

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

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 Number 001-36216

IDEAL POWER INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

14-1999058
(I.R.S. Employer
Identification No.)

4120 Freidrich Lane, Suite 100
Austin, Texas 78744
(Address of principal executive offices)
(Zip Code)

(512) 264-1542
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	IPWR	The Nasdaq Capital Market

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 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 than the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 whether 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 issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 12, 2021, the issuer had 5,872,046 shares of common stock, par value \$.001, outstanding.

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PART I-FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

**IDEAL POWER INC.
Balance Sheets**

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 26,789,017	\$ 3,157,256
Accounts receivable, net	125,887	170,287
Prepayments and other current assets	172,913	118,883
Total current assets	<u>27,087,817</u>	<u>3,446,426</u>
Property and equipment, net	32,770	37,125
Intangible assets, net	2,001,417	1,568,903
Right of use asset	32,215	79,719
Other assets	11,189	—
Total assets	<u>\$ 29,165,408</u>	<u>\$ 5,132,173</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 107,290	\$ 101,984
Accrued expenses	448,029	475,487
Current portion of lease liability	33,149	82,055
Total current liabilities	<u>588,468</u>	<u>659,526</u>
Long-term debt	91,407	91,407
Other long-term liabilities	944,026	552,031
Total liabilities	<u>1,623,901</u>	<u>1,302,964</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value; 50,000,000 shares authorized; 5,873,367 shares issued and 5,872,046 shares outstanding at March 31, 2021 and 3,265,740 shares issued and 3,264,419 shares outstanding at December 31, 2020	5,873	3,266
Additional paid-in capital	103,608,805	78,974,964
Treasury stock, at cost, 1,321 shares at March 31, 2021 and December 31, 2020	(13,210)	(13,210)
Accumulated deficit	<u>(76,059,961)</u>	<u>(75,135,811)</u>
Total stockholders' equity	<u>27,541,507</u>	<u>3,829,209</u>
Total liabilities and stockholders' equity	<u>\$ 29,165,408</u>	<u>\$ 5,132,173</u>

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

IDEAL POWER INC.
Statements of Operations
(unaudited)

	Three Months Ended	
	March 31,	
	2021	2020
Grant revenue	\$ 242,061	\$ –
Cost of grant revenue	242,061	–
Gross profit	<u>–</u>	<u>–</u>
Operating expenses:		
Research and development	260,880	350,664
General and administrative	600,686	579,770
Sales and marketing	62,578	–
Total operating expenses	<u>924,144</u>	<u>930,434</u>
Loss from operations	(924,144)	(930,434)
Interest expense, net	<u>6</u>	<u>67</u>
Net loss	<u>\$ (924,150)</u>	<u>\$ (930,501)</u>
Net loss per share – basic and fully diluted	<u>\$ (0.17)</u>	<u>\$ (0.31)</u>
Weighted average number of shares outstanding – basic and fully diluted	<u>5,344,025</u>	<u>2,968,394</u>

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

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IDEAL POWER INC.
Statements of Cash Flows
(unaudited)

	Three Months Ended	
	March 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (924,150)	\$ (930,501)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	29,515	28,113
Write-off of capitalized patents	–	17,344
Stock-based compensation	61,933	116,497
Stock issued for services	68,680	–
Decrease (increase) in operating assets:		
Accounts receivable	44,400	–
Prepaid expenses and other assets	(17,715)	(5,754)
Increase (decrease) in operating liabilities:		
Accounts payable	5,306	(44,036)
Accrued expenses	(111,306)	4,710
Net cash used in operating activities	<u>(843,337)</u>	<u>(813,627)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,462)	(10,678)
Acquisition of intangible assets	(29,275)	(13,385)
Net cash used in investing activities	<u>(30,737)</u>	<u>(24,063)</u>
Cash flows from financing activities:		
Net proceeds from issuance of common stock	21,204,609	–
Exercise of options and warrants	3,301,226	–
Net cash provided by financing activities	<u>24,505,835</u>	<u>–</u>
Net increase (decrease) in cash and cash equivalents	23,631,761	(837,690)
Cash and cash equivalents at beginning of period	3,157,256	3,057,682
Cash and cash equivalents at end of period	<u>\$ 26,789,017</u>	<u>\$ 2,219,992</u>

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

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IDEAL POWER INC.
Statement of Stockholders' Equity
For the Three Months Ended March 31, 2021 and 2020
(unaudited)

