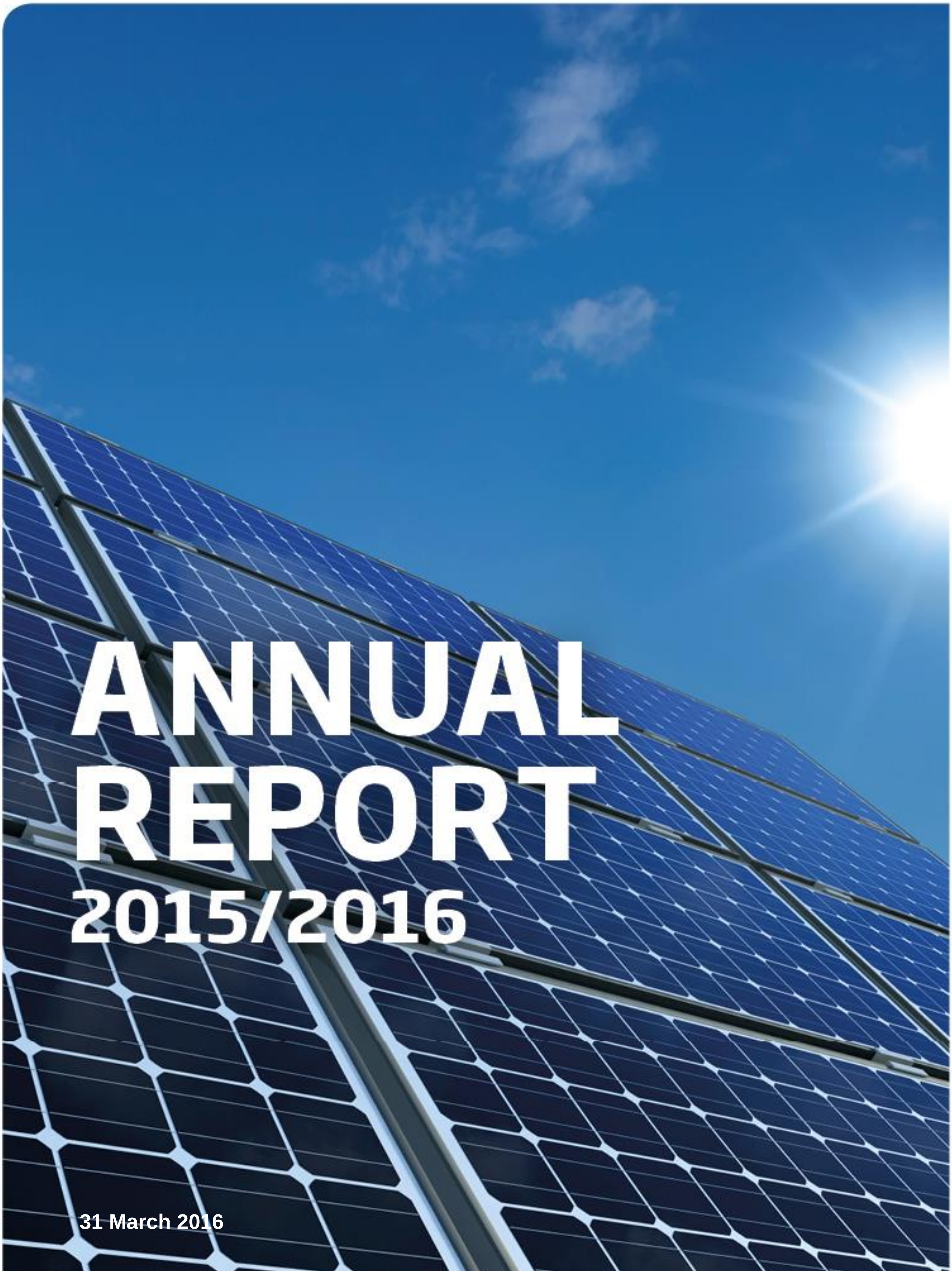

ANNUAL REPORT 2015/2016

31 March 2016

ECOHZ Origin Matters

Report from the Board of Directors 2015/2016

1. Background and history

ECOHZ AS was founded on 8 October 2002. On foundation the company's name was Enviro Energi ASA, but this was changed to ECOHZ ASA in February 2007. The company changed its legal structure to a limited company (an AS) at an Extraordinary General Meeting on 11 October 2007.

