Ohio Public Utilities Commission

DIS Case Number: 22-0129-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: Coho Climate Advisors LLC
Phone: 2404493013 **Extension (if applicable):**
Website (if any):

Country: United States
Street: 4550 Montgomery Ave Suite 480
City: Bethesda **Province/State:** MD
Postal Code: 20814

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
Coho Climate Advisors, LLC	Official Name	4550 Montgomery Ave. Suite 480 Bethesda, MD 20814	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

A-5. Contact person for regulatory matters

Geoff Heller
9801 Washingtonian Blvd., Suite 210
Gaithersburg, MD 20878
US
gheller@customerfirstrenewables.com
2404365185

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

Geoff Heller
9801 Washingtonian Blvd., Suite 210
Gaithersburg, MD 20878
US
gheller@customerfirstrenewables.com
2404365185

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

Phone: 2402249646	**Extension (if applicable):**	**Country:** United States
Fax:	**Extension (if applicable):**	**Street:** 4550 Montgomery Ave, Suite 480
Email: gheller@cohocliamte.com		**City:** Bethesda **Province/State:** MD
		Postal Code: 20814

A-8. Applicant's federal employer identification number

27-3236571

A-9. Applicant's form of ownership

Form of ownership: Limited Liability Company (LLC)

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

Class of customer selection

Commercial
Industrial
Mercantile
Residential

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 03-01-2022

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
Geoff Heller	gheller@cohoclimate.com		4550 Montgomery Ave Suite 480 Bethesda, MD 20814 US

A-13. Company history

Advisory services for climate, energy and water. Founded in 2010. Been operating in the retail space in Ohio since March 2022

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: DC, DE, IL, MA, NJ, OH, TX, VA

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: See page 7 from original application the only change is legal entity name.

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: N/A

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?

No

B-6. Environmental disclosures

Provide a detailed description of how the applicant intends to determine its generation resource mix and environmental characteristics, including air emissions and radioactive waste. Include the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. See 4901:1-21-09 of the Ohio Administrative Code for additional details of this requirement.

PJM disclosure option chosen

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.

Does not apply

C-2. Financial statements

Provide copies of the applicant's <u>two most recent years</u> 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

Ohio Public Utilities Commission

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: Nothing has changed from prior application.

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, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: Nothing has changed from prior application.

Ohio Public Utilities Commission

Application Attachments

dun & bradstreet

Business Information Report Snapshot

COHO CLIMATE ADVISORS LLC

D-U-N-S: 07-846-6493
ADDRESS: 4550 Montgomery Ave, Bethesda, MD, 20814, United States
Date: 02/12/2024

RISK ASSESSMENT

SCORES AND RATINGS

Max. Credit Recommendation	PAYDEX® SCORE	Delinquency Predictor Percentile	Financial Stress Percentile	Supplier Evaluation Risk Rating
US$ 135,000	80	92	66	1
	LOW RISK	LOW RISK	MODERATE RISK	LOW RISK

MAXIMUM CREDIT RECOMMENDATION

Overall Business Risk

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH

Maximum Credit Recommendation

US$ 135,000

The recommended limit is based on a low probability of severe delinquency.

Dun & Bradstreet Thinks...

- Overall assessment of this organization over the next 12 months: STABLE CONDITION
- Based on the predicted risk of business discontinuation: LIKELIHOOD OF CONTINUED OPERATIONS
- Based on the predicted risk of severely delinquent payments: VERY LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS

PAYDEX® SUMMARY

3 Months

80

Low Risk (100) — High Risk (1)

When weighted by dollar amount, payments to suppliers on average, are on time. Value is based on payments collected over the last **3 months**.

24 Months

80

Low Risk (100) — High Risk (1)

PAYDEX®

Based on 24 months of data

80				

Low Risk (100) High Risk (1)

Based on a D&B PAYDEX® of <

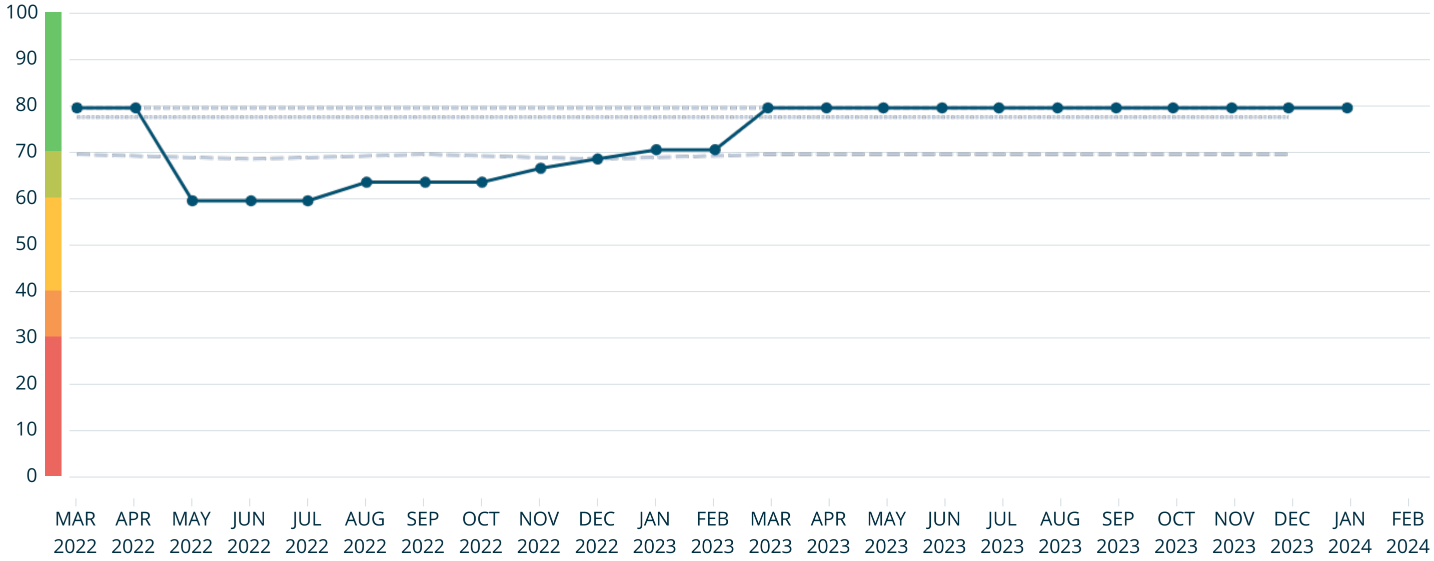
Risk of Slow Pay
LOW

Payment Behavior
Pays On Time

Business and Industry Trends

8748 - Business consulting services

Industry Median | Industry Upper | Industry Low | COHO CLIMATE ADVISORS



DELINQUENCY PREDICTOR SCORE

92				

Low Risk (100) High Risk (1)

Higher risk industry based on delinquency rates for this industry

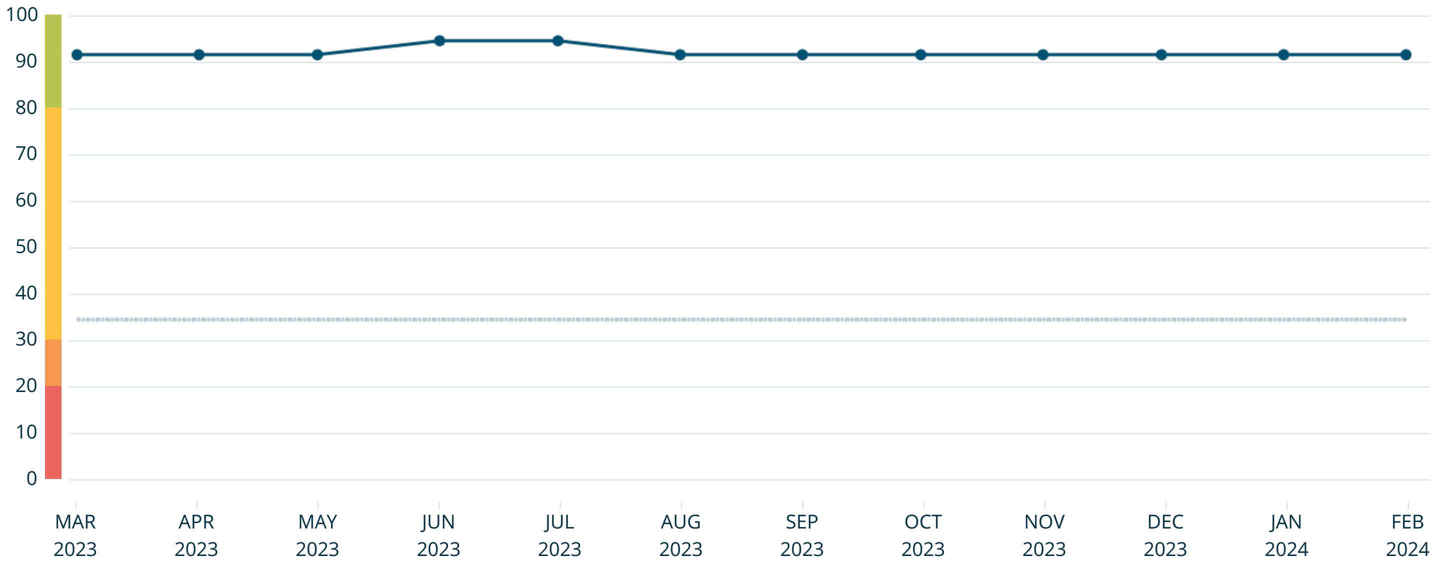
Based on a D&B Delinquency Predictor Percentile of >

Level of Risk	Raw Score	Probability of Delinquency	Compared to Businesses in D&B
LOW	583	1.42%	10.2%

Business and Industry Trends

8748 - Business consulting services

Industry Median | COHO CLIMATE ADVISORS



FINANCIAL STRESS SCORE

66

Low Risk (100) High Risk (1)