	Common Stock		Additional Paid-In	Treasury Stock		Accumulated	Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Deficit	Equity
Balances at December 31, 2019	2,101,272	\$ 2,101	\$ 71,242,256	1,321	\$ (13,210)	\$ (67,341,914)	\$ 3,889,233
Stock-based compensation	—	—	116,497	—	—	—	116,497
Net loss for the three months ended March 31, 2020	—	—	—	—	—	(930,501)	(930,501)
Balances at March 31, 2020	<u>2,101,272</u>	<u>\$ 2,101</u>	<u>\$ 71,358,753</u>	<u>1,321</u>	<u>\$ (13,210)</u>	<u>\$ (68,272,415)</u>	<u>\$ 3,075,229</u>
Balances at December 31, 2020	3,265,740	\$ 3,266	\$ 78,974,964	1,321	\$ (13,210)	\$ (75,135,811)	\$ 3,829,209
Issuance of shares of common stock in public offering	1,352,975	1,353	21,203,256	—	—	—	21,204,609
Exercise of options and warrants	1,250,652	1,250	3,299,976	—	—	—	3,301,226
Stock issued for services	4,000	4	68,676	—	—	—	68,680
Stock-based compensation	—	—	61,933	—	—	—	61,933
Net loss for the three months ended March 31, 2021	—	—	—	—	—	(924,150)	(924,150)
Balances at March 31, 2021	<u>5,873,367</u>	<u>\$ 5,873</u>	<u>\$ 103,608,805</u>	<u>1,321</u>	<u>\$ (13,210)</u>	<u>\$ (76,059,961)</u>	<u>\$ 27,541,507</u>

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

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Ideal Power Inc.
Notes to Financial Statements
(unaudited)

Note 1 – Organization and Description of Business

Ideal Power Inc. (the “Company”) was incorporated in Texas on May 17, 2007 under the name Ideal Power Converters, Inc. The Company changed its name to Ideal Power Inc. on July 8, 2013 and re-incorporated in Delaware on July 15, 2013. With headquarters in Austin, Texas, the Company is solely focused on the further development and commercialization of its Bi-directional bi-polar junction TRANsistor (B-TRAN™) solid state switch technology.

Since its inception, the Company has financed its research and development efforts and operations primarily through the sale of common stock and warrants. The Company’s continued operations are dependent upon, among other things, its ability to obtain adequate sources of funding through future revenues, follow-on stock offerings, issuances of warrants, debt financing, co-development agreements, government grants, sale or licensing of developed intellectual property or other alternatives.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) for Form 10-Q. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The Balance Sheet at December 31, 2020 has been derived from the Company’s audited financial statements included in its Annual Report on Form 10-K filed with the SEC on March 26, 2021.

In the opinion of management, these financial statements reflect all normal recurring, and other adjustments, necessary for a fair presentation. These financial statements should be read in conjunction with the audited financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year or any other future periods.

Earnings Per Share

In accordance with ASC 260, shares issuable for little or no cash consideration are considered outstanding common shares and included in the computation of basic earnings per share. As such, for the three months ended March 31, 2021 and 2020, the Company has included pre-funded warrants to purchase 253,828 and 868,443 shares of common stock, respectively, which were issued in November 2019 with an exercise price of \$0.001, in its computation of earnings per share.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standard, if adopted, would have a material impact on the Company’s financial statements.

Note 3 – Intangible Assets

Intangible assets, net consisted of the following:

	March 31, 2021 (unaudited)	December 31, 2020
Patents	\$ 970,976	\$ 941,701
Other intangible assets	1,391,479	964,542
	<u>2,362,455</u>	<u>1,906,243</u>
Accumulated amortization	(361,038)	(337,340)
	<u>\$ 2,001,417</u>	<u>\$ 1,568,903</u>

Amortization expense amounted to \$23,698 and \$22,298 for the three months ended March 31, 2021 and 2020, respectively. Amortization expense for the succeeding five years and thereafter is \$100,732 (2021), \$134,310 (2022-2025) and \$1,118,267 (thereafter).

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At March 31, 2021 and December 31, 2020, the Company had capitalized \$245,178 and \$270,000, respectively, for costs related to patents that have not been awarded.