2. The company's business

ECOHZ's business concept is to offer renewable energy, documented by means of Guarantees of Origin, to electricity suppliers, businesses and organisations. In 2015/2016, together with international partners, the company established a homogeneous and global solutions portfolio aimed at international businesses. In addition to supplying Guarantees of Origin in Europe, the company now also delivers renewable electricity with documented RECs in the USA, and International RECs (I-RECs) in selected Asian markets.

In 2015 ECOHZ made history by becoming the first company to sell and deliver I-RECs. The first deliveries were made to two large multinational companies, and included I-RECs from Taiwan and China. The company has also established itself as a market leader by developing a portfolio of new power plants in emerging I-REC markets in Asia, South and Central America, the Middle East and Africa.

The year under review was a breakthrough year for the company's new and innovative product GO^2. This product is based on Guarantees of Origin, and links payment flows directly with the financing of new power plants. GO^2 is aimed at large businesses looking to boost their offerings to encompass more than simply the purchase of documented renewable electricity. GO^2 has been recognised by a number of prominent NGOs, and the first commercial agreements were signed in 2015. A portfolio of new renewable projects has been established localised in Sweden, Ireland and Norway. Three projects are currently receiving GO^2 top-up financing, with construction due to start in 2016.

The company also participates actively in the Norwegian-Swedish green electricity certificate market and has successfully adopted a clear market position.

The continued use of fossil fuels to generate electricity is contributing to an increase in both local and global greenhouse gas emissions, and thus to global warming. Viewed in a climate change context, energy consumption frequently represents businesses' largest single contribution to greenhouse gas emissions. Electricity generated from renewable energy sources such as hydropower, solar power, wind power, geothermal heating, and biomass can play an important role in reversing this situation.
ECOHZ documents that electricity is generated from renewable energy sources. ECOHZ also guarantees that payments for electricity with Guarantees of Origin go back to the producers, thus giving them an incentive to continue to develop and increase their production of renewable energy.

ECOHZ has focused on securing increased traceability and improved documentation in connection with the purchase of electricity with Guarantees of Origin, and has established a broad product portfolio. ECOHZ's portfolio includes Guarantees of Origin from more than 200 power plants, based on fixed supplier agreements with over 20 power producers. Many of the power producers are based in Norway; however, ECOHZ has gradually increased its offering of renewable electricity from power plants located in other European countries. The portfolio comprises renewable electricity generated from hydropower, wind power, biomass, solar power and geothermal sources. ECOHZ also offers renewable energy from environmentally certified power plants.

The company's distribution strategy is primarily geared to reaching businesses through a reseller network. The company has around 70 active resellers in 14 countries, including Norway. In a parallel development, ECOHZ has established a clearer profile and ramped up its focus on direct communication with major international businesses.

The company's strategy is underpinned by the establishment and use of professionally documented methods and being perceived as "reliable, quality-conscious and thorough" by the market and relevant expert bodies.

The company is already one of Europe's leading companies within the sale and delivery of renewable energy with Documents of Origin. For ECOHZ, being a leading company means: 1) being the market leader in selected markets, 2) offering a complete range of products, and 3) gaining high levels of recognition among customers, NGOs and authorities.

The company has also set itself the objective of becoming a global leader – and continuing to deliver a homogeneous portfolio of renewable solutions to an international business market.

3. Framework conditions and market development

Renewable electricity documented by means of Guarantees of Origin is one of a number of instruments supported in the EU's Renewable Energy Directive of 2009. The system is being adopted by a steadily increasing number of countries, and a range of initiatives exist to promote increased harmonisation and to strengthen the position of the system.

Due to the lack of sufficient international political initiative, a great deal of the responsibility for ensuring sound environmental solutions has been indirectly entrusted to individual countries and regions, as well as to ambitious companies and organisations. The importance of finding solutions that reduce global warming has not diminished. Within this picture, energy is key, and replacing fossil sources with clean, renewable energy sources is absolutely vital. In order for this to be achieved, a broad menu of solutions and instruments – both technical and financial – is needed. Renewable energy with Guarantees of Origin is one of many such instruments, and one which by 2015/2016 had become a well-established and accepted system among European customers and stakeholders.