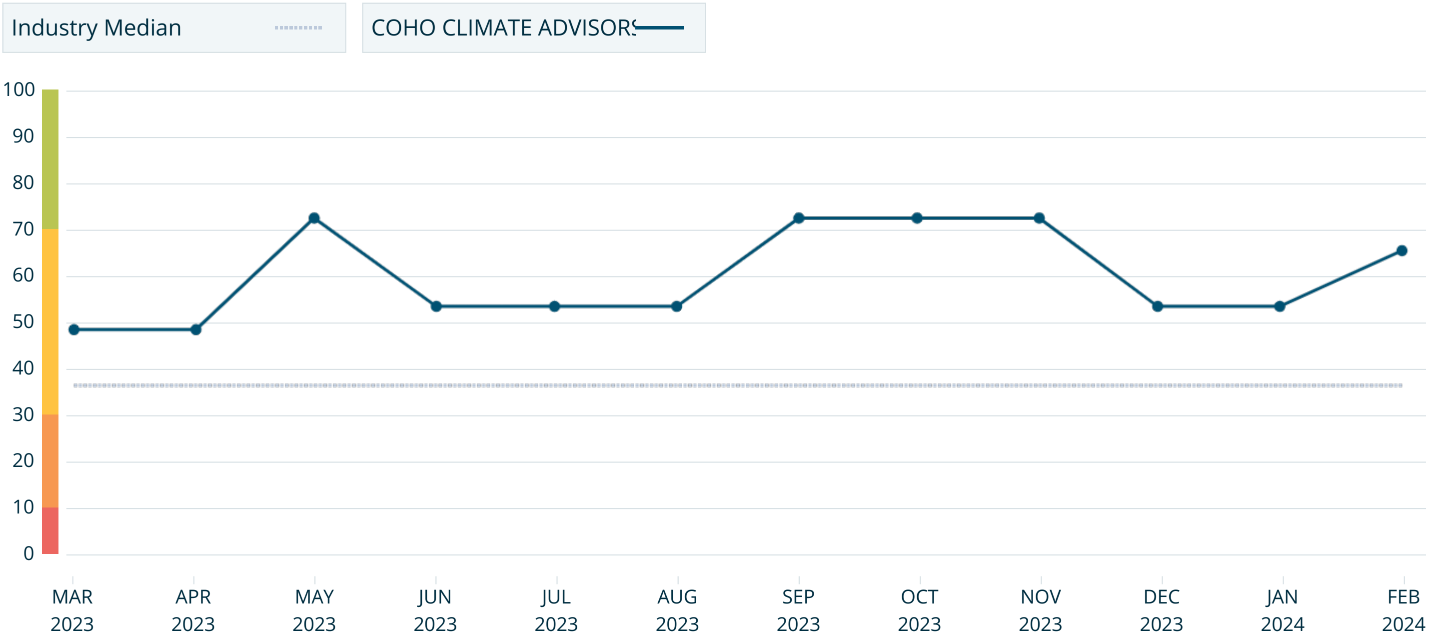
Based on a D&B Financial Stress Percentile of D

- Low proportion of satisfactory payment experiences to total payment experiences
- UCC Filings reported
- Business does not own facilities
- Composite credit appraisal is rated fair
- Higher risk legal structure

Level of Risk	Raw Score	Probability of Failure	Compared to Businesses in D&B
MODERATE	1505	0.15%	0.48%

Business and Industry Trends

8748 - Business consulting services



SUPPLIER EVALUATION RISK RATING

1

Low Risk (1) High Risk (9)

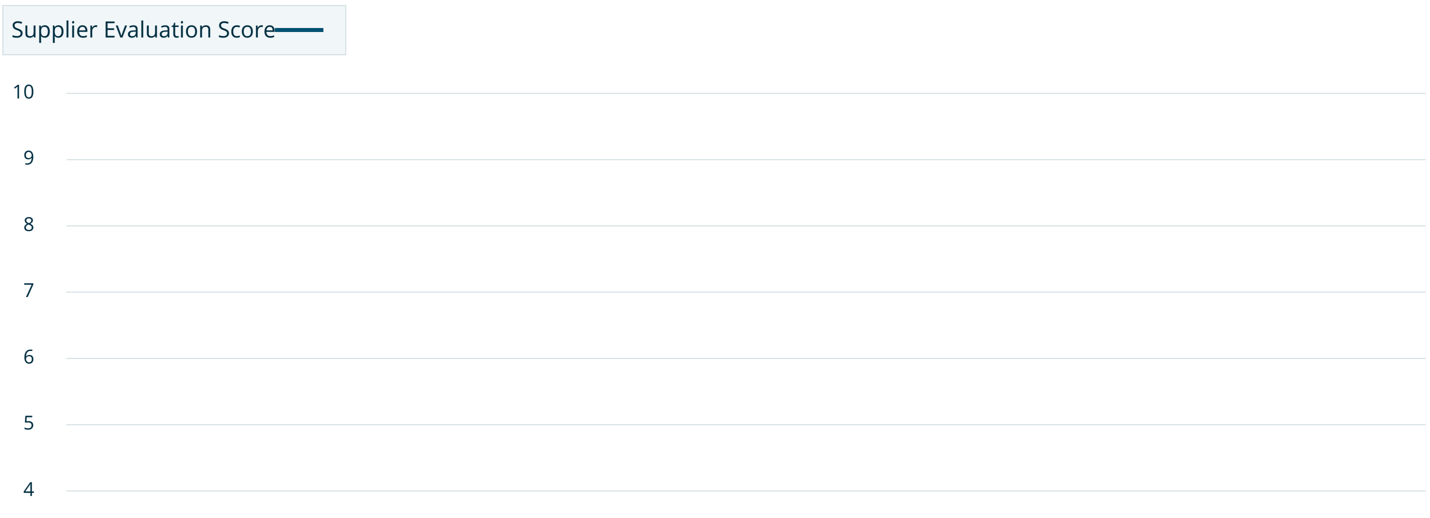
Based on a Supplier Evaluation Risk Rating of !

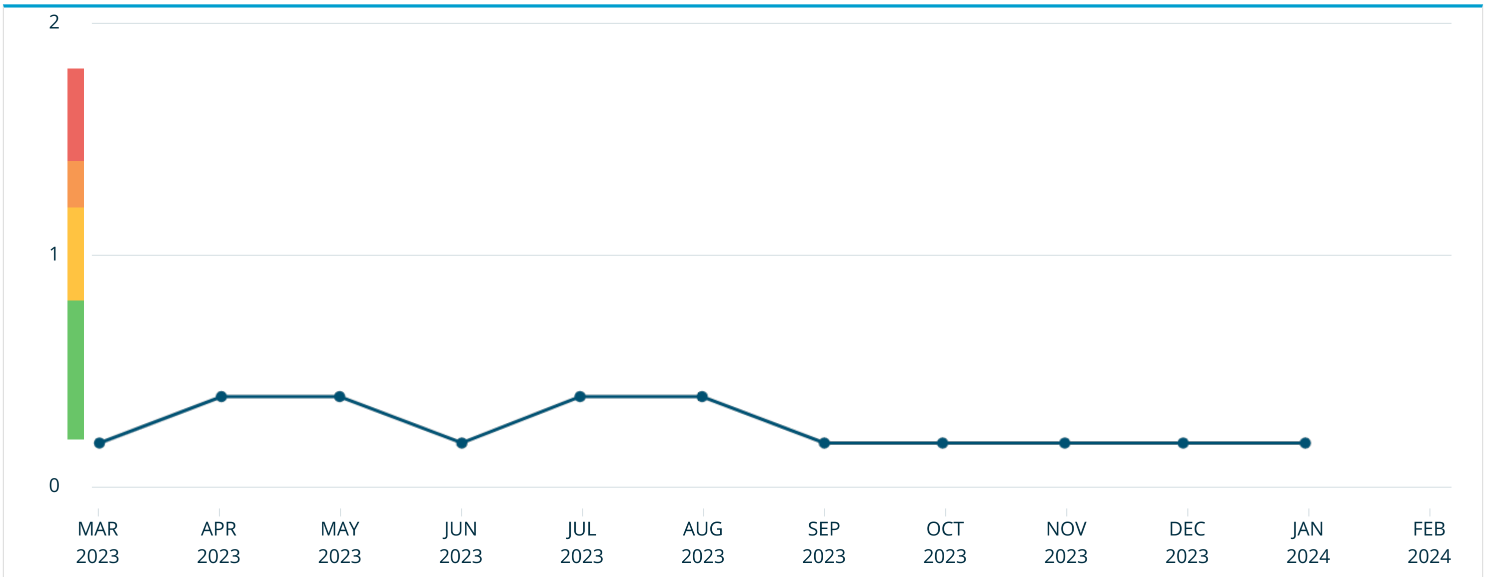
Factors Affecting Your Score

- Limited business activity signals reported in the past 12 months

Business and Industry Trends

8748 - Business consulting services





D&B RATING

Current Rating as of 06-01-2022

Employee Size	Risk Indicator
1R: 10 employees and over	3: Moderate Risk

Previous Rating

Employee Size	Risk Indicator
1R: 10 employees and over	2: Low Risk

TRADE PAYMENTS

TRADE PAYMENTS SUMMARY

Based on 24 months of data

Overall Payment Behavior	% of Trade Within Terms	Highest Past Due
0 Days Beyond Terms	100%	US$ 0
Highest Now Owing: US$ 35,000	Total Trade Experiences: 16 Largest High Credit: US$ 200,000 Average High Credit: US$ 50,750	Total Unfavorable Comments : 0 Largest High Credit: US$ 0 Total Placed in Collections: 0 Largest High Credit: US$ 0

TRADE PAYMENTS BY CREDIT EXTENDED

$ CREDIT EXTENDED	% OF PAYMENTS WITHIN TERMS	# PAYMENT EXPERIENCES	TOTAL & DOLLAR AMOUNT
OVER 100,000	100%	1	$200,000
50,000 - 100,000	100%	1	$65,000
15,000 - 49,999	100%	3	$85,000
5,000 - 14,999	100%	1	$5,000
1,000 - 4,999	0%	0	$0
UNDER 1,000	100%	1	$250

TRADE PAYMENTS BY INDUSTRY

Collapse All | Expand All

Industry Category	Number of Payment Experiences	Largest High Credit (US$)	% Within Terms (Expand to View)
86 - Membership Organizations	2	200,000	
8611 - Business Association	2	200,000	100
60 - Depository Institutions	2	30,000	
6021 - Natnl Commercial Bank	2	30,000	100
73 - Business Services	1	65,000	
7372 - Prepackaged Software	1	65,000	100

81 - Legal Services	1	30,000	
8111 - Legal Services	1	30,000	100
87 - Engineering Accounting Research Management And Related Services	1	5,000	
8748 - Business Consulting	1	5,000	100

TRADE LINES

Date of Experience	Payment Status	Selling Terms	High Credit (US$)	Now Owes (US$)	Past Due (US$)	Months Since Last Sale
02/2024	Prompt	-	65,000	35,000	0	1 Month
01/2024	Prompt	-	30,000	0	0	1 Month
12/2023	Prompt	N30	250	250	0	1 Month
10/2023	-	Cash Account	50	-	-	Between 4 and 5 Months
10/2023	-	Cash Account	50	-	-	Between 4 and 5 Months
08/2023	-	Cash Account	500	-	-	Between 2 and 3 Months
02/2023	-	Cash Account	250	-	-	1 Month
01/2023	Prompt	N30	200,000	0	0	Between 2 and 3 Months
01/2023	Prompt	N30	30,000	0	0	1 Month
01/2023	Prompt	N30	5,000	0	0	Between 6 and 12 Months
12/2022	Prompt	N60	25,000	0	0	Between 6 and 12 Months
12/2022	-	Cash Account	-	-	-	1 Month
12/2022	-	Cash Account	50	-	-	Between 6 and 12 Months
10/2022	-	Cash Account	100	-	-	Between 2 and 3 Months
04/2022	-	Cash Account	50	0	0	Between 6 and 12 Months
04/2022	-	Cash Account	50	0	0	Between 4 and 5 Months

EVENTS

LEGAL EVENTS

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

SUITS		JUDGEMENTS		LIENS		UCC FILINGS	
TOTAL	0	TOTAL	0	TOTAL	0	TOTAL	0
LAST FILING DATE	-	LAST FILING DATE	-	LAST FILING DATE	-	LAST FILING DATE	-

General: The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this was reported. This information may not be reproduced in whole or in part by any means of reproduction.

UCC Filings: There may be additional UCC Filings in the D&B file on this company which are available by contacting 1-800-234-3867.

