Ohio | Public Utilities Commission

DIS Case Number: 19-1490-EL-AGG

Section A: Application Information

A-1. Provider type:

☒ Power Broker ☒ Aggregator ☐ Retail Generation Provider ☐ Power Marketer

A-2. Applicant's legal name and contact information.

Legal Name: Acclaim Energy Ltd
Phone: 7133440297 **Extension (if applicable):**
Website (if any): www.acclaimenergy.com

Country: United States
Street: 1885 St. James Place, Suite 1220
City: Houston **Province/State:** TX
Postal Code: 77056

A-3. Names and contact information under which the applicant will do business in Ohio

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name	Type	Address	Active?	Proof
Acclaim Energy, Ltd.	Official Name	1885 Saint James Place #1220 Houston, TX 77056	Yes	File

A-4. Names under which the applicant does business in North America

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
Acclaim Energy, Ltd.	Official Name	1885 Saint James Place #1220 Houston, TX 77056	Yes	File

A-5. Contact person for regulatory matters

Ohio | Public Utilities Commission

CONSUMER COMPLAINT- Acclaim Energy Ltd
1885 St. James Place, Suite 1220
Houston, TX 77056
US
opsadmin@acclaimenergy.com
7133440297

A-6. Contact person for PUCO Staff use in investigating consumer complaints

CONSUMER COMPLAINT- Acclaim Energy Ltd
1885 St. James Place, Suite 1220
Houston, TX 77056
US
opsadmin@acclaimenergy.com
7133440297

A-7. Applicant's address and toll-free number for customer service and complaints

Phone: 7135240250	**Extension (if applicable):**	**Country:** United States	
Fax: 7135240310	**Extension (if applicable):**	**Street:** 1885 Saint James Place #1220	
Email: opsadmin@acclaimenergy.com		**City:** Houston	**Province/State:** TX
		Postal Code: 77017	

A-8. Applicant's federal employer identification number

32-0072114

A-9. Applicant's form of ownership

Form of ownership: Partnership

A-10. Identify current or proposed service areas

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

Service area selection

Duke Energy Ohio
FirstEnergy - Cleveland Electric Illuminating

Ohio | Public Utilities Commission

FirstEnergy - Ohio Edison
FirstEnergy - Toledo Edison
AES Ohio
American Electric Power (AEP)

Class of customer selection

Commercial
Industrial

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 05-15-2022

A-12. Principal officers, directors, and partners

Please provide all contacts that should be listed as an officer, director or partner.

Name	**Email**	Title	Address
John Elder	jelder@acclaimenergy.com	Chief Executive Officer	1885 Saint James Place #1220 Houston, TX 77056 US
Guy Morgan	opsadmin@acclaimenergy.com	Chief Financial Officer	1885 Saint James Place #1220 Houston, TX 77056 US

A-13. Company history

Acclaim Energy, Ltd. was established in 2003 as Legacy CMS Group, Ltd. in 2003. The company was established to provide consulting services to institutional entities including cities, counties and municipal utility districts in Texas. In 2004 the company began providing services to commercial and industrial clients, primarily in the Texas market, including both natural gas and electricity consultation and brokerage. The company changed its name to Acclaim Energy, Ltd. in 2009. Today, the company serves nearly 500 clients and 18,000 locations throughout the United States and Mexico.

A-14. Secretary of State

Secretary of State Link:

Section B: Applicant Managerial Capability and Experience

B-1. Jurisdiction of operations

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

Jurisdiction of Operation: Texas, California, Connecticut, District of Colombia, Delaware, Georgia, Illinois, Massachusetts, Maryland, Maine, New Jersey, New Mexico, New York, Oregon, Pennsylvania, Michigan, Rhode Island, Virginia

B-2. Experience and plans

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the plan for contracting with customers, providing contracted services, providing billing statements and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

Application Experience and Plan Description: Acclaim Energy, Ltd. (the 'Company') is a full-service energy consulting firm and brokerage firm acting exclusively on behalf of its clients. The Company has been in existence since 2003, however, its consultants and risk managers possess numerous years of experience in the energy industry. he Company acquires and manages client relationships on both a direct basis and through its channel partners. The Company's channel partners are typically large, national consulting firms which do not possess the deep energy expertise which we possess. The Company's targeted clients are large, multi-facility national accounts. The Company currently has the staff, systems and resources to adequately manage the current client base and anticipated growth. The Company will add future staff to accommodate the Growth in client base as necessary to provide the highest quality of services to its clients. The Company does not intend to act as a physical supplier of natural gas.

NG Commercial & Industrial: 12781 Accounts
NG Governmental: 3576 Accounts
EL Commercial & Industrial: 1457 Accounts

B-3. Disclosure of liabilities and investigations

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

Liability and Investigations Disclosures: There are no existing, pending or past rulings, judgements, contingent liabilities, revocations of authority of any other matters that could adversely impact Acclaim Energy, Ltd.'s financial or operational status or the ability to provide services the company is seeking to be certified to provide.

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted orheld liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

No

B-5. Disclosure of certification, denial, curtailment, suspension or revocation

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

Yes

Description: Cancellation for not renewing in time.

Section C: Applicant Financial Capability and Experience

C-1. Financial reporting

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Ohio | Public Utilities Commission

Does not apply

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a balance sheet, income statement, and cash flow statement. If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted.**

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio.**

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

File(s) attached

C-4. Credit rating

Provide a credit opinion disclosing the applicant’s credit rating as reported by at least one of the following ratings agencies: Moody’s Investors Service, Standard & Poor’s Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter 'Not Rated'.

This does not apply

C-5. Credit report

Provide a copy of the applicant’s credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

File(s) attached

C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

No

C-7. Merger information

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

No

C-8. Corporate structure

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required, and the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

File(s) attached

Section D: Applicant Technical Capacity

D-1. Operations

Power brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of electricity to retail customers.

Operations Description: The Company acquires and manages client relationships on both a direct basis and through its channel partners. The Company's channel partners are typically large, national consulting firms which do not possess the deep energy expertise which we possess. The Company's targeted clients are large, multi-facility national accounts. The Company currently has the staff, systems and resources to adequately manage the current client base and anticipated growth. The Company will add future staff to accommodate the Growth in client base as necessary to provide the highest quality of services to its clients. The Company does not intend to act as a physical supplier of natural gas.

More info here: https://acclaimenergy.com/services/

D-2. Operations Expertise & Key Technical Personnel

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, email addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: Information about our personnel and exoertise can be found in the following website: https://acclaimenergy.com/management-team/

Ohio | Public Utilities Commission

Application Attachments

DOC ID ----> 201002700689

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
01/28/2010	201002700689	REGISTRATION OF FOREIGN LIMITED PARTNERSHIP (LPF)	125.00	.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

CORPORATION SERVICE COMPANY
ATTN: LISA VAIDO
887 SOUTH HIGH STREET
COLUMBUS, OH 43206

STATE OF OHIO

CERTIFICATE

Ohio Secretary of State, Jennifer Brunner

1909628

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

ACCLAIM ENERGY, LTD.

and, that said business records show the filing and recording of:

Document(s):	Document No(s):
REGISTRATION OF FOREIGN LIMITED PARTNERSHIP	**201002700689**

THE SEAL OF THE SECRETARY OF STATE OF OHIO

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 21st day of January, A.D. 2010.

Jennifer Brunner

Ohio Secretary of State

Form 531B Prescribed by the:
Ohio Secretary of State

Central Ohio: (614) 466-3910
Toll Free: (877) SOS-FILE (767-3453)

www.sos.state.oh.us
Busserv@sos.state.oh.us

Expedite this form: (select one)
Mail form to **one** of the following:

- [X] Expedite — PO Box 1390, Columbus, OH 43216
  *** Requires an additional fee of $100 ***
- [ ] Non Expedite — PO Box 670, Columbus, OH 43216

CERTIFICATE OF FOREIGN LIMITED PARTNERSHIP

Filing Fee: $125
(104-LPF)

Name of limited partnership in its jurisdiction of formation:
ACCLAIM ENERGY, LTD.