Growth in the market for electricity with Guarantees of Origin
The market for electricity with Guarantees of Origin is continuing to grow. This is reflected in both Norwegian statistics and European figures. The market also experienced periods of volatility in the year under review; however, prices remained more stable than in previous years, and rose over the course of the year. Demand for renewable electricity with Guarantees of Origin – in particular from businesses – increased significantly during the year and the total for the European market now comprises around 450 TWh. Following many years of certificate surpluses, the market was more balanced in 2015/2016.

A similar trend can be seen in countries and regions outside Europe, resulting in the establishment of similar systems. In these markets too, the largest businesses are responsible for the lion's share of demand.

Global accounting standards for greenhouse gas emissions
Greenhouse Gas Protocol (GHG-P) is the leading international standard governing presentation of business' accounting for greenhouse gas emissions. The GHG-P is run by the World Resource Institute (WRI) in the USA, and the World Business Council for Sustainable Development (WBCSD) in Geneva. In 2015 GHG-P published an updated corporate standard for energy consumption, which specifically highlighted the use of Guarantees of Origin, RECs and I-RECs. This has played a key role in generating further demand for documented renewable electricity. A number of other international NGOs, such as CDP, have highlighted the importance of using established systems, with ensuing benefits for the market.

EU setting the agenda
In 2014 the EU adopted new legislation for corporate social responsibility (CSR). The draft legislation imposes extra accounting responsibility, including reporting of energy consumption, on around 6,000 businesses in the EU. The legislation enters into force from 2016.

The EU is also currently reviewing how climate and energy policy should be formulated after 2020, and in the period leading up to 2030. A framework and target figures for greenhouse gas emissions, renewable energy shares and energy-efficiency improvements were launched, discussed and adopted in 2014. The EU has also established the "Energy Union" concept, which is intended to construct a transparent and more dynamic energy market. The Energy Union is an ambitious project, which requires increased coordination at

European level. A key element of the EU's strategy involves "empowering consumers", which in practice means providing energy purchasers with genuine choices.

A Norwegian perspective
The Norwegian-Swedish joint electricity certificate market has now been operational for four years. The market is currently characterised by low liquidity. Over time, market prices have been too low to trigger the planned new power projects. Persistent low power prices and stagnating consumption are resulting in the postponement or cancellation of many Norwegian renewables projects. A relatively high degree of uncertainty attaches to the development of the market for electricity certificates, and the effect this will have on the future construction of new wind power and hydropower projects.

With the exception of offshore power generation, more than 98 per cent of Norwegian power is produced from renewable energy sources. In 2015, total renewable energy production in Norway amounted to 143.4 TWh, compared with 142.3 TWh in 2014. Of this volume, 134.7 TWh was certified as electricity with Guarantees of Origin, and an approximately similar volume was sold in Norway or exported to European markets.

Norway is part of the common EU/EEA electricity market, which means that Norwegian power producers are able, through the sale of Guarantees of Origin, to sell the renewable energy to power suppliers and consumers throughout the entire European market. Norwegian electricity suppliers who do not purchase Guarantees of Origin to document their power products are required to refer to a product declaration for the residual mix for Norwegian electricity, which is calculated annually by the Norwegian Water Resources and Energy Directorate (NVE). NVE will publish the product declaration for Norwegian electricity without Guarantees of Origin in 2015 in May/June 2016. Based on provisional figures, it is estimated that the percentage of renewable energy will remain low. The share of renewable energy of unspecified origin supplied in Norway was 9 per cent in 2014 and 13 per cent in 2013.

4. Ownership and equity information

At the reporting date, the company had the following shareholder structure:

Home Capital AS	50.91 %
TrønderEnergi Kraft AS	12.44 %
Eidsiva Vannkraft AS	12.44 %
Nordisk Industriutvikling AS	11.77 % (100 % Ove Gusevik)
Troms Kraft Handel AS	9.95 % (100 % Troms Kraft AS)
Troms Kraft AS	2.49 %

5. Income statement and balance sheet

In 2013 ECOHZ changed its accounting year-end from 31 December 2013 to 31 January 2014. The accounting year was changed in order to improve the quality and accuracy of the annual financial statements and avoid major estimate-based items. The company believes that this in turn will improve the quality of information for users of ECOHZ' annual financial statements.

