Disclaimer

Blink Charging Co. (BLNK): You Won't Miss It

We are short Blink Charging Co. ("BLNK", "Blink", "the Company") as we believe that the Company has vastly exaggerated the size of its EV charging network in order to siphon money from the pockets of investors to insiders. Blink claims that "EV drivers can easily charge at any of its 15,000 charging stations," but we estimate the Company's functional public charging station network consists of just 2,192 stations, a mere 15% of this claim.

In stark contrast to management's further claims that these chargers are high-tech and in high demand, our investigators confirmed what Blink's financials already suggest: almost no one uses Blink's charging stations, many of which are in utterly decrepit condition. Our on-the-ground visits to 242 stations at 88 locations across the U.S. revealed a plethora of neglected, abused, non-functional, or otherwise missing chargers. Our analysis of the Company's own data suggests that the average charger is utilized for just 6 to 38 minutes per day (0.39% to 2.65% utilization), while annual charging revenue of a mere $6.37 per member suggests that the average Blink member doesn't even obtain one single full charge from the Blink network over the course of an entire year. We think that even at 20x current utilization, Blink's network would continue to incinerate cash. In sum, Blink vastly overstates the size, functionality, usage, and economic potential of its chargers.

We believe Blink is a scheme designed by Chairman and CEO Michael D. Farkas to pillage minority investors to the benefit of insiders. Since 2014, compensation expense of $44 million is more than double the Company's $18 million in cumulative revenues, which have remained flat despite the Company's incessant promotion of supposedly groundbreaking partnerships, international expansions, and new technology under development. Blink management isn't bulking out an EV charger network; they're bulking out their own wallets.

This scheme mirrors Farkas's previous involvement as majority shareholder in multiple companies that were tied to money laundering, drug trafficking, and stock promotion schemes. Skyway Communications purportedly developed in-flight technology, but the Mexican government seized 5.6 tons of cocaine on board Skyway's "demonstration" aircraft, and the stock collapsed. Farkas was also majority owner of Holiday RV Superstores and involved at GenesisIntermedia, both of which collapsed in connection with a multi-$100 million money laundering scheme. Finally, Farkas is tied to Red Sea Management, which was sued by the SEC for "fraudulent pump-and-dump schemes … and launder[ing] millions of dollars in illegal trading proceeds out of the United States…"

We don't think Blink will end any differently. The Company was formed as New Image Concepts, Inc., an entity set up by Gregg E. Jaclin, a lawyer now barred by the SEC for his "public shell factory" scheme, and Blink's significant ownership has also included an offshore Belize shell company which traces to the Panama Papers. Farkas has now dumped at least 1.8 million shares over the past 2 years while at least 7 executives and board members have left the Company. This mass exodus has culminated with COO James Christodoulou in March 2020. Christodoulou is now suing Farkas and the Company, citing numerous counts of securities fraud. Also in March 2020, the Company's primary lender and 9.9% shareholder – Justin Keener – was charged by the SEC, which cited toxic convertible lending practices. Given Keener's significant Blink ownership and role in the Company's capital raising, we expect fallout. Thus, Blink has turned to the PPP program, taking a loan which it has already burned through and does not intend to repay. Regardless of whether Blink finances its scheme with the aid of SEC-barred individuals or simply loots government coffers, we see the Company as a cash pit which will continue to siphon capital from investors to insiders. We believe Blink shares are ultimately worthless, and we are short.

Blink vastly overstates the size and functionality of its charging network

Blink has rallied over 500% in the past 3 months as management constantly promotes the Company's supposedly massive, high-tech network of over 15,000 chargers:

- The Company's March 2020 press release states that, "Blink Charging (Nasdaq: BLNK, BLNKW) is a leader in electric vehicle (EV) charging equipment and networked EV charging stations, enabling EV drivers to easily charge at any of its 15,000 charging [sic]."

- In a July 8, 2020 promotional video, Farkas claims that Blink is "the largest, from a scale size. There are some smaller [network operators] who have a smaller amount of locations, but we're in a lot more areas."

- In August 2020, Blink states it "has deployed over 23,000 charging stations, many of which are networked EV charging stations, enabling EV drivers to easily charge at any of Blink's charging locations worldwide."

- Just 2 days ago, the Company's Twitter account claimed that "Blink's network of over 15,000 chargers gives EV drivers the ability to charge their car wherever they live, work, and play."

This 15,000 figure has been consequently gulped down by investors, hook, line and sinker.

We believe Blink overstates its functional public charger count by nearly 7x, and the Company's true functional public network holds just 2,192 chargers

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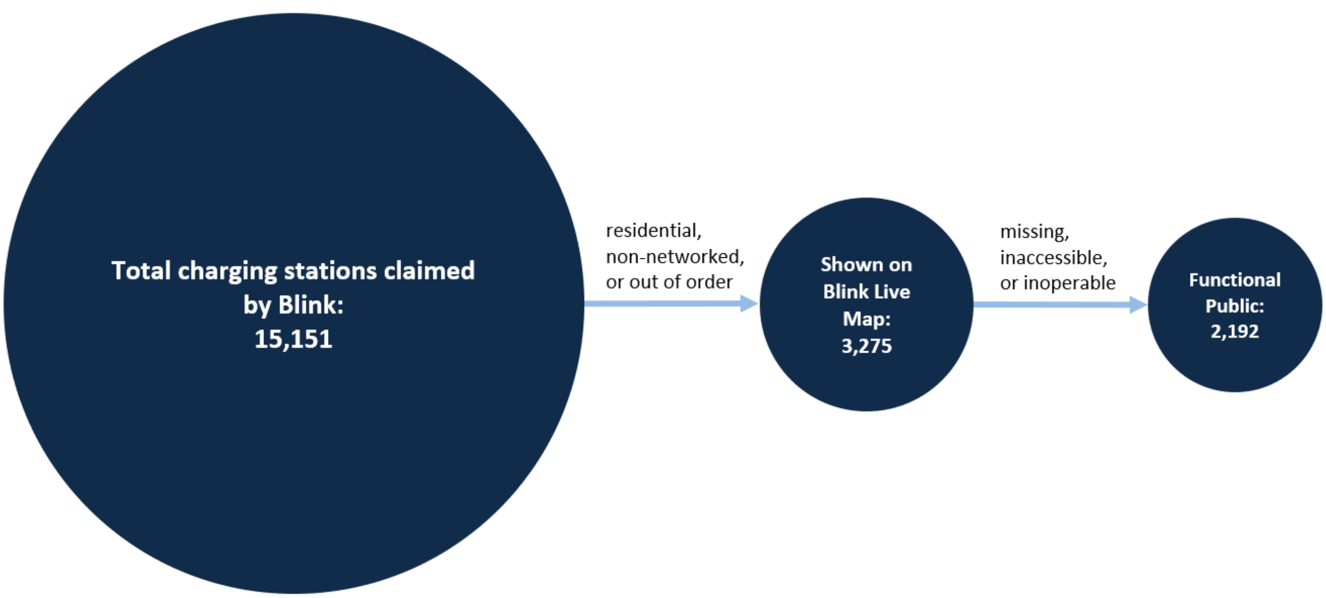
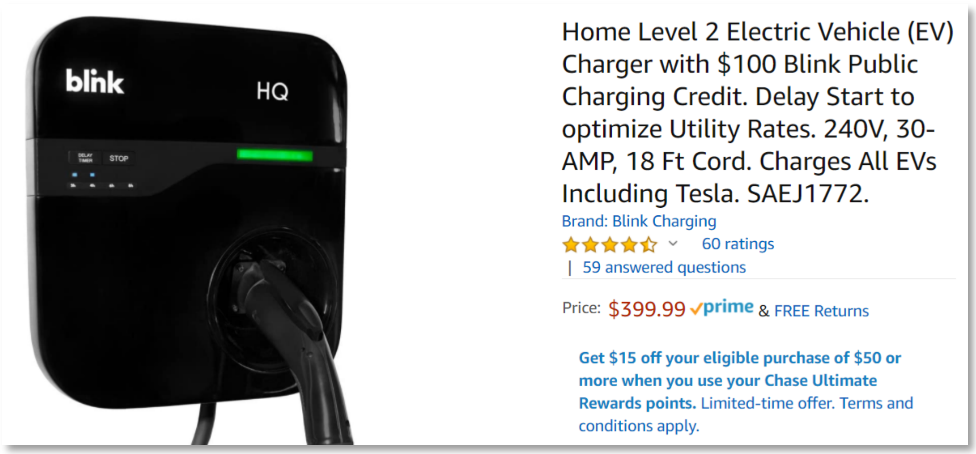