Name under which the foreign limited partnership desires to transact business in Ohio (if different from its jurisdiction of formation):

Name must include one of the following words or abbreviations:
"Limited Partnership," "L.P.," "Limited," or "Ltd."

Jurisdiction of Formation: TEXAS

Date of Formation: 4/14/2003

Address of the office required to be maintained in the jurisdiction of formation by the laws of that jurisdiction or, if not so required, of the principal office of the foreign limited partnership.

1221 LAMAR STREET SUITE 510
Mailing Address

City	State	Zip Code
HOUSTON	TX	77010

RECEIVED
SECRETARY OF STATE
2010 JAN 21 PM 4:31
CLIENT SERVICE CENTER

Name and Address of each General Partner

Name	Business or Residential Address
ACCLAIM ENERGY MANAGEMENT, LLC	1221 LAMAR STREET SUITE 510 HOUSTON, TX 77010

DOC ID ----> 201002700689

ORIGINAL APPOINTMENT OF AGENT

The undersigned authorized representative(s) of

ACCLAIM ENERGY, LTD.

Name of Foreign Limited Partnership

hereby appoints the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the foreign limited partnership may be served. The name and address of the agent is

CSC- Lawyers Incorporating Service (Corporation Service Company)

Agent Name

50 West Broad Street, Suite 1800

Mailing Address

Columbus	Ohio	43215
City	State	Zip Code

☐ **If the agent is an individual using a P.O. Box, check this box to confirm that the agent is an Ohio resident.**

The entity above irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE if

A. an agent is not appointed or
B. an agent is appointed but the authority of that agent has been revoked, or
C. the agent cannot be found or served after the exercise of reasonable diligence

Provide the address of the office where a list of the names and business or residence addresses of the partners of the limited partnership and their capital contributions is to be maintained until the registration of the foreign limited partnership is canceled or withdrawn

1221 LAMAR STREET SUITE 510

Mailing Address

HOUSTON	TX	77010
City	State	Zip Code

DOC ID ----> 201002700689

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

REQUIRED
Must be authenticated **(signed)** by at least one general partner.

Signature | 1/17/10 Date

JOHN D ELDER III, MEMBER OF GP, ACCLAIM ENERGY MANAGEMENT, LLC
Print Name

Signature | Date

Print Name

Signature | Date

Print Name

Signature | Date

Print Name

January 31, 2022

Acclaim Energy Ltd
1885 St. James Place, Suite 1220
Houston, TX 77056

Notice of Cancellation of Certificate

Notice is hereby given that the following certificate was cancelled by operation of law:

Company name: Acclaim Energy Ltd
Certificate number: 19-1424E
Case number: 19-1490-EL-AGG
Cancelled date: Aug 26, 2021

The listed company must cease providing regulated services under the above certificate and notify any Ohio jurisdictional customers served thereunder that it is no longer providing such services in Ohio. Any company or company officer that continues to provide Ohio jurisdictional services under a cancelled certificate or operating authority may be assessed a civil forfeiture of not more than $10,000 per day for each violation or failure to comply with a Commission order, pursuant to Section 4905.54 of the Ohio Revised Code.

An annual report is required for activity and, if not yet submitted, for any previous years. Within 30 days after the company submits the annual report(s), the PUCO will issue an annual assessment invoice, based on the most recent assessment rate available. Please log in to the PUCO Community (www.puco.ohio.gov/puco-community) to file annual reports and pay annual assessments.

Questions regarding this notice should be directed to the staff member identified below.

Sincerely,

Melissa M Scarberry

Melissa Scarberry
Service Monitoring and Enforcement Dept.
Reliability and Service Analysis Division

Ohio | Public Utilities Commission

Jenifer French, Chair

614-644-7960

Melissa.Scarberry@puco.ohio.gov

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018
with Report of Independent Auditors

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

Table of Contents

Houston Office
3737 Buffalo Speedway
Suite 1600
Houston, Texas 77098
713.621.1515 Main

whitleypenn.com

REPORT OF INDEPENDENT AUDITORS

To the Partners of
Acclaim Energy, Ltd.

We have audited the accompanying consolidated financial statements of Acclaim Energy, Ltd. and subsidiary (the "Partnership"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of income, partners' capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acclaim Energy, Ltd. and subsidiary as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in conformity with IFRS.

Whitley Penn LLP

Houston, Texas
January 19, 2021

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	Notes	December 31, 2019	2018
Assets			
Current assets:			
Cash	3.g	$ 137,041	$ 33,854
Current accounts receivable, net	3.h, 6	3,524,211	2,659,257
Prepaid expenses, deposits and other current assets		87,458	78,771
Total current assets		3,748,710	2,771,882
Lease right-of-use asset, net	15	770,148	-
Property and equipment, net	3.j, 7	357,246	467,856
Long-term accounts receivable, net	3.h, 6	8,483,035	4,357,494
Software development costs, net	3.i, 8	1,960	5,809
Total assets		$ 13,361,099	$ 7,603,041
Liabilities and Partners' Capital			
Current liabilities:			
Accounts payable		$ 848,801	$ 834,394
Accounts payable - related party	13	235,822	182,285
Current accrued commissions and referral fees	3.n	2,756,249	348,517
Accrued expenses and other current liabilities	3.o	156,510	337,937
Current portion of lease liability	15	197,288	-
Line of credit	9	1,000,000	-
Current portion of long-term debt	9	-	98,240
Note payable - former unit holder	13	-	104,146
Total current liabilities		5,194,670	1,905,519
Line of credit	9	-	1,000,000
Long-term accrued commissions and referral fees	3.n	612,749	707,594
Long-term lease liability, net of current portion	15	769,618	-
Long-term debt, net of current portion	9	1,494,209	1,460,678
		8,071,246	5,073,791
Commitments and contingencies	15		
Partners' capital	10	5,289,853	2,529,250
Total liabilities and partners' capital		$ 13,361,099	$ 7,603,041

See accompanying notes to consolidated financial statements.

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Notes	Year Ended December 31, 2019	2018
Revenues	3.e, 5	$ 10,655,675	$ 7,520,652
Cost of revenues	3.f	3,186,317	1,512,570
Gross profit		7,469,358	6,008,082
Operating expenses:			
Selling, general, and administrative		5,058,520	4,499,899
Equity-based compensation	3.k, 10	29,761	35,942
Depreciation and amortization	7, 8	238,114	121,388
Total operating expenses		5,326,395	4,657,229
Income from operations		2,142,963	1,350,853
Other income (expense)			
Interest expense and financing costs, net	12	(507,584)	(413,924)
Foreign exchange gain (loss)	3.c	(64,089)	72,929
Total other expense		(571,673)	(340,995)
Income before provision for state income tax		1,571,290	1,009,858
Provision for state income tax	3.l	-	13,000
Net income		$ 1,571,290	$ 996,858

See accompanying notes to consolidated financial statements.

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

Years Ended December 31, 2019 and 2018

Balance at January 1, 2018	$ 533,537
Contributions	1,080,000
Repurchase of partners' units	(125,000)
Equity-based compensation expense	35,942
Units issued for options excersied	7,913
Net income	996,858
Balance at December 31, 2018	2,529,250
Balance at January 1, 2019, as previously reported	2,529,250
Impact of change in accounting policy	(32,556)
Balance at January 1, 2019, as adjusted	2,496,694
Contributions	1,100,096
Related party note payable converted to Series D preferred units	124,000
Repurchase of partners' units	(37,625)
Equity-based compensation expense	29,761
Units issued for options exercised	5,637
Net income	1,571,290
Balance at December 31, 2019	$ 5,289,853

See accompanying notes to consolidated financial statements.