ECOHZ's annual financial statements for 2015/2016 therefore cover the period from 1 February 2015 to 31 January 2016. Total sales climbed from NOK 158.7 million in 2014/2015 to NOK 186.7 million in 2015/2016. The profit for the year rose from NOK 1.5 million in 2014/2015 to NOK 6.9 million in 2015/2016.

	2005	2006	2007	2008	2009	2010	2011	2012	2013/ 2014	2014/ 2015	2015/ 2016
Revenue	7,7	10,4	21,2	42,6	60,7	75,7	120,9	150,7	147,1	158,7	186,7
Profits after tax	-1,4	-0,6	-1,3	-6,2	5,4	5,3	8,3	7,0	1,8	1,5	6,9

At the end of the accounting year, total assets amounted to NOK 84.6 million, compared with NOK 68.5 million the previous year. At the reporting date, the equity ratio was 30.6 per cent, compared with 34.9 per cent as of 31 January 2015.

The company's liquidity position at the balance sheet date is deemed to be satisfactory. Total liquidity less restricted funds plus an unutilised overdraft facility of NOK 5.0 million amount to NOK 18.1 million. Furthermore, total current liabilities of NOK 57.8 million are fully covered by outstanding trade receivables of NOK 56.7 million and other current receivables of NOK 8.0 million.

The net cash outflow from operating activities was NOK -1.3 million, which is NOK 12.6 million lower than the operating profit for the period. The difference is attributable to net financial items of NOK 1.7 million and significant changes in trade receivables, trade payables and other accruals and prepayments on the back of higher activity levels.

The board is of the opinion that the company satisfies the going concern assumption.

6. Operational risk

A total of 84.3 % of ECOHZ's sales are generated in foreign currency. The company's results are subject to only limited foreign exchange risk due to the fact that most purchases and sales are made in the same currency, and the fact that our suppliers take changes in exchange rates into account when setting prices.

In order to reduce the company's credit risk and liquidity risk, the company endeavours to make part-deliveries on large-scale contracts and customer relationships. This permits the company to resell to a greater extent should this be required.

The company's development is to a large extent contingent on possessing outstanding expertise in trading, markets and framework conditions for renewable energy and climate issues.

7. Research and development

In 2015/2016 ECOHZ did not carry out any activities or make any investments relating to research and development.

8. Board and employees etc.

The board comprises a total of five members, one of whom is a woman. Two observers also sit on the board.

The company's Managing Director is Tom Lindberg. At the end of the year, the company employed 15 staff, five of whom were women. The company's recruitment and salary policies are gender-neutral, and the company continually strives to promote equality and equal opportunities among its employees. New staff are recruited on the basis of individual expertise.

The company employed 13.5 full-time equivalents in 2015/2016.

The company operates its business from leased premises in Oslo, Norway, and has also established a branch in Nyon, Switzerland.

9. Corporate social responsibility and HSE

ECOHZ takes social responsibility seriously, and believes there to be a clear correlation between the way a company is run and its relationship with society as a whole.

The company has an active environmental policy, which is also of importance for the company's external profile. The company does not pollute the external environment through direct emissions, but does generate indirect greenhouse gas emissions through business travel, energy consumption and waste management.

ECOHZ has an established environmental policy:

ECOHZ AS is committed to being a driving force behind activities that minimise environmental impact, locally and globally.

ECOHZ shall take particular responsibility for communicating by its own actions the need for – and benefits of – carrying on commercial activities in a sustainable manner.

Sustainability shall have a key influence on all decision-making within the organisation.

Prioritising sustainability shall secure ECOHZ a long-term competitive advantage and motivate customers' choice of partner.

ECOHZ shall comply with, and where possible exceed, minimum requirements as set out in relevant environmental legislation and regulations.

The company has defined targets and action plans covering areas including energy consumption, purchasing and consumption, waste/cleanliness and employees' business travel.

In addition, the company purchases renewable power with Guarantees of Origin.

The company works actively on health, safety and environment issues (HSE). The company has defined three target areas: 1) acute illness/first aid, 2) the psychosocial environment and 3) fire safety. Regular HSE meetings are held and agreed activities are followed up.

At 4.9 %, the sickness absence rate in 2015/2016 was unchanged from the previous year. Of this figure, 4.6 % is related to long-term absence.