Suits, Liens, Judgements: There may be additional suits, liens, or judgements in D&B's file on this company available in the U.S. Public Records Database that are also covered under your contract. If you would like more information on this database, please contact the Customer Resource Center at 1-800-234-3867.

Lien: A lien holder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lien holder against a debtor may be indicative of such an occurrence.

EVENTS

Events data is not available for this company.

COMPANY EVENTS

The following information was reported on: 01-06-2024

The Delaware Secretary of State business registrations file showed that Coho Climate Advisors LLC was was registered as a Limited Liability Company on July 23, 2010, under the file registration number 4852047.

Business name changed from CustomerFirst Renewables LLC to Coho Climate Advisors LLC.

Business started 2010. 100% of capital stock is owned by officers.

GARY A FARHA. Antecedents are unknown.

KEVIN RACKSTRAW. Antecedents are unknown.

ALAN ZANG. Antecedents are unknown.

DILIP KAMAT. Antecedents are unknown.

MAXINE MANSFIELD. Antecedents not available.

Business address has changed from 1425 K St Nw Ste 350, Washington, DC, 20005 to 9801 Washingtonian Blvd Ste 210, Gaithersberg, MD, 20878.

Business address has changed from 9801 Washingtonian Blvd Ste 210, Gaithersburg, MD, 20878 to 4550 Montgomery Ave, Bethesda, MD, 20814.

SPECIAL EVENTS

There are no special events recorded for this business.

Financials

D&B currently has no financial information on file for this company.

COMPANY PROFILE

COMPANY OVERVIEW

D-U-N-S 07-846-6493	Mailing Address 4550 Montgomery Ave, Bethesda MD 20814, US	Annual Sales -
Business Form Corporation (US)	Telephone (240) 449-3013	Employees 52
Date Incorporated -	Fax -	Age (Year Started) 14 years (2010)
State of Incorporation Delaware	Website -	Named Principal GARY A FARHA, PRESIDENT
Ownership -	Line of Business Business consulting services	SIC 8748

OWNERSHIP

This business is not currently a part of a family tree.

DOC ID ----> 202228302914

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
10/11/2022	202228302914	FOREIGN LLC - CERTIFICATE OF CORRECTION (LFC)	50.00	100.00	0.00	0.00

Receipt

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

NATIONAL SERVICE INFORMATION, INC.
145 BAKER STREET
MARION, OH 43302

STATE OF OHIO
CERTIFICATE

Ohio Secretary of State, Frank LaRose

4816531

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

COHO CLIMATE ADVISORS, LLC

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

Document(s)	Document No(s):
FOREIGN LLC - CERTIFICATE OF CORRECTION	**202228302914**
Effective Date: 10/10/2022	

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 11th day of October, A.D. 2022.

Ohio Secretary of State

Form 612 Prescribed by:

Frank LaRose
Ohio Secretary of State

Date Electronically Filed: 10/10/2022

Telphone: 877.767.3453
OhioSoS.gov | business@OhioSoS.gov
File online or for more information: OhioBusinessCentral.gov

Certificate of Correction
For a Domestic or Foreign Limited Liability Company
Filing Fee: $50
Form Must Be Typed

(CHECK ONLY ONE (1) BOX)

(1) ☐ Domestic Limited Liability Company 612-LAC

(2) ☒ Foreign Limited Liability Company 135-LFC

Name of Limited Liability Company: CUSTOMERFIRST RENEWABLES LLC

Ohio Registration Number: 4816531

Name of record to be corrected: FOREIGN LLC - CERTIFICATE OF REGISTRATION

Date filed: 2/10/2022

Or attach a copy of the record as filed.

Specify the inaccuracy to be corrected

Amendment of entity name

Set forth the corrected information

The name of the foreign limited liability company is hereby amended to "Coho Climate Advisors, LLC".

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

This filing must be signed by at least one person authorized by the limited liability company.

If the person is an individual, then he or she must sign on the "signature" line and print his or her name in the "Print Name" Box.

If the person is a business entity, please print the name of the entity in the "Signature" box and an authorized representative of the business must sign in the "By" box and print his or her name and title or authority in the "Print Name Box."

/S/ C. ALAN ZANG
Signature

C. ALAN ZANG
By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

CUSTOMERFIRST ENERGY HOLDINGS LLC

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Table of Contents

aronson LLC
ASSURANCE | TAX | CONSULTING

111 Rockville Pike
Suite 600
Rockville, Maryland 20850

301.231.6200
301.231.7630
www.aronsonllc.com
info@aronsonllc.com

Independent Accountant's Review Report

Members
CustomerFirst Energy Holdings LLC
Gaithersburg, Maryland

We have reviewed the accompanying consolidated financial statements of **CustomerFirst Energy Holdings LLC**, which comprise the Consolidated Balance Sheets as of December 31, 2021 and 2020, and the related Consolidated Statements of Income, Changes in Members' Equity and Cash Flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **CustomerFirst Energy Holdings LLC** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Independent Accountant's Review Report (continued)

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Aronson LLC

Rockville, Maryland
April 20, 2022

CustomerFirst Energy Holdings LLC

Consolidated Balance Sheets

December 31,		**2021**		2020
Assets				
Current assets				
Cash and cash equivalents	**$**	**1,570,864**	$	1,387,646
Certificate of deposit		**10,417**		10,374
Accounts receivable, billed		**1,140,570**		449,342
Accounts receivable, unbilled, current		**11,621,688**		9,530,784
Prepaid expenses and other current assets		**93,755**		19,748
Total current assets		**14,437,294**		11,397,894
Property and equipment, net		**116,609**		69,546
Other assets				
Accounts receivable, unbilled, net of current portion		**424,490**		1,817,685
Deposits		**47,698**		15,033
Total other assets		**472,188**		1,832,718
Total assets	**$**	**15,026,091**	$	13,300,158

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

December 31,		**2021**		2020
Liabilities and Members' Equity				
Current liabilities				
Note payable, current portion, net of deferred financing costs	**$**	**-**	$	487,047
Paycheck Protection Program loan, current portion		**-**		723,563
Accounts payable and accrued expenses		**37,149**		41,353
Accrued payroll and related liabilities		**958,544**		395,067
Deferred revenue		**148,701**		54,653
Equity-based compensation liability, current portion		**54,145**		18,629
Other current liabilities		**35,747**		29,016
Total current liabilities		**1,234,286**		1,749,328
Long-term liabilities				
Note payable, net of deferred financing costs and current portion		**-**		1,221,627
Paycheck Protection Program loan, net of current portion		**-**		206,732
Exit fee liability		**2,317,095**		1,697,139
Notes payable - related parties		**1,025,000**		1,025,000
Equity-based compensation liability, net of current portion		**360,879**		415,920
Total long-term liabilities		**3,702,974**		4,566,418
Total liabilities		**4,937,260**		6,315,746
Members' equity		**10,088,831**		6,984,412
Total liabilities and members' equity	**$**	**15,026,091**	$	13,300,158

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Income

Year Ended December 31,	**2021**	2020
Revenues	**$ 12,658,814**	$ 15,456,809
Cost of sales		
Salaries and related expenses	**5,451,071**	6,033,613
Consultants and other expenses	**61,943**	26,363
Total cost of sales	**5,513,014**	6,059,976
Gross profit	**7,145,800**	9,396,833
Selling, general, and administrative expenses		
Salaries and related expenses	**1,277,568**	1,445,212
Travel and entertainment	**153,034**	55,969
Rent	**178,916**	163,140
Sales and marketing	**892,077**	172,584
Professional fees	**857,947**	452,695
Depreciation	**29,877**	33,840
Other	**561,819**	341,483
Total selling, general, and administrative expenses	**3,951,238**	2,664,923
Income from operations	**3,194,562**	6,731,910
Other income (expense)		
Interest income	**79,531**	5,057
Interest expense	**(922,226)**	(1,240,100)
Gain on extinguishment of Paycheck Protection Program loan	**930,295**	-
Other income	**-**	3,057
Total other income (expense)	**87,600**	(1,231,986)
Net income	**$ 3,282,162**	$ 5,499,924

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

Balance, January 1, 2020	$	1,484,488
Net income		5,499,924
Balance, December 31, 2020		6,984,412
Distributions		(177,743)
Net income		3,282,162
Balance, December 31, 2021	$	10,088,831

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Cash Flows

Year Ended December 31,	**2021**	2020
Cash flows from operating activities		
Net income	**$ 3,282,162**	$ 5,499,924
Adjustments to reconcile net income		
to net cash provided by (used in) operating activities:		
Depreciation	**29,877**	33,840
Amortization of deferred financing costs	**101,428**	77,333
Equity-based compensation (benefit)	**(891)**	80,725
Interest earned on certificates of deposit	**(43)**	(374)
Accrual of exit fee liability	**619,956**	820,046
Gain on extinguishment of Paycheck Protection Program loan	**(930,295)**	-
(Increase) decrease in:		
Accounts receivable, billed	**(691,228)**	(317,811)
Accounts receivable, unbilled	**(697,709)**	(5,648,512)
Prepaid expenses and other current assets	**(74,007)**	(8,367)
Deposits	**(32,665)**	-
Increase (decrease) in:		
Accounts payable and accrued expenses	**(4,204)**	(74,770)
Accrued payroll and related liabilities	**563,477**	(802,381)
Deferred revenue	**94,048**	(275,135)
Other current liabilities	**6,731**	(2,818)
Net cash provided by (used in) operating activities	**2,266,637**	(618,300)
Cash flows from investing activities		
Purchases of property and equipment	**(76,940)**	(13,868)
Net cash used in investing activities	**(76,940)**	(13,868)

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

Year Ended December 31,	**2021**	2020
Cash flows from financing activities		
Distributions	**(177,743)**	-
Payments on note payable	**(1,810,102)**	(479,431)
Proceeds from Paycheck Protection Program loan	**-**	930,295
Payments to UAR holders	**(18,634)**	-
Net cash (used in) provided by financing activities	**(2,006,479)**	450,864
Net change in cash and cash equivalents	**183,218**	(181,304)
Cash and cash equivalents, beginning of year	**1,387,646**	1,568,950
Cash and cash equivalents, end of year	**$ 1,570,864**	$ 1,387,646
Supplemental cash flow information		
Cash paid for interest	**$ 200,842**	$ 345,482

1. Organization and significant accounting policies

Organization: CustomerFirst Energy Holdings LLC ("CF Energy Holdings") was organized as a Delaware limited liability company on December 19, 2017, to be a holding company for CustomerFirst Renewables LLC and its affiliates. CustomerFirst Renewables LLC ("CF Renewables") was organized as a Delaware limited liability company on July 23, 2010, to provide renewable energy consulting, procurement, and solution implementation services to commercial, non-profit and governmental organizations throughout the United States. CNR Energy LLC ("CNR"), a Delaware limited liability company was formed on March 24, 2016. Enerfi Energy Capital LLC ("Enerfi"), was formed as a Delaware limited liability company on June 1, 2018 to provide capital advisory services for companies looking to invest in renewable energy resources. CFR Contracts LLC ("CFR Contracts") was organized as a Delaware limited liability company on March 24, 2020.

CNR and CFR Contracts were dissolved on August 19, 2021. Enerfi was dissolved on February 1, 2022. Prior to dissolution, none of the above companies had any operations.