ACCLAIM ENERGY, LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2019	2018
Cash Flows from Operating Activities		
Net income	$ 1,571,290	$ 996,858
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	114,459	121,388
Amortization of lease right of use asset	123,655	-
Paid-in-kind interest	33,534	34,463
Amortization of deferred financing costs	23,956	23,956
Amortization of warrant discount	57,800	57,800
Equity-based compensation expense	29,761	35,942
Changes in operating assets and liabilities:		
Accounts receivable	(4,990,495)	(2,893,720)
Prepaid expenses, deposits and other current assets	(8,687)	(8,547)
Accounts payable	(39,130)	159,221
Accounts payable - related party	53,537	57,285
Accrued commissions and referral fees	2,312,887	452,442
Accrued expenses and other current liabilities	50,347	141,357
Net cash used in operating activities	(667,086)	(821,555)
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(255,776)
Net cash used in investing activities	-	(255,776)
Cash Flows from Financing Activities		
Proceeds from line of credit	-	1,180,000
Payments on line of credit	-	(1,030,000)
Payments on note payable	(180,000)	(180,000)
Proceeds from related party notes	268,071	314,000
Payments on related party notes	(90,535)	(256,716)
Payments on note payable - former unit holder	(104,146)	(20,854)
Proceeds from capital contributions	1,100,096	1,080,000
Proceeds from exercised options	5,637	7,913
Payments to repurchase partners' units	(37,625)	-
Payments on lease liability	(191,225)	-
Net cash provided by financing activities	770,273	1,094,343
Net increase in cash	103,187	17,012
Cash, beginning of year	33,854	16,842
Cash, end of year	$ 137,041	$ 33,854

See accompanying notes to consolidated financial statements.

1. Description of Business

Acclaim Energy, Ltd. (the "Partnership") was established in 2003 as The Legacy CMS Group, Ltd. before renaming itself in 2009. The Partnership, which is headquartered in Houston, Texas, provides services including advising clients to help reduce the financial uncertainty of unpredictable energy costs by creating a tailored procurement and risk management strategy for each client. The Partnership provides energy procurement, energy price risk management, contract management, and energy operational improvement and reliability solutions to enable better management of its clients' energy expenditures. The Partnership serves primarily the retail markets for electricity and natural gas within deregulated and regulated energy markets across the United States ("U.S."), Canada and Mexico.

The Partnership formed Acclaim Mexico Holdings, LLC on April 17, 2017 as a Texas Limited Liability company, for the sole purpose of forming Acclaim Energy Services S.de R.L. de C.V., a Mexican business. The Partnership formed Acclaim Energy Services S.de R.L. de C.V. on May 15, 2017. Acclaim Energy Services S.de R.L. de C.V provides energy procurement, energy price risk management, contract management, and energy operational improvement and reliability solutions to enable better management of its clients' energy expenditures. Acclaim Energy Services S.de R.L. de C.V serves primarily the retail markets for electricity and natural gas within deregulated energy markets across Mexico.

2. Liquidity

During the years ended December 31, 2019 and 2018, the Partnership used cash in continuing operations of approximately $667,000 and $822,000, respectively. The Partnership had negative working capital of approximately $1,446,000 at December 31, 2019.

The Partnership anticipates that it will be able to support its liquidity and capital requirements for the foreseeable future through operational cash flows from increased sales revenues, decreased expenses, and availability under its debt agreement as discussed further in Note 9. The Partnership also restructured existing notes payable during October 2020 to extend the maturity date to 2025 and to increase working capital as discussed in Note 19.

3. Significant Accounting Policies

a. Statement of Compliance with IFRS

The consolidated financial statements of the Partnership have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared using accounting policies specified by those standards that are in effect as of December 31, 2019 and 2018.

3. Significant Accounting Policies – continued

a. Statement of Compliance with IFRS – continued

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all years presented in the consolidated financial statements.

b. Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements requires management of the Partnership to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts added to and deducted from the Partnership's equity during the reporting period. Actual results could differ from those estimates. The following discusses the most significant accounting judgments, estimates, and assumptions that the Partnership has made in the preparation of the consolidated financial statement:

i. Areas of Judgment

a. Impairment Tests

The Partnership exercises judgment to determine whether there are factors that would indicate that an asset is impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, estimates of future revenues and cost, discount rates and other relevant assumptions.

ii. Assumptions and Critical Estimates

a. Equity-based Compensation and Warrants

The amounts recorded relating to fair value of unit options and warrants are based on estimates of future volatility in the Partnership's share price, expected lives of options and warrants, the risk-free interest rate, and other relevant assumptions. Volatility is estimated based on the average price volatility of common shares of a comparative group of companies over the preceding period equaling the expected lives of the Partnership's options and warrants.

b. Energy Rate Optimization Contract Value

Energy rate optimization contract values are based on estimates of the customer's future energy usage and broker rate with the retail energy provider. The customer's estimated future usage is derived from historical meter data for that customer or a similar-size customer.

3. Significant Accounting Policies – continued

b. Use of Estimates in Preparation of Consolidated Financial Statements – continued

ii. Assumptions and Critical Estimates – continued

c. Valuation Allowance for Doubtful Accounts

The valuation allowance for doubtful accounts is based on the management's evaluation of individual accounts and its ability to collect the customer's outstanding balances.

c. Functional and Presentation Currency

These consolidated financial statements are presented in U.S. Dollars, which is the functional currency of the Partnership. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognized in profit or loss.

d. Fair Value Measurements

Several of the Partnership's accounting policies and disclosures require the determination of fair value for non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

The Partnership classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs to value the instruments:

- Level 1: Valued based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.
- Level 2: Valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value presentation.

3. Significant Accounting Policies – continued

d. Fair Value Measurements – continued

The Partnership measured its common unit purchase options issued during the years ended December 31, 2019 and 2018 using Level 2 inputs. The fair value of these grants were $29,761 and $35,942 during the years ended December 31, 2019 and 2018, respectively. See Note 10 for further discussion of these fair value measurements.

e. Revenue Recognition

Adoption of New Revenue Recognition Standard

The Partnership adopted IFRS 15, *Revenue from Contracts with Customers,* on January 1, 2018. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most previous revenue recognition guidance, including industry specific guidance, and is applicable to all of the Partnership's contracts with customers. The core principle of the revenue model is that "an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." The cumulative impact of adopting IFRS 15 was immaterial and did not require an adjustment to retained earnings. See Note 5 – Revenue for new disclosures required as a result of adopting IFRS 15.

The Partnership earns revenue through energy rate optimization services, energy management services, and certain consulting and energy risk management services.

Revenue is net of the Value-Added Tax ("VAT") and other sales-related taxes. Revenue is measured at the fair value of the consideration received or receivable.

Energy rate optimization services include broker services whereby the Partnership obtains competitive bids and negotiates supply contracts for a client's future electricity or natural gas needs through retail energy providers ("REP" or "REPs") from which the Partnership receives a fee from the contracted REP. The Partnership has formal contracts in place with each REP from which it solicits bids that sets forth the terms pursuant to which the fee is to be paid and the details each REP is to provide to the Partnership concurrent with any future fee payments. As there is no future obligation upon the execution of the contract between the REP and the customer, the Partnership recognizes the full contract value as revenue at a point in time upon execution of the contract.

3. Significant Accounting Policies – continued

e. Revenue Recognition – continued

The value of the contract is estimated based on historical usage of the customer and the brokerage rate with the REP. The Partnership reviews and adjusts, if necessary, the estimated contract value at least annually based on actual and projected customer energy usage. Collection of the contract revenue occurs over the life of the contract, which spans from January 2018 to May 2032. U.S. contracts are fair valued at contract value and are considered fully collectable and foreign contracts are deemed to have variable consideration and are valued using the most likely method. As of December 31, 2019 and 2018, the Partnership recorded a reduction to its foreign contract revenue related to energy rate optimization services in the amount $965,903 and $265,222, respectively, as a result of adopting IFRS 15.

Energy management services include commissions as the agent for third party sales of generators to clients, and payments from third parties (electricity grid operators and utilities) to incentivize clients to curtail electricity usage during periods of high-demand and potential stress on the electricity grid, which is commonly referred to as demand response. The Partnership recognizes energy management services revenue over time in which they have fulfilled the criteria dictated in the contract. The Partnership recognizes revenue from energy management services over time as the services are provided.

Consulting and energy risk management services include fee-based assistance to clients in the various facets of energy management, including the procurement of energy and the analysis of energy consumption and expenditures. The Partnership recognizes revenue from consulting and risk management over time as the services are provided.

f. Cost of Revenues

Cost of revenues is comprised primarily of the direct personnel and third-party agent sales commission's costs associated with aligning clients with REPs, and assisting clients with their energy management. At the time the underlying contract is executed, the Partnership estimates and recognizes all the direct costs incurred, including sales commissions.

g. Cash and Cash Equivalents

The Partnership considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2019 or 2018.

