

November 17, 2015



Safety Quick Lighting & Fans Corp. Reports Financial Results for Nine Months Ended September 30, 2015

Company Adds Seasoned Legal and Investment Professional to its Board

ALPHARETTA, Ga., Nov. 17, 2015 /PRNewswire/ -- Safety Quick Lighting & Fans Corp. ("SQL" or the "Company"), a manufacturer and distributor of ceiling fans and light fixtures incorporating its patented power plug technology, announced financial results for the nine-months ended September 30, 2015. The Company reported revenue for the nine-month period of \$2,482,000; a net loss from operations of \$(3,455,000); and a net loss attributable to Company shareholders of \$(13,086,000) or \$(0.34) per basic share. The Company's operating loss included \$1,826,000 of amortization of its GE trademark license, while the net loss also included \$7,358,000 of change in fair value of derivative liabilities and \$1,738,000 of debt discount, both non-cash expenses.

General and administrative (G&A) costs were \$3,741,000 during the nine-month period 2015, which included \$1,826,000 of amortization costs of its trademark license, \$547,000 in legal and costs associated with being a public company, \$284,000 in production audits and quality for China Manufacturing, \$239,000 in sales commissions, salaries of \$199,000 and \$100,000 in travel and marketing expenses.

Other expenses of \$9,632,000 included \$7,358,000 for the change in fair value of embedded derivative liabilities, a non-cash expense, and interest expense of \$2,274,000 which included \$1,739,000 in the amortization of debt discount and derivative costs a non-cash expense. The derivative liability increased when the value of shares underlying the derivative increased from \$0.25 per share to \$0.60 per share due to our most the private placement offering completed during the quarter.

"The reception of our products are exceeding market expectations," stated John P Campi, SQL's president and chief executive officer. "Existing big-box retailers have been reordering and new clients are planning roll-outs. A leading retailer is working with us to plan an extended roll-out in 2016 as a prominently featured product."

Mr. Campi continued, "We experienced three significant achievements during the third quarter. First we began offering our products on-line and sales far exceeded expectations, both in volume and in profitability. SQL's online offering enables our clients

to offer a larger selection of products than they could normally be able to physically carry in stores, it provides them with sell-through data that enables them to be more efficient with in-store inventory and it generates improved margins for SQL. Secondly, we have effectively managed cash flow and funded all production and sales from existing resources without incurring additional debt and, finally, our patented, power plug technology is gaining recognition from regulators for its safety qualities."

"Demand for products incorporating our safe, power plug technology is developing throughout the retail and the construction industries. We are also launching a commercial effort to directly access new development and maintenance of existing buildings, another large market that would benefit from our technology and products. To that end, we have engaged a top sales and marketing executive from the lighting industry that we will elaborate on in a separate press release to be issued shortly," concluded Mr. Campi.

For the nine-months ended September 30, 2015, the Company used cash flows (\$2,866,000) for operations, (\$31,000) for investing and provided \$2,323,000 in cash flows from financing activities. As a result, the Company had \$667,000 in cash equivalents on hand at the end of the quarter. The ratio of liquid assets to accounts payable (quick ratio) was 1.20 at September 30, 2015.

For more detailed information about the Company's financial results for the quarter ended September 30, 2015, please refer to the Company's Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission on November 16, 2015.

The Company also announced the appointment of Leonard J. Sokolow to its board of directors. Mr. Sokolow currently serves as president and CEO of Newbridge Financial, Inc. and chairman of its broker dealer subsidiary, Newbridge Securities Corporation. Mr. Sokolow founded vFinance in 1997, which merged with National Holdings Corp. where he served as vice chairman. He also founded Americas Growth Fund, Inc., a closed-end investment management company that traded on NASDAQ. Previously, Mr. Sokolow was an executive for Applica, Inc. (formerly Windmere Corporation) where he was EVP and General Counsel. Mr. Sokolow also worked as a CPA for Ernst & Young and KPMG. He earned a Bachelor of Art degree in Economics and Accounting and a juris doctorate degree in corporate and tax from the University of Florida and a master of law degree in taxation for New York University School of Law.

About Safety Quick Lighting & Fans Corp.