Principles of consolidation: The accompanying consolidated financial statements include the accounts of CF Energy Holdings and its wholly-owned subsidiaries CF Renewables, CNR, Enerfi and CFR Contracts, collectively the "Company". All significant intercompany transactions and accounts have been eliminated in consolidation.

Basis of accounting: The accounting policies of the Company conform with accounting principles generally accepted in the United States of America ("US GAAP").

Use of accounting estimates: The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Limited liability of the members: The Company's members are not personally liable for the Company's actions or debts, except as promulgated by state and federal laws. The Company remains in effect in perpetuity unless earlier dissolved in accordance with the Company's Limited Liability Company Agreement ("LLCA"). The Company's Board of Directors has full, exclusive, and complete discretion in the management and control of the business affairs of the Company.

Classes of members: The Company has one class of common units, Class A Units. There were 10,239 Class A Units issued and outstanding as of December 31, 2021 and 2020.

Cash and cash equivalents: For purposes of financial statement presentation, the Company considers all highly liquid debt instruments with initial maturities of ninety days or less to be cash equivalents. The Company maintains cash balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

Accounts receivable, billed and allowance for doubtful accounts: Accounts receivable, billed are recorded at the invoiced amount, are granted on an unsecured basis and are considered past due if the invoice has been outstanding beyond the payment terms agreed with the customer, which typically range from five to sixty days. The Company does not typically charge interest on accounts receivable, billed.

The face amount of accounts receivable, billed is reduced for an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. At December 31, 2021 and 2020, management deemed all accounts receivable, billed to be collectible.

Accounts receivable, unbilled: Accounts receivable, unbilled represent revenue earned for which billings have not been presented to customers. When billed, these amounts are included in accounts receivable, billed. Certain contracts require the Company to bill the customer more than one year after the services have been performed and revenue has been recognized. Amounts receivable under such contracts are recorded net of the implied financing component under the billing arrangements, with interest income recorded as the unbilled amounts are accreted to their face values using the effective interest method. At December 31, 2021 and 2020, the Company has recorded discounted receivables of $1,871,501 and $1,817,685, respectively, reflecting the present value of the following future payments to be received for the years ending December 31: 2022 - $1,551,187; 2023 and 2024 - $141,000; and 2025 - $82,250. The interest rate used to discount these receivables was 3.2%, which approximates the borrowing rate of the customers in these arrangements. Interest income under the billing arrangements was $53,815 for the year ended December 31, 2021, and was not material to the 2020 consolidated financial statements.

Property and equipment: Property and equipment are recorded at cost. Depreciation is computed on the straight-line method of depreciation over estimated useful asset lives ranging from three to seven years. Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was $29,877 and $33,840, respectively.

Long-lived assets and impairment: The Company periodically evaluates the carrying value of long-lived assets, including, but not limited to, property and equipment, when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such an asset are separately identifiable and are less than its carrying value. In that event, a loss is recognized to the extent that the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. As of December 31, 2021 and 2020, the Company determined that there have been no events or circumstances that warrant review of long-lived assets for impairment.

Deferred revenue: Deferred revenue is comprised of contractual billings in excess of recognized revenue and payments received in advance of revenue recognition.

Deferred rent: The Company recognizes the minimum non-contingent rents required under operating leases as rent expense on a straight-line basis over the life of the lease, with differences between amounts recognized as expense and the amounts actually paid recorded as deferred rent on the accompanying Consolidated Balance Sheets.

Income taxes: Prior to January 1, 2021, CF Energy Holdings was treated as a limited liability company taxed as a partnership. In addition, CF Renewables, CNR, and Enerfi were, during 2020 and 2021, single member limited liability companies that are considered disregarded entities for income tax purposes. Therefore, prior to 2021 the Company did not pay federal and most state income taxes on its taxable income since the tax attributes of the Company were reported on the members' income tax returns. Effective January 1, 2021, the Company elected to be taxed as an entity in Maryland, however for financial reporting purposes no provision is made for the resulting state taxes in the Company's consolidated financial statements, as such taxes are deemed to be a distribution to the Company's members when paid. Such deemed distributions totaled $177,743 during the year ended December 31, 2021.

The Company evaluates uncertainty in income tax positions taken or expected to be taken on a tax return based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement and is recognized in the Company's consolidated financial statements. To the extent that the Company's estimates change or the final tax outcome of these matters is different from the amounts that have been recorded, such differences will impact the income tax provision when such determinations are made. If applicable, the Company records interest and penalties as a component of income tax expense. Tax years ended December 31, 2018, through the current year remain open for examination by Federal and state tax authorities.

Revenue recognition: The Company derives its revenues primarily from consulting and solution implementation services. Revenues are recognized when control of these services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer (Step 1)
- Identification of the performance obligations in each contract (Step 2)
- Determination of the transaction price (Step 3)
- Allocation of the transaction price to the performance obligations in the contract (Step 4)
- Recognition of revenue when, or as, the Company satisfies a performance obligation (Step 5)

Consulting services:

The Company may provide one or more of the following consulting services to its customers: a detailed assessment of the customer's renewable energy ("RE") needs, the identification of potential RE solutions, development of an RE request for proposal or equivalent ("RFP"), as well as ongoing support of a customer's RE initiatives through assessments of effectiveness post implementation. The Company charges primarily fixed fees for the consulting services it performs.

Solution implementation services:

The Company assists its customers with the implementation of the RE solution(s) they select, usually after the completion of one or more consulting services. Such services include the evaluation of developers' responses to the RFP or equivalent document through to the signing of an RE purchasing contract, and helping to manage the implementation of the RE contract. The Company charges both fixed and variable fees for these services.

Under the guidance of Accounting Standards Codification 606, the Company evaluates whether it has an enforceable contract with a customer where rights of the parties and payment terms are identified, and collectability is probable.

Contract modifications are evaluated to determine whether they should be accounted for as part of the original contract or as a separate contract. The Company considers contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Contract modifications are accounted for as a separate contract if the modification adds distinct goods or services and increases the contract value by its standalone selling price. Modifications that are not determined to be a separate contract are accounted for either as a prospective adjustment to the original contract if the goods or services in the modification are distinct from those transferred before the modification, or as a cumulative adjustment if the goods and services are not distinct and are part of a single performance obligation that is partially satisfied.

The Company also evaluates if a contract has multiple promises and if the promises should be accounted for as separate performance obligations or as a single performance obligation. Multiple promises in a contract are typically separated if they are distinct, both individually and in the context of the contract. If multiple promises in a contract are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation.

The Company's services contracts frequently provide customers an option for entering into another phase to continue services to reach the end goal of implementing a full scale RE solution for the customer. The typical phases for a contract are:

Phase 0: Strategy development
Phase 1: Procurement plan and RFP development
Phase 2: Contract evaluation and selection support
Phase 3: Pre-commercial operational support
Phase 4: Ongoing operational support

While each phase depends on the completion of the prior phase(s), the options typically do not provide the customer any material rights under the contract and therefore are generally treated as separate contracts when they include distinct services at standalone selling prices, or as a cumulative adjustment when the services are not considered distinct from the previous phase. The contract is amended as the options are exercised.

Consulting services performed in Phases 0, 1 and 4 do not generally directly relate to the solution implementation services and are typically charged using fixed fees. The consulting services performed in each phase often comprise several sub-tasks which contribute to the overall objective of that phase and accordingly, each phase is generally aligned with a single performance obligation.

The Company earns both fixed fees, and a variable transaction fee for the solutions implementation services it provides and generates billings as each phase progresses. Solution implementation services contain promised services that are highly interrelated to one another. Although each phase may provide a benefit on its own, the promised services collectively for Phases 2 and 3 combined are not separately identifiable within the context of the contract.

The Company estimates variable consideration at the most likely amount to which the Company expects to be entitled. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of whether the customer will enter into an RE purchasing contract, and the value of that contract, where the contract value typically varies based on the following criteria: contract volume (i.e. megawatt hours purchased), contract price per megawatt hour, contract term, and the Company's transaction fee percentage. The Company also considers the potential of any significant reversal of revenue. As outlined above, some of the Company's contracts contain a significant financing component, and for such contracts, the Company records an adjustment to the transaction price of the contract to reflect the associated interest income.

A contract's transaction price is allocated to each distinct performance obligation and recognized when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract. The standalone selling prices are generally based on a cost-plus margin approach.

The Company recognizes revenue on all of its performance obligations over time as there is continuous transfer of control to the customer over the contract's period of performance. Continuous transfer of control is typically supported by continuous interaction with, and regular reporting to, the customer regarding the performance of consulting or solution implementation services. Revenue recognized over time is generally based on the extent of progress towards completion of the related performance obligations. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services provided.

The Company uses an input method to measure progress. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred and effort is expended. Costs to fulfill generally include direct labor, consultants' costs and other direct costs.

Changes in estimates related to contracts are recognized in the period in which such changes are made on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a performance obligation's progress to date. A significant change in one or more estimates could affect the profitability of one or more performance obligations in a contract.

Cost of Sales

Cost of sales consists primarily of direct labor, consultants' costs, and other direct costs.

Contract Assets and Contract Liabilities

The timing of revenue recognition, billings, and cash collections result in the following contract assets and liabilities: accounts receivable, billed; accounts receivable, unbilled; and deferred revenue. Substantially all of the accounts receivable, unbilled balance at December 31, 2021 and 2020 represents revenue for solution implementation services recognized in advance of contractual billings.

Equity based compensation: The Company measures compensation expense for its Unit Appreciation Rights Plan (Note 9) for all awards issued. The value of the awards is recognized over the requisite service period, and is determined based on the fair value of the underlying equity instruments. These awards are typically settled though a cash payment to the awardee and, accordingly, are initially recorded as a liability. As the fair value of the underlying equity instruments changes, the Company adjusts the liability recorded for the awards based upon the intrinsic value of the award at the time of change.

Recently issued accounting pronouncement not yet adopted: In February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with an original term of greater than 12 months regardless of their classification. Leases with an original term of 12 months or less may be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases.

ASU 2016-02 was originally effective for the Company on January 1, 2021. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities*, which delays the effective date of ASU 2016-02 to annual reporting periods beginning after December 15, 2021. Entities are also allowed to early adopt the standard. The Company is in the process of evaluating the impact of this new guidance.

Reclassifications: Certain 2020 balances have been reclassified to conform with the 2021 presentation. The reclassifications have no effect on previously reported 2020 net income or opening members’ equity at January 1, 2021.

Subsequent events: Management has evaluated subsequent events for disclosure in these consolidated financial statements through April 20, 2022, which is the date the consolidated financial statements were available to be issued.

2. Revenue from contracts with customers

Disaggregation of Revenues: The Company disaggregates revenue by the type of services performed as the nature, timing, and uncertainty of the revenues and cash flows for each service type has similar characteristics.

Disaggregated revenue by type of service provided was as follows:

	2021	2020
Consulting services	**$ 3,150,785**	$ 2,690,128
Retail brokering services	**241,210**	799,119
Reimbursed expenses	**5,227**	10,560
Transaction execution services	**9,261,592**	11,957,002
Total	**$ 12,658,814**	$ 15,456,809

Contract balances: Accounts receivable, billed include billed amounts related to services provided to customers. Contract assets include accounts receivable, unbilled. Contract liabilities include amounts paid by customers for which services have not yet been provided and are included in deferred revenue. The balances of accounts receivable, billed; accounts receivable, unbilled; and deferred revenue as of December 31, 2019 totaled $131,531, $5,699,957 and $329,788, respectively.