Note 4 – Loans

In May 2020, the Company entered into a Loan Agreement and Promissory Note (collectively the “PPP Loan”) with BBVA USA pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration (“SBA”). The Company received total proceeds of \$91,407 from the unsecured PPP Loan. The PPP Loan is scheduled to mature in May 2022 and has an interest rate of 1.00% per annum and is subject to the terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES Act. The PPP Loan may be prepaid by the Company at any time prior to its maturity with no prepayment penalties. The first payment due date was originally in December 2020 but BBVA USA extended the first due date to August 2021 as the PPP Flexibility Act of 2020 extended the deferral period for payment of principal and interest for all PPP borrowers.

The PPP Loan contains customary events of default relating to, among other things, payment defaults and breaches of representations and warranties. Subject to certain conditions, the PPP Loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP. The amount of loan proceeds eligible for forgiveness is based on a formula based on a number of factors, including the amount of loan proceeds used by the Company during the 8-week or 24-week period after the loan origination for certain purposes, including payroll costs, rent payments on certain leases and certain qualified utility payments, provided that, among other things, at least 60% of the loan amount is used for eligible payroll costs, the employer maintaining or rehiring employees and maintaining salaries at certain level. In accordance with the requirements of the CARES Act and the PPP, the Company used the proceeds from the PPP Loan primarily for payroll costs. The Company applied for forgiveness of the PPP Loan during the first quarter of 2021. See Note 10.

In April 2020, the Company also received a \$5,000 advance related to a U.S. Small Business Administration Economic Injury Disaster Loan. The Company expects to repay this advance and has included it within accrued expenses.

Note 5 – Lease

The Company leases 14,782 square feet of office and laboratory space located in Austin, Texas. On April 20, 2018, the Company entered into an amendment to its existing operating lease which extended the lease term from May 31, 2018 to May 31, 2021. The annual base rent in the first year of the lease extension was \$184,775 and increases by \$7,391 in each succeeding year of the lease extension. In addition, the Company is required to pay its proportionate share of operating costs for the building under this triple net lease. The lease does not contain renewal or termination options.

For purposes of calculating the right of use asset and lease liability included in the Company’s financial statements, the Company estimated its incremental borrowing rate at 8% per annum.

In September 2019, the Company entered into a sublease with CE+T Energy pursuant to which the Company subleases approximately seventy-five (75%) percent of its Austin, Texas facility to CE+T Energy. Under the sublease, CE+T Energy is obligated to make monthly payments equal to 75% of all sums due under the master lease and 100% of any maintenance and repair costs related to the subleased premises. The sublease replaced a temporary agreement between the Company and CE+T Energy, effective in July 2019, that contained similar payment obligations by CE+T Energy for utilization of the subleased premises. Consistent with the master lease, the sublease terminates on May 31, 2021. During the three months ended March 31, 2021, CE+T Energy made payments of \$53,293 to the Company related to the subleased premises. The payments included CE+T Energy’s share of rent as well as its proportionate share of operating costs for the building under the master lease. The Company recognized these payments as a reduction in general and administrative expenses.

Future minimum payments under the lease, as amended, are as follows:

For the Year Ended December 31,	Master Lease	Sublease Income	Net
2021	33,259	(24,944)	8,315
Less: imputed interest		(110)	
Total lease liability	<u>\$ 33,149</u>		

For the three months ended March 31, 2021 and 2020, operating cash flows for lease payments totaled \$49,889 and \$48,041, respectively. For both the three months ended March 31, 2021 and 2020, operating lease cost, recognized on a straight-line basis, totaled \$48,488. At March 31, 2021, the remaining lease term was 2 months.

In March 2021, the Company entered into a lease agreement for 4,070 square feet of office and laboratory space located in Austin, Texas. The commencement of the lease is expected to occur on June 1, 2021 and the term of the lease is 63 months. The actual base rent in the first year of the lease is \$56,471 and is net of \$18,824 in abated rent over the first three months of the lease term. The annual base rent in the second year of the lease is \$77,330 and increases by \$2,035 in each succeeding year of the lease. In addition, the Company is required to pay its proportionate share of operating costs for the building under this triple net lease. The lease contains a 5-year fair market renewal option. It does not contain a termination option. The Company will recognize a right of use asset and lease liability for this lease upon lease commencement.