3. Significant Accounting Policies – continued

h. Accounts Receivable and Credit Policies

Accounts receivable are uncollateralized client obligations due as a result of commissions earned or services provided. Client obligations for energy rate optimization commissions are generally due over the term of the underlying contract, which typically exceed one year. Accounts receivable expected to be collected over the next twelve months are classified as current, while the remaining portion is classified as long-term. Client obligations for other services are invoiced when complete and generally due within 30 days of issuance.

Payments received on accounts receivable are allocated based on the underlying contract for which the commission was earned or the specific service invoice identified on the client’s remittance, or if unspecified, are applied to the earliest unpaid invoice for that client.

The carrying amount of account receivables is reduced by a valuation allowance that reflects management’s best estimate of the amounts that are not likely to be collected. Management periodically reviews all trade receivables balances and based on an assessment of current creditworthiness and historical contract performance, estimates the portion, if any, of the balance that may not be collected. As of December 31, 2019 and 2018, the valuation allowance was approximately $1,276,000 and $300,000, respectively. As of December 31, 2019 and 2018, approximately $161,000 and $35,000 of the valuation allowance was allocated to current accounts receivables, respectively, with the remainder of the total allowance allocated to long-term accounts receivable for the respective years.

i. Software Development Costs

Software development costs consist primarily of (a) salaries and related personnel costs, including costs associated with share-based payment awards, related to the Partnership’s development of new software and database functionality, (b) payments to suppliers for design and consulting services, (c) costs relating to the design and development of new energy management applications, services, and products and enhancement of existing energy management applications, services and products, (d) quality assurance and testing and (e) other related overhead. Costs incurred in research and development are expensed as incurred.

The Partnership capitalizes software development costs that it expects to be recoverable from future sales and that provide future economic benefits to the Partnership. Following initial recognition, the assets are carried at cost less any accumulated amortization and any impairment losses. Software development costs are amortized over their useful economic lives (estimated to be five years) and assessed for impairment whenever there is an indication that the asset may be impaired.

3. Significant Accounting Policies – continued

i. Software Development Costs – continued

Assessing a software development asset for impairment requires the Partnership to make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows take into account the risks specific to the asset and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. No impairments were recorded during the years ended December 31, 2019 or 2018.

j. Property and Equipment

Property and equipment are recorded at cost and depreciated over the estimated useful life of each asset. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The estimated useful life of leasehold improvements, office equipment, and furniture is three years, and the estimated useful lives of computer equipment range from three to five years. Costs include ancillary costs directly attributable to bringing the asset into operating condition. Ordinary maintenance and repairs are charged to expenses. Expenditures which extend the physical or economic life of the assets are capitalized. Gains and losses on the dispositions of assets are recognized in the statements of operations, and the related assets and accumulated depreciation accounts are adjusted accordingly.

The Partnership assesses the carrying value of property and equipment at each reporting date for indications of impairment. Indications of impairment include an ongoing lack of profitability, significant change in technology, loss of a significant customer as well as economic circumstances. When an indication of impairment is present, a test for impairment is carried out by comparing whether the carrying value of the asset exceeds the greater of its value in use and its fair value less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Fair value less costs of disposal are based on an estimate of the price the Partnership would receive upon the sale of the asset in an orderly transaction under current market conditions

3. Significant Accounting Policies – continued

j. Property and Equipment – continued

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in current year operations. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. No impairments were recorded during the years ended December 31, 2019 or 2018.

k. Equity-Based Compensation

Equity-settled partners' unit-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled partners' unit-based transactions are in Note 10.

The fair value determined at the grant date of these payments are expensed over the vesting period, based on the Partnership's estimate of equity instruments that will eventually vest, with a corresponding increase in partners' capital.

At the end of each reporting period, the Partnership revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee reserve.

l. Income Taxes

The entity is organized as a partnership and taxed as such for federal income tax purposes. As a result, income or losses are taxable or deductible to the members rather than at the entity level; accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements. In certain instances, the Partnership is subject to state taxes on income arising in or derived from the state tax jurisdictions in which it operates.

For the Partnership's Mexican subsidiary, the income taxes are recorded based on the local laws and regulations for the entity. For this entity, deferred income taxes are determined using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing liabilities and their respective tax bases.

3. Significant Accounting Policies – continued

l. Income Taxes – continued

State income tax positions are evaluated in a two-step process. The Partnership first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax expense recorded would equal the largest amount of expense related to the outcome that is 50% or greater likely to occur. The Partnership classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Partnership has not taken a tax position that, if challenged, would be expected to have a material effect on the financial statements as of or for the years ended December 31, 2019 and 2018.

The Company did not incur any penalties or interest related to its state tax returns during the years ended December 31, 2019 and 2018.

Under the new centralized partnership audit rules effective for tax years beginning after 2017, the Internal Revenue Service ("IRS") assesses and collects underpayments of tax from the Partnership instead of from each partner. The Partnership may be able to pass the adjustments through to its partners by making a push-out election or, if eligible, by electing out of the centralized partnership audit rules.

The collection of tax from the Partnership is only an administrative convenience for the IRS to collect any underpayment of income taxes including interest and penalties. Income taxes on partnership income, regardless of who pays the tax or when the tax is paid, is attributed to the partners. Any payment made by the Partnership as a result of an IRS examination will be treated as a distribution from the Partnership to the partners in the financial statements.

m. Disclosure of Fair Value of Financial Instruments

The Partnership's financial instruments mainly consist of accounts receivable, accounts payable, and debt obligations. The carrying amounts of the Partnership's accounts receivable and accounts payable approximate their fair value due to the short-term nature of these instruments. The Partnership's debt instruments approximate fair value as the underlying interest rates are commensurate with debt instruments carrying similar credit risk.

3. Significant Accounting Policies – continued

n. Accrued Commissions

The Partnership recognizes the cost of any sales commissions at the time the sale is recognized. These commissions are paid as cash is collected from the customers or energy suppliers. These liabilities that are expected to be paid over the next twelve months are classified as current, while the remaining portion is classified as long-term. These classifications correspond to when the related receivables are expected to be collected.

o. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of employee payroll taxes, bonuses, other benefit costs, and other miscellaneous costs incurred for which the Partnership has not been billed.

p. Financial Instruments

i. Classification and measurement

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as “fair value through profit or loss,” “loans and receivables,” or “financial liabilities measured at amortized cost” as defined by IAS 39, “Financial Instruments: Recognition and Measurement.” Financial assets and financial liabilities at “fair value through profit or loss” are measured at fair value with changes in fair value recognized in the consolidated statements of income. Transaction costs are expensed when incurred.

Financial assets and financial liabilities classified as “loans and receivables,” or “financial liabilities measured at amortized cost” are measured at amortized cost using the effective interest method of amortization. “Loans and receivables” are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. “Financial liabilities measured at amortized cost” are those financial liabilities that are not designated as “fair value through profit or loss” and that are not derivatives. The Partnership has designated accounts receivable as “loans and receivables” and bank debt and accounts payable and accrued liabilities as “financial liabilities measured at amortized cost.”

ii. Partners’ capital instruments

Common and preferred units are classified as partners’ capital. Incremental costs directly attributable to the issuance of the Partnership’s units are recognized as a deduction from partners’ capital, net of any tax effects.

3. Significant Accounting Policies – continued

p. Financial Instruments – continued

iii. Impairment

The Partnership assesses at each balance sheet date whether there is objective evidence that financial assets, other than those designated as “fair value through profit or loss” are impaired. When impairment has occurred, the cumulative loss is recognized in the statement of operations. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate. Impairment losses may be reversed in subsequent periods.

q. Leases

Adoption of New Lease Standard

The Partnership adopted IFRS 16, *Leases*, on January 1, 2019. The Partnership has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under International Accounting Standard (“IAS”) 17 and International Financial Reporting Interpretations Committee (“IFRIC”) 4. Adoption of this standard resulted in a right of use asset of $893,803, a lease liability of $1,066,112, and a reduction of partners’ capital of $32,556 as of January 1, 2019. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of the change is disclosed in Note 15.