3. Concentrations

During the year ended December 31, 2021, one customer generated approximately 50% of total revenue. Associated receivables from this customer were approximately 51% of total receivables at December 31, 2021. During the year ended December 31, 2020 two customers generated approximately 65% of total revenue. Associated receivables from these customers represented approximately 63% of total receivables at December 31, 2020.

4. Property and equipment

Property and equipment consist of the following at December 31,

	2021	2020
Furniture and fixtures	**$ 171,543**	$ 110,667
Machinery and equipment	**43,840**	54,680
Total	**215,383**	165,347
Less: Accumulated depreciation	**(98,774)**	(95,801)
Net	**$ 116,609**	$ 69,546

5. Note payable

The Company entered into a senior secured note agreement (the "loan agreement") with a third party lender, whereby the Company borrowed $2,250,000 under a term loan. The loan was due to mature on October 23, 2023, with all remaining principal and interest to be repaid by that time. The loan was secured by substantially all assets of the Company, and incurred interest at 10% per annum. The Company was required to make equal quarterly payments of principal and interest commencing January 2020, based on the outstanding loan balance. The Company was permitted to prepay the loan in whole or in part at any time. In 2021, the Company repaid the loan in full.

In addition, the Company was required to make additional repayments equal to 75% of cash proceeds from any development fees (i.e. transaction fees) it earned related to projects completed with the third party lender, as specified in the loan agreement. With effect from the quarter commencing July 1, 2019, the loan agreement contained a senior leverage ratio covenant, calculated as the outstanding principal and interest under the loan, divided by the Company's consolidated earnings before interest, tax, depreciation and amortization expense ("EBITDA"), with a different "not-to-exceed" ratio for each quarter thereafter. This 'not-to-exceed' ratio was 0.47 at December 31, 2020. The loan agreement also provided for the Company to meet a consolidated EBITDA target, calculated on a trailing four-quarter basis for each quarter from December 31, 2018 onwards. The Company was in compliance with these covenants at December 31, 2020. The Company incurred deferred financing costs totaling $289,148 in obtaining this loan. The outstanding principal balance on the loan at December 31, 2021 and 2020 was $0 and $1,810,102, respectively. Interest expense, excluding the amortization of deferred financing costs and accrued exit fee interest, incurred under this loan during the year ended December 31, 2021 and 2020 was $93,592 and $238,232, respectively.

Concurrent with entering into the loan agreement, the Company also entered into an Exit Fee Agreement with the same lender, whereby the Company is required to pay the lender an exit fee of $3,800,000, in five equal annual installments of $760,000, with the first installment payable on October 25, 2024. The payment of the exit fee is accelerated upon the occurrence of certain events, including a sale, merger or dissolution of the Company. The exit fee is deemed to be additional interest expense incurred in obtaining the senior secured note. The Company has determined the present value of the five future exit fee payments, as of October 2023, the scheduled end of the loan term, to be approximately $2,881,000, and is accruing this interest expense using the effective interest method over the five year original term of the senior secured note. From October 2023 until the payment of the five exit fee installments is made, the accrued $2,881,000 exit fee will be accreted up to the nominal payments to be made at the Company's estimated borrowing cost during that period of 10% per annum. The Company's early repayment of the loan has not changed the repayment dates of the exit fee or the accretion schedule. At December 31, 2021 and 2020, the Company had accrued an exit fee liability of $2,317,095 and $1,697,139, respectively.

In October 2020, the Company entered into an amendment with the lender to allow the Company to prepay the exit fee at any time prior to June 30, 2022. The payment due under this arrangement would be equal to the total cash payments due in accordance with the original agreement discounted at 15% per annum. This amendment has been treated as a debt modification and did not change the carrying value of the associated liabilities.

6. Notes payable – related parties

Under multiple note agreements, the Company borrowed cash from one of its members and his spouse. The notes are unsecured and bear interest at rates ranging between 8% and 13% per annum with interest paid monthly in arrears. In October 2018, the terms of these notes were extended to mature on January 24, 2024, at which time the entire principal balance is due. The outstanding principal balance on these promissory notes at December 31, 2021 and 2020 was $625,000. Interest incurred on these notes during each of the years ended December 31, 2021 and 2020 was $71,250.

In April 2018, the Company borrowed $400,000 under a promissory note with the trust of a family member of one of its members. The promissory note is unsecured and incurs interest at 9% per annum paid monthly. After several extensions, the promissory note is due to mature on January 24, 2024. The outstanding principal balance on the promissory note at December 31, 2021 and 2020 was $400,000. Interest expense incurred under this promissory note during each of the years ended December 31, 2021 and 2020 was $36,000.

7. Paycheck Protection Program loan

In April 2020, the Company received a loan in the amount of $930,295, pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP loan had a two-year term and bore interest at a rate of 1.00% per annum. Monthly principal and interest payments were deferred for six months after the date of disbursement. The PPP loan could be prepaid at any time prior to maturity with no prepayment penalties. The CARES Act provides that the PPP loan could be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. The Company applied for and received forgiveness in 2021 and the corresponding amounts forgiven are included in gain on debt extinguishment on the Consolidated Statement of Income for the year ended December 31, 2021.

8. Operating leases

The Company leases office space in Gaithersburg, Maryland under a non-cancelable operating lease. During 2021 the Company signed a termination agreement with the landlord resulting in the lease expiring in February 2022. The Company also rents additional office space in the same location on a month-to-month basis. The Company is required to pay a variable amount of additional rent for its proportionate share of the landlord's operating expenses.

During August 2021 the Company entered into a lease for office space in Bethesda, Maryland under a non-cancelable lease scheduled to begin in March 2022.

Future minimum lease payments under non-cancelable operating leases with initial terms in excess of one year consist of the following at December 31, 2021:

Year ending December 31,		Amount
2022	$	193,124
2023		200,073
2024		205,075
2025		210,202
2026		215,457
Thereafter		269,801
Total	$	1,293,732

Rent expense totaled $178,916 and $163,140 for the year ended December 31, 2021 and 2020, respectively.

9. Equity-based compensation

Effective November 2014, the Company established the CustomerFirst Renewables, LLC 2014 Unit Appreciation Rights Plan (the "Plan") to attract, retain and reward employees and directors who will contribute to the Company's long-term success. Under the Plan, the Company may grant unit appreciation rights ("UARs") to employees and directors at the sole discretion of the Company's board of directors or a committee established to administer the Plan (the "Committee"). Awards of UARs generally vest over a four year period, with the awardee qualifying for a cash payment equal to the net appreciation of the vested UARs as of the 'distribution date' (typically, the fifth anniversary of the grant date). The awards are paid out in cash in five equal, annual installments commencing with the first March 1st that is at least 30 days after the distribution date. The award of a UAR does not entitle the holder to a current or future equity stake in the Company.

The net appreciation of each UAR is calculated as the excess of the fair market value of the UAR, if any, at the measurement date, over the base value of such UAR, with the base value being set equal to the fair market value of a Class A Unit of the Company at the UAR grant date. The cumulative compensation cost at each balance sheet date is calculated as the total number of vested UARs multiplied by the net appreciation of each UAR. The compensation cost for each reporting period equals the change in the cumulative compensation cost since the previous reporting period.

As of December 31, 2021, 428 UARs were issued and outstanding, 325 of which were vested. As of December 31, 2020, 544 UARs were issued and outstanding, 307 of which were vested. As of December 31, 2020 the Company had recorded cumulative UAR compensation expense totaling $434,549, of which $80,725 was incurred during the year ended December 31, 2020. As of December 31, 2021 the Company has recorded cumulative UAR compensation expense totaling $433,658. During the year ended December 31, 2021, a net UAR compensation benefit of $891 was recorded, due mainly to reductions in the UAR liability as a result of forfeitures in the year. During 2021, the Company made payments totaling $18,634 to vested UAR holders.

10. Retirement plan

The Company sponsors a 401(k) plan for all eligible employees. Participating employees may voluntarily contribute up to statutory limits. The Company made matching or discretionary contributions for the years ended December 31, 2021 and 2020 of $152,259 and $0, respectively.

11. Risks and uncertainties

The continuing impact of the coronavirus global pandemic could negatively impact the Company's operations, suppliers or other vendors, and its customer base. The operations for certain goods or services could be negatively impacted by the regional or global outbreak of illnesses. As of the report date, management is not aware of any impacts from quarantines, labor shortages or other disruptions related to the coronavirus global pandemic that would have a material adverse effect on the Company's operations.

12. Commitments and contingencies

During the year ended December 31, 2020, the Company issued options to a consultant under which he may purchase up to 5% of the Company's Class A Units. The options are only exercisable in the event that certain performance milestones are met. As of December 31, 2021, the milestones have not been met and the exercise price has not been established. Accordingly, the Company has not recognized any compensation expense related to this arrangement.

13. Subsequent events

Effective January 1, 2022, the Company issued a total of 315 Class A Units to three new members for cash consideration of $451,046 and notes receivable of $208,954. The notes bear interest at 1.26% per annum and mature on March 1, 2028 and March 1, 2029.

CUSTOMERFIRST ENERGY HOLDINGS LLC

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

Table of Contents

Independent Accountant's Review Report

Members
CustomerFirst Energy Holdings LLC
Bethesda, Maryland

We have reviewed the accompanying consolidated financial statements of **CustomerFirst Energy Holdings LLC**, which comprise the Consolidated Balance Sheets as of December 31, 2022 and 2021, and the related Consolidated Statements of Income, Changes in Members' Equity and Cash Flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **CustomerFirst Energy Holdings LLC** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Aprio, LLP 111 Rockville Pike, Suite 600, Rockville, MD 20850 301.231.6200 Aprio.com

Independent Accountant's Review Report (continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2022 consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on the 2021 Financial Statements

The consolidated financial statements as of December 31, 2021, were reviewed by Aronson LLC, who merged with Aprio, LLP as of January 1, 2023, whose report dated April 20, 2022, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Aprio, LLP

Rockville, Maryland
January 27, 2023

CustomerFirst Energy Holdings LLC

Consolidated Balance Sheets

December 31,		**2022**		2021
Assets				
Current assets				
Cash and cash equivalents	**$**	**4,842,000**	$	1,570,864
Certificate of deposit		**10,429**		10,417
Accounts receivable, billed		**593,216**		1,140,570
Accounts receivable, unbilled, current		**8,457,357**		11,621,688
Prepaid expenses and other current assets		**367,454**		93,755
Total current assets		**14,270,456**		14,437,294
Property and equipment, net		**116,862**		116,609
Other assets				
Accounts receivable, unbilled, net of current portion		**4,620,361**		424,490
Intangible assets, net		**629,077**		-
Right-of-use asset		**845,361**		-
Deposits		**32,665**		47,698
Total other assets		**6,127,464**		472,188
Total assets	**$**	**20,514,782**	$	15,026,091

