020 will be billed and collected within one year. Contract liabilities were as follows at December 31, 2020 and 2019:

	December 31, 2020	December 31, 2019
Billings in excess of costs	$ 1,140,125	$ 126,026

6. CONTRACTS IN PROGRESS

Information with respect to contracts in progress are as follows:

	December 31, 2020	December 31, 2019
Expenditures to date on uncompleted contracts	$ 7,764,622	$ 4,699,855
Estimated earnings thereon	2,178,868	1,409,060
	9,943,490	6,108,915
Less billings to date	(10,867,354)	(5,168,782)
	(923,864)	940,133
Plus under billings remaining on contracts 100% complete	1,138,341	206,213
Total	$ 214,477	$ 1,146,346

Included in accompany balance sheets under the following captions:

	December 31, 2020	December 31, 2019
Cost and estimated earnings in excess of billings	$ 1,354,602	$ 1,272,372
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,140,125)	(126,026)
	$ 214,477	$ 1,146,346

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7. LONG-TERM DEBT

A summary of long-term debt is as follows:

	December 31, 2020	December 31, 2019
NBT Bank, National Association, 4.25% interest rate, secured by all business assets, payable in monthly installments of $5,869 through September 2026, with a balloon payment at maturity.	$ 683,268	$ 723,230
NBT Bank, National Association, 4.00% interest rate, secured by all business assets, payable in monthly installments of $12,070 through January 2021.	12,050	153,258
NBT Bank, National Association, 4.20% interest rate, secured by building, payable in monthly installments of $3,293 through September 2026, with a balloon payment at maturity.	246,135	274,476
NBT Bank, National Association, 4.15% interest rate, secured by all business assets, payable in monthly installments of $3,677 through April 2026.	210,475	244,920
NBT Bank, National Association, 4.20% interest rate, secured by all business assets, payable in monthly installments of $5,598 through October 2026, with a balloon payment at maturity.	426,624	474,464
NBT Bank, National Association, 4.85% interest rate, secured by a piece of equipment, payable in monthly installments of $2,932 including interest, through May 2023.	80,001	110,413
Various vehicle loans, interest ranging from 0% to 6.99%, total current monthly installments of approximately $8,150, secured by vehicles, with varying terms through September 2025.	294,799	333,510
National Bank of Middlebury, 3.95% interest rate for the initial 5 years, after which the loan rate will adjust equal to the Federal Home Loan Bank of Boston 5/10 – year Advance Rate plus 2.75%, loan is subject to a floor rate of 3.95%, secured by solar panels and related equipment, payable in monthly installments of $2,388 including interest, through December 2024.	73,467	98,033
	2,026,819	2,412,304
Less current portion	(308,394)	(426,254)
	1,718,425	1,986,050
Less debt issuance costs	(16,930)	(20,003)
Long-term debt	$ 1,701,495	$ 1,966,047

Maturities of long-term debt are as follows:

Year ending December 31:	Amount
2021	$ 308,394
2022	305,857
2023	265,765
2024	222,606
2025	209,858
Thereafter	714,339
	$ 2,026,819

Payroll Protection Loan

On April 24, 2020, the Company entered into a Promissory Note with NBT Bank, N.A. as the lender ("Lender"), pursuant to which the Lender agreed to make a loan to the Company under the Payroll Protection Program ("PPP Loan") offered by the U.S. Small Business Administration ("SBA") in a principal amount of $1,487,624 pursuant to Title 1 of the Coronavirus Aid, Relief and Economic Security Act ("CARES").

The PPP Loan proceeds are available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The amount that will be forgiven will be calculated in part with reference to the Company's full-time headcount during the 24-week period following the funding of the PPP Loan.

On December 1, 2020, the Company received notification from NBT Bank that the Small Business Administration has approved the forgiveness of the PPP loan in its entirety and as such, the full $1,496,468 has been recognized in the income statement as a gain upon debt extinguishment for the year ended December 31, 2020.

8. LINE OF CREDIT

The Company has a working capital line of credit with NBT Bank with a limit of $6,000,000 and a variable interest rate based on the Wall Street Journal Prime rate, currently 3.25%. The line of credit is payable upon demand and subject to an annual review in September 2021. The balance outstanding was $2,482,127 and $2,675,041 at December 31, 2020 and December 31, 2019, respectively Borrowing is based on 80% of eligible accounts receivable. The line is secured by all business assets and is subject to certain financial covenants. These financial covenants consist of a minimum debt service coverage ratio of 1.20 to 1.00 measured on a quarterly basis. As of December 31, 2020, the Company was not in compliance with the financial covenants but received a waiver of covenant default from NBT Bank.

The Company had a line of credit with NBT Bank with a limit of $2,000,000 to fund the development of certain solar arrays. The line had a variable interest rate based on the Wall Street Journal Prime rate, which was 4.75%. The maturity date was September 2020 and this line of credit has been closed. There were no borrowings at December 31, 2020 and the balance was $510,100 at December 31, 2019. The line was secured by all business assets and is subject to certain financial covenants.