At the inception of the contract, the Partnership assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Partnership assesses whether:

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Partnership has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

3. Significant Accounting Policies – continued

q. Leases – continued

- the Partnership has the right to direct the use of the asset. The Partnership has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Partnership has the right to direct the use of the asset if either the Partnership has to operate the asset or the Partnership designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Partnership allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Partnership has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For contracts entered into before January 1, 2019, the Partnership determined whether the arrangement was or contained a lease on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset is one if the following was met:

  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than in insignificant amount of the output; or

  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal the current market price per unit of output.

3. Significant Accounting Policies – continued

q. Leases – continued

As a Lessee

The Partnership recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site which is located, less any less incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of a lease term. The estimated useful lives of a right-of-use assets are determined on the same basis as those property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Partnership's incremental borrowing rate. Generally, the Partnership uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option that the Partnership is reasonably certain to exercise, lease payments in an optional renewal period if the Partnership is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Partnership is reasonably certain not to terminate early.

3. Significant Accounting Policies – continued

q. Leases – continued

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Partnership's estimate of the amount expected to be payable under a residual value guarantee, or if the Partnership changes its assessment of whether it will exercise a purchase, extension or termination period.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Partnership presents right-of-use assets that do not meet the definition of investment property in long-term assets and lease liabilities in 'current and long-term lease liabilities' in the accompanying consolidated balance sheets.

Under IAS 17

In the comparative period, as a lessee the Partnership classified leases that transfer sustainably all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases were classified as operating leases and were not recognized in the Partnerships consolidated balance sheets. Payments under operating leases were recognized in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives were recognized as an integral part of the total lease expense, over the term of the lease.

4. New Accounting Standards

The Partnership adopted all applicable amendments and revisions to IFRS standards and interpretations. The application of these standards, amendments to standards and interpretations is considered material to the consolidated financial statements.

4. New Accounting Standards – continued

IFRS 15 – *Revenue from Contracts with Customers* provides a comprehensive new standard on revenue recognition. It specifies how and when to recognize revenue as well requiring entities to provide more informative and relevant disclosures. The new standard is effective for years beginning on or after January 1, 2018. Adoption of IFRS 15 – *Revenue from Contracts with Customers* is discussed further in Note 3.

IFRIC 22 – *Foreign Currency Transactions and Advance Consideration:* In December 2016, the IASB issued an interpretation paper IFRIC 22 – Foreign Currency Transactions and Advance Consideration. This interpretation paper clarifies that the foreign exchange rate applicable to transactions involving advance consideration paid or received is the rate at the date that the advance consideration is paid or received and a non-monetary asset or liability is recorded, and not the later date at which the related asset or liability is recognized in the financial statements. This interpretation is applicable for annual periods beginning on or after January 1, 2018, and can be applied either prospectively or retrospectively, at the option of the entity. Adoption of IFRIC 22 was adopted prospectively and did not have a material impact on the Partnership's financial statements.

IFRS 9 – *Financial Instruments* replaces the guidance on "classification and measurement" of financial instruments in IAS 39, *Financial Instruments – Recognition and Measurement*. The new standard requires a consistent approach to the classification of financial assets and replaces the numerous categories of financial assets in IAS 39 with two categories measured at either amortized cost or at fair value. For financial liabilities, the standard retains most of the IAS 39 requirements, but where the fair value option is taken, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of loss and comprehensive loss, unless this creates an accounting mismatch. It also includes a new general hedge accounting model. The new standard is effective for years beginning on or after January 1, 2018. Adoption of IFRS 9 did not have a material impact on the Partnership's financial statements.

IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* amends IFRS 2 to clarify how to account for certain types of share-based payment transactions. The amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for: a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b) share-based payment transactions with a net settlement feature for withholding tax obligations; and c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The new standard is effective for years beginning on or after January 1, 2018. Adoption of IFRS 2 did not have a material impact on the Partnership's financial statements.

IFRS 16 – *Leases,* which supersedes IAS 17 – *Leases*. IFRS 16 sets out principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract, i.e., the customer ('lessee') and the supplier ('lessor'). Lessee accounting will change substantially under this new standard while there is little change for the lessor. IFRS 16 eliminates the classification of leases as either operating leases or financing leases and, instead, introduces a single lessee accounting model.

4. New Accounting Standards – continued

The new standard is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. Adoption of IFRS 16 – *Leases* is discussed further in Note 3.

IFRIC 23 - *Uncertainty over Income Tax Treatments:* This interpretation paper clarifies that in determining its taxable profit or loss when there is uncertainty over income tax treatments, an entity must use judgment and apply the tax treatment that is most likely to be accepted by the tax authorities. In assessing the likelihood that the tax treatment will be accepted, the entity assumes that the tax treatment will be examined by the relevant tax authorities having full knowledge of all relevant information. This interpretation is applicable for annual periods beginning on or after January 1, 2019, with early adoption accepted. Adoption of IFRIC 23 did not have a material impact on the Partnership's financial statements.

5. Revenue

The Partnership views the following disaggregated disclosures as useful to understanding the composition of revenue recognized during the reporting period. Revenue for the years ended December 31 was as follows:

	2019	2018
Energy rate optimization services	$ 8,373,429	$ 5,526,758
Energy management services	76,231	165,669
Consulting and energy risk management services (domestic)	1,936,915	1,781,899
Consulting and energy risk management services (foreign)	269,100	46,326
	$ 10,655,675	$ 7,520,652

6. Accounts Receivable, net

Accounts receivable consisted of the following as of December 31:

	2019	2018
Accounts receivable – current	$ 3,684,941	$ 2,694,511
Accounts receivable – noncurrent	9,598,424	4,622,716
	13,283,365	7,317,227
Less: allowance for doubtful accounts	(1,276,119)	(300,476)
	$ 12,007,246	$ 7,016,751

The fair value of these assets approximates the carrying amounts recognized.

The Partnership's clients are located throughout the United States, with offices in the United States, Mexico and Canada. The Partnership performs ongoing credit evaluations of the financial condition of its clients and generally does not require collateral. Although the Partnership is directly affected by the overall financial condition in the United States as well as global economic conditions, the Partnership does not believe significant credit risk exists at December 31, 2019 or 2018. The Partnership generally has not experienced any material losses related to accounts receivable. The Partnership maintains an allowance for doubtful accounts based on accounts past due and historical collection experience. Due to these factors, no additional credit risk consideration beyond amounts provided for collection losses is believed to be necessary.

The following table shows the future estimated customer payment terms on the outstanding receivables (excluding the valuation allowance discussed in Note 3.h.) at December 31, 2019:

2020	$ 3,684,941
2021	1,574,447
2022	2,008,867
2023	988,419
2024 and thereafter	5,026,691
	$ 13,283,365

7. Property and Equipment, net

Property and equipment consisted of the following:

	Office Equipment and Furniture	Computer Equipment	Leasehold Improvements	Total
Cost:				
Balances, January 1, 2018	$ 124,917	$ 403,683	$ 115,542	$ 644,142
Additions	3,983	226,862	24,931	255,776
Balances, December 31, 2018	128,900	630,545	140,473	899,918
Additions	-	-	-	-
Balances, December 31, 2019	$ 128,900	$ 630,545	$ 140,473	$ 899,918
Accumulated Depreciation and Amortization:				
Balances, January 1, 2018	$ (44,266)	$ (243,101)	$ (27,858)	$ (315,225)
Depreciation and amortization	(19,588)	(84,406)	(12,843)	(116,837)
Balances, December 31, 2018	(63,854)	(327,507)	(40,701)	(432,062)
Depreciation and amortization	(13,174)	(84,262)	(13,174)	(110,610)
Balances, December 31, 2019	$ (77,028)	$ (411,769)	$ (53,875)	$ (542,672)
Net Book Value:				
Balances, December 31, 2018	$ 65,046	$ 303,038	$ 99,772	$ 467,856
Balances, December 31, 2019	$ 51,872	$ 218,776	$ 86,598	$ 357,246

8. Software Development Costs

Capitalized software development costs consisted of the following:

	2019	2018
Cost:		
Balances, January 1	$ 1,224,541	$ 1,224,541
Balances, December 31	$ 1,224,541	$ 1,224,541
Accumulated Amortization:		
Balances, January 1	$ (1,218,732)	$ (1,214,181)
Amortization	(3,849)	(4,551)
Balances, December 31	$ (1,222,581)	$ (1,218,732)
Net Book Value:		
Balances, December 31	$ 1,960	$ 5,809

9. Debt

The Partnership had $1,000,000 outstanding on a revolving line of credit ("LOC") with a financial institution as of December 31, 2019 and 2018, respectively. The LOC bears interest of 6.5% as of December 31, 2019 and 2018, which is the prime rate plus a margin of 1%. The LOC matured and was paid-in-full on November 2, 2020.