10. Outlook

Problems arising from climate change are increasing in scope, and there is a growing recognition that more people need to take responsibility for seeking to solve climatic problems. To an increasing extent, this is a question of ethical choice, but it is also an area which impacts the competitiveness of individual businesses.

ECOHZ is very favourably positioned, and is experiencing growing demand for renewable energy with Guarantees of Origin. At the same time, the company is attracting increasing attention, and experiencing ensuing increased competition.

The company is in a rapid growth phase and is suitably staffed with highly skilled employees. Consequently, the company is well placed to enjoy a successful future.

11. Appropriation of the profit for the year

The board recommends to the Annual General Meeting that the profit for the year be appropriated as follows:

Proposed dividend:	NOK 5,000,000
Transferred to other equity:	NOK 1,914,727
Total appropriations:	NOK 6,914,727

Date, 31 March 2016

Bente Rathe, Board chair	Kenneth Andersen
Ove Gusevik	Bernhard Kvaal
Stig Morten Løken	Tom Lindberg

Income statement 1 February 2015 – 31 January 2016

ECOHZ AS

	Note	1.2.2015 - 31.1.2016	1.2.2014- 1.1.2015
Sales revenues		186 622 948	158 516 353
Other operating revenues		121 520	138 054
Total operating revenues	2, 15	**186 744 468**	**158 654 407**
Cost of goods sold	15	(148 237 422)	(128 095 657)
Salaries and payroll costs	3, 6, 8	(20 094 482)	(19 291 260)
Depreciation of property, plant and equipment	4	(120 573)	(222 369)
Other operating expenses	3, 7, 8, 13	(7 064 399)	(7 358 370)
TOTAL operating expenses		**(175 516 876)**	**(154 967 656)**
Operating profit		**11 227 592**	**3 686 750**
Other financial income		235 931	251 591
Other financial expenses		(1 911 830)	(1 890 175)
Profit on ordinary activities before tax		**9 551 693**	**2 048 166**
Tax expense	10	(2 636 966)	(567 758)
Profit on ordinary activities		**6 914 727**	**1 480 408**
Profit for the year		**6 914 727**	**1 480 408**
Transfers			
Proposed dividend		5 000 000	
Other equity		1 914 727	1 480 408
Total		**6 914 727**	**1 480 408**

Balance sheet as of 31 January 2016
ECOHZ AS

	Note	31.01.2016	31.01.2015
ASSETS			
Non-current assets			
Intangible assets			
WEB – Company website	4	0	33 333
Deferred tax asset	10	300 815	807 505
Total intangible assets		**300 815**	**840 838**
Property, plant and equipment			
Tangible operating assets, furniture, etc.	4	182 402	98 383
Total property, plant and equipment		**182 402**	**98 383**
Non-current financial assets			
Investments in shares and shareholdings		185 312	185 312
Total non-current financial assets		**185 312**	**185 312**
Total non-current assets		**668 529**	**1 124 533**
Current assets			
Inventories	5	**5 524 438**	**5 679 973**
Receivables			
Trade receivables	13	56 675 686	39 867 968
Other receivables		7 994 670	6 630 403
Total receivables		**64 670 356**	**46 498 371**
Bank deposits, cash and cash equivalents	9	**13 733 950**	**15 246 552**
Total current assets		**83 928 744**	**67 424 896**
Total assets		**84 597 273**	**68 549 429**

Balance sheet as of 31 January 2016
ECOHZ AS

	Note	31.01.2016	31.01.2015
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital (256,549 shares at NOK 25.00/share)	12	6 413 725	6 413 725
Share premium account		2 586 300	2 586 300
Total paid-in equity		**9 000 025**	**9 000 025**
Retained earnings			
Other equity		16 872 236	14 957 509
Total retained earnings		**16 872 236**	**14 957 509**
Total equity	11	**25 872 261**	**23 957 534**
Liabilities			
Provisions			
Pension liabilities	6	882 802	180 367
Total provisions		**882 802**	**180 367**
Current liabilities			
Trade payables		30 392 559	28 111 352
Public charges payable		597 532	951 586
Tax payable	10	2 107 158	1 347 132
Proposed divided	11	5 000 000	0
Other current liabilities	14	19 744 961	14 001 458
Total current liabilities		**57 842 210**	**44 411 528**
Total liabilities		**58 725 012**	**44 591 895**
Total equity and liabilities		**84 597 273**	**68 549 429**