First, the majority of the Blink's historical "deployments" which the Company claims are part of its "network" of 15,151 chargers have not been "deployments" but one-time sales to residential owners. See on page 22 of the Company's Q2 2020 form 10-Q, which cleverly misrepresents non-networked residential stations as if counted "additionally" to the 15,151, rather than included in that figure:

> "As of June 30, 2020, **the Company had 15,151 charging stations deployed**, of which, 5,385 were Level 2 commercial charging units, 102 were DC Fast Charging EV chargers and 1,193 were residential charging units. Additionally, as of June 30, 2020, the Company had 305 Level 2 commercial charging units on other networks and there were also **8,166 non-networked, residential Blink EV charging stations**."

Residential charging station sales come with little to no long-term charging revenue potential for Blink, as the units simply feed from residents' existing electricity sources. We also see these boxes as highly commoditized where Blink possesses zero differentiating technology. See the Level 2 charger available on Amazon for $399, which rests in a 10th place no man's land on Amazon's list of best-selling EV charging stations against both cheaper and higher-tech solutions:

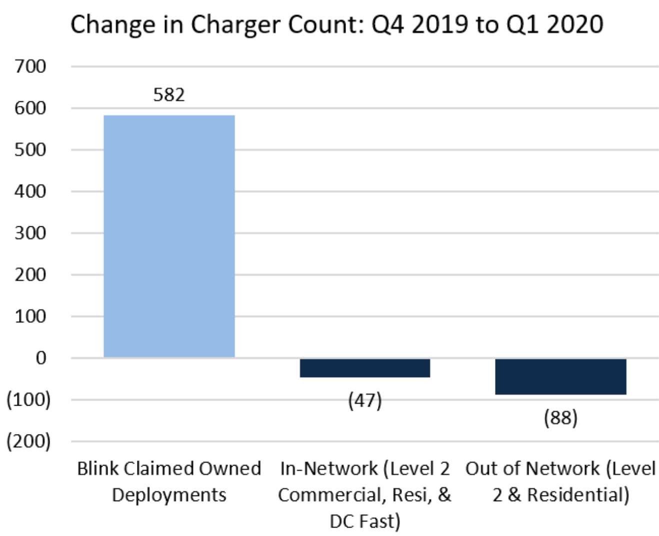


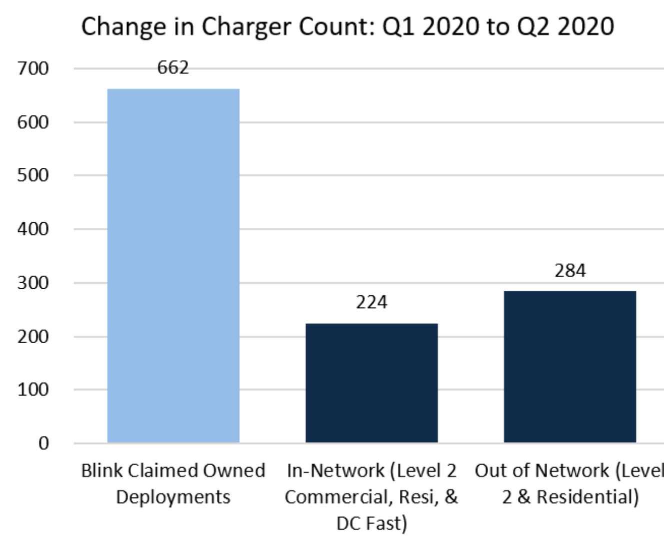
Unless Blink expects that all residential charger owners are set to open their garages for complete strangers to steal their electricity, the Company's claim that "EV drivers can easily charge at any of its 15,000 charging [stations]" is an egregious overstatement which we suspect has been designed to mislead investors.

We believe that management also misrepresents the growth of its network, as claims to the number of owned chargers the Company has deployed on a quarter by quarter basis are directly contradicted by its Form 10-Q. In Q2 2020, Blink claims that it deployed 662 units, all of which remain owned by the Company (rather than being sold to individuals, as above):

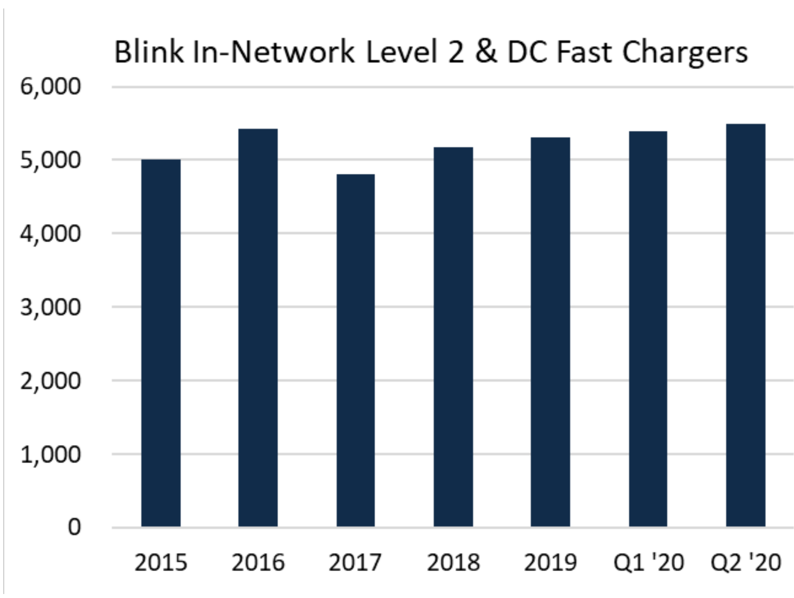
> "Those [662] units were actually deployments between our turnkey and hybrid model units, that is exclusive of the any hardware sales that we did. Those are strictly deployments of new [chargers] in the Blink owned services."