The Partnership had a senior subordinated secured note payable ("Note Payable") with a family office with an outstanding balance of $1,562,338 and $1,708,797 as of December 31, 2019 and 2018, respectively. The Note Payable bears interest at 12% per annum and payable monthly in cash plus 2% per annum accruing as payable-in-kind ("PIK"), compounded monthly, or payable in cash at the Partnership's option, with required repayment of 5% of initial aggregate principal of $90,000, paid semi-annually with final principal due in November 2020, collateralized by the Partnership's assets. Subsequent to year-end, the Partnership paid-off the outstanding balance of the Note Payable as part of a debt restructuring, which is further discussed in Note 18. Principal payments on the new note commence in October 2023 with the final outstanding balance due in October 2025, therefore, the Note Payable is classified as a long-term liability at December 31, 2019.

9. Debt – continued

Debt consisted of the following as of December 31:

	2019	2018
Revolving line of credit	$ 1,000,000	$ 1,000,000
Senior subordinated secured note payable	1,562,338	1,708,797
Less: unamortized debt issuance costs and warrant discount	(68,129)	(149,879)
Total debt	2,494,209	2,558,918
Less: current maturities including current portion of debt issuance and warrant discount amortization	(1,000,000)	(98,240)
Long-term debt, less current maturities	$ 1,494,209	$ 2,460,678

The following table shows the future scheduled principal payments on the debt as of December 31, 2019:

	Note Payable	Revolving Credit Facility	Deferred Financing Costs and Warrant Discount	Total
2020	$ -	$ 1,000,000	$ -	$ 1,000,000
2021	-	-	-	-
2022	-	-	-	-
2023	234,351	-	(10,219)	224,132
2024	234,351	-	(10,219)	224,132
Thereafter	1,093,636	-	(47,691)	1,045,945
	$ 1,562,338	$ 1,000,000	$ (68,129)	$ 2,494,209

The Partnership is required to comply with certain loan covenants for the aforementioned line of credit and secured note payable. As of December 31, 2019 and 2018, the Partnership was not in compliance with its debt covenants. As discussed in Note 19, the Partnership restructured its debt obligations subsequent to December 31, 2019, which provided a waiver on the non-compliance.

10. Partners' Capital

The Partnership includes a general partner and limited partners. The partners' interest in the Partnership includes Common units, Series A Preferred units, Series B Preferred units, Series C Preferred units, and Series D Preferred units. The Series C Preferred units are available only to certain holders of promissory note obligations owed by the Partnership. The limited partners have no recourse against the general partner in connection with a dissolution or an otherwise liquidating event. Each partner's liability is limited to their initial investment. The holders of the Common units, Series A Preferred units, Series B Preferred units, Series C Preferred units, and Series D Preferred units vote together as a single class on all matters of the Partnership.

The preferred units are entitled to liquidation preferences that subordinate Common unit holders and holders of any other junior units, as defined. Upon a liquidation event and prior to any distributions to other unit holders, holders of the Series A Preferred units are to be repaid their initial investment ($10 per preferred unit), holders of the Series B Preferred units are to be repaid their initial investment ($5.12 per preferred unit), holders of the Series C Preferred units are to be repaid their initial investment ($6.25 per preferred unit), and holders of the Series D Preferred units are to be repaid their initial investment ($10 per preferred unit). After the preferred unit holder's initial investment is repaid, they share in remaining distributions on a pro rata manner with other unit holders.

There were no Series C Preferred units outstanding as of December 31, 2019 or 2018. The following tables show the units outstanding:

December 31, 2019	General Partner	Limited Partners	Total
Common units	1,000	1,111,572	1,112,572
Series A Preferred units	-	150,000	150,000
Series B Preferred units	-	65,756	65,756
Series D Preferred units	-	230,400	230,400
			1,558,728

December 31, 2018	General Partner	Limited Partners	Total
Common units	1,000	1,115,783	1,116,783
Series A Preferred units	-	150,000	150,000
Series B Preferred units	-	65,756	65,756
Series D Preferred units	-	108,000	108,000
			1,440,539

10. Partners' Capital – continued

The Partnership has a unit option plan under which the Board of Directors may grant directors, officers and employees options to purchase Common units. These Common unit options typically have an exercise period of up to ten years from the grant date. During the year ended December 31, 2019, the Partnership issued 22,500 Common unit options to employees of the Partnership. During the year ended December 31, 2018, the Partnership issued 77,500 Common unit options to employees of the Partnership. The Partnership records the cost of these grants in its statement of income based upon the estimated fair value of those awards over their respective vesting periods. These Common unit options either vest on a pro-rata basis over three years or vest upon meeting certain performance-based metrics.

The following table summarizes Common unit option activity:

	Number of Units Underlying Options	Weighted Average Exercise Prices	Weighted Average Remaining Contractual Life (Years)
Outstanding at January 1, 2018	99,736	$ 3.38	6.69
Granted	77,500	6.91	9.43
Exercised	(2,500)	3.15	7.42
Forfeited	-	-	-
Expired	-	-	-
Outstanding at December 31, 2018	174,736	4.99	7.89
Granted	22,500	10.00	9.25
Exercised	(1,789)	3.15	8.04
Forfeited	(57,500)	5.23	7.71
Expired	-	-	-
Outstanding at December 31, 2019	137,947	$ 5.77	8.19
Exercisable at December 31, 2019	97,113	$ 4.80	6.78

The fair value of each Common unit-based payment transaction granted during the year ended December 31, 2019, was estimated on the grant date, as determined by using the Black-Scholes options-pricing model with the following assumptions:

Exercise price	$ 10.00
Share price	$ 6.27
Dividend yield	0%
Forfeiture rate	0%
Risk-free interest rate	1.85 to 2.44%
Expected life of options	5 to 6 years
Expected volatility	30%

10. Partners' Capital – continued

The fair value of each Common unit-based payment transaction granted during the year ended December 31, 2018, was estimated on the grant date, as determined by using the Black-Scholes options-pricing model with the following assumptions:

Exercise price	$	3.15 to 10.00
Share price	$	3.15
Dividend yield		0%
Forfeiture rate		0%
Risk-free interest rate		2.35 to 3.05%
Expected life of options		5.25 to 6 years
Expected volatility		30%

Non-vested Common unit options as of December 31, 2019 and 2018 totaled 40,833 and 82,433, respectively, which relates to options granted in the years ended December 31, 2019 and 2018. The fair values of the options granted during the year ended December 31, 2019 ranged from $0.89 to $1.14 per option, and the fair values of the options granted during the year ended December 31, 2018 ranged from $0.14 to $1.05. For the years ended December 31, 2019 and 2018, equity-based compensation expense was $29,761 and $35,942, respectively, and was included as an operating expense in the consolidated statements of income.

As of December 31, 2019 and 2018, unrecognized compensation expense related to Common unit options was approximately $23,000 and $38,000, respectively. At December 31, 2019 and 2018, these costs are expected to be recognized over a weighted-average period of 1.73 years.