9. COMMITMENTS AND CONTINGENCIES

In 2015, the Company entered into two twenty-five-year non-cancelable lease agreements for land on which they constructed solar arrays. One lease has fixed annual rent of $2,500. The second lease has annual rent of $2,500 with an annual increase of 2%.

In 2017, the Company entered into a twenty-year non-cancelable lease agreement for land on which it constructed solar arrays. The lease has annual rent of $3,500 with an annual increase of 2%.

In 2018, the Company entered into a twenty-year non-cancelable lease agreement for land on which it constructed solar arrays. The lease has annual rent of $26,000.

In 2019, the Company entered into a two-year non-cancelable lease agreement for equipment used in solar installations. The lease has an annual rent of $45,832.

In 2020, the Company entered into a ten year lease agreement for a new headquarters consisting of approximately 6,250 square feet of office space and 6,500 square feet of warehouse. The lease has annual rent of $108,162 with an annual increase of 2%.

The Company leases a vehicle under a non-cancelable operating lease. In addition, the Company occasionally pays rent for storage on a month-to-month basis.

Total rent expense for all of the non-cancelable leases above were $62,021 and $58,605 for the years ended December 31, 2020 and 2019, respectively.

The Company also rents equipment to be used on jobs under varying terms not exceeding one year. Total rent expense under short term rental agreements was $228,667 and $384,536 for the year ended December 31, 2020 and 2019, respectively.

Future minimum lease payments required under all of the non-cancelable operating leases are as follows:

Year ending December 31:	Amount
2021	$ 162,363
2022	145,561
2023	147,903
2024	150,291
2025	152,310
Thereafter	1,070,016
	$ 1,828,444

10. EQUITY FINANCINGS

On October 12, 2020, the Company received notification that 30,218 warrants issued in connection with the Company's (Jensyn Acquisition Corp.) initial public offering were exercised and 15,109 shares of Common Stock were issued in connection with such exercise resulting in cash proceeds to the Company of $173,751.

On September 26, 2019, the Company entered into a Purchase Agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park"), pursuant to which, upon the terms and subject to the conditions and limitations set further therein, Lincoln Park has committed to purchase an aggregate of $15.0 million of the Company's Common Stock from time to time at the sole discretion of the Company. (the "Purchase Agreement") As consideration for entering into the Purchase Agreement, the Company issued to Lincoln Park as a commitment fee (the "Commitment Shares") 81,263 share of Company Common Stock with a fair value of $4.96. The fair value of the shares issued was recorded to additional paid in capital at December 31, 2019.

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11. UNION ASSESSMENTS

The Company employs members of the International Brotherhood of Electrical Workers Local 300 (IBEW). The union fee assessments payable are both withholdings from employees and employer assessments. Union fees are for monthly dues, defined contribution pension, health and welfare funds as part of multi-employer plans. All union assessments are based on the number of hours worked or a percentage of gross wages as stipulated in the agreement with the Union.

The Company has an agreement with the IBEW in respect to rates of pay, hours, benefits, and other employment conditions that expires May 31, 2022. During the years ended December 31, 2020 and 2019, the Company incurred the following union assessments.

	December 31, 2020	December 31, 2019
Pension fund	$ 310,023	$ 374,020
Welfare fund	971,720	1,192,831
National employees benefit fund	90,993	131,982
Joint apprenticeship and training committee	20,233	17,829
401(k) matching	43,998	38,521
Total	$ 1,436,967	$ 1,755,183

Multiemployer Plans

The Company is party to collective bargaining agreements with unions representing certain of their employees, which require the Company to pay specified wages, provide certain benefits to their union employees and contribute certain amounts to Multi-Employer Pension Plans ("MEPP"). The Pension Plan Agreement ("PPA") defines the funding rules for defined benefit pension plans and establishes funding classifications for U.S.-registered multiemployer pension plans. Under the PPA, plans are classified into one of the following five categories, based on multiple factors, also referred to as a plan's "zone status": Green (safe), Yellow (endangered), Orange (seriously endangered), and Red (critical or critical and declining). Factors included in the determination of a plan's zone status include: funded percentage, cash flow position and whether the plan is projecting a minimum funding deficiency.

A multiemployer plan that is so underfunded as to be in "endangered," "seriously endangered," "critical," or "critical and declining" status (as determined under the PPA) is required to adopt a funding improvement plan ("FIP") or a rehabilitation plan ("RP"), which, among other actions, could include decreased benefits and increased employer contributions, which could take the form of a surcharge on benefit contributions. These actions are intended to improve their funding status over a period of years. If a pension fund is in critical status, a participating employer must pay an automatic surcharge in addition to contributions otherwise required under the collective bargaining agreement ("CBA"). With some exceptions, the surcharge is equal to 5% of required contributions for the initial critical year and 10% for each succeeding plan year in which the plan remains in critical status. The surcharge ceases on the effective date of a CBA (or other agreement) that includes contribution and benefit terms consistent with the rehabilitation plan. Certain plans in which the Company participates are in "endangered," "seriously endangered," "critical," or "critical and declining" status. The amount of additional funds, if any, that the Company may be obligated to contribute to these plans in the future cannot be estimated due to the uncertainty of the future levels of work that could be required of the union employees covered by these plans, as well as the required future contribution rates and possible surcharges applicable to these plans.