Safety Quick Light ("SQL") (OTCBB: SQFL) is a patented, disruptive technology that is transforming the lighting and ceiling fan industry. SQL's technology replaces the mounting bar unit built in existing electrical mounting boxes, converting it into a weight bearing plug that has no exposed wires. Using SQL's power plug, anyone can safely install ceiling and wall lights and ceiling fans in minutes. SQL's technology is UL and CSA certified. Installing a ceiling light fixture is as simple as pushing the fixture in place and pressing a button.

SQL's technology is comprised of two parts: a female receptacle that is secured to existing electrical boxes, into which electrical and ground wires are simply inserted and locked into holes on the device, and a male plug that is pre-installed on the lighting or fan fixture.

Once the female piece is attached to the electrical box, any lighting or fan fixture into which the male plug is incorporated can be installed in literally seconds. SQL's technology will be pre-installed in all types of lighting fixtures, including holiday themed lighting, and ceiling fans, for both indoor and outdoor use. For more information and to view a product video visit www.safetyquicklight.com.

Forward-Looking Statements: This press release includes forward-looking statements as determined by the U.S. Securities and Exchange Commission (the "SEC"). All statements, other than statements of historical facts, included in this press release that address activities, events, or developments that SQL believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of SQL to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These include, but are not limited to, risks and uncertainties associated with the impact of economic, competitive and other factors affecting SQL and its operations, markets, product, and distributor performance, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently; and other factors over which SQL has little or no control and are too numerous to list. SQL does not intend (and is not obligated) to update publicly any forward-looking statements. The contents of this press release should be considered in conjunction with the warnings and cautionary statements contained in SQL recent filings with the SEC.

Safety Quick Lighting & Fans Corp. and Subsidiary
Consolidated Balance Sheets

Assets	(Unaudited) Sept. 30, 2015	(Audited) Dec. 31, 2014
Current assets:		
Cash	\$ 667,473	\$ 1,241,487
Accounts receivable	116,878	—
Inventory	514,186	—
Prepaid expenses	18,060	29,643
Other current assets	—	—
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Total current assets	1,316,597	1,271,130
Furniture and Equipment - net	119,191	132,609
Other assets:		
Patent - net	71,016	46,419
Debt issue costs - net	44,848	161,946
GE trademark license - net	7,739,130	9,565,217
Other assets	65,714	65,714
Total other assets	7,920,708	9,839,296
Total assets	\$ 9,356,496	\$ 11,243,035
<u>Liabilities and Stockholders (Deficit)</u>		
Current liabilities:		
Accounts payable & accrued expenses	\$ 1,077,981	\$ 1,041,741
Convertible debt - net of \$948,197 net of debt discount	3,516,036	1,223,982
Convertible debt - related parties - net of \$5,785 debt discount	44,215	26,999
Notes payable	106,676	98,086
Derivative liabilities	12,009,481	4,651,762
Other current liabilities	55,623	78,622
Total current liabilities	16,810,012	7,121,192
Long term liabilities:		
Convertible debt	—	688,013

Convertible debt - related parties - net	—	—
Notes payable	221,218	307,009
GE royalty obligation	<u>11,821,957</u>	<u>12,000,000</u>
Total long term liabilities	12,043,175	12,995,022
Total liabilities	<u>28,853,187</u>	<u>20,116,214</u>
Stockholders' deficit:		
Common stock: \$0 par value, 500,000,000 shares authorized; 41,067,918 and 35,750,000 shares issued and outstanding at September 30, 2015 and December 31, 2014 respectively	127,400	127,400
Additional paid-in capital	8,822,105	6,359,127
Accumulated deficit	<u>(28,410,754)</u>	<u>(15,324,264)</u>
Total Stockholders' deficit	(19,461,249)	(8,837,737)
Non-controlling interest	<u>(35,442)</u>	<u>(35,442)</u>
Total Deficit	<u>(19,496,691)</u>	<u>(8,873,179)</u>
Total liabilities and stockholders' deficit	<u>\$ 9,356,496</u>	<u>\$ 11,243,035</u>

Safety Quick Lighting & Fans Corp. and Subsidiary
Consolidated Statement of Operations
Three and Nine Month Periods Ended September 30, 2015 and 2014
(Unaudited)

<u>Three months</u>		<u>Nine Months</u>	
<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>