11. Warrants

In conjunction with the issuance in November 2015 the of senior subordinated secured note discussed in Note 9, the Partnership paid down a total of $160,755 of the $486,739 principal amount of the subordinated notes payable and the unsecured notes payable to related parties discussed in Note 13 and amended all the promissory notes to pay the remaining principal over 18 equal monthly payments. Additionally, the holder of the senior subordinated secured note received for $1,000 a warrant exercisable into a fully diluted 6% ownership of the Partnership. The term of the warrant is 10 years from issuance of the senior subordinated secured notes and the holder receives unlimited piggy back registration rights; tag along/co-sale and customary warrant anti-dilution provisions. With the assistance of a third-party valuation firm, the Partnership estimated the fair value of the warrant to be $290,000.

The Partnership used the discounted cash flow method to estimate fair value and used a discount rate commensurate with the risk inherent with the Partnership's current business model. The fair value of the warrant was recorded as an increase to partners' capital and a discount to the related senior subordinated secured note, less proceeds received. The discount is being amortized as interest expense over the life of the senior subordinated secured note.

12. Interest Expense and Financing Costs, net

Interest expense consists of the following for the years ended December 31:

	2019	2018
Interest expense	$ 299,459	$ 295,492
Paid-in-kind interest	34,351	36,676
Amortization of debt financing costs	23,956	23,956
Amortization of warrant discount	57,800	57,800
Interest expense, lease obligations	92,018	-
	$ 507,584	$ 413,924

13. Related Parties

The Partnership considers its key management personnel to be its Chief Executive Officer, President, Executive Vice President, and Senior Vice President. Key management compensation is composed of salary and benefits, equity-based compensation and consulting fees paid to key management and companies controlled by key management.

Key management compensation, including commissions and equity-based compensation approximated $1,162,000 and $979,000 for the years ended December 31, 2019 and 2018, respectively.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statements of income total approximately $5,519,000 and $4,852,000 during the years ended December 31, 2019 and 2018, respectively. These costs are split between selling, general and administrative expenses and equity-based compensation expenses.

The Partnership received $268,071 and $314,000 of unsecured notes payable from related parties who were also holders of Common units during the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, there was $235,822 and $182,285 outstanding, respectively, which is included in notes payable-related party in the accompanying consolidated balance sheets. During the years ended December 31, 2019 and 2018, the Partnership repaid $90,535 and $256,716, respectively, of related party notes payable. On October 10, 2019, the Partnership converted $124,000 of the outstanding notes payable-related party balance for 12,400 Series D Preferred Units. The Partnership incurred approximately $26,000 and $21,000 of interest expense on these related party notes during the years ended December 31, 2019 and 2018, respectively.

On August 31, 2018, the Partnership repurchased 73,307 shares from a former unit holder in exchange for a promissory note in the amount of $125,000. The promissory note matured on October 31, 2019 and bore an interest at 0.001% with monthly principal payments of $10,427. The promissory note was paid in full as of December 31, 2019. As of December 31, 2018, the outstanding balance of the promissory note was $104,146, which is included in note payable-former unit holder in the accompanying balance sheets.

13. Related Parties – continued

On April 26, 2019, the Partnership repurchased 6,000 shares of Common units from a former unit holder in exchange for $37,625. The amount was paid in full as of December 31, 2019.

14. Employee Savings and Retirement Plan

The Partnership established a 401(k) Profit Sharing Plan and Trust (the "Plan") covering substantially all employees. Once the employees meet the eligibility and participation requirements under the Plan, employees may contribute a portion of their earnings to the Plan to be invested in various savings alternatives. The Plan uses a Safe Harbor funding mechanism which requires 100% matching of employee deferrals for all amounts that do not exceed 4% of such employee's compensation. During the years ended December 31, 2019 and 2018, the Partnership contributed approximately $106,000 and $101,000 to the Plan, respectively.

15. Leases Liabilities, Commitments, and Contingencies

The Partnership leases its office facilities under non-cancelable operating leases, which expire through the year ending December 31, 2026. The majority of the office leases require payments for additional expenses such as taxes, maintenance, and utilities. Certain of the leases contain renewal options.

Right-of-use assets consisted of the following at December 31, 2019:

Balance at January 1, 2019	$	893,803
Amortization expense		(123,655)
Balance at December 31, 2019	$	770,148

As of December 31, 2019, future contractual undiscounted minimum lease liabilities of more than one year at inception were approximately as follows:

2020	$	197,000
2021		200,000
2022		191,000
2023		194,000
2024		198,000
Thereafter		319,000
Total undiscounted lease liabilities	$	1,299,000

15. Leases Liabilities, Commitments, and Contingencies – continued

As of December 31, 2019, lease liabilities included in the accompanying consolidated balance sheets consisted of the following:

Current lease obligations	$	197,288
Non-current lease obligations		769,618
Balance at December 31, 2019	$	966,906

During the year ended December 31, 2019, interest expense for lease obligations was $92,018, which is included in interest expense and financing costs, net, in the accompanying consolidated statements of income.

During the year ended December 31, 2019, total cash outflows for lease obligations was $191,225.

Litigation

The Partnership is involved in various suits and claims arising in the normal course of business. In management's opinion, the ultimate outcome of these items will not have a material adverse effect on the Partnership's consolidated results of operations or financial position.

16. Capital Management

The Partnership optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Partnership's capital structure consists of Common units, Preferred Series A units, Preferred Series B units, Preferred Series C units, and Preferred Series D units, which are discussed in Note 10, and warrants, which are discussed in Note 11 as equity components. The Partnership strives to maximize the value associated with its capital. In order to maintain or adjust its capital structure, the Partnership may from time to time issue shares and adjust spending. The Partnership is not subject to externally imposed capital requirements and the Partnership's overall strategy with respect to capital risk management remained unchanged during the years presented.

17. Financial Instruments and Risk Management

The Partnership's risk management policies are established to identify, analyze, and manage the risks faced by the Partnership and to implement appropriate procedures to monitor risks in adherence with established controls. Risk management policies and systems are reviewed periodically in response to the Partnership's activities and to ensure applicability.

In the normal course of business, the main risks arising from the Partnership's use of financial instruments include credit risk, liquidity risk and market risk. These risks, and the actions taken to manage them include:

17. Financial Instruments and Risk Management – continued

a. Fair Value

Due to the short-term nature of current accounts receivable, accounts payable, and debt obligations, the Partnership determined that the carrying amounts of these financial instruments approximate their fair value. Because of the low interest rate environment in the United States, the carrying value of long-term accounts receivable approximates fair value in all material respects.

b. Credit Risk

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions, current and long-term accounts receivable and other receivables and deposits. The maximum exposure to credit risk is equal to the carrying value of the Partnership's cash and current and long-term accounts receivable.

The Partnership minimizes credit risk associated with its cash balances substantially by dealing with major financial institutions in the U.S. Financial instruments which potentially subject the Partnership to concentrations of credit risk consist of cash and current and long-term accounts receivable. The Partnership places its cash with quality financial institutions. At times, such cash balances may be in excess of the federally insured limits. Historically, the Partnership has not experienced any losses of its cash due to such concentration of credit risk. The Partnership monitors customers' financial condition and performs ongoing credit evaluations of its customers' financial condition to minimize its risks associated with trade receivables.

The Partnership had one customer during the years ended December 31, 2019 and 2018, that made up approximately 51% and 17% of total revenues, respectively. As of December 31, 2019, outstanding receivables for two customers accounted for approximately 57% of the Partnership's total accounts receivable balance. As of December 31, 2018 outstanding receivables for three customers accounted for approximately 42% of the Partnership's total accounts receivable balance. Loss of these customers could negatively impact the Partnership's operations.

c. Liquidity Risk

Liquidity risk is the risk that the Partnership will incur difficulties meeting its financial obligations as they come due. As of December 31, 2019 and 2018, the Partnership has cash of approximately $137,000 and $34,000, respectively. The Partnership had negative working capital of approximately $1,446,000 and positive working capital of $866,000 at December 31, 2019 and 2018, respectively. Accounts payable, current accrued commissions and referral fees, accrued expenses and other current liabilities are expected to be paid in the next twelve months, with the exception of long-term commissions.

17. Financial Instruments and Risk Management – continued

d. Interest Rate Risk

Interest rate risk is the risk that the fair value and cash flows associated with the Partnership's interest bearing financial assets and liabilities will fluctuate due to change in market interest rates.