Details of significant multiemployer pension plans as of and for the periods indicated, based upon information available to the Company from plan administrators as well as publicly available information on the U.S. Department of Labor website, are provided in the following table:

			Contributions For the Years Ended December 31,			Pension Protection Act Zone Status					
Multiemployer Pension Plan	**Employer Identification Number**	**Plan Number**	**2020**	**2019**	**Expiration Date of CBA**	**2020**	**As of**	**2019**	**As of**	**FIP/RP Status**	**Surcharge**
National Electrical Benefit Fund	53-0181657	1	90,993	131,982	5/31/2022	Green	12/31/2020	Green	12/31/2019	NA	No

12. PROVISION FOR INCOME TAXES

In connection with the closing of the Reverse Merger and Recapitalization, the Company's tax status changed from an S-corporation to a C-corporation. As a result, the Company is responsible for Federal and State income taxes and must record deferred tax assets and liabilities for the tax effects of any temporary differences that exist on the date of the change. When push down accounting does not apply as part of a business combination, U.S. GAAP requires the effect of the change in tax status to be recognized in the financial statements and the effect is included in income (loss) from continuing operations. The Company recorded deferred income tax expense and a corresponding deferred tax liability of $1,098,481 as of and for the year ended December 31, 2019, of which $1,506,362 was recorded at the time of conversion to a C-corporation (see note 1 (k) income taxes). For the year ended December 31, 2020 the Company recorded deferred income tax benefit of $487,923 and had a net deferred tax liability of $610,558.

The Reverse Merger and Recapitalization between Jensyn and Peck Electric Co. on June 20, 2019 caused a stock ownership change for purposes of Section 382 of the Internal Revenue Code. The Company recognized tax net operating losses which it expects to fully utilize over time subject to annual limitations as set forth in the Internal Revenue Code.

The provision for income taxes for the year ended December 31, 2020 and 2019 consists of the following:

	2020	2019
Current		
Federal	$ -	$ -
State	750	6,359
Total Current	750	6,359
Deferred		
Federal	(369,705)	751,432
State	(118,218)	347,049
Total Deferred	$ (487,923)	1,098,481
(Benefit) Provision for Income Taxes	$ (487,173)	$ 1,104,840

The Company's total deferred tax assets and liabilities at December 31, 2020 are as follows:

	2020	2019
Deferred tax assets (liabilities)		
Accruals and reserves	$ 23,758	$ 4,157
Net operating loss	812,996	421,940
Total deferred tax assets	836,754	426,097
Property and equipment	(1,447,312)	(1,524,578)
Total deferred tax liabilities	(1,447,312)	(1,524,578)
Net deferred tax asset (liabilities)	$ (610,558)	$ (1,098,481)

The Company uses a more-likely-than-not measurement for all tax positions taken or expected to be taken on a tax return in order for those tax positions to be recognized in the financial statements. There were no uncertain tax positions as of December 31, 2020 and 2019. If the Company were to incur interest and penalties related to income taxes, these would be included in the provision for income taxes, there were none for the year ended December 31, 2020 and 2019 respectively. Generally, the three tax years previously filed remain subject to examination by federal and state tax authorities. The Company does not expect a material change in uncertain tax positions to occur within the next 12 months.

Reconciliation between the effective tax on income from operations and the statutory tax rate is as follows:

	2020	2019
Income tax expense at federal statutory rate	$ (103,215)	$ 142,179
Federal taxes on period Company was a flow through entity	-	(220,005)
Paycheck Protection Program tax exempt loan forgiveness	(412,295)	-
Permanent differences	44,816	2,049
Deferred tax expense recorded upon conversion to C-Corp	-	1,134,772
Other adjustments	15,726	-
State and local taxes net of federal benefit	(32,205)	45,845
Income tax expense	$ (487,173)	$ 1,104,840

The Company received a loan under the CARES Act Payroll Protection Program ("PPP") of $1,487,624. Proceeds from the loan were used to cover documented expenses related to payroll, rent and utilities, during the 24-week period, subsequent to the cash being received by the Company, are eligible to be forgiven. The "PPP" loan was forgiven in its entirety and the income is deemed to be non-taxable which results in the Company's effective tax rate differing from the statutory rate.

The Company has federal net operating losses of approximately $3,100,000 of which $1,138,000 will expire beginning in 2034, $1,962,000 of the net operating losses do not expire. Net operating losses incurred beginning in 2018 are not subject to expiration under the Tax Cuts and Jobs Act, but the annual usage is limited to 80% or pre net operating loss taxable income. We believe that it is more likely than not that the tax benefit of these net operating losses will be fully realized, as such no valuation allowance has been recorded. The deferred tax assets for the net operating losses are presented net with deferred tax liabilities, which primarily consist of book and tax depreciation differences.