Sales	\$ 262,897	\$ —	\$ 2,482,035	\$ —
Cost of sales	<u>(248,675)</u>	<u>—</u>	<u>(2,195,655)</u>	<u>—</u>
Gross profit	14,222	—	286,380	—
General and administrative expenses	1,220,844	481,922	3,741,198	1,419,989
Loss from operations	<u>(1,206,622)</u>	<u>(481,922)</u>	<u>(3,454,818)</u>	<u>(1,419,989)</u>
Other income (expense)				
Interest expense	(880,394)	(701,328)	(2,273,951)	(1,515,577)
Derivative expenses	—	—	—	(568,485)
Change in fair value of embedded derivative liabilities	(7,993,408)	209,235	(7,357,719)	433,901
Other income	—	787	—	1,026
Other expense	<u>—</u>	<u>(102,470)</u>	<u>—</u>	<u>(320,619)</u>
Total other expense - net	<u>(8,873,802)</u>	<u>(593,776)</u>	<u>(9,631,670)</u>	<u>(1,969,754)</u>
Net loss including non-controlling interest	(10,080,424)	(1,075,698)	(13,086,489)	(3,389,743)

Less: net loss attributable to non-controlling interest	—	(12,908)	—	(40,677)
Net loss attributable to Safety Quick Lighting & Fans Corp.	<u>\$ (10,080,424)</u>	<u>\$ (1,062,790)</u>	<u>\$ (13,086,489)</u>	<u>\$ (3,349,066)</u>
Net loss per share - basic and diluted	<u>\$ (0.25)</u>	<u>\$ (0.03)</u>	<u>\$ (0.34)</u>	<u>\$ (0.10)</u>
Weighted average number of common shares outstanding during the year - basic and diluted	<u>40,479,962</u>	<u>35,645,607</u>	<u>38,131,295</u>	<u>35,092,872</u>

Safety Quick Lighting & Fans Corp. and Subsidiary
Consolidated Statement of Cash Flows
Nine Months Ended September 30, 2015 and 2014
(Unaudited)

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Cash flows from operating activities:		
Net loss attributable to Safety Quick Lighting & Fans Corp.	\$ (13,086,489)	\$ (3,349,066)
Net loss attributable to non-controlling interest	—	(40,677)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	16,471	13,732
Amortization of debt issue costs	117,098	103,388
Amortization of debt discount	1,621,257	1,099,400

Amortization of patent	3,705	2,174
Amortization of GE trademark license	1,826,087	—
Change in fair value of derivative liabilities	7,357,719	(433,902)
Derivative expense	—	568,486
Recognition of unvested share compensation - related party - (\$0.25 / share)	—	46,875
Stock options issued for services - related parties	62,500	—
Change in operating assets and liabilities:		
Accounts receivable	(116,878)	—
Prepaid expenses	11,583	(44,634)
Inventory	(514,186)	—
Royalty payable	(178,043)	—
Other	(22,999)	(27,020)
Accounts payable & accrued expenses	<u>36,239</u>	<u>722,632</u>
Net cash used in operating activities	<u>(2,865,936)</u>	<u>(1,338,612)</u>
Cash flows from investing activities:		
Purchase of property & equipment	(3,053)	(180,895)
Payment of patent costs	<u>(28,302)</u>	<u>(9,200)</u>
Net cash used in investing activities	<u>(31,355)</u>	<u>(190,095)</u>

Cash flows from financing activities:		
Direct issue costs paid	—	(69,944)
Proceeds from issuance of convertible notes	—	2,270,100
Stock issued in exchange for interest	429,646	—
Repayments of notes	(77,201)	(33,342)
Repayments of notes - related party	—	(26,108)
Proceeds from issuance of stock	1,970,832	1,000
Net cash provided by financing activities	2,323,277	2,141,706
(Decrease) Increase cash and cash equivalents	(574,014)	612,999
Cash and cash equivalents at beginning of period	1,241,487	1,132,974
Cash and cash equivalents at end of period	\$ 667,473	\$ 1,745,973

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/safety-quick-lighting--fans-corp-reports-financial-results-for-nine-months-ended-september-30-2015-300180191.html>

SOURCE Safety Quick Lighting & Fans Corp.