Note 6 – Commitments and Contingencies

License Agreement

In 2015, the Company entered into licensing agreements which expire in February 2033. Per the agreements, the Company has an exclusive royalty-free license associated with semiconductor power switches which enhances its intellectual property portfolio. The agreements include both fixed payments, all of which were paid prior to 2017, and ongoing variable payments. The variable payments are a function of the number of associated patent filings pending and patents issued under the agreements. The Company will pay \$10,000 for each patent filing pending and \$20,000 for each patent issued annually with one-half the annual payment due within 20 days of December 21st of each year and one-half annual the payment due within 20 days of June 21st of each year of the agreements, up to a maximum of \$100,000 per year (i.e. five issued patents).

In March 2021, two patents associated with these agreements were issued and the Company recorded, as a non-cash activity, an intangible asset and a corresponding other long-term liability of \$426,937, representing the estimated present value of future payments under the licensing agreements for these two issued patents. Through March 31, 2021, all five patents associated with the agreements were issued. At March 31, 2021 and December 31, 2020, the other long-term liability for the estimated present value of future payments under the licensing agreements was \$944,026 and \$552,031, respectively. The Company is accruing interest for future payments related to the issued patents associated with these agreements.

Legal Proceedings

The Company may be subject to litigation from time to time in the ordinary course of business. The Company is not currently party to any legal proceedings.

Indemnification Obligations

In connection with the sale of its power conversion systems division in September 2019, the Company entered into an Asset Purchase Agreement with CE+T Energy that contains mutual indemnification obligations for breaches of representations, warranties and covenants and for certain other matters, including indemnification by the Company for assets and liabilities excluded from the sale and by CE+T Energy for liabilities assumed in the sale.

The employment agreements of Company executives include an indemnification provision whereby the Company shall indemnify and defend, at the Company's expense, its executives so long as an executive's actions were taken in good faith and in furtherance of Company's business and within the scope of executive's duties and authority.

COVID-19 Pandemic

As of the date of these financial statements, the COVID-19 pandemic continues to spread throughout the United States and the rest of the world. The ultimate extent of the impact of COVID-19 on the financial performance of the Company will depend on future developments, including, among other things, the duration and spread of COVID-19, the timing and efficacy of vaccination efforts, additional governmental restrictions in response to the COVID-19 pandemic and the overall economy, all of which are highly uncertain and cannot be predicted. The COVID-19 pandemic has already caused significant volatility in the global financial markets which may impact the Company's ability to raise additional capital, if necessary, on acceptable terms or at all, though such risk has not materialized to date. If the financial markets and/or the overall economy are negatively impacted for an extended period, the Company's operating results may be materially and adversely affected.

Note 7 — Common Stock

February 2021 Public Offering

In February 2021, the Company issued and sold 1,352,975 shares of its common stock, including 176,475 additional shares of common stock pursuant to the exercise of the underwriter's option to purchase additional shares in full, in an underwritten public offering at a price of \$17.00 per share (the "February 2021 Offering"). The net proceeds to the Company from the February 2021 Offering were \$21.2 million. The Company intends to use the net proceeds from the February 2021 Offering to fund commercialization and development of its B-TRAN™ technology and general corporate and working capital purposes.

Stock Issuance

In February 2021, the Company issued 4,000 unregistered shares of common stock, valued at \$68,680 at the time of issuance, to a third-party vendor as compensation for services performed.

Note 8 — Equity Incentive Plan

On May 17, 2013, the Company adopted the 2013 Equity Incentive Plan (as amended, the "Plan") and reserved shares of common stock for issuance under the Plan. The Plan is administered by the Compensation Committee of the Company's Board of Directors.

At March 31, 2021, 92,140 shares of common stock were available for issuance under the Plan.

A summary of the Company's stock option activity and related information is as follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
Outstanding at December 31, 2020	391,650	\$ 5.70	8.1
Granted	56,821	\$ 12.09	
Exercised	(17,534)	\$ 3.79	
Outstanding at March 31, 2021	<u>430,937</u>	\$ 6.62	8.0
Exercisable at March 31, 2021	<u>355,739</u>	\$ 6.05	7.7

During the three months ended March 31, 2021, the Company granted 31,821 stock options to Board members and 25,000 stock options to employees under the Plan. The estimated fair value of these stock options, calculated using the Black-Scholes option valuation model, was \$497,461, \$55,708 of which was recognized during the three months ended March 31, 2021.