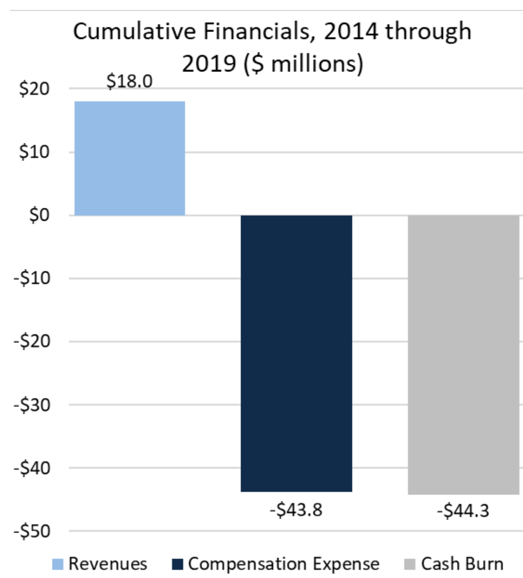
However, the Company's 10-Q's discloses chargers by type at the end of each quarter. From Q1 to Q2, the Company's in-network count expanded by just 224 chargers, a mere one-third of the Company's claim. The same goes for Q1 2020; Blink claimed to have deployed 582 units in the quarter, but total chargers actually fell by 135:





In spite of the Company's press release and conference call claims to be deploying hundreds of Company-owned chargers each quarter, only 5,487 of the Company's 15,000+ chargers are commercial chargers on the Company's network. This figure hasn't meaningfully grown in the past 5+ years, even as the Company has hemorrhaged cash while insiders have gotten much richer:

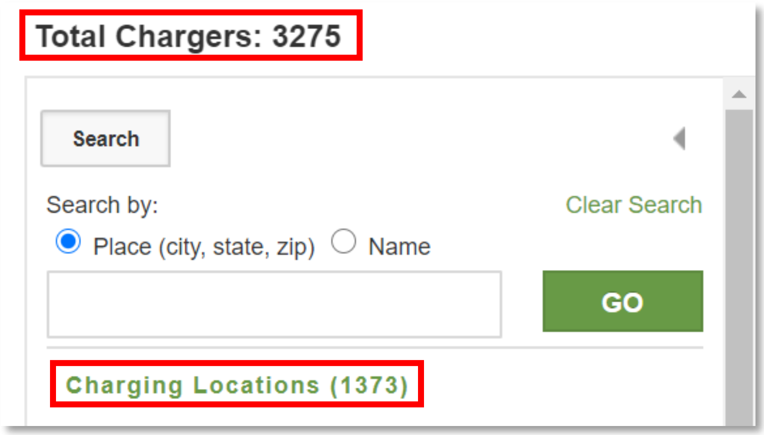




Blink isn't bulking out a public EV charging network, it's bulking out the pockets of insiders

In light of these figures, we find Farkas's further claim that Blink is "the largest" operator laughable. ChargePoint, which is in fact the largest EV network in the US and Canada, states in its August 2020 fact sheet to possess "more than 114,600 total charging spots and more than 2,488 Express DC fast spots." EIA data also shows that Tesla possesses 5,207 locations, SemaCharge possesses 1,579 locations, and Electric Circuit possesses 1,479 locations, each of which is greater than Blink's 1,287 locations, per the EIA.

Blink offers a map that specifies individual addresses and locations of its charging stations, which, given the level of detail, we'd consider the most reliable source of information:



<u>Using the details offered on Blink's "live" map, we visited 242 chargers at 88 locations across the United States. These visits only reinforced our view that Blink's charging network claims are totally disconnected from reality:</u>

(1) **<u>Missing chargers:</u>** In 23 cases (9.5% of total), Blink's map claimed that there were chargers on site, yet we were unable to locate the chargers, or locate all of the chargers claimed. When possible, we also inquired with site attendants in an effort to locate the chargers.

(2) **<u>Non-functional chargers:</u>** In 39 cases (16.1% of total) we found chargers that, even though they existed, were visibly damaged and/or non-functional. As many of these chargers have been left to the elements for close to a decade, the most common deformities were due to sun and heat damage.

(3) **<u>Inaccessible chargers:</u>** In another 18 cases (7.4% of total), we found that chargers were inaccessible to the general public. Many of these were behind locked garages, or restricted only for employee (in office buildings) or resident (in condo or apartment buildings) use only.

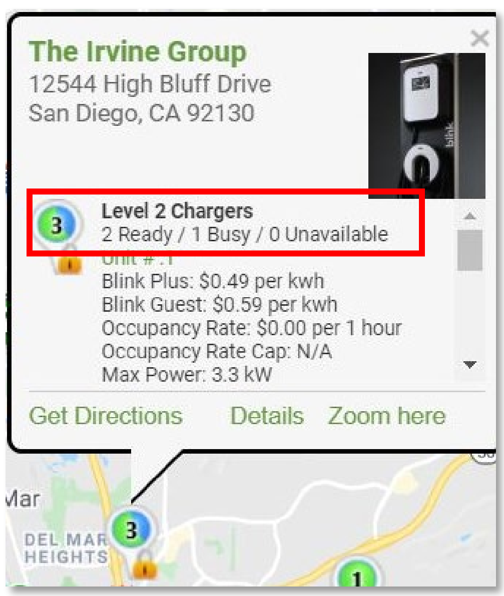
Consolidated data from our site visits is shown in the table below:

Metro Area	Locations Visited	Chargers Listed	Chargers Found	Chargers Operational	Chargers Accessible
Atlanta	27	62	57	46	39
Chicago	5	8	5	3	2
Miami*	29	65	60	55	45
San Diego	27	107	97	76	76
Total	**88**	**242**	**219**	**180**	**162**
% of Total		**100.0%**	**90.5%**	**74.4%**	**66.9%**

** these figures exclude 30+ chargers at the Miami Beach Convention center, which were entirely inaccessible due to on-site COVID testing.*

<u>In short, our sampling suggests that of the 3,275 chargers listed on the Company's map, only 67% of these, or 2,192, exist, are functional, and are publicly accessible.</u> Our appendix at the end of this report details each visit in full. See for example, from our visit to The Hilton La Jolla in San Diego, where we found non-functional screens and chargers filled with cobwebs, indicating that they had been neglected and unused for quite some time:

See from The Irvine Group, also in San Diego, where upon our visit, Blink claimed to hold 3 chargers, 2 of which were Ready and 1 of which was Busy. However, we found only 2 stations, 1 of which was badly damaged:



Blink claimed 3 chargers; we only found 2…

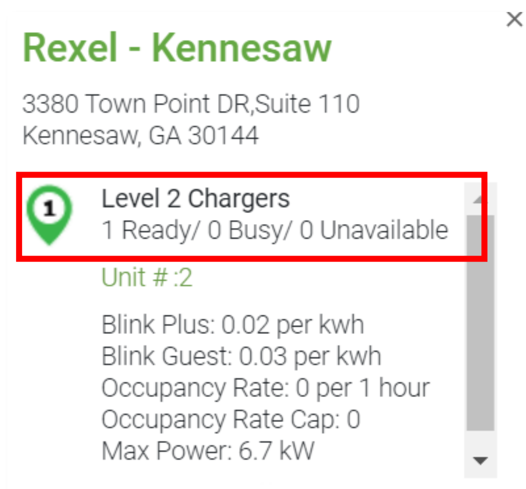
…1 of which was badly damaged

On the Company's Q2 2020 conference call, Farkas claimed that the "noticeability" of the Company's charging stations could lead to new revenue streams, namely in advertising:

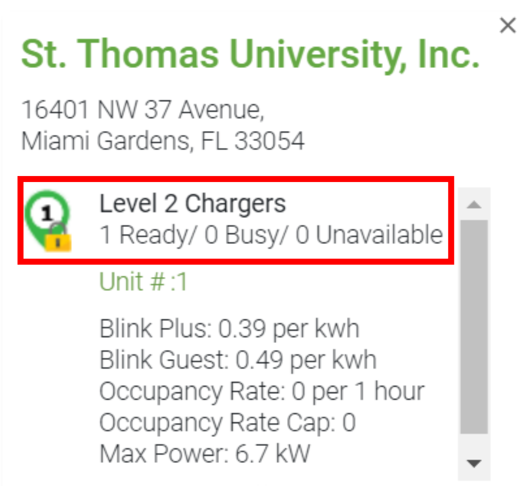
> "So there are a lot of ways for us to monetize our locations. There are also opportunities that we haven't really dealt with in the past that we're now going to incorporate into our business model, which is we have a lot of real estate on our charging stations. There are many, many opportunities to be able to make money off of it even more so that we're making other charging stations utilizing advertising capabilities on these charging stations. They're very noticeable ..."