OSLO, 31 March 2016
ECOHZ AS

Bente Rathe Chairman of the board	Ove Gusevik Board member	Stig Morten Løken Board member
Kenneth Andersen Board member	Bernhard Kvaal Board member	Tom Lindberg Managing Director

ECOHZ AS

STATEMENT OF CASH FLOW	31.01.2016	31.01.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9 551 693	2 048 166
Taxes paid for the period	-1 370 246	-336 000
Profit/loss on sale of non-current assets	0	0
Depreciation, amortisation and impairments	120 572	222 369
Change in inventories	155 535	-4 489 743
Change in trade receivables	-16 807 718	494 202
Change in pension liabilities	702 435	-897 738
Change in trade payables	2 281 207	8 780 711
Change in other accruals and prepayments	4 025 179	-3 451 057
Net cash flow from operating activities	-1 341 343	2 370 910
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for investments in property, plant and equipment	-171 259	-60 800
Payments for purchase of securities	0	-185 312
Receipts from sale of securities	0	0
Net cash flow from investing activities	-171 259	-246 112
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of dividends	0	0
Net cash flow from financing activities	0	0
Total change in cash and cash equivalents	-1 512 602	2 124 798
Cash and cash equivalents, 1 February	15 246 552	13 121 754
Cash and cash equivalents 31 January 2016	**13 733 950**	**15 246 552**

Note 1 Accounting policies

The annual financial statements have been prepared in accordance with the requirements of the Norwegian Accounting Act and generally accepted accounting practice.

Use of estimates
The preparation of these financial statements is in accordance with the use of estimates as required by the Norwegian Accounting Act. The same Act also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas which make extensive use of judgements, involve a high degree of complexity, or areas where assumptions and estimates are material to the financial statements are described in more detail in the notes.

Sales revenues
Revenues on the sale of Guarantees of Origin and green electricity certificates are measured as the fair value of the consideration received, net of VAT, returns, rebates and other discounts. Sales of Guarantees of Origin and electricity certificates are recognised when the company has delivered the products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the delivery. Deliveries are not considered to be complete before the products are transferred to the customer, redeemed or put on the customer's account for later redemption and thus the risk is transferred to the customer.

Classification of balance sheet items
Assets intended for permanent ownership or long-term use, are classified as non-current assets. Assets related to goods circulation are classified as current assets. Receivables are otherwise classified as current assets if they are to be repaid within one year. Corresponding analogue criteria have been used for the classification of liabilities. First-year repayments on long-term receivables and liabilities are, however, not classified as current assets and current liabilities.

Cost
The cost of an asset comprises its purchase price, less bonuses, discounts, etc., and plus purchase costs (shipping, import duties, non-refundable government taxes and other direct acquisition costs). For acquisitions denominated in a foreign currency, the asset is recognised in the balance sheet at the exchange rate on the transaction date. For property, plant and equipment and intangible assets, cost also includes expenses directly attributable to preparing the asset for use, for example, the cost of testing an asset.

Intangible assets
The expenses associated with intangible assets are recognised in the balance sheet to the extent that a future financial benefit can be identified as deriving from the development of an identifiable intangible asset and the expenses can be reliably measured. Otherwise costs are expensed on an ongoing basis. Development costs recognised in the balance sheet are amortised on a straight-line basis over useful economic lifetime.

Property, plant and equipment
Property, plant and equipment is recognised in the balance sheet and depreciated on a straight-line basis to residual value over the operating assets' expected economic lifetimes. In the event of changes to the depreciation plan, the impact is distributed over the remaining period of depreciation ("break-even method"). Maintenance costs for operating assets are expensed as incurred as operating expenses. Additions and improvements are added to the cost price of the operating asset and depreciated at the same rate as the asset. The distinction between maintenance and additions/improvements is determined in relation to the condition of the asset at the original purchase date.

Impairment of non-current assets
Impairment tests are performed if it is indicated that the carrying amount of a non-current asset exceeds the estimated fair value. The test is performed on the lowest level of non-current assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less selling costs and the recoverable amount (net present value of future use/ownership), the asset is written down to the higher of fair value less selling costs and the recoverable amount.