At March 31, 2021, there was \$482,900 of unrecognized compensation cost related to non-vested equity awards granted under the Plan. That cost is expected to be recognized over a weighted average period of 1.1 years.

Note 9 — Warrants

The Company had 1,040,248 warrants outstanding at March 31, 2021 with a weighted average exercise price of \$3.92 per share, down from 2,273,369 warrants outstanding at December 31, 2020.

At March 31, 2021, all warrants are exercisable, although the warrants held by each of the Company's four largest beneficial owners may be exercised only to the extent that the total number of shares of common stock then beneficially owned by such shareholder does not exceed 4.99% (or, at the investor's election, 9.99%) of the outstanding shares of the Company's common stock.

Note 10 — Subsequent Events

In May 2021, the SBA approved forgiveness of the Company's PPP Loan in the principal amount \$91,407, including accrued interest.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS REPORT

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. You can find many (but not all) of these statements by looking for words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "would," "should," "could," "may" or other similar expressions in this report. In particular, these include statements relating to future actions, prospective products, applications, customers, technologies, future performance or results of anticipated products, expenses, and financial results. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- our history of losses;
- our ability to generate revenue;
- our limited operating history;
- the size and growth of markets for our technology;
- regulatory developments that may affect our business;
- our ability to successfully develop new technologies, particularly our bi-directional bipolar junction transistor, or B-TRAN™;
- our expectations regarding the timing of prototype and commercial fabrication of B-TRAN™ devices;
- our expectations regarding the performance of our B-TRAN™ and the consistency of that performance with both internal and third-party simulations;
- the expected performance of future products incorporating our B-TRAN™;
- the performance of third-party consultants and service providers whom we have and will continue to rely on to assist us in development of our B-TRAN™ and related drive circuitry;
- the rate and degree of market acceptance for our B-TRAN™;
- the time required for third parties to redesign, test and certify their products incorporating our B-TRAN™;
- our ability to successfully commercialize our B-TRAN™ technology;
- our ability to secure strategic partnerships with semiconductor fabricators and others related to our B-TRAN™ technology;
- our ability to obtain, maintain, defend and enforce intellectual property rights protecting our technology;
- the success of our efforts to manage cash spending, particularly prior to the commercialization of our B-TRAN™ technology;
- general economic conditions and events and the impact they may have on us and our potential partners and licensees;
- our ability to obtain adequate financing in the future, if and when we need it;
- the impact of the novel coronavirus (COVID-19) on our business, financial condition and results of operations;
- our success at managing the risks involved in the foregoing items; and
- other factors discussed in this report.

The forward-looking statements are based upon management's beliefs and assumptions and are made as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements included in this report. You should not place undue reliance on these forward-looking statements.

Unless otherwise stated or the context otherwise requires, the terms "Ideal Power," "we," "us," "our" and the "Company" refer to Ideal Power Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q as well as our audited 2020 financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2020. In addition to historical information, the discussion and analysis here and throughout this Form 10-Q contains forward-looking statements that involve risks, uncertainties and assumptions. Our 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" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020.

Overview

Ideal Power Inc. is located in Austin, Texas. With headquarters in Austin, Texas, the Company is solely focused on the further development and commercialization of its Bi-directional bi-polar junction TRANSistor (B-TRAN™) solid state switch technology.

To date, operations have been funded primarily through the sale of common stock and warrants. Total revenue generated from inception to date as of March 31, 2021 amounted to \$15.6 million with approximately \$12.4 million of that revenue from discontinued operations and the remainder from grant revenue for bi-directional power switch development. Revenue was \$242,061 and \$0 in the three months ended March 31, 2021 and 2020, respectively, and the revenue for the three months ended March 31, 2021 was related to a government grant. We may pursue additional research and development grants, if and when available, to further develop and/or improve our technology.

COVID-19 Impact

As of the date of this report, the COVID-19 pandemic continues to spread throughout the United States and the rest of the world. The ultimate extent of the impact of COVID-19 on the financial performance of the Company will depend on future developments, including, among other things, the duration and spread of COVID-19, the timing and efficacy of vaccination efforts, additional governmental restrictions in response to the COVID-19 pandemic, and the overall economy, all of which are highly uncertain and cannot be predicted. The COVID-19 pandemic has caused significant volatility in the global financial markets, which may impact the Company's ability to raise additional capital, if necessary, on acceptable terms or at all, though such risk has not materialized to date. If the financial markets and/or the overall economy are negatively impacted for an extended period, the Company's operating results may be materially and adversely affected.