We see these comments as nothing more than a pipe dream. Many stations we visited were buried away in parking garages; these are hardly "noticeable" as claimed by Farkas. Even so, given the decrepit state of many of these stations, we fail to envision how they could be used to advertise anything other than a junkyard to scrap them in.

In a visit to Kennesaw, Georgia, outside of Atlanta, Blink claimed to have a charger available for use. However, all we found was a single charging cord which had been piped outside of an industrial door. We tried the door but were unable to locate the actual charging unit. It's unclear to us how anyone would be able to use the charging cord here even if they wanted to:



See from our visit to St. Thomas University just outside of Miami, Florida. While Blink claims that this charger is “Ready” for use, we found that the extreme wear on the machine and its non-functioning screen would make this extremely difficult:



We also note that we found chargers which were accessible and appeared to be functional, but were unusable nonetheless. For example, at 401 N Michigan Ave in Chicago, we spoke with the parking attendant who stated that the Blink chargers are rarely used, as the chargers shut down after 5 minutes, leaving users without a charge. Regardless, the only chargers we counted as non-functional were those with visible damage (i.e., not those below):

We believe Blink has made little effort to repair these chargers because it simply doesn't have the capital or the service teams to do so. To repair its network would be both a costly endeavor and an admission that much of the Company's network is dilapidated. Instead, Blink has chosen to distance itself from responsibility, **even authoring a blog post which answers the customer question of "Why Do I Find Nonworking Chargers That Seem to Never Get Fixed?"**. Blink states, "It's natural to blame the company that makes the equipment for not maintaining their own product, but it's not always the choice of the EVSE manufacturer for equipment to remain broken."

We're not alone in experiencing these issues; customer complaints span numerous third-party sites and the Company's app reviews. See for example from the Company's Facebook page, Tesla Motors Club (both here and here), and Yelp. We also compare Blink's mobile app ratings to other industry apps. The (1) incredibly small number of reviews relative to peers, and (2) low overall score suggests that very few EV owners actually use Blink's network / mobile app, but when they do, they are most often left disappointed:

App	iOS Rating	Review Count
EV Connect	4.5 stars	210 reviews
PlugShare	4.8 stars	44,260 reviews
EVgo	4.4 stars	1,039 reviews
ChargePoint	4.6 stars	4,177 reviews
Blink Mobile	**2.3 stars**	**143 reviews**

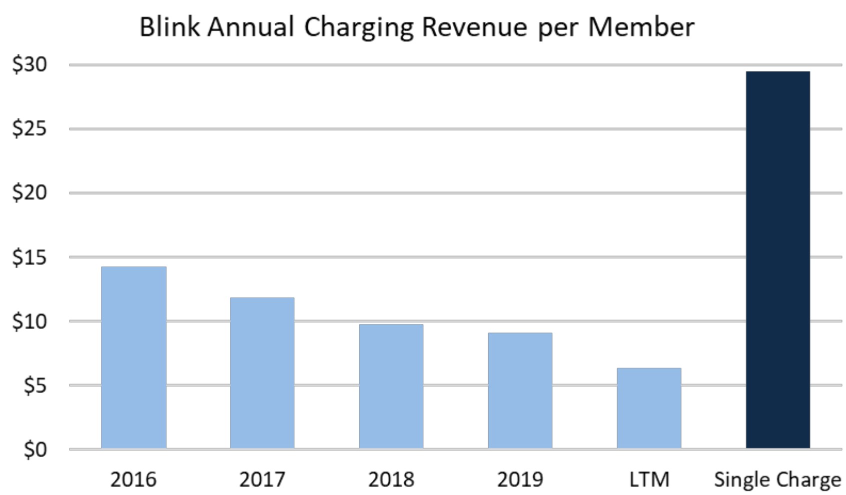
These reviews frequently complain of both (1) non-functional and (2) non-existent or inaccessible chargers, which we profile in the appendix at the end of this report. Given Blink's app garners an overall score of just 2.3 stars and the majority of ratings are just 1 star, we encourage readers to read the reviews in full.

Blink's own financials indicate that its network is hardly ever used

Blink consistently fosters the fairytale narrative that its charging network is not only massive, but in high demand. For example, in a February 14, 2020 promotional interview, Farkas stated that "We're growing in coordination with the growth in EVs." However, on the Company's Q2 2020 conference call just last week, when questioned on charger utilization, Farkas stated that, **"At this time we're not disclosing utilization. It's sensitive business information we need to keep that close to heart at this point."** We think this is a lame deflection to avoid the admission that charger utilization is anemic. Over the last twelve months, the Company has generated charging revenues of just $1.15 million. At $0.05 in fees per minute and 75% consolidated revenue share (the Company claims fees of $0.04 to $0.06 per minute), we find the average Blink charger is utilized for just 6 to 38 minutes per day, or just 2.65% utilization, at most. Ironically, the Company's claims to possess a massive network only further demonstrate just how rarely that network is utilized by customers:

Culper Estimates: Charger Utilization	Low	High
Revenue Generating Chargers	2,192	15,000
Blink % of RevShares	75%	75%
Blink LTM Charging Revenues	$1,146,212	$1,146,212
Gross LTM Charging Revenues	$1,528,283	$1,528,283
Annual Gross Revenue per Charger	$697	$102
Daily Revenue per Charger	$1.91	$0.28
Cost to Charge per Day at $0.05	$72	$72
Implied Charger Utilization	**2.65%**	**0.39%**
Minutes Utilized per Day	**38**	**6**

Rather than simply disclosing utilization, Blink has promoted a growing member count as an indicator of usage. For example, in a May 2018 press release, Farkas stated that "Anyone can use Blink Chargers without being a member, so this milestone is a significant indicator of how many EV drivers are active, committed, and engaged with the Blink Network." In a June 2018 promotional video, Farkas claimed that "The members are what feeds our business. That really corresponds to how many EV drivers are using our services." We view this focus on member count as another clumsy distraction from the Company's inability to generate meaningful revenue growth. Blink reported 88,000 members in "early 2017," 125,000 members in May 2018, "over 125,000 members" in June 2018, 165,000 members in February 2020, and 180,000 members in April 2020. As such, we triangulate the Company's average member count in each year **to find that annual charging revenue per customer has fallen by over 55%:**



As EV batteries typically possess 40 kWh (ex: Nissan Leaf) to 100kWh (ex: Tesla Model S), at Blink's charging fees of $0.39 to $0.79 per kWh, a full charge costs between $15.60 and $79.00. Thus, Blink's sub-$10 revenue per member, per year, suggests that – **even if non-members were to be responsible for zero revenues – the average member does not even complete a single full charge on Blink's network over the course of an entire year.**

Blink touts multiple revenue models, yet we believe none of them are economically tenable for the Company. That said, Blink clearly wishes to portray itself as an owner and operator of a massive, high-tech EV network rather than a vendor of low-margin, commodity hardware products:

- In a February 6, 2020 promotional interview, Farkas claims, "We make money by selling electricity … Our main business is to own and operate charging stations."