Previous impairments, with the exception of the impairment of goodwill, are reversed at a later period if the conditions causing the impairment are no longer present.

Inventories
Inventories are measured at the lower of purchase price (following the FIFO principle) and fair value. Fair value is the estimated selling price less costs of sale.

Receivables
Trade receivables are recognised in the balance sheet at nominal value after deduction of provisions for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each receivable. In addition, a general provision is recognised for other expected losses. Material financial problems at the customer, the likelihood that the customer will file for bankruptcy or undergo financial restructuring, or delay or default on payments are deemed to represent indicators that customer receivables need to be written down.

Other receivables, both current assets and operating assets, are recognised at the lower of nominal value and fair value. Fair value is the present value of expected future payments. However, when the effect of write-downs is immaterial for accounting purposes they are not recognised. Provisions for bad debts are valued the same way as for trade receivables.

Foreign currency
Receivables and liabilities in foreign currencies are valued at the exchange rate at the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating revenues and cost of goods sold.

Liabilities
Liabilities, with the exception of certain provisions, are recognised in the balance sheet at their nominal amount.

Pensions
The company has various pension plans. The plans are funded through payments to insurance companies. The company operates both defined-contribution and defined-benefit plans.

Defined-contribution plans
For defined-contribution plans, the company pays contributions to an insurance company. The company has no further payment obligations once the contributions have been paid. Contributions are recognised as payroll expenses. Any prepaid contributions are recognised as an asset (pension assets) to the extent that a cash refund or a reduction in the future payments is available.

Defined-benefit plans
A defined-benefit plan is a pension scheme that is not a defined-contribution plan. A defined-benefit plan is normally a pension scheme that defines the benefit an employee will receive on retirement. Pension payments are normally dependent on several factors such as age, number of years' service with the company and salary. The liability recognised in the balance sheet in respect of defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period less the fair value of pension assets (amount paid to an insurance company), adjusted for non-recognised estimate deviations non-recognised past-service costs. The pension liability is calculated annually by an independent actuary using a linear accrual method.

Changes to the pension plan are expensed over the expected remaining vesting period. The same applies to estimate differences due to new information or changes in the actuarial assumptions, if these exceed 10 per cent of the larger of the pension liabilities and pension funds (corridor method).

Taxes
The tax expense in the income statement comprises tax payable and changes in deferred tax for the period. Deferred tax is calculated at prevailing tax rates based on temporary differences which exist between book and tax values, as well as any tax-written-down losses which are carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are offset. Deferred tax assets on net tax-reducing differences which have not been eliminated and tax loss carryforwards are based on estimated future earnings. Deferred tax liabilities and deferred tax assets which can be shown in the balance sheet are presented net. Deferred tax is recognised at its nominal amount.

Statement of cash flow
The statement of cash flow has been prepared in accordance with the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other current investments which immediately and with minimal exchange risk can be converted into known cash amounts, and have a remaining maturity of less than three months from the purchase date.

Note 2 Operating revenues by country

Operating revenues	2015/2016	2014/2015
Norway	50,418,536	49,299,536
Sweden	47,342,019	23,498,851
Germany	40,530,963	51,724,000
Switzerland	14,421,260	12,266,518
United Kingdom	12,317,671	281,557
Netherlands	6,368,613	3,961,746
Denmark	4,101,497	8,049,041
Luxembourg	3,870,954	4,873,419
Finland	2,108,149	2,346,348
Belgium	1,618,318	1,476,946
Austria	1,153,483	294,132
Other European countries	2,493,005	582,313
TOTAL	186,744,468	158,654,407

Note 3 Salaries, number of employees, remuneration, employee loans, etc.

Salaries and payroll costs	2015/2016	2014/2015
Remuneration, holiday pay and directors' fees	16,357,080	16,583,260
Employer's national insurance contributions	1,969,488	2,145,444
Pension expenses	1,436,100	202,552
Other benefits	331,814	360,004
Total	**20,094,482**	**19,291,260**
Number of full-time equivalents	13.5	15.5

Salary and remuneration paid to the Managing Director
The Managing Director received a salary of NOK 1,738,510 and other remuneration of NOK 11,967.

The Managing Director is covered by the company's pension plan and estimated pension premiums paid on his behalf during the year amounted to NOK 67,368.