13. CAPTIVE INSURANCE

The Company and other companies are members of an offshore heterogeneous group captive insurance holding company entitled Navigator Casualty, LTD. (NCL). NCL is located in the Cayman Islands and insures claims relating to workers' compensation, general liability, and auto liability coverage.

Premiums are developed through the use of an actuarially determined loss forecast. Premiums paid totaled $189,958 and $189,337 for the years ended December 31, 2020 and 2019, respectively. The loss funding, derived from the actuarial forecast, is broken-out into two categories by the actuary known as the "A & B" Funds. The "A" Fund pays for the first $100,000 of any loss and the "B" Fund contributes to the remainder of the loss layer up to $300,000 total per occurrence.

Each shareholder has equal ownership and invests a one-time cash capitalization of $36,000. This is broken out into two categories, $35,900 of redeemable preference shares and $100 for a single common share. Each shareholder represents a single and equal vote on NCL's Board of Directors.

Summary financial information on NCL as of September 30, 2020 is:

Total assets	$	96,020,037
Total liabilities	$	46,176,680
Comprehensive income	$	8,820,830

NCL's fiscal year end is September 30, 2020.

		2020		2019
Investment in NCL				
Capital	$	36,000	$	36,000
Cash security		158,785		101,555
Investment income in excess of losses (incurred and reserves)		3,320		3,320
Total deferred tax assets	$	198,105	$	140,875

14. RELATED PARTY TRANSACTIONS

In 2014, the minority stockholders of Peck Electric Co., who sold the building that the Company formerly occupied, lent the proceeds to the majority stockholders of Peck Electric Co. who contributed $400,000 of the net proceeds as paid in capital. At December 31, 2020 and December 31, 2019, the amount owed of $73,000 and $117,605, respectively, is included in the "due to stockholders" as there is a right to offset.

In May 2018, stockholders of the Company bought out a minority stockholder of Peck Electric Co. The Company advanced $250,000 for the stock purchase which is included in the "due from stockholders". At December 31, 2020 and December 31, 2019, the amounts due of $602,463 and $337,000, respectively, are included in the "due to stockholders" as there is a right to offset.

In 2019, the Company's majority stockholders lent proceeds to the Company to help with cash flow needs. At December 31, 2020 and December 31, 2019, the amounts owed of $286,964 and $295,299, respectively, are included in the "due to stockholders" as there is a right to offset.

The Company was an S-corporation through June 20, 2019 and as a result, the taxable income of the Company is reported on each stockholder's tax returns and each stockholder are taxed individually. As a result, the Company has accrued a distribution for taxes of $266,814 at December 31, 2020 and December 31, 2019, respectively, to the former stockholders of Peck Electric Co. for the period during which the Company was an S-corporation, which is included in the "due to stockholders" value below.

The amounts below include amounts due to/from stockholders as of December 31, 2020 and December 31, 2019:

		December 31, 2020		December 31, 2019
Due to stockholders consists of unsecured notes to stockholders with interest at the mid-term AFR rate (2.08% at December 31, 2020).	$	24,315	$	342,718

15. DEFERRED COMPENSATION PLAN

In 2018, the Company entered into a deferred compensation agreement with a former minority stockholder. The agreement provides for deferred income benefits and is payable over the post-retirement period. The Company accrues the present value of the estimated future benefit payments over the period from the date of the agreement to the retirement date. The minimum commitment for future compensation under the agreement is $155,000, the net present value of which is $91,187. The Company will also pay the former stockholder a solar management fee of 24.5% of the available cash flow from the solar arrays put into service on or before December 31, 2017 over the life of the arrays. The amount is de minimis and therefore not recorded on the balance sheet as of December 31, 2020 and 2019 and recorded in the statement of operations when incurred.

16. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into Common Stock.

As a result of the Merger and Recapitalization, the Company has retrospectively adjusted the weighted average of shares of Common Stock outstanding prior to June 20, 2019 by multiplying such shares by the exchange ratio used to determine the number of shares of Common Stock into which they converted.

	Years Ended December 31,	
	2020	**2019**
Numerator:		
Net loss	$ (4,328)	$ (427,795)
Net income applicable to preferred shareholders	(275,556)	-
Net loss available to common stock shareholders	(279,884)	(427,795)
Denominator:		
Weighted average shares outstanding:		
Basic	5,301,471	4,447,681
Diluted	5,301,471	4,447,681
Basic income (loss) per share	(0.05)	(0.10)
Diluted income (loss) per share	(0.05)	(0.10)

The Company has contingent share arrangements and warrants arising from the Reverse Merger and Recapitalization, Jensyn's IPO discussed in Note 2 and the Exchange and Subscription Agreement discussed in Note 3. The potential issuance of additional shares of Common Stock from these arrangements were excluded from the diluted EPS calculation because the prevailing market and operating conditions at the present time do not indicate that any additional shares of Common Stock will be issued. These instruments could result in dilution in future periods. As of December 31, 2020, the earnout shares were forfeited. Below is a schedule of the potential share issuances arising from these contingencies that were excluded from the calculations above:

	Years Ended December 31, 2020	2019
Earnout provision, includes new shares of Common Stock that may be issued to former Peck Electric Co. shareholders	-	898,473
Earnout provision, includes new shares of Common Stock that may be issued to Exit Strategy	-	11,231
Earnout provision, including new shares of Common Stock that may be issued to holders of forfeited and canceled shares	-	257,799
Option to purchase Common Stock, from Jensyn's IPO	429,000	429,000
Warrants to purchase Common Stock, from Jensyn's IPO	2,277,141	2,292,250
Warrants to purchase Common Stock, from Solar Project Partners, LLC. Exchange and Subscription Agreement	275,000	-
Conversion of Preferred Stock to Common Stock from GreenSeed Investors, LLC Exchange and Subscription Agreement	370,370	-

17. PREFERRED STOCK

The Company has authorized and designated 200,000 shares of convertible preferred stock (the "Preferred Stock"). Pursuant to the Exchange Agreement, the Company subscribed for 500,000 Units of Class B Preferred Membership units of GSI in exchange for 200,000 shares of the Company's Series A Preferred Stock (the "Preferred Shares"). In addition, the Company subscribed for and purchased 100,000 Units of SPP in exchange for the issuance by the Company of a Warrant to acquire 275,000 shares of the Company's Common Stock at an exercise price of $15.00 per share.

The Exchange Agreement provides that as long as the dividend payment on the Preferred Shares in each calendar quarter is equal to the aggregate distribution with respect to the GSI Units, such payments and distributions shall be offset and neither GSI nor the Company need to make any cash payments to the other.

The Company granted to GSI the right to repurchase up to 400,000 (in tranches of 50,000) of the Units at a valuation of $4,000,000.

The Company granted to GSI registration rights with respect to the Preferred Shares, the Warrant, and the Common Stock underlying the Warrant.

The Preferred Stock has the following rights and privileges:

Voting – The holders of the Preferred Stock is not entitled to voting rights.

Conversion – Each share of Preferred Stock, is convertible at the option of the holder into 1.85185 shares of Common Stock. The outstanding shares of Preferred Stock automatically convert into Common Stock upon the occurrence of (i) the trading of the shares of Common Stock is equal to or greater than $15.00 per share for any 20 days in a 30 day trading period, or (ii) when there is a change in control and the holder would receive consideration equal to or greater than the preferred liquidation preferences.

Dividends – The holders of the Preferred Stock in preference to the holders of Common Stock, are entitled to receive, if and when declared by the Board of Directors, dividends at the rate of $2.00 per share per annum.

Liquidation – In the event of any liquidation, dissolution, winding-up or sale or merger of the Company, whether voluntarily or involuntarily, each holder of Preferred Stock is entitled to receive, in preference to the holders of Common Stock, a per-share amount equal to the original issue price of $25.00 (as adjusted, as defined), plus all declared but unpaid dividends.

Redemption – The Company may redeem any or all of the shares at any time by paying in cash $27.50 per share plus any accrued and unpaid dividends solely at the Company's option.

18. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

Registered Direct Offering

On January 8, 2021 we entered into a Securities Purchase Agreement with two institutional investors providing for the issuance and sale by the Company of an aggregate 840,000 shares of our Common Stock in a registered direct offering at a purchase price of $12.50 per Share for gross proceeds of approximately $10.5 million before deducting fees and offering expenses.

Agreement and Plan of Merger and Reorganization

On January 19, 2021, the Company entered into an Agreement and Plan of Merger and Reorganization with iSun Energy LLC. iSun Energy LLC became a wholly-owned subsidiary of the Company. iSun Energy, LLC is a provider of products and services designed to support the electric vehicle market. In connection with Merger, Sassoon Peress, the sole member, will receive 400,000 shares of the Company's Common Stock over five years, 200,000 shares of which were issued at the closing, warrants to purchase up 200,000 shares of the Company's Common Stock, and up to 240,000 shares of the Company's Common Stock based on certain performance milestones. The Company has issued an aggregate of 300,000 shares of the Company's Common Stock in connection with the Merger as the provisions of the Warrant with respect to 100,000 shares of Common Stock have been met.

Exercise of Public Warrants

On various dates from January 1, 2021 through March 12, 2021, certain holders of the Company's Public Warrants exercised the Public Warrants to purchase shares of Common Stock. As of March 12, 2021, a total of 2,598,902 Public Warrants were exercised resulting in an issuance of 1,299,451 shares of Common Stock with net proceeds of $14,943,687 being received by the Company. At March 12, 2021, the number of Public Warrants available to exercise totaled 1,565,380.

Equity Incentive Program

On February 25, 2021, the Company held a Special Meeting of Stockholders (the "Special Meeting') to approve the Company's 2020 Equity Incentive Plan, as amended (the "Plan") The Company had previously provided Notice of the Special Meeting and a Proxy Statement dated February 2, 2021. The plan allows the Company to grant stock awards and options based on certain annual revenue and EBITDA targets. The Company has issued 129,414 shares of Common Stock under the provisions of the Plan.