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

December 31,		**2022**		2021
Liabilities and Members' Equity				
Current liabilities				
Liability to former member, current portion	**$**	**762,697**	$	-
Operating lease liability, current portion		**187,284**		-
Accounts payable and accrued expenses		**4,697**		37,149
Accrued payroll and related liabilities		**21,092**		958,544
Deferred revenue		**757,941**		148,701
Equity-based compensation liability, current portion		**34,457**		54,145
Other current liabilities		**1,785**		35,747
Total current liabilities		**1,769,953**		1,234,286
Long-term liabilities				
Notes payable - related parties		**1,025,000**		1,025,000
Liability to former member, net of current portion		**2,079,461**		-
Exit fee liability		**2,719,252**		2,317,095
Operating lease liability, net of current portion		**773,950**		-
Equity-based compensation liability, net of current portion		**267,513**		360,879
Total long-term liabilities		**6,865,176**		3,702,974
Total liabilities		**8,635,129**		4,937,260
Members' equity		**11,879,653**		10,088,831
Total liabilities and members' equity	**$**	**20,514,782**	$	15,026,091

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Income

Years Ended December 31,	**2022**	2021
Revenues	**$ 15,467,638**	$ 12,658,814
Cost of sales		
Salaries and related expenses	**5,609,474**	5,451,071
Consultants and other expenses	**15,000**	61,943
Total cost of sales	**5,624,474**	5,513,014
Gross profit	**9,843,164**	7,145,800
Selling, general, and administrative expenses		
Salaries and related expenses	**1,956,183**	1,277,568
Travel and entertainment	**364,673**	153,034
Lease expense	**188,635**	178,916
Sales and marketing	**605,358**	892,077
Professional fees	**1,289,678**	857,947
Depreciation and amortization	**86,529**	29,877
Other	**831,592**	561,819
Total selling, general, and administrative expenses	**5,322,648**	3,951,238
Income from operations	**4,520,516**	3,194,562
Other income (expense)		
Interest income	**17,457**	79,531
Interest expense	**(509,687)**	(922,226)
Gain on extinguishment of Paycheck Protection Program loan	**-**	930,295
Other expense	**(6,478)**	-
Total other (expense) income	**(498,708)**	87,600
Net income	**$ 4,021,808**	$ 3,282,162

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Changes in Members' Equity

Balance, January 1, 2021	$	6,984,412
Distributions		(177,743)
Net income		3,282,162
Balance, December 31, 2021		10,088,831
Capital contributions		1,131,194
Distributions		(520,022)
Repurchase of member's equity		(2,842,158)
Net income		4,021,808
Balance, December 31, 2022	$	11,879,653

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Cash Flows

Years Ended December 31,	**2022**	2021
Cash flows from operating activities		
Net income	**$ 4,021,808**	$ 3,282,162
Adjustments to reconcile net income		
to net cash provided by operating activities:		
Depreciation and amortization	**86,529**	29,877
Amortization of deferred financing costs	**-**	101,428
Amortization of right-of-use asset	**143,509**	-
Equity-based compensation benefit	**(89,277)**	(891)
Interest earned on certificates of deposit	**(12)**	(43)
Accrual of exit fee liability	**402,157**	619,956
Gain on extinguishment of Paycheck Protection Program loan	**-**	(930,295)
(Increase) decrease in:		
Accounts receivable, billed	**547,354**	(691,228)
Accounts receivable, unbilled	**(1,031,540)**	(697,709)
Prepaid expenses and other current assets	**(273,699)**	(74,007)
Deposits	**15,033**	(32,665)
Increase (decrease) in:		
Accounts payable and accrued expenses	**(22,027)**	(4,204)
Accrued payroll and related liabilities	**(937,452)**	563,477
Deferred revenue	**609,240**	94,048
Other current liabilities	**(33,962)**	6,731
Operating lease liability	**(38,061)**	-
Net cash provided by operating activities	**3,399,600**	2,266,637
Cash flows from investing activities		
Purchases of property and equipment	**(35,859)**	(76,940)

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

CustomerFirst Energy Holdings LLC

Consolidated Statements of Cash Flows (continued)

Years Ended December 31,		**2022**		2021
Cash flows from financing activities				
Contributions		**451,194**		-
Distributions		**(520,022)**		(177,743)
Payments on note payable		**-**		(1,810,102)
Payments to UAR holders		**(23,777)**		(18,634)
Net cash used in financing activities		**(92,605)**		(2,006,479)
Net change in cash and cash equivalents		**3,271,136**		183,218
Cash and cash equivalents, beginning of year		**1,570,864**		1,387,646
Cash and cash equivalents, end of year	**$**	**4,842,000**	$	1,570,864
Supplemental cash flow information:				
Cash paid for interest	**$**	**107,530**	$	200,842
Non-cash investing and financing activities:				
Recognition of operating lease liability upon adoption of ASC 842	**$**	**999,295**	$	-
Recognition of right-of-use asset upon adoption of ASC 842	**$**	**988,870**	$	-
Liability to former member for equity repurchase	**$**	**2,842,158**	$	-
Promissory notes received in exchange for equity	**$**	**2,928,806**	$	-
Customer relationships contributed in exchange for equity	**$**	**680,000**	$	-

See Notes to Consolidated Financial Statements and accompanying Independent Accountant's Review Report.

1. Organization and significant accounting policies

Organization: CustomerFirst Energy Holdings LLC ("CF Energy Holdings") was organized as a Delaware limited liability company on December 19, 2017, to be a holding company for CustomerFirst Renewables LLC and its affiliates. CustomerFirst Renewables LLC ("CF Renewables") was organized as a Delaware limited liability company on July 23, 2010, to provide renewable energy consulting, procurement, and solution implementation services to commercial, non-profit and governmental organizations throughout the United States. CF Renewables changed its name to Coho Climate Advisors LLC ("Coho") on September 21, 2022. CNR Energy LLC ("CNR"), a Delaware limited liability company was formed on March 24, 2016, and currently has no operations. Enerfi Energy Capital LLC ("Enerfi"), was formed as a Delaware limited liability company on June 1, 2018 to provide capital advisory services for companies looking to invest in renewable energy resources. CFR Contracts LLC ("CFR Contracts") was organized as a Delaware limited liability company on March 24, 2020, and currently has no operations.

Principles of consolidation: The accompanying consolidated financial statements include the accounts of CF Energy Holdings and its wholly-owned subsidiaries Coho, CNR, Enerfi and CFR Contracts, collectively the "Company". All significant intercompany transactions and accounts have been eliminated in consolidation.

Basis of accounting: The accounting policies of the Company conform with accounting principles generally accepted in the United States of America ("US GAAP").

Use of accounting estimates: The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Limited liability of the members: The Company's members are not personally liable for the Company's actions or debts, except as promulgated by state and federal laws. The Company remains in effect in perpetuity unless earlier dissolved in accordance with the Company's Limited Liability Company Agreement ("LLCA"). The Company's Board of Directors has full, exclusive, and complete discretion in the management and control of the business affairs of the Company.

Classes of members: The Company has one class of common units, Class A Units. There were 10,674 and 10,239 Class A Units issued and outstanding as of December 31, 2022 and 2021, respectively.

Cash and cash equivalents: For purposes of financial statement presentation, the Company considers all highly liquid debt instruments with initial maturities of ninety days or less to be cash equivalents. The Company maintains cash balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

Accounts receivable, billed and allowance for doubtful accounts: Accounts receivable, billed are recorded at the invoiced amount, are granted on an unsecured basis and are considered past due if the invoice has been outstanding beyond the payment terms agreed with the customer, which typically range from five to sixty days. The Company does not typically charge interest on accounts receivable, billed.

The face amount of accounts receivable, billed is reduced for an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. At December 31, 2022 and 2021, management deemed all accounts receivable, billed to be collectible.

Accounts receivable, unbilled: Accounts receivable, unbilled represent revenue earned for which billings have not been presented to customers. When billed, these amounts are included in accounts receivable, billed. Certain contracts require the Company to bill the customer more than one year after the services have been performed and revenue has been recognized. Amounts receivable under such contracts are recorded net of the implied financing component under the billing arrangements, with interest income recorded as the unbilled amounts are accreted to their face values using the effective interest method. At December 31, 2022 and 2021, the Company has recorded discounted receivables of $4,620,361 and $1,871,501, respectively, reflecting the present value of the following future payments to be received for the years ending December 31, 2023 - $0; 2024 - $3,428,102; and 2025 - $1,473,145. The interest rate used to discount these receivables was 3.25%, which approximates the borrowing rate of the customers in these arrangements. Interest income under the billing arrangements was approximately $17,000 and $54,000 for the years ended December 31, 2022 and 2021, respectively.

Property and equipment: Property and equipment are recorded at cost. Depreciation is computed on the straight-line method of depreciation over estimated useful asset lives ranging from three to seven years. Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was $35,606 and $29,877, respectively.

Intangible assets: The Company's intangible assets, which comprise customer relationships contributed by a member during the year ended December 31, 2022, are amortized over useful lives of three years. Amortization expense for the year ended

December 31, 2022, totaled $50,923.

Long-lived assets and impairment: The Company periodically evaluates the carrying value of long-lived assets, including, but not limited to, property and equipment and intangible assets, when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such an asset are separately identifiable and are less than its carrying value. In that event, a loss is recognized to the extent that the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. As of December 31, 2022 and 2021, the Company determined that there have been no events or circumstances that warrant review of long-lived assets for impairment.

Deferred revenue: Deferred revenue is comprised of contractual billings in excess of recognized revenue and payments received in advance of revenue recognition.

Deferred rent: Prior to January 1, 2022, the Company accounted for its operating leases in accordance with the Financial Accounting Standards Board's (the "FASB's") Accounting Standards Codification ("ASC") Topic 840, *Leases*. Accordingly, prior to 2022, the Company recognized the minimum non-contingent rents required under operating leases as rent expense on a straight-line basis over the life of the lease, commencing on the date the Company takes physical possession of the property from the landlord, with differences between amount recognized as expense and amounts actually paid recorded as deferred rent on the accompanying Consolidated Balance Sheet.

Income taxes: Prior to January 1, 2021, CF Energy Holdings was treated as a limited liability company taxed as a partnership. In addition, Coho, CNR, and Enerfi are single member limited liability companies that are considered disregarded entities for income tax purposes. Therefore, prior to 2021, the Company did not pay federal and most state income taxes on its taxable income since the tax attributes of the Company were reported on the Members' income tax returns.

Effective January 1, 2021, the Company elected to be taxed as an entity in several states, including Maryland, however for financial reporting purposes, no provision is made for the resulting state taxes in the Company's consolidated financial statements, as such taxes are deemed to be a distribution to the Company's members when paid. Such deemed distributions totaled $520,022 and $177,743, respectively for the years ended December 31, 2022 and 2021.

The Company evaluates uncertainty in income tax positions taken or expected to be taken on a tax return based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement and is recognized in the

Company's consolidated financial statements. To the extent that the Company's estimates change or the final tax outcome of these matters is different from the amounts that have been recorded, such differences will impact the income tax provision when such determinations are made. If applicable, the Company records interest and penalties as a component of income tax expense. Tax years ended December 31, 2019, through the current year remain open for examination by Federal and state tax authorities.