While the outbreak of COVID-19 initially caused some disruption to our business in the first and second quarters of 2020, the COVID-19 pandemic has not had a material adverse impact on our operations to date. However, the COVID-19 pandemic may disrupt our business in the future and cause delays in critical development and commercialization activities and/or result in potential incremental costs associated with mitigating the effects of the COVID-19 pandemic. The COVID-19 pandemic is ongoing, and its dynamic nature, including uncertainties relating to the ultimate spread of the virus, the severity of the disease, the duration of the outbreak, the timing and

efficacy of vaccination efforts and additional actions that may be taken by governmental authorities to contain the outbreak or to treat its impact, makes it difficult to forecast the effects on our business and results of operations for the remainder of 2021 and thereafter.

February 2021 Offering

In February 2021, we issued and sold 1,352,975 shares of our common stock, including 176,475 additional shares of common stock pursuant to the exercise of the underwriter's option to purchase additional shares in full, in an underwritten public offering at a price of \$17.00 per share (the "February 2021 Offering"). The net proceeds to us from the February 2021 Offering were \$21.2 million. We intend to use the net proceeds from the February 2021 Offering to fund commercialization and development of our B-TRAN™ technology and general corporate and working capital purposes.

Results of Operations

Comparison of the three months ended March 31, 2021 to the three months ended March 31, 2020

Grant Revenues. Grant revenues for the three months ended March 31, 2021 were \$242,061. The grant revenues relate to a \$1.2 million subcontract with Diversified Technologies, Inc. ("DTI") to supply B-TRAN™ devices as part of a two-year contract awarded to DTI by the United States Naval Sea Systems Command ("NAVSEA") for the development and demonstration of a B-TRAN™ enabled high efficiency direct current circuit breaker. We expect the grant revenue related to the NAVSEA subcontract to continue throughout 2021 with minimal revenue recognized in 2022. We also expect to pursue additional government funding that may result in additional grant revenues in the future.

Cost of Grant Revenues. Cost of grant revenues for the three months ended March 31, 2021 was \$242,061. The cost of grant revenues relates to the subcontract discussed above and are equal to the associated grant revenues resulting in no gross profit. We expect no gross profit under the subcontract with DTI or from other grants that we are pursuing or may pursue in the remainder of 2021.

Research and Development Expenses. Research and development expenses decreased by \$89,784, or 26%, to \$260,880 in the three months ended March 31, 2021 from \$350,664 in the three months ended March 31, 2020. The decrease was due to lower semiconductor fabrication costs of \$121,022 and lower stock compensation expense of \$52,020, partly offset by an initial license fee of \$50,000 for the right to certain semiconductor technology and higher other B-TRAN™ development spending of \$33,258. For the three months ended March 31, 2021, our semiconductor fabrication run was funded under the NAVSEA grant. We expect higher quarterly research and development expenses, as compared to the three months ended March 31, 2021, for the remainder of 2021 as we accelerate development of our B-TRAN™ technology. Research and development expenses will be subject to quarterly variability due to timing of semiconductor fabrication costs.

General and Administrative Expenses. General and administrative expenses increased by \$20,916, or 4%, to \$600,686 in the three months ended March 31, 2021 from \$579,770 in the three months ended March 31, 2020. The increase was due to a \$109,464 higher bonus accrual, primarily related to bonuses approved by the Board for successful completion of the February 2021 Offering, and professional services paid in stock of \$68,680, partly offset by CEO search fees in the first quarter of 2020 of \$133,078 and moderately lower other costs of \$24,150. We expect general and administrative expenses to be relatively flat, as compared to the three months ended March 31, 2021, for the remaining quarters of 2021.

Sales and Marketing Expenses. Sales and marketing expenses were \$62,578 in the three months ended March 31, 2021. We did not have sales and marketing expenses in the three months ended March 31, 2020. The increase was due to the hiring of a Vice President of Business Development and related expenses. We expect higher sales and marketing expenses, as compared to the three months ended March 31, 2021, for the remaining quarters of 2021 as we engage with prospective customers in advance of the commercialization of our B-TRAN™ technology.

Loss from Operations. Our loss from operations for the three months ended March 31, 2021 was \$924,144 or 1% lower than the \$930,434 loss from operations for the three months ended March 31, 2020 for the reasons discussed above.