Conversion of Preferred Shares

On February 22, 2021, the Board of Directors of iSun, Inc. (the "Company") and the holders of a majority of the Company's Series A Convertible Preferred Stock, approved the First Amended and Restated Certificate of Designation of Preferred Stock of iSun Inc. Series A Convertible Preferred Stock (the "First Amended Certificate of Designation") that amends and replaces in its entirety the Certificate of Designation of Preferred Stock of iSun Inc. Series A Convertible Preferred Stock dated April 28, 2020. The First Amended Certificate of Designation was filed with the Delaware Secretary of State on February 22, 2021.

The First Amended Certificate of Designation designates two hundred thousand (200,000) shares of the Company's authorized preferred share capital as Series A Convertible Preferred Stock (the "Series A") and provides for certain preferences to holders of Series A. The Series A is convertible on a mandatory basis into shares of the Company's Common Stock as soon as practicable after the date on which the closing price of the Company's Common Stock is equal to or greater than $15.00 per share for any twenty (20) days within a thirty (30) days trading window. The Series A conversion rate is 1.851852. Pursuant to the First Amended Certificate of Designation, on February 22, 2021 the Company notified all holders of the Series A of the mandatory conversion of the Series A. A total of 370,370 shares of Common Stock have been issued pursuant to the conversion.

Exercise of Warrant

On February 9, 2021, the Company issued 117,376 shares of Common Stock in connection with a warrant issued to GreenSeed Investors, LLC. The warrant was exercised on a cashless basis with net shares issued based on the Warrant.

Exercise of the Unit Purchase Option

On January 25, 2021, a certain holder exercised the right to convert 292,500 units into 133,684 shares of Common Stock on a cashless basis.

Stock Redemption

On January 25, 2021, the Company purchased 34,190 shares of Common Stock from certain executives at $19.68, which was the 5-day average of the closing prices for the Common Stock as reported by the Nasdaq Capital Market for the five trading days immediately preceding January 22, 2021, for a total of approximately $675,000.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure .

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2020, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Management has determined there is a lack of supervisory review of the financial statement closing process due to limited resources and formal documentation of procedures and controls. This control deficiency constitutes a material weakness in internal control over financial reporting. As a result, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our disclosure controls and procedures were not effective. We plan to take steps to remedy this material weakness in with the implementation of an "Internal Control-Integrated Framework"

Disclosure controls and procedures are designed to ensure that the information that is required to be disclosed by us in our Exchange Act report is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal controls will prevent all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020 In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013).

Management previously identified control deficiencies regarding the need for a stronger internal control environment relating to the financial statement closing process. In 2020, Management took steps to remediate these control deficiencies including implementing revised work in process review procedures, enhanced financial reporting reviews processes, and the retention of additional qualified personnel. Management identified control deficiencies related to segregation of duties and access with the IT environment. Management continues to enhance the internal control environment but has not completed the implementation and testing of the new and revised internal controls. Management believes that these control deficiencies constitutes a material weakness in internal control over financial reporting for the year ended December 31, 2020.

Based upon the criteria established in "Internal Control-Integrated Framework" issued by the COSO, management believes that the controls currently in place are not adequate. As such, a material weakness existed as of December 31, 2020.

Changes in Internal Control Over Financial Reporting

Other than the control improvements discussed in Management's Report on Internal Control Over Financial Reporting above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal fourth quarter ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

No Attestation Report by Independent Registered Accountant

The effectiveness of our internal control over financial reporting as of December 31, 2020 has not been audited by our independent registered public accounting firm by virtue of our exemption from such requirement as a non-accelerated smaller reporting company.

Item 9B. Other Information.

On January 5, 2021 iSun, Inc. (formerly known as The Peck Company Holdings, Inc.), a Delaware corporation (the "Company"), received a written notice (the "Notice") from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that the Company was not in compliance with Listing Rule 5620(a) (the "Annual Meeting Rule"), which required the Company to hold an annual meeting of shareholders no later than one year after the end of the Company's fiscal year-end for continued listing on the NASDAQ Capital Market. The Notice was only a notification of deficiency, not of imminent delisting, and had no current effect on the listing or trading of the Company's securities on the NASDAQ Capital Market.

The Notice stated that the Company had 45 calendar days to submit a plan to regain compliance with the Annual Meeting Rule. The Company submitted a plan to regain compliance with the Annual Meeting Rule on February 22, 2021 by Letter dated February 22, 2021 from Merritt & Merritt to Ms. Una Hahn, Listing Analyst. By Letter dated February 23, 2021 to Mr. Jeffrey Peck, CEO of the Company, Nasdaq granted the Company an extension until May 11, 2021 to regain compliance with the Annual Meeting Rule by the Company holding its 2019 and 2020 Annual Meeting on May 11, 2021, as currently anticipated.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information about directors required for item is incorporated by reference from our Proxy Statement to be filed in connection with our 2021 Annual Meeting of Shareholders.

Item 11. Executive Compensation

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2021 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2021 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2021 Annual Meeting of Shareholders.

Item 14. Principal Accounting Fees and Services

The information required for this item is incorporated by reference from our Proxy Statement to be filed in connection with our 2021 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) Financial Statements.