Revenue recognition: The Company derives its revenues primarily from consulting and solution implementation services. Revenues are recognized when control of these services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer (Step 1)
- Identification of the performance obligations in each contract (Step 2)
- Determination of the transaction price (Step 3)
- Allocation of the transaction price to the performance obligations in the contract (Step 4)
- Recognition of revenue when, or as, the Company satisfies a performance obligation (Step 5)

Consulting services:

The Company may provide one or more of the following consulting services to its customers: a detailed assessment of the customer's renewable energy ("RE") needs, the identification of potential RE solutions, development of an RE request for proposal or equivalent ("RFP"), as well as ongoing support of a customer's RE initiatives through assessments of effectiveness post implementation. The Company charges primarily fixed fees for the consulting services it performs.

Solution implementation services:

The Company assists its customers with the implementation of the RE solution(s) they select, usually after the completion of one or more consulting services. Such services include the evaluation of developers' responses to the RFP or equivalent document through to the signing of an RE purchasing contract, and helping to manage the implementation of the RE contract. The Company charges both fixed and variable fees for these services.

Under the guidance of Accounting Standards Codification 606, the Company evaluates whether it has an enforceable contract with a customer where rights of the parties and payment terms are identified, and collectability is probable.

Contract modifications are evaluated to determine whether they should be accounted for as part of the original contract or as a separate contract. The Company considers contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Contract modifications are accounted for as a separate contract if the modification adds distinct goods or services and increases the contract value by its standalone selling price. Modifications that are not determined to be a separate contract are accounted for either as a prospective adjustment to the original contract if the goods or services in the modification are distinct from those transferred before the modification, or as a cumulative adjustment if the goods and services are not distinct and are part of a single performance obligation that is partially satisfied.

The Company also evaluates if a contract has multiple promises and if the promises should be accounted for as separate performance obligations or as a single performance obligation. Multiple promises in a contract are typically separated if they are distinct, both individually and in the context of the contract. If multiple promises in a contract are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation.

The Company's services contracts frequently provide customers an option for entering into another phase to continue services to reach the end goal of implementing a full scale RE solution for the customer. The typical phases for a contract are:

Phase 0: Strategy development
Phase 1: Procurement plan and RFP development
Phase 2: Contract evaluation and selection support
Phase 3: Pre-commercial operational support
Phase 4: Ongoing operational support

While each phase depends on the completion of the prior phase(s), the options typically do not provide the customer any material rights under the contract and therefore are generally treated as separate contracts when they include distinct services at standalone selling prices, or as a cumulative adjustment when the services are not considered distinct from the previous phase. The contract is amended as the options are exercised.

Consulting services performed in Phases 0, 1 and 4 do not generally directly relate to the solution implementation services and are typically charged using fixed fees. The consulting services performed in each phase often comprise several sub-tasks which contribute to the overall objective of that phase and accordingly, each phase is generally aligned with a single performance obligation.

The Company earns both fixed fees, and a variable transaction fee for the solutions implementation services it provides and generates billings as each phase progresses.

Solution implementation services contain promised services that are highly interrelated to one another. Although each phase may provide a benefit on its own, the promised services collectively for Phases 2 and 3 combined are not separately identifiable within the context of the contract.

The Company estimates variable consideration at the most likely amount to which the Company expects to be entitled. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of whether the customer will enter into an RE purchasing contract, and the value of that contract, where the contract value typically varies based on the following criteria: contract volume (i.e. megawatt hours purchased), contract price per megawatt hour, contract term, and the Company's transaction fee percentage. The Company also considers the potential of any significant reversal of revenue. As outlined above, some of the Company's contracts contain a significant financing component, and for such contracts, the Company records an adjustment to the transaction price of the contract to reflect the associated interest income.

A contract's transaction price is allocated to each distinct performance obligation and recognized when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract. The standalone selling prices are generally based on a cost-plus margin approach.

The Company recognizes revenue on all of its performance obligations over time as there is continuous transfer of control to the customer over the contract's period of performance. Continuous transfer of control is typically supported by continuous interaction with, and regular reporting to, the customer regarding the performance of consulting or solution implementation services. Revenue recognized over time is generally based on the extent of progress towards completion of the related performance obligations. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services provided.

The Company uses an input method to measure progress. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred and effort is expended. Costs to fulfill a contract generally include direct labor, consultants' costs and other direct costs. There are no significant costs to obtain customer contracts.

Changes in estimates related to contracts are recognized in the period in which such changes are made on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a performance obligation's progress to date. A significant change in one or more estimates could affect the profitability of one or more performance obligations in a contract.

Cost of Sales

Cost of sales consists primarily of direct labor, consultants' costs, and other direct costs.

Contract Assets and Contract Liabilities

The timing of revenue recognition, billings, and cash collections result in the following contract assets and liabilities: accounts receivable, billed; accounts receivable, unbilled; and deferred revenue. Substantially all of the accounts receivable, unbilled balance at December 31, 2022 and 2021 represents revenue for solution implementation services recognized in advance of contractual billings.

Equity based compensation: The Company measures compensation expense for its Unit Appreciation Rights Plan (Note 9) for all awards issued. The value of the awards is recognized over the requisite service period, and is determined based on the fair value of the underlying equity instruments. These awards are typically settled though a cash payment to the awardee and, accordingly, are initially recorded as a liability. As the fair value of the underlying equity instruments changes, the Company adjusts the liability recorded for the awards based upon the intrinsic value of the award at the time of change.

Newly adopted accounting pronouncements: The Company adopted the FASB's ASC Topic 842, *Leases* ("ASC 842" or "Topic 842"), effective January 1, 2022 using a modified retrospective transition approach. As permitted by ASC 842, the Company elected not to reassess (i) whether any expired or existing contracts are leases or contain leases, (ii) the lease classification of any expired or existing leases, and (iii) the initial direct costs for existing leases.

The Company leases certain assets, consisting primarily of office space, and assesses at contract inception whether a contract is, or contains, a lease, based on a number of criteria including whether the contract identifies property and equipment, and whether the Company has the right to direct the use of the identified asset(s) and to obtain substantially all of the economic benefits from the use of such asset(s). The Company has elected to allocate the consideration payable under its office space lease for non-lease components, including common area maintenance and repairs, to the contract's lease component. For the year ended December 31, 2022, the Company's office lease included a single lease component.

A right-of-use asset and lease liability is recorded on the consolidated balance sheet for all leases except those with an original lease term of twelve months or less. The

Company's leases typically have lease terms between five and six years and may include one or more renewal options. At lease commencement, the Company assesses whether it is reasonably certain to exercise a renewal option, or reasonably certain not to exercise a termination option, by considering various economic factors. Options that are reasonably certain of being exercised are factored into the determination of the lease term, and related payments are included in the calculation of the right-of-use asset and lease liability.

As permitted for non-public companies, the Company has made an accounting policy election to use a risk free rate for a term commensurate with the expected lease term, to calculate the present value of lease payments as the interest rate implicit in its lease was not disclosed. Variable lease payments that are linked to a certain rate or index, such as the CPI, are included in the present value of lease payments and measured using the prevailing rate or index at lease commencement, with changes in the associated rate or index recognized in earnings during the period in which the change occurs. The right-of-use asset and lease liability are not remeasured as a result of any subsequent change in the index or rate unless remeasurement is required for another reason. Variable lease payments that are not linked to a certain rate or index are comprised primarily of operating costs.

The adoption of Topic 842 had a material impact on the Company’s Consolidated Balance Sheet due to the recognition of a right-of-use (“ROU”) asset of $988,870 and a lease liability totaling $999,295 at the adoption date. See Note 11 for new disclosures and policy information related to the Company’s leases. Because of the transition method the Company used to adopt Topic 842, Topic 842 will not be applied to periods prior to adoption and the adoption of Topic 842 had no impact on the Company’s previously reported results, or on opening equity at January 1, 2022.

Subsequent events: Management has evaluated subsequent events for disclosure in these consolidated financial statements through January 27, 2023, which is the date the consolidated financial statements were available to be issued.

2. Intangible assets

The Company’s intangible assets are comprised of the following at December 31, 2022:

	Value	Accumulated Amortization	Net
Customer relationships	$ 680,000	$ (50,923)	$ 629,077

Expected amortization for the years ended December 31, 2023 and 2024 is $226,667 and expected amortization for the year ended December 31, 2025 is expected to be $175,743.

3. Revenue from contracts with customers

Disaggregation of Revenues: The Company disaggregates revenue by service line as the nature, timing, and uncertainty of the revenues and cash flows for each service line has similar characteristics.

Disaggregated revenue by type of service line was as follows:

	2022	2021
Climate	**$ 2,958,378**	$ 1,735,593
Renewable energy	**11,244,830**	10,598,971
Water	**1,264,430**	324,250
Total	**$ 15,467,638**	$ 12,658,814

Contract balances: Accounts receivable, billed include billed amounts related to services provided to customers. Contract assets include accounts receivable, unbilled. Contract liabilities include amounts paid by customers for which services have not yet been provided and are included in deferred revenue. The balances of accounts receivable, billed; accounts receivable, unbilled; and deferred revenue as of December 31, 2020 totaled $449,342, $9,530,784, and $54,653, respectively.

4. Concentrations

During the year ended December 31, 2022, two customers generated approximately 44% of total revenue. Associated receivables from these customers were approximately 42% of total receivables at December 31, 2022. During the year ended December 31, 2021, one customer generated approximately 50% of total revenue. Associated receivables from this customer represented approximately 51% of total receivables at December 31, 2021.

5. Property and equipment

Property and equipment consists of the following at December 31,

	2022	2021
Furniture and fixtures	**$ 157,291**	$ 171,543
Machinery and equipment	**46,549**	43,840
Total	**203,840**	215,383
Less: Accumulated depreciation	**(86,978)**	(98,774)
Net	**$ 116,862**	$ 116,609

6. Note payable

The Company entered into a senior secured note agreement (the “loan agreement”) with a third party lender, whereby the Company borrowed $2,250,000 under a term loan. The loan was due to mature on October 23, 2023, with all remaining principal and interest to be repaid by that time. The loan was secured by substantially all assets of the Company, and incurred interest at 10% per annum. The Company was required to make equal quarterly payments of principal and interest commencing January 2020, based on the outstanding loan balance. The Company was permitted to prepay the loan in whole or in part at any time. In 2021, the Company repaid the loan in full.

In addition, the Company was required to make additional repayments equal to 75% of cash proceeds from any development fees (i.e. transaction fees) it earned related to projects completed with the third party lender, as specified in the loan agreement. With effect from the quarter commencing July 1, 2019, the loan agreement contained a senior leverage ratio covenant, calculated as the outstanding principal and interest under the loan, divided by the Company's consolidated earnings before interest, tax, depreciation and amortization expense ("EBITDA"), with a different "not-to-exceed" ratio for each quarter thereafter. The loan agreement also provided for the Company to meet a consolidated EBITDA target, calculated on a trailing four-quarter basis for each quarter from December 31, 2018 onwards. The Company incurred deferred financing costs totaling $289,148 in obtaining this loan. Interest expense, excluding the amortization of deferred financing costs and accrued exit fee interest, incurred under this loan during the year ended December 31, 2021 was $93,592.