- In another February 14, 2020 promotional video, Farkas claims that, "We sell electricity. And the spread of what the electricity costs us, and what we sell it for is how we make money."

Given that a mere 27% of LTM revenues were charging service revenues, we see these comments as a blatant misrepresentation of Blink's business. Nevertheless, we maintain that the brutal unit economics of Blink-owned chargers preclude them from ever reaching profitability:

Blink Owned Network Economics	Current Est.	Breakeven
Charging Revenue per Minute	$0.050	$0.050
Charging Costs per Minute	$0.015	$0.015
Minutes per Year	19,080	19,080
Potential Charging Profits per Year	$668	$668
Charger Utilization	**2.65%**	**60.0%**
Actual Charging Profits per Year	**$18**	**$401**
Fixed Costs: Charging Unit	$2,000	$2,000
Fixed Costs: Installation	$2,000	$2,000
Total Fixed Costs	$4,000	$4,000
Useful Life (years)	10.0	10.0
Fixed cost per Year	$400	$400
Net Profits	**-$382**	**$1**

We assume $0.05 in charging revenue per minute, the midpoint of Blink's disclosed fees of $0.04 to $0.06 per minute. At 70% gross margins, each station could generate $668 in charging profits per year at 100% utilization. Informed by conversations with former Company employees and research from the Department of Energy, we estimate it costs Blink about $2,000 to produce each Level 2 charger, while average installation costs are another $2,000. Blink's stated useful life for machines is 5 to 7 years, but we generously assume a 10-year useful life, especially given the condition of many Blink chargers we've witnessed. Even then, **for Blink to break even on owned-charger deployments, chargers need to maintain at least 60% utilization. In light of our derived current utilization of no more than 2.65%, such a notion is utterly fanciful.**

Blink's business isn't designed to ever generate cash, only to continually stuff the pockets of insiders

Blink mirrors Farkas's involvement in multiple previous criminal schemes

Blink Chairman and CEO Michael D. Farkas began his career as a broker in the 1990's New York City boiler room era, where his BrokerCheck indicates that he worked at 8 different firms in a 4-year period, earning himself a regulatory disclosure due to alleged "transactions in the accounts of public customers without their knowledge or consent." Farkas then took to the investor side, where Blink's most recent April 2020 investor presentation characterizes him as having built "a track record as a successful principal investor across a variety of industries, including automotive, retail, telecommunications, agriculture, and aerospace." However, this description conspicuously lacks references to specific companies, and for good reason:

- Skyway Communications (formerly SWYC) purported to be "developing a ground to air in-flight aircraft communication network that we anticipate will facilitate homeland security and in-flight entertainment." However, this was effectively a front. In 2006, an aircraft was seized by the Mexican government holding 5.6 tons of cocaine, reportedly $100 million worth. With Farkas as the company's largest investor, at one point holding majority ownership, the stock collapsed, and Skyway's principals were sued by the SEC for the pump-and-dump scheme. Farkas denied knowledge of the scheme, even as Skyway had just 2 employees and shared an office with Farkas's investment firm, which was a majority owner.

- At GenesisIntermedia, Inc. / Genesis Realty Group, (formerly GENI), Farkas worked with Jeffrey and Darren Glick, Adnan Khashoggi, and Ramy El-Batrawi. The group was sued by the SEC, alleging, in sum, "a scheme to manipulate the stock price of GENI, now-defunct public company, and misappropriated more than $130 million in the process." This was part of a broader scheme, which also involved Atlas Recreational / Holiday RV Superstores, where Farkas was a majority owner with 59% of the company. As part of this scheme, the SEC also brought charges against MJK Clearing, Inc., a.k.a. "Stockwalk", which lost more than $200 million and was forced into liquidation.

- With respect to Red Sea Management Limited, Farkas and his Atlas group of companies were sued for fraud relating to co-involvement in Skyway. Red Sea was also involved with several additional public issuers including SLS International, Inc. GeneThera, Inc., and Freedom Golf Corporation. To that end, the SEC also sued Red Sea, alleging that it conducted "fraudulent pump-and-dump schemes on behalf of its clients and laundered millions of dollars in illegal trading proceeds out of the United States to its clients overseas." Red Sea was also tied to online gambling, money laundering, short-term payday loans, and bootlegged/pirated TV shows.

Interested readers can also look further into Farkas's Atlas Group of companies, i-Incubator, and Balance Labs for a broader history of Farkas's corporate miscreance. In short, this history is highly concerning, especially as, in our view, **Blink mirrors the same blueprint as many of these prior schemes.** Blink was originally formed as New Image Concepts, Inc, a shell company created with the aid of Gregg E. Jaclin, the same lawyer behind many of Barry Honig's schemes. Jaclin was sued by the SEC in May 2016 for his role in creating a public shell factory, and in May 2017, he was criminally indicted and barred from the SEC in August 2019.

Blink's offering documents through June 2017 also list a Belize entity by the name of "Allston Limited" as an 8.88% owner of the Company:

Name of Beneficial Owner	Shares of Common Stock Beneficially owned	
	Number	Percent (1)
Nathan Low 600 Lexington Avenue, 23rd Floor New York, NY 10019	170,891(2)	10.20%
Platinum Partners 152 West 57th Street New York, NY 10019 (3)	212,685(4)	12.94%
Allston Limited Blake Building, Suite 302 Corner of Hutson & Eyre Street Belize City, Belize	149,143(5)	8.88%

Allston's purported address at the Blake Building is tied to the Panama Papers, and Belize has been well known for housing stock manipulation / money laundering rings, uncovered and sued by both the SEC and DOJ. We remain highly concerned that this offshore entity is connected to Blink, especially given Farkas's prior involvement in offshore money laundering and stock manipulation schemes.

Farkas came to Blink in 2010, prior to the Company's first purchases of its car charging assets. Blink's core network assets were acquired from ECOtality, which was originally backed by $126 million of Department of Energy (DoE) investments. For ECOtality's part, it was meant to build out a network of at least 14,000 chargers in 5 states. However, ECOtality's technological prowess was lacking. As securities lawsuits later alleged:

> "The Minit-Charger 12 did not work and could not be fixed … exhibited unacceptable performance shortfalls during prototype verification testing … overheating of connector plugs … hundreds of overheating reports … caused by a defective cables…"

Faced with the prospect of recalling thousands of its connector plugs and performing costly repairs, Ecotality declared bankruptcy in September 2013. Just a month later in October 2013, Blink, then "Car Charging Group," purchased these assets for a mere $3.3 million. Thus, at year-end 2014, Blink held $6 million in assets against $17 million in total liabilities. From 2014 through 2019, Blink spent a cumulative total of just $1.45 million in capital expenditures, which does not suggest that the Company brought these assets to fully functioning order. Nevertheless, in August 2017, the Company announced a corporate rebranding and 1 for 50 reverse split, and in February 2018, closed an $18.5 million offering and NASDAQ listing, underwritten by Joseph Gunnar & Co., LLC.