Net Loss. Our net loss for the three months ended March 31, 2021 was \$924,150, or 1% lower, as compared to a net loss of \$930,501 for the three months ended March 31, 2020, for the reasons discussed above.

Liquidity and Capital Resources

We currently generate grant revenue only and expect grant revenue to likely be our only source of revenue for 2021. We have incurred losses since inception. We have funded our operations to date through the sale of common stock and warrants.

At March 31, 2021, we had cash and cash equivalents of \$26,789,017. Our net working capital and long-term debt at March 31, 2021 were \$26,499,349 and \$91,407, respectively.

Operating activities in the three months ended March 31, 2021 resulted in cash outflows of \$843,337, which were due to the net loss for the period of \$924,150 and unfavorable balance sheet timing \$79,315, partly offset by stock issued for services of \$68,680, stock-based compensation of \$61,933 and depreciation and amortization of \$29,515. Operating activities in the three months ended March 31, 2020 resulted in cash outflows of \$813,627, which were due to the loss from continuing operations for the period of \$930,501 and unfavorable balance sheet timing of \$45,080 partly offset by stock-based compensation of \$116,497, depreciation and amortization of \$28,113 and patent impairment charges of \$17,344. We expect a modest ramp up in cash outflows from operating activities for the remainder of 2021 as we accelerate development and commercialization of our B-TRAN™ technology. We expect cash outflows from operating activities to trend upward in 2021.

Investing activities in the three months ended March 31, 2021 and 2020 resulted in cash outflows of \$30,737 and \$24,063, respectively, for the acquisition of intangible assets and fixed assets.

Financing activities in the three months ended March 31, 2021 resulted in cash inflows of \$21,204,609 from the net proceeds from our February 2021 Offering and \$3,301,226 from the exercise of warrants and stock options. Financing activities in the three months ended March 31, 2020 resulted in no cash inflows or outflows.

PPP Loan

In May 2020, we entered into a Loan Agreement and Promissory Note (collectively the "PPP Loan") with BBVA USA pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") administered by the U.S. Small Business Administration ("SBA"). We received total proceeds of \$91,407 from the unsecured PPP Loan. The PPP Loan is scheduled to mature in May 2022 and has an interest rate of 1.00% per annum and is subject to the terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES Act. The PPP Loan may be prepaid by us at any time prior to its maturity with no prepayment penalties. The first payment due date was originally in December 2020 but BBVA USA extended the first due date to August 2021 as the PPP

Flexibility Act of 2020 extended the deferral period for payment of principal and interest for all PPP borrowers.

The PPP Loan contains customary events of default relating to, among other things, payment defaults and breaches of representations and warranties. Subject to certain conditions, the PPP Loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP. The amount of loan proceeds eligible for forgiveness is based on a formula based on a number of factors, including the amount of loan proceeds used by us during the 8-week or 24-week period after the loan origination for certain purposes, including payroll costs, rent payments on certain leases and certain qualified utility payments, provided that, among other things, at least 60% of the loan amount is used for eligible payroll costs, the employer maintaining or rehiring employees and maintaining salaries at certain level. In accordance with the requirements of the CARES Act and the PPP, we used the proceeds from the PPP Loan primarily for payroll costs. We applied for forgiveness of the PPP Loan during the first quarter of 2021. In May 2021, the SBA approved forgiveness of our PPP Loan.

February 2021 Offering

In February 2021, we issued and sold 1,352,975 shares of our common stock, including 176,475 additional shares of common stock pursuant to the exercise of the underwriter's option to purchase additional shares in full, in an underwritten public offering at a price of \$17.00 per share. The net proceeds to us from the February 2021 Offering were \$21.2 million. We intend to use the net proceeds from the February 2021 Offering to fund commercialization and development of our B-TRAN™ technology and general corporate and working capital purposes.

Critical Accounting Policies

There have been no significant changes during the three months ended March 31, 2021 to the critical accounting policies disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Off-Balance Sheet Transactions

As of March 31, 2021, we did not have any off-balance sheet transactions.