18. Supplemental Cash Flow Information

The following table summarizes certain cash flow information for the years ended December 31:

	2019	2018
Cash paid for interest to financial institutions	$ 299,459	$ 295,492
Cash paid for interest for lease obligations	$ 92,018	$ -
Cash paid for state income taxes, net of refunds	$ 12,782	$ 12,276
Repurchase of partners' units on note payable-former unit holder	$ -	$ 125,000

The following table summarizes certain non-cash activities of the Partnership during the years ended December 31:

	2019	2018
Lease assumed through lease obligation	$ 1,066,122	$ -
Right-of-use asset assumed through lease obligation	$ 893,803	$ -
Related party note payable converted to Series D preferred units	$ 124,000	$ -

19. Subsequent Events

The Partnership has evaluated subsequent events through January 19, 2021, the date which these consolidated financial statements were available to be issued.

As noted in the long-term debt footnote, the Partnership repaid the revolving line of credit in full as of November 2, 2020.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America and Mexico. Efforts implemented by local and national governments, as well as businesses, including temporary closures have had and are expected to continue to have adverse impacts on local, national, and global economies. Although the disruption is currently expected to be temporary, there is uncertainty around the duration and the related economic impact. Therefore, while the Partnership expects this matter to have a continuing impact on the business, the impact to the results of operations and financial position cannot be reasonably estimated at this time.

On March 27, 2020, the U.S. federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), which includes provision for a Paycheck Protection Program (“PPP”) administered by the U.S. Small Business Administration (“SBA”). The PPP allows qualifying business to borrow up to $10 million calculated based on qualifying payroll costs. PPP loans bear a fixed interest rate of 1% over a two-year term, are guaranteed by the federal government, and do not require collateral. The loans may be forgiven, in part or whole, if the proceeds are used to retain and pay employees and for other qualifying expenditures. The Partnership applied for a PPP loan in the amount of $463,500, which was approved by the SBA on April 8, 2020. The Partnership expects to use the full proceeds of the PPP loan in accordance with the provisions of the CARES Act.

On October 7, 2020, the Partnership entered into a secured term loan Agreement with a financial institution for $4,300,000, due in installment principal payments of $645,000 on October 7, 2023 and 2024 until maturity on October 7, 2025 when the remaining principal is due in a lump sum. The term loan is secured by essentially all assets of the Partnership and is guaranteed by the President/CEO of the Partnership. The term loan bears an interest rate based on the London Inter-Bank Offered Rate (“LIBOR”) option repricing plus the applicable margin of 3% per annum. Interest payments under the term loan are deferred commencing October 7, 2020 and ending October 7, 2021.

On November 2, 2020, the Company entered into a settlement agreement for litigation with a former employee. Total consideration paid as part of the settlement agreement was $45,000, which is accrued for in accrued expenses in the accompanying balance sheets at December 31, 2019.

20. Authorization of Consolidated Financial Statements

The consolidated financial statements for the years ended December 31, 2019 and 2018 were authorized for issue on January 19, 2021 by management.

C-3. FORECASTED FINANCIAL STATEMENTS

Acclaim Energy, LTD.						
Statement of Operations						
(IFRS Case)						
2-YR Forecasted Income Statements						
		Projected 2022			Projected 2023	
Revenues	$	50,000		$	60,000	
Cost of Revenues		(10,000)			(10,000)	
Gross Profits		40,000	80.0%		48,000	80.0%
Operating Expenses		(23,000)			(27,600)	
EBITDA	$	17,000	34.0%	$	20,400	34.0%
Depreciation and Amortization		(500)			(600)	
Int. Exo., PIK & Foreign Exchange Gain (Loss)						
Debt Issuance Expense						
Net Income	**$**	**16,500**	33.0%	**$**	**19,800**	33.0%

Credit Report

Acclaim Energy, Ltd. DUNS: 15-155-3588

BIR Business Information Report

Business Summary

Print Download PDF

Company Information

2 Riverway Fl 8h
Houston, TX 77056

This is a **single location** location.

Telephone :	(713) 524-0250
Chief Executive:	
Stock Symbol:	NA
Year Started	2003
Employs:	25

Financial Statement Date:	12/31/2013
Sales :	NA
Net Worth :	NA
History:	NA
Financial Condition:	NA
Financing:	NA
SIC:	8748
Line of Business:	Business consulting services

Corporate Family:

This business is a single location of the corporate family.

Acclaim Energy, Ltd. DUNS: 15-155-3588

BIR Business Information Report

D&B Rating®

Rating

1R3

Number of employees: **1R indicates 10 or more employees**
Composite Credit Appraisal: **3 is fair**

The credit rating was assigned based on D&B's assessment of the company's financial ratios and its cash flow. For more information, see the D&B Rating Key.

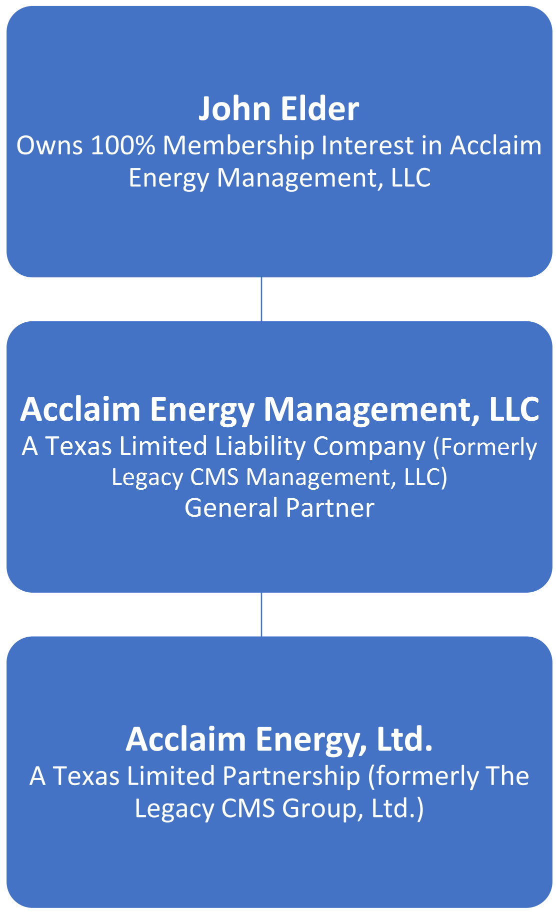
Below is an overview of the companys rating history since 09/03/2009 :

D&B Rating	Date Applied
1R3	2016-10-17
3A3	2015-05-26
1A3	2015-01-08
1R2	2013-11-28
3A1	2012-03-26
3A2	2011-04-14
3A3	2011-04-01
1R3	2009-10-05
1R4	2009-09-03

The Summary Analysis section reflects information in D&Bs file as of July,25 2019

Exhibit C-10
Corporate Structure

Acclaim Energy, Ltd.



Competitive Retail Electric Service Affidavit

County of Harris :

State of Texas :

Guy Morgan, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.

2. The applicant will timely file an annual report of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Sections 4905.10(A), 4911.18(A), and 4928.06(F), Ohio Revised Code.

3. The applicant will timely pay any assessment made pursuant to Sections 4905.10, 4911.18, and 4928.06(F), Ohio Revised Code.

4. The applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

5. The applicant will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the applicant.

6. The applicant will fully comply with Section 4928.09, Ohio Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.

7. The applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.

8. The applicant will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.

9. The applicant will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.

10. If applicable to the service(s) the applicant will provide, it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio.

11. The Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating consumer complaints.

12. The facts set forth above are true and accurate to the best of his/her knowledge, information, and belief and that he/she expects said applicant to be able to prove the same at any hearing hereof.

13. Affiant further sayeth naught.

Guy M Morgan CFO

Signature of Affiant & Title

Sworn and subscribed before me this 03rd day of May, 2022
Month Year

Rakin Patel

Signature of official administering oath

RAKIN PATEL
Notary Public, State of Texas
Comm. Exp 8-21-2022
Notary ID# 129931190

RAKIN PATEL Notary Public

Print Name and Title

My commission expires on 08/21/2022