Blink's scheme is running out of steam

Questions of the reported size, functionality, and usage of Blink's network aside, the Company consistently churns out press releases touting "partnerships" and "expansions" that we find to be spineless. Most recently, the Company claimed to have signed an agreement with Cushman & Wakefield "for the marketing and potential deployment of Blink charging stations…" However, C&W made no commitment to charger installations at existing properties, nor did C&W commit to install a certain number of chargers in the future. Blink also did not file a Form 8-K regarding the supposed agreement. As such, we believe that either (1) the agreement is immaterial or non-existent entirely, or (2) Blink has failed in its disclosure duties. Farkas also claimed on the Q2 2020 call that the Company had wireless charging technology "under development." We are highly skeptical of this claim, given that Blink has $0 disclosed R&D spend, and of the Company's 48 employees listed on LinkedIn, we find zero with the requisite engineering experience presumably required to develop such a technology. Instead, we see these claims as merely the latest in Blink's long line of promotional claims which have failed to come to fruition:

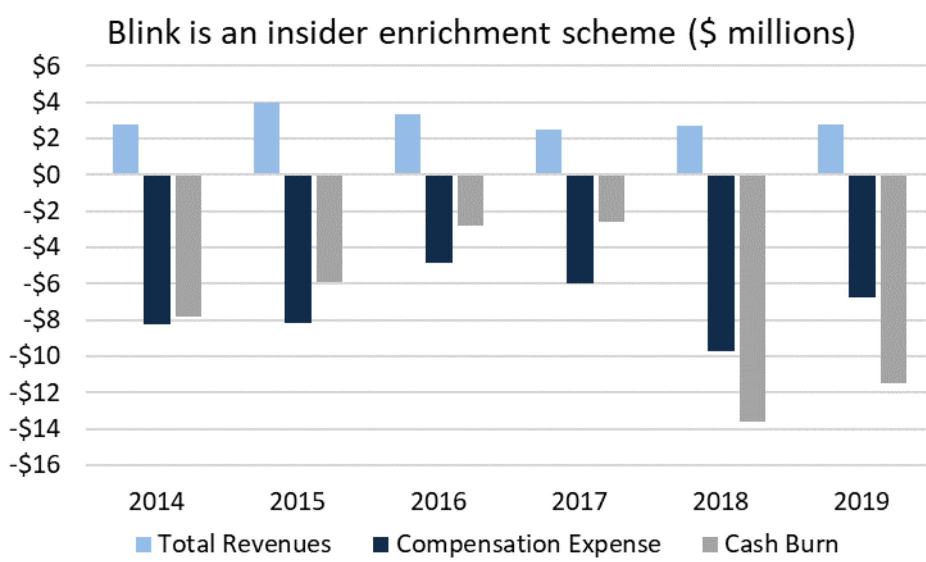
- In July 2018, the Company claimed to have finalized a "global expansion deal" which would "better serve EV drivers in South Korea and Southeast Asia." However, today, the Company has disclosed zero stations in South Korea or Southeast Asia.

- In April 2016, the Company claimed "to facilitate the launch of a vanpool and car sharing program." If Blink currently has any involvement in car sharing programs, we are not aware of it.

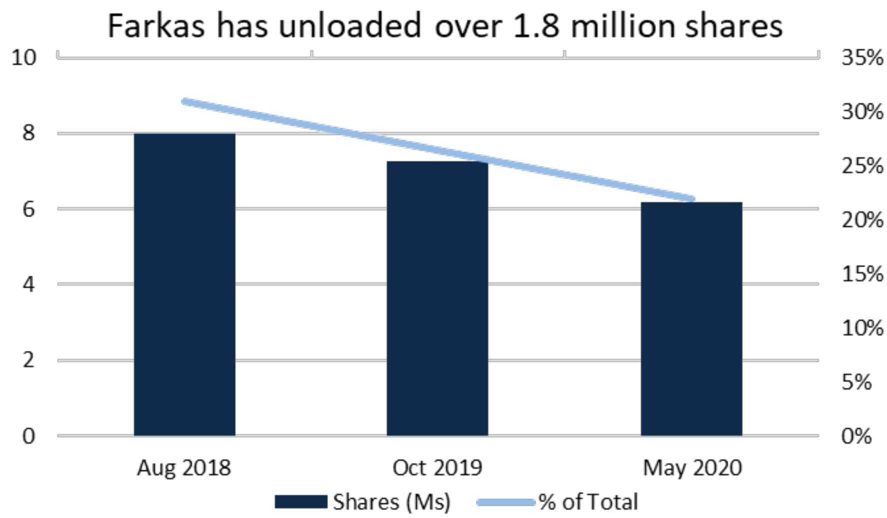
- In September 2015, the Company claimed "to offer energy storage and rechargeable battery solutions." Similarly, so far as we can tell, the Company does not currently offer any sort of energy storage or rechargeable battery solution.

- In October 2014, the Company claimed "to expand operations into China." Similarly, if Blink currently has any stations in China, they are not disclosed by the Company.

While Blink has yet to grow revenues in any meaningful manner, that hasn't stopped insiders from continuing to collect healthy paychecks. On the Q2 2020 conference call, CFO Michael Rama stated that, "We are unquestionably investing in people in preparation for and in part to create the dramatic growth we anticipate." This is a line investors shouldn't fall for any longer; **since 2014, the Company has burned over $44 million in cash, while total compensation has also summed to $44 million; indeed, the Company's constant capital raises are in effect going directly into the pockets of insiders:**



Even amid this egregious compensation, Farkas unloaded over 1.8 million shares over the past two years alone:



… And numerous insiders have left the Company since 2018:

Blink Insider, Role	Tenure at Blink
James Christodoulou, Chief Operating Officer	August 2018 to March 2020
Jonathan New, Chief Financial Officer	June 2018 to February 2020
Robert C. Schweitzer, Board Member	July 2017 to August 2019
Grant E. Fitz, Board Member	August 2018 to August 2019
Ira Feintuch, Chief Operating Officer	March 2015 to October 2018
Andrew Shapiro, Board Member	April 2014 to June 2018
Andy Kinard, Board Member, President	November 2009 to March 2018

These departures culminated with ex-COO James Christodoulou in March 2020. The Company fired Christodoulou, alleging workplace misconduct. However, Christodoulou sued the Company just days later, in short, alleging that he was fired for voicing concerns over the Company's numerous securities law violations and Farkas's abusive workplace behavior. According to the complaint, not only was unjust insider enrichment the norm at Blink, but employees were often "Farkasized," or subject to Farkas's tirades without warning. We place several relevant portions of the complaint in the appendix below.

We view Blink's recently incessant promotion streak as borne of increasing desperation. The Company's February 2018 public offering raised $18.5 million, but this covered just less than two years of cash burn, and its war chest is depleted. Blink's capital raising has also relied on Justin Keener, aka JMJ Financial, since at least October 2016, at which time the Company executed a note for up to $3.725 million. These notes contain ratchet features which allowed JMJ to convert its loan to equity, and over time, Blink's reliance on JMJ has made Keener a 9.9% owner:

Name of Beneficial Owner (1)	Shares of Common Stock Beneficially Owned	
	Number	Percent (2)
5% Shareholders:		
Justin Keener	2,801,445(3)	9.9%

However, in March 2020, Keener was charged by the SEC for failing to register as a securities dealer. The SEC complaint alleges that Keener engaged "in a regular business of buying convertible notes and selling the resulting newly issued shares of microcap stock into the public market, Keener operated as an unregistered securities dealer and generated more than $21.5 million in profits." Given this is the same scope of business Keener conducted at Blink, we expect significant fallout.