Concurrent with entering into the loan agreement, the Company also entered into an Exit Fee Agreement with the same lender, whereby the Company is required to pay the lender an exit fee of $3,800,000, in five equal annual installments of $760,000, with the first installment payable on October 25, 2024. The payment of the exit fee is accelerated upon the occurrence of certain events, including a sale, merger or dissolution of the Company. The exit fee is deemed to be additional interest expense incurred in obtaining the senior secured note. The Company has determined the present value of the five future exit fee payments, as of October 2023, the scheduled end of the loan term, to be approximately $2,881,000, and is accruing this interest expense using the effective interest method over the five year original term of the senior secured note. From October 2023 until the payment of the five exit fee installments is made, the accrued $2,881,000 exit fee will be accreted up to the nominal payments to be made at the Company's estimated borrowing cost during that period of 10% per annum. The Company's early repayment of the loan has not changed the repayment dates of the exit fee or the accretion schedule. At December 31, 2022 and 2021, the Company had accrued an exit fee liability of $2,719,252 and $2,317,095, respectively.

In October 2020, the Company entered into an amendment with the lender to allow the Company to prepay the exit fee at any time prior to June 30, 2022. The payment due under this arrangement would be equal to the total cash payments due in accordance with the original agreement discounted at 15% per annum. This amendment has been treated as a debt modification and did not change the carrying value of the associated liabilities. The Company did not elect to prepay the exit fee prior to June 30, 2022, and the prepayment option has lapsed.

7. Notes payable – related parties

Under multiple note agreements, the Company borrowed cash from one of its members and his spouse. The notes are unsecured and bear interest at rates ranging between 8% and 13% per annum with interest paid monthly in arrears. In October 2018, the terms of these notes were extended to mature on January 24, 2024, at which time the entire principal balance is due. The outstanding principal balance on these promissory notes at December 31, 2022 and 2021 was $625,000. Interest incurred on these notes during each of the years ended December 31, 2022 and 2021 was $71,250.

In April 2018, the Company borrowed $400,000 under a promissory note with the trust of a family member of one of its members. The promissory note is unsecured and incurs interest at 9% per annum paid monthly. After several extensions, the promissory note is due to mature on January 24, 2024. The outstanding principal balance on the promissory note at December 31, 2022 and 2021 was $400,000. Interest expense incurred under this promissory note during each of the years ended December 31, 2022 and 2021 was $36,000.

8. Paycheck Protection Program loan

In April 2020, the Company received a loan in the amount of $930,295, pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP loan had a two-year term and bore interest at a rate of 1.00% per annum. Monthly principal and interest payments were deferred for six months after the date of disbursement. The PPP loan could be prepaid at any time prior to maturity with no prepayment penalties. The CARES Act provides that the PPP loan could be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. The Company applied for and received forgiveness in 2021 and the corresponding amounts forgiven are included in gain on debt extinguishment on the Consolidated Statement of Income for the year ended December 31, 2021.

9. Equity-based compensation

Effective November 2014, the Company established the CustomerFirst Renewables, LLC 2014 Unit Appreciation Rights Plan (the "Plan") to attract, retain and reward employees and directors who will contribute to the Company's long-term success. Under the Plan, the Company may grant unit appreciation rights ("UARs") to employees and directors at the sole discretion of the Company's board of directors or a committee established to administer the Plan (the "Committee"). Awards of UARs generally vest over a four year period, with the awardee qualifying for a cash payment equal to the net appreciation of the vested UARs as of the 'distribution date' (typically, the fifth anniversary of the grant date). The awards are paid out in cash in five equal, annual installments commencing with the first March 1st that is at least 30 days after the distribution date. The award of a UAR does not entitle the holder to a current or future equity stake in the Company.

The net appreciation of each UAR is calculated as the excess of the fair market value of the UAR, if any, at the measurement date, over the base value of such UAR, with the base value being set equal to the fair market value of a Class A Unit of the Company at the UAR grant date. The cumulative compensation cost at each balance sheet date is calculated as the total number of vested UARs multiplied by the net appreciation of each UAR. The compensation cost for each reporting period equals the change in the cumulative compensation cost since the previous reporting period.

As of December 31, 2022, 404 UARs were issued and outstanding, 330 of which were vested. As of December 31, 2021, 428 UARs were issued and outstanding, 325 of which were vested. As of December 31, 2021 the Company had recorded cumulative UAR compensation expense totaling $433,658, which included an $891 reduction in the liability during the year ended December 31, 2021. The recorded liability at December 31, 2021 totaled $415,024, which comprised the cumulative compensation expense to date, less $18,634 of payments made to vested UAR holders. As of December 31, 2022 the Company has recorded a cumulative UAR compensation expense totaling $344,381, which included an $89,277 benefit during the year ended December 31, 2022. The recorded liability at December 31, 2022 totaled $301,970, which comprises the cumulative UAR liability of $344,381, less cumulative payments of $42,411, including $23,777 during the year ended December 31, 2022. Approximately $20,000 of the UAR payments made during the year ended December 31, 2022 were offset against balances owed to the Company for the issuance of Class A Units to three members (Note 10). The compensation benefits recorded for the years ended December 31, 2022 and 2021, are primarily due to changes in the intrinsic value of the UARs and forfeitures, respectively.

10. Repurchase and contributions of members' equity

In September 2022, a member of the Company sold 947 Class A Units, comprising his entire equity interest, back to the Company, in exchange for consideration totaling $3,050,786. In accordance with the Company's limited liability agreement, this consideration will be paid in four equal annual instalments of $762,696.50 payable on December 31, 2023, 2024, 2025 and 2026. The non-current portion of the liability has been recorded at its discounted present value of $2,079,461 in the accompanying Consolidated Balance Sheet.

In October 2022, the Company issued 1,067 Class A Units to a new member in exchange for the contribution of customer relationships with a fair value of $680,000 (Note 2) and a promissory note with a principal balance of $2,720,000. The promissory note bears interest at 3.25% per annum with no interest or principal payments required until October 2027. The promissory note, and accrued interest totaling $20,136, have been recorded as contra-equity at December 31, 2022.

Effective January 1, 2022, the Company issued a total of 315 Class A Units to three new members for cash consideration of approximately $451,000 and notes receivable of approximately $209,000. The Company and each new member have agreed that the balances payable under the notes receivable will be reduced as each member accrues a receivable from the Company under the UAR Plan (Note 9). The receivables due from each member have been recorded as contra-equity and had an aggregate value of $188,670 at December 31, 2022.

11. Retirement plan

The Company sponsors a 401(k) plan for all eligible employees. Participating employees may voluntarily contribute up to statutory limits. The Company made matching or discretionary contributions for the years ended December 31, 2022 and 2021 of $179,896 and $152,259, respectively.

12. Operating leases

As of and for the year ended December 31, 2022, the components of total lease cost and other supplemental lease information from the adoption of ASU No. 2016-02, *Leases (Topic 842)* are presented in the following tables:

		For the year ended December 31, 2022
Components of lease cost:		
Operating lease costs	$	188,635
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	48,998
Lease liabilities arising from ROU assets (subsequent to adoption):		
Operating leases	$	-

Weighted average remaining lease terms and discount rates are presented in the following table:

Weighted average remaining lease term (in years):	4.75 Years
Weighted average discount rate (annual):	1.62%

The Company leased office space in Gaithersburg, Maryland under a non-cancelable operating lease. During 2021 the Company signed a termination agreement with the landlord resulting in the lease expiring in February 2022. The Company also rented additional office space in the same location on a month-to-month basis. The Company was required to pay a variable amount of additional rent for its proportionate share of the landlord's operating expenses.

During August 2021 the Company entered into a lease for office space in Bethesda, Maryland under a non-cancelable lease scheduled which commenced in March 2022, and ends in September 2027.

At December 31, 2022, the scheduled future maturities of lease liabilities under these arrangements are as follows:

Year Ending December 31,		
2023	$	200,073
2024		205,075
2025		210,202
2026		215,457
2027		165,407
Total payments:		996,214
Less: imputed interest		(34,980)
Present value of lease liabilities	$	961,234

Lease expense, including month-to-month or other short term leases, was $188,635 and $178,916 for the years ended December 31, 2022 and 2021, respectively.

13. Commitments and contingencies

During the year ended December 31, 2020, the Company issued options to a consultant under which he may purchase up to 5% of the Company's Class A Units. The options are only exercisable in the event that certain performance milestones are met. As of December 31, 2022, the milestones are not deemed probable of being met and the exercise price has not been established. Accordingly, the Company has not recognized any compensation expense related to this arrangement.

Competitive Retail Electric Service Affidavit

County of _______________ :

State of _______________ :

C. Alan Zang, 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.

Managing Partner

Signature of Affiant & Title

Sworn and subscribed before me this 12th day of February, 2024
Month Year

02/12/24

~~Signature of official administering oath~~

Thais Farias / Notary Public
Print Name and Title

THAIS E FARIAS
NOTARY PUBLIC
MONTGOMERY COUNTY
MARYLAND
My Commission Expires 10-06-2026

My commission expires on 10-06-26

Coho Climate Advisors

Confidential

Ohio Retail Energy Forecast

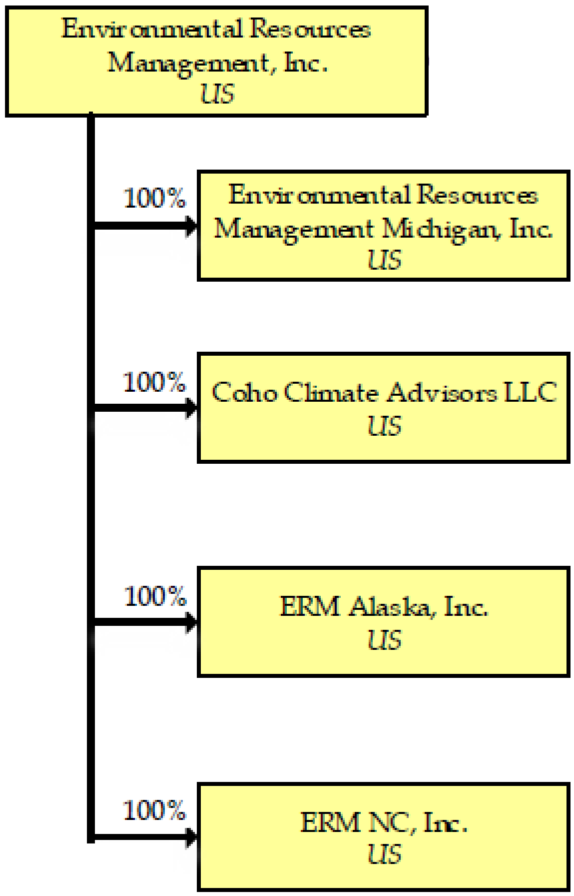
Note: This forecast is based solely on Ohio business activities only

Preparer: C. Alan Zang, SVP Finance & Operations, azang@cohoclimate.com

	2024	2025	2026	Total 3 Yr
Revenue	58,000	60,900	63,945	182,845
Expenses	41,000	41,000	41,000	123,000
Net Income	17,000	19,900	22,945	59,845
Margin	29%	33%	36%	33%

List of Assumptions Used to Generate Forecast:

- 2 contracts for gas brokerage generating $2,500 per year for each contract
- 5 contracts for electric brokerage generating $53,000 per year in total
- 5% annual increases in prices
- Bottoms-up build of staffing and hours required to service the accounts and fulfill the scope of work requirements


Environmental Resources Management, Inc.
US
100%
Environmental Resources Management Michigan, Inc.
US
100%
Coho Climate Advisors LLC
US
100%
ERM Alaska, Inc.
US
100%
ERM NC, Inc.
US