Trends, Events and Uncertainties

There are no material changes from trends, events or uncertainties disclosed in our 2020 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The Company's disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that this information is accumulated and communicated to management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company conducted an evaluation (pursuant to Rule 13a-15(b) of the Exchange Act), under the supervision and with the participation of its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial and accounting officer) of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2021 and has concluded that, as of March 31, 2021, the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There have been no material changes in our internal controls over financial reporting that occurred during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations on the Effectiveness of Controls

Control systems, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems' objectives are being met. Further, the design of any system of controls must reflect the fact that there are resource constraints, and the benefits of all controls must be considered relative to their costs. Because of 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, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of error or mistake. Control systems can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may be subject to litigation from time to time in the ordinary course of business. We are not currently party to any legal proceedings.

ITEM 1A. RISK FACTORS

There are no material changes from the risk factors disclosed in our 2020 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On February 26, 2021, we issued 4,000 unregistered shares of common stock, valued at \$68,680 at the time of issuance, to a third-party vendor as compensation for services performed. The shares of common stock were issued in a private placement pursuant to Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Document
4.1*	Specimen Common Stock Certificate
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rule, 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rule, 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification pursuant to 18 U.S.C. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS*	XBRL Instant Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
10.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
* Filed herewith	
** Furnished herewith	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant, has duly, caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated May 14, 2021

IDEAL POWER INC.

By: /s/ R. Daniel Brdar
R. Daniel Brdar
Chief Executive Officer

By: /s/ Timothy W. Burns
Timothy W. Burns
Chief Financial Officer

 <p style="text-align: center;">NUMBER</p>	<h1 style="margin: 0;">IDEAL POWER</h1> <p style="margin: 5px 0 0 0;">INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE</p> <p style="margin: 5px 0 0 0;">AUTHORIZED: 50,000,000 COMMON SHARES, \$0.001 PAR VALUE PER SHARE</p>	 <p style="text-align: center;">SHARES</p>
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">CUSIP 451622 20 3</div> <p style="margin-top: 5px;">SEE REVERSE FOR CERTAIN DEFINITIONS</p>	
<p><i>This Certifies That</i></p> <p><i>is the owner of</i></p> <p style="text-align: center;"><i>Fully Paid and Non-Assessable Common Stock, \$0.001 Par Value of</i></p> <p style="text-align: center;">IDEAL POWER INC.</p> <p><i>transferable on the books of this Corporation in person or by attorney upon surrender of this Certificate duly endorsed or assigned. This Certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Articles of Incorporation and the Bylaws of the Corporation as now or hereafter amended. This Certificate is not valid until countersigned by the Transfer Agent.</i></p> <p><i>IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by the facsimile signature of its duly authorized officers and to be sealed with the facsimile seal of the Corporation.</i></p> <p><i>Dated:</i></p>		
 <small>PRESIDENT</small>	 <small>SEAL</small>	 <small>SECRETARY</small>
	<p style="font-size: small;">BY</p>  <p style="font-size: x-small; text-align: right;">COUNTERSIGNED AND REGISTERED: EQUINITI TRUST COMPANY</p> <p style="font-size: x-small; text-align: right;">TRANSFER AGENT AND REGISTRAR</p> <p style="font-size: x-small; text-align: right;">AUTHORIZED SIGNATURE</p>	

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA	-	_____	Custodian	_____
TEN ENT	- as tenants by entireties			(Cust)		(Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common				under Uniform Transfers to Minors	
				Act		(State)

Additional abbreviations may also be used though not in the above list.

For value received _____ hereby sell, assign, and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)

_____ *Shares*
of the capital stock represented by the within Certificate,
and do hereby irrevocably constitute and appoint _____
Attorney
to transfer the said stock on the books of the within-named
Corporation with full power of substitution in the premises.

Dated _____ X _____

X _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION SUCH AS A BANK OR BROKER WHICH IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM ("SEMP") AND MUST NOT BE DATED. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002**

I, R. Daniel Brdar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ideal Power Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15-d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2021

/s/ R. Daniel Brdar

R. Daniel Brdar
Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy W. Burns, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ideal Power Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15-d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2021

/s/ Timothy W. Burns

Timothy W. Burns
Chief Financial Officer (Principal Financial and
Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the periodic report of Ideal Power Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission (the "Report"), we, R. Daniel Brdar, Chief Executive Officer (Principal Executive Officer) and Timothy W. Burns, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: May 14, 2021

/s/ R. Daniel Brdar

R. Daniel Brdar

Chief Executive Officer (Principal Executive Officer)

/s/ Timothy W. Burns

Timothy W. Burns

Chief Financial Officer (Principal Financial and
Accounting Officer)