The financial statements required by item 15 are submitted in a separate section of this report, beginning on Page F-1, incorporated herein and made a part hereof.

(2) Financial Statement Schedules.

Schedules have been omitted because of the absence of conditions under which they are required or because the required information is included in the financial statements or notes thereto.

(3) Exhibits.

The following exhibits are filed with this report, or incorporated by reference as noted:

(a)

101.INS XBRL Instance Document
101.SCH XBRL Taxonomy Extension Schema Document
101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL Taxonomy Extension Definition Linkbase
101.LABXBRL Taxonomy Extension Labels Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

(b) Exhibits.

See (a)(3) above.

(c) Financial Statement Schedules.

See (a)(2) above.

See (a)(2) above.

Exhibits Index

Exhibit No.	Description	Included	Form	Filing Date
1.1	Underwriting Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Chardan Capital Markets, LLC, as representative of the underwriters named on Schedule A thereto.	By Reference	8-K	March 10, 2016
1.2	Sales Agreement, dated December 4, 2020, between The Peck Company Holdings, Inc. and A.G.P./Alliance Global Partners	By Reference	S-3	December 4, 2020
2.1(a)	Share Exchange Agreement, dated as of February 26, 2019, by and among Jensyn Acquisition Corp., Peck Electric Co. and the stockholders of Peck Electric Co.	By Reference	8-K	March 1, 2019
2.1(b)	First Amendment to Share Exchange Agreement, dated as of February 26, 2019, by and among Jensyn Acquisition Corp., Peck Electric Co. and the stockholders of Peck Electric Co.	By Reference	8-K	June 3, 2019
2.2	Membership Interest Purchase Agreement dated as of November 3, 2017 among Jensyn Acquisition Corp., BAE Energy Management, LLC, Victor Ferreira and Karen Ferreira.	By Reference	8-K	November 9, 2017
2.3	Share Exchange Agreement by and among Jensyn Acquisition Corp., Oneness Global and the Stockholders of Oneness Global	By Reference	10-Q	August 20, 2018
2.4	Exchange and Subscription Agreement, dated April 22, 2020, among The Peck Company Holdings, Inc., GreenSeed Investors, LLC and Solar Project Partners, LLC	By Reference	8-K	April 28, 2020
2.5	Agreement and Plan of Merger, dated January 19, 2021, by and among iSun Energy LLC and iSun, Inc. and Peck Mercury, Inc.	By Reference	8-K	January 25, 2021
3.1	Amended and Restated Certificate of Incorporation.	By Reference	8-K	March 10, 2016
3.1(a)	Amendment to Amended and Restated Certificate of Incorporation dated March 6, 2018.	By Reference	8-K	March 6, 2018
3.1(b)	Amendment to Amended and Restated Certificate of Incorporation dated June 4, 2018.	By Reference	8-K	June 8, 2018
3.1(c)	Amendment to Amended and Restated Certificate of Incorporation dated August 29, 2018.	By Reference	8-K	September 4, 2018
3.1(d)	Amendment to Amended and Restated Certificate of Incorporation dated January 2, 2019.	By Reference	8-K	January 3, 2019
3.1(e)	Certificate of Designation, Preferences and Rights of Preferred Stock of The Peck Company Holdings, Inc.	By Reference	8-K	April 28, 2020

3.2	Bylaws.	By Reference	S-1	November 23, 2015
4.1	Specimen Unit Certificate.	By Reference	S-1	November 23, 2015
4.2	Specimen Common Stock Certificate.	By Reference	S-1	November 23, 2015
4.3	Specimen Right Certificate.	By Reference	S-1	November 23, 2015
4.4	Specimen Warrant Certificate.	By Reference	S-1	November 23, 2015
4.5	Promissory Note, dated September 17, 2019, issued to NBT Bank, National Association	By Reference	10-Q	November 18, 2019
4.6	Warrant Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
4.7	Unit Purchase Option, dated March 7, 2016, between Jensyn Acquisition Corp. and Chardan Capital Markets, LLC.	By Reference	8-K	March 10, 2016
4.8	Rights Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
4.9	Warrant, dated April 22, 2020, issued by The Peck Company Holdings, Inc. to GreenSeed Investors, LLC	By Reference	8-K	April 28, 2020
4.10	Promissory Note, dated January 13, 2020, issued by Peck Electric Co. to NBT Bank, National Association	By Reference	8-K	April 28, 2020
4.11	Paycheck Protection Program Note and Disbursement Authorization, dated April 24, 2020 issued by Peck Electric Co. to NBT Bank, National Association	By Reference	8-K	April 28, 2020
10.1	Business Loan Agreement, dated September 17, 2019, between Peck Electric Co. and NBT Bank, National Association, as lender	By Reference	10-Q	November 18, 2019
10.2	Commercial Security Agreement, dated September 17 2019, between Peck Electric Co. and NBT Bank, National Association	By Reference	10-Q	November 18, 2019
10.3	Commercial Guaranty, dated September 17, 2019	By Reference	10-Q	November 18, 2019
10.4(a)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Jeffrey Raymond.	By Reference	8-K	March 10, 2016
10.4(b)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Rebecca Irish.	By Reference	8-K	March 10, 2016
10.4(c)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Joseph Raymond.	By Reference	8-K	March 10, 2016