Thus, Blink has apparently turned to the government, as in May 2020, the Company received $856,000 in loan proceeds under the PPP program. In the Company's Q2 2020 report, Blink disclosed that it has already blown through the entire proceeds of the PPP loan, while it expects the loan to nonetheless be forgiven. We consider Blink's PPP loan a gross abuse of the program, and encourage the Board of Directors to return the funds. But regardless of whether Blink finances its scheme with the aid of SEC-barred individuals or simply loots government coffers, we see the Company as a cash pit which will continue to siphon capital from investors to insiders.

Appendix 1: Blink App Reviews

Android, June 22, 2020: “Blink is always directing me to broken oar [sic] disable charging stations. I'm done trying to use their broken network.”

iOS, March 30, 2020: “Stations that aren’t working, often for months…”

Android, March 30, 2020: “Blink has problems with maintenance. Too many times, the screen cannot be read, usually from heat & sun damage…”

Android, October 25, 2019: “The charging network is horribly undependable … I have bison [sic] disappointed by blank multiple times, including this evening when I can't charge my car because several of the chargers at the Mall of America are broken, and I'm running out of words, but the short if [sic] it is blink sucks.”

Android, October 12, 2019: “Unreal how difficult your chargers are to use. I've used Charge Point, EV connect, & Sema Connect. I'm on Droid and downloaded your app and tried to setup credit card 3 times. The card scanner didn't work. The screen doesn't move down far enough during address entry. I wasn't able to enter the code. I wasn't able to "start charge" it just sat waiting forever to connect. Guest, signup, sign in... alas ended up just giving up.”

iOS, February 11, 2019: “You can’t even enter in your vehicle info, so no estimates on miles added. Most blink stations in my area have broken screens…”

iOS, July 10, 2018: “Tried to use it and found many of their stations have awful screens are [sic] broken. Too expensive. Finally tried the pay station and it charged me 1.24 for no power.”

Appendix 2: Former COO James Christodoulou March 2020 Complaint

Christodoulou learns that Farkas transferred shares to an independent Board member, thereby compromising the member's independence

28. In January 2019, Christodoulou began preparing Blink's 2018 year-end financial statements. In the course of doing so, Christodoulou discovered that Farkas personally gifted an independent member of Blink's Board of Directors ("Independent Board Member 1") 300,000 shares of Blink stock in 2018 with a market value of more than $1 million.

29. Christodoulou was concerned that the transfer may have compromised Independent Board Member 1's independent director status and created an inadvertent violation of Securities and Exchange Commission ("SEC") regulations and NASDAQ rules.

30. Christodoulou knew that to correct the violation would require the Board to replace Independent Board Member 1 with a new independent Board member.

31. Christodoulou was also concerned that the gifting of shares to Independent Board Member 1 reflected poorly on Blink as a company. He recommended that Independent Board Member 1 resign from the Board and become an emeritus Board member. Moreover, the transfer of shares had the appearance of collusion between the CEO and Chairman—Farkas—and an independent director— Independent Board Member 1, which was potentially grounds for a shareholder lawsuit.

32. Farkas bristled at Christodoulou's investigation and suggestion that Blink take corrective action and he began yelling at and insulting Christodoulou. As such, Farkas overruled the prudent and proper suggestion of Christodoulou and did nothing to rectify the situation. This interaction between Christodoulou marked a change in their relationship.

33. Farkas had previously verbally attacked and insulted Christodoulou, but no more than any other employee. Seemingly, no employee at Blink was spared from Farkas's wrath. In fact, Blink employees grew so accustomed to Farkas's volatility that they referred to his attacks as "Farkasization" and "being Farkasized." Even so, Farkas's attacks on Christodoulou specifically become more frequent and more demeaning after January 2019, as Christodoulou attempted to carry out tasks enumerated by the Board for him when he was hired.

Farkas threatens to fire Christodoulou when
Christodoulou expresses concerns about Blink's financial projections

34. In February 2019, Farkas, Christodoulou and several other Blink employees met at an outdoor café to discuss financial projections they prepared as part of a submission for financing.

35. Christodoulou was concerned that Farkas's projections were too optimistic, bordering on unbelievable and unattainable, a view shared by other officers and directors at Blink. During the meeting, Christodoulou recommended that Blink submit more realistic projections in its bid for additional financing. Christodoulou worried that the unrealistic projections would undermine Blink's credibility and efforts for financing. He also worried that even if Blink obtained financing, its inability to achieve Farkas's unattainable projections would lead to legal disputes between Blink and any financiers.

36. Upon hearing Christodoulou's reasonable recommendation that was presented in a professional manner, Farkas lost his temper. He began yelling and cursing at Christodoulou in the

<u>Christodoulou uncovers numerous other questionable business practices</u>

46. In anticipation of the 2019 end-of-year Board meeting and the addition of new Board members, outgoing Board members asked Christodoulou to prepare an orientation memorandum ("Memorandum") for the new Board members that would address (1) Blink's operations and business model; (2) Blink's economics and financial projections; and (3) various problematic governance issues. The Memorandum was of particular importance because all of the independent directors chose not to stand for reelection, likely because of the problems caused by Farkas's management of Blink, and there would be no information base for the new directors to fulfil their duties in a proper and effective way. In short the new directors would be operating blindly in their new positions or even worse, operating under the distorted and self-servings facts that Farkas would provide.

47. Christodoulou's Memorandum included a number of items, many of which are potential violations of SEC regulations, NASDAQ rules, and other laws.

48. The violations included, but were not limited to:

a. Farkas's failure to fully disclose his involvement with other business ventures, including Balance and the involvement of Hillo and Baron in those ventures;

b. Farkas's diversion of resources from Blink to Balance;

c. Farkas's hiring of family members and friends without proper oversight;

d. Farkas's improper expense reporting and use of Blink funds for personal expenses;

e. Farkas's discriminatory and self-serving promotion and compensation decisions, which heavily favored his friends;

f. Farkas personally awarding Independent Board Member 1 300,000 shares of Blink stock in 2018 with a market value of more than $1 million, thereby potentially compromising Independent Board Member 1's independence, as mentioned above;

g. Farkas, on behalf of Blink and without the Board's approval, executed a consulting agreement in early 2019 with Independent Board Member 1 whereby Independent Board Member 1 would receive an annual salary and 700,000 Blink stock options with a market value of more than $1 million in exchange for Independent Board Member 1 providing sales and marketing services (a Board meeting was called to vote on this agreement after the Board learned about it, which Farkas abruptly cancelled when he realized that the Board would not ratify the agreement);

h. Farkas promising to personally pay Independent Board Member 1—an independent Board member—cash and stock to "make him whole" if the Board ultimately refused to ratify the aforementioned agreement;

i. Farkas's refusal to consider equity fundraising or any other form of fundraising that could have led to a dilution of his shares in favor of exclusively pursuing debt financing at the cost of Blink's financial stability;

j. Farkas's gifting of Blink stock during blackout periods;

k. Farkas's directions to Hillo, Blink's General Counsel, to surreptitiously record Board meetings without the knowledge or consent of the Board members in violation of Florida law; and

l. Farkas's awarding Blink equity to outside vendors with whom he had a relationship, without Board approval.

56. During the same period that Christodoulou was preparing the memorandum for the new Board members, Farkas viciously berated two rank and file employees—Jakub F. and David L.—in front of Blink's office staff.

57. On Tuesday, November 5, 2019, Farkas walked into the main area of Blink's open office where many of the employees work. He began screaming profanities and insults at Jakub F. and David L. The tirade was so extreme and violent that even employees who had grown accustomed to Farkas's behavior were disturbed.

58. Moreover, Blink had recently hired a number of new employees and this was the first time that many of them had witnessed one Farkas's diatribes. This tirade was especially intense and directed at two rank and file employees.

59. As such, a number of employees—who were not accustomed to Farkas's sudden outbursts—reported the incident, and concern for their well-being and the well-being of their co-workers, to Blink's head of human resources. The head of human resources then brought those concerns, and her own, to Christodoulou.

60. It was clear that Farkas's tirade was a violation of Blink's zero tolerance policy regarding a hostile work environment. Once the tirade had been reported, Christodoulou was required by Blink's policies to report the incident to the Governance Committee of the Board of Directors. Once the investigation into the November 5th incident began it would by necessity include an inquiry into Farkas's behavior in general.

61. Christodoulou knew that Farkas would retaliate against the head of human resources and himself if Farkas learned of the investigation.

62. Normally, such an investigation would be coordinated by Blink's General Counsel, Hillo, but Christodoulou knew that Hillo could not be objective given his loyalty to Farkas.

63. As such, Christodoulou reported the issue to the Governance Committee of Blink's Board of Directors. Something he was required to do regardless of Hillo's involvement.

64. In his correspondence to the Governance Committee, which also included Blink's outside counsel, Christodoulou specifically stated that he and the head of human resources were "nervous about how to proceed for fear of retribution" from Farkas. Christodoulou asked the recipients to keep the report anonymous because he feared losing his job if Farkas found out that he reported the incident to the Governance Committee even though he was obligated to do so.

65. The Board initiated an investigation into Farkas's behavior and asked Blink's outside law firm to lead the investigation. The Board excluded Hillo from leading the investigation because of concerns that Hillo would not be objective as a result of his numerous ties to Farkas.

Appendix 3: Charging Station Visits

San Diego	Stations Listed	Stations Found	Stations Operational
Oceanside Transit Center	7	7	7
Gnarly Wood - 2018 Faraday	1	2	1
Sheraton Carlsbad	3	3	3
City of Encinitas - Lot B SW Corner	2	2	2
Santa Fe Christian Schools	4	4	2
City of Solana Beach	3	3	3
The Irvine Group	3	2	1
The Grand Del Mar	1	1	1
Hilton La Jolla Torrey Pines	1	4	0
Salk Institute	4	4	3
Costa Verde - NOT FOUND	3	0	0
City of San Diego Mission Bay Playa	4	4	4
U of SD - Manchester	8	8	7
U of SD - Acala Vista	6	6	6
U of SD - Main	8	8	8
U of SD - IPJ Kroc	8	8	3
Paradise Point Resort	6	5	3
City of San Diego Mission Bay Bonita	4	4	4
Port of San Diego	2	2	1
Sun Harbor	2	2	2
Pearl Hotel	1	1	1
Port of San Diego - Shelter Island	2	2	2
San Diego Zoo at Balboa	5	4	4
Rueben H. Fleet Science Center	2	3	3
City of College - LOCKED / INACCESSIBLE	5	???	???
City of San Diego - Central Library	9	5	2
Ace Parking Lot - Corporate	3	3	3
Total	**107**	**97**	**76**

Chicago	Stations Listed	Stations Found	Stations Operational
2 W. Delaware Place	2	0	0
505 N Michigan Ave	2	1	1
Trump Hotel	1	1	1
401 N. Michigan Garage	2	2	0
One Bennett Park	1	1	1
Total	**8**	**5**	**3**

Atlanta	Stations Listed	Stations Found	Stations Operational
Ventanas - 275 Barker St	1	1	1

10 Sutton Place Avondale	2	2	2
The Lenox Building - 3399 Peachtree	2	2	2
Manuel's Tavern #1 - 602 N Highland	2	2	2
Kroger Store #655 - 1799 Briarcliff	2	2	2
Dorsey Alston Realtors - 100 W. Paces Ferry	1	1	1
McDonalds NSN9044 - 2929 Peachtree	2	2	2
WIPRO #1 - 3565	2	2	1
WIPRO #2 - 3575	2	2	2
Icon Bucktree Apartments - 3372 Peachtree	2	2	2
The Frayer Law Firm - 70 Lenox Pointe NE	1	1	0
Druid Pointe Parking Lot - 2751 Buford Hwy	2	2	2
The 500 Apartments	3	3	3
ING Atlanta - 5780 Powers Ferry	2	2	2
IKEA Atlanta - 441	2	2	1
Theory West Mid Town - 800 Marietta	2	2	2
Anthem on Ashley - 720 Ralph	8	4	4
Kroger - 1475 Bunford Dr / HW 20	2	2	2
Avondal Estates - 10 Sutton Place	2	2	2
Emory Johns Creek Hospital	6	6	6
Centre Peachtree Corners Apartments - 3325	1	1	1
Marietta Transfer Center Park and Ride - 800	4	4	0
Parking Lot - 3221 Bushee Dr NW	4	4	0
McDonalds NSN10167 - 305 Ernest W Barrett	1	1	1
Rexel - Kennesaw - 3380 Town Point Dr	1	0	0
1760 Lakes Pkwy, Lawrenceville	1	1	1
Kroger - 4550 Jonesboro Road	2	2	2
Total	**62**	**57**	**46**

Miami	**Stations Listed**	**Stations Found**	**Stations Operational**
12th Street & Drexel Ave Garage	2	2	2
13th Street Garage One … Miami Beach	2	2	1
17th St. Garage	2	2	2
42nd St. Garage	2	2	2
701 Brickell Ave.	2	2	2
Aqua Allison Island Miami Beach	2	2	2
Bay Harbor Islands Municipal Parking	1	1	1
Brickell Bay Harbor	1	1	1
Brickell City Center	11	11	9
Cite Condo	4	4	4
Fontainebleau	1	1	1
Four Seasons Brickell	1	1	1
Grovenor House Condos	2	1	1
IKEA Miami	3	0	0

Key Colony Assoc. Number 4	1	1	1
Key Colony II Condominiums	1	1	1
LAZ Parking - Pelican Garage	1	1	1
MDF - Restricted	2	2	2
Oceana Bal Harbor	2	2	2
Soleste Alameda 8th St.	2	2	2
Soleste Blue Lagoon	2	2	1
Soleste Twenty2 West Miami	2	2	2
Soleste West Gables II	2	2	2
Space 01 Condominiums	2	2	2
St. Thomas University	1	1	0
Sunset Harbor Garage	2	2	2
Town of Surfside	1	1	1
Wynwood 25	4	4	4
Wynwood 26	4	3	3
Total	**65**	**60**	**55**
Excl. Miami Beach Convention, City Hall	**30**	**???**	**???**