10.4(d)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Peter Underwood.	By Reference	8-K	March 10, 2016
10.4(e)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Philip Politziner.	By Reference	8-K	March 10, 2016
10.4(f)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Joseph Anastasio.	By Reference	8-K	March 10, 2016
10.4(g)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Richard C. Cook.	By Reference	8-K	March 10, 2016
10.4(h)	Letter Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Jensyn Capital, LLC.	By Reference	8-K	March 10, 2016
10.5	Investment Management Trust Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
10.5(a)	Amendment No 1 to Investment Management Trust Agreement dated as of March 6, 2018 between Jensyn Acquisition Corp and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
10.5(b)	Amendment No 2 to Investment Management Trust Agreement dated as of March 2, 2018 between Jensyn Acquisition Corp and Continental Stock Transfer & Trust Company.	By Reference	8-K	June 8, 2018
10.5(c)	Amendment No 3 to Investment Management Trust Agreement dated as of March 2, 2018 between Jensyn Acquisition Corp and Continental Stock Transfer & Trust Company.	By Reference	8-K	August 29, 2018
10.5(d)	Amendment No 4 to Investment Management Trust Agreement dated as of March 2, 2018 between Jensyn Acquisition Corp and Continental Stock Transfer & Trust Company.	By Reference	8-K	January 3, 2019
10.6	Stock Escrow Agreement, dated March 2, 2016, among Jensyn Acquisition Corp., the Initial Stockholders identified therein and Continental Stock Transfer & Trust Company.	By Reference	8-K	March 10, 2016
10.7	Registration Rights Agreement, dated March 2, 2016, among Jensyn Acquisition Corp. and the Investors identified therein.	By Reference	8-K	March 10, 2016

10.8	Form of Indemnity Agreement.	By Reference	S-1	November 23, 2015
10.9	Administrative Services Agreement, dated December 1, 2014, by and between Jensyn Acquisition Corp. and Jensyn Integration Services, LLC	By Reference	S-1	November 23, 2015
10.10	Private Units Purchase Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Chardan Capital Markets, LLC.	By Reference	8-K	March 10, 2016
10.11	Private Units Purchase Agreement, dated March 2, 2016, between Jensyn Acquisition Corp. and Jensyn Capital, LLC.	By Reference	8-K	March 10, 2016
10.12	Letter Agreement, dated June 11, 2015, between Jensyn Acquisition Corp. and Corinthian Partners, LLC.	By Reference	S-1	November 23, 2015
10.13	Form of Rights of First Refusal and Corporate Opportunities Agreement.	By Reference	S-1	November 23, 2015
10.14	Joinder Agreement dated November 11, 2016 executed by Stewart Martin.	By Reference	10-K	March 27, 2017
10.15	Form of Guaranty of Funding dated March 7, 2017 issued by Insiders	By Reference	10-K	March 27, 2017
10.16	Letter Agreement dated as of January 31, 2018 among Jensyn Acquisition Corp., Victor Ferreira and Karen Ferreira.	By Reference	10-K	March 29, 2018
10.17	Promissory Note dated March 6, 2018 issued to Jensyn Capital, LLC	By Reference	10-Q	May 21, 2018
10.18	Promissory Note dated June 22, 2018 issued to Jensyn Capital, LLC	By Reference	10-Q	August 20, 2018
10.19	Second Original Discount Promissory Note dated March 7, 2019 issued to Riverside Merchant Partners, LLC	By Reference	8-K	March 14, 2019
10.20	Voting Agreement dated March 7, 2019 among Riverside Merchant Partners, LLC and the shareholders that are a signatory thereto	By Reference	8-K	March 14, 2019
10.21	Voting Agreement, dated June 20, 2019, between Peck Company Holdings Inc. and Jeffrey Peck	By Reference	10-K	April 14, 2020
10.22	Business Loan Agreement, dated January 13, 2020 between Peck Electric Co. and NBT Bank, National Association	By Reference	8-K	April 28, 2020
10.23	Commercial Guaranty, dated January 13, 2020, issued by Jeffrey Peck to NBT Bank, National Association	By Reference	8-K	April 28, 2020
10.24	Lease Agreement, dated December 7, 2020, between Peck Electric Co. and Unsworth Properties, LLC as agent for Meach, LLC, 306 West Indian, LLC, Cooper Two, LLC, Trek Communities, LLC, Masthead, LLC and Stephen and Shona Unsworth	By Reference	8-K	December 10, 2020
14	Form of Code of Ethics.	By Reference	S-1	November 23, 2015
21	List of subsidiaries of iSun, Inc.	Herewith	10-K	March 15, 2021
23	Independent Registered Public Accounting Firm's Consent	Herewith	10-K	March 15, 2021
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith	10-K	March 15, 2021
31.2	Certification of Principal Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith	10-K	March 15, 2021
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Herewith	10-K	March 15, 2021

Item 16. Form 10-K Summary.

Not applicable