Directors' fees
Directors' fees paid totalled NOK 578,333.

Auditor

Auditor's fees comprised the following:	**2015/2016**	**2014/2015**
Statutory auditing	92,700	120,000
Tax consultancy (incl. technical assistance with tax returns)	12,000	18,000
Expenses / Other assistance	5,276	63,000
Total recognised auditor's fees	**109 976**	**201 000**

Employee loans

No loans have been extended to and no security has been pledged on behalf of employees, the Managing Director, Board Chairman, directors or other related parties.

The Managing Director has the right to severance pay equal to one year's basic salary should the board deem it necessary to terminate his employment relationship.

All employees have a bonus agreement. Bonuses are calculated based on a percentage of basic salary and are partly linked to the company's operating result and partly to target achievement in line with the company's strategies, action plans and objectives. Based on achieved results and other targets, a provision of NOK 3,192,518 has been recognised for bonuses for the 2015/2016 accounting year (including social security costs).

Note 4 Operating assets

Operating assets	**WEB – Homepage**	**Oper. eq., furniture etc.**	**Total non-current assets**
Cost 1 Feb 2015	240,000	745,203	985,203
Additions to operating assets	0	171,259	171,259
Disposals of operating assets	0	56,921	56,921
Cost 31 Jan 2016	**240,000**	**859,541**	**1,099,541**
Cumulative depreciation 31 Jan 2016	240,000	677,139	917,139
Book value 31 Jan 2016	**0**	**182,402**	**182,402**
Depr. for the year	33,333	87,240	120,573
Useful economic lifetime	3 years	3–5 years	
Depreciation method	Straight-line	Straight-line	

Note 5 Inventories

The company purchases certificates for its own inventories. These are valued at the lower of cost and net realisable value as of 31 January.

	31 Jan 2016	**31 Jan 2015**
Guarantees of Origin	4,039,616	2,295,872
El-certificates	1,484,822	3,384,101
Inventories	5,524,438	5,679,973

Guarantees of Origin and el-certificates must be sold before they mature, which is 12 months after production date for Guarantees of Origin and by the end of 2035 for el-certificates. All the certificates are expected to be sold before they mature.

Note 6 Pension expenses, assets and liabilities

The company is obliged to operate an occupational pension plan in accordance with the Norwegian Act on Mandatory Occupational Pension Schemes. The company's pension plans satisfy the requirements laid down in this legislation. A total of 16 employees are covered by the pension plans, which grant the right to defined future benefits. These obligations are covered through an insurance company. The company changed its pension plan as of 1 January 2011, from a defined-benefit plan to a defined-contribution plan. As of 31 January 2016 all the employees were transferred to the defined-contribution plan.

Defined-contribution pension
The amount expensed for the defined-contribution pension plan during the financial year was NOK 479,391.

Defined-benefit pension	**2015/2016**	**2014/2015**
Interest expense on pension liabilities	232,983	382,359
Return on pension assets	-269,787	-362,013
Estimate changes recognised in income statement	731,376	279,944
Administration expenses	34,997	81,127
Employer's national insurance contributions on net pension expenses including administration expense	-255	14,308
Planned changes recognised in income statement	0	-888,023
Net pension expense including employer's national insurance contributions	**729,314**	**-492,298**

Accrued pension liabilities as of 31 Jan	10,108,861	10,201,327
Pension assets as of 31 Jan	9,681,830	8,508,184
Net pension liabilities as of 31 Jan	427,031	1,693,143
Estimate deviations not recognised in income statement	395,560	- 1,751,509
Employer's national insurance contributions	60,211	238,733
Net pension liabilities incl. employer's national insurance contributions	**882,802**	**180,367**

Financial assumptions:	**2015/2016**	**2014/2015**
Discount rate	2.70%	2.30%
Expected salary increases	2.50%	2.75%
Expected adjustment to National Insurance Scheme's Basic Amount (G)/pension adjustment	2.25%	2.50%
Expected return on pension fund assets	3.30%	3.20%

Note 7 Leases

The company leases offices. The lease cost for the accounting period amounted to NOK 1,332,464. The lease runs until 31 December 2017.

Note 8 Branch office in Switzerland

The company has a branch office in Nyon in Switzerland, and has rented premises there since 1 September 2011. At the reporting date the office employed two staff. A total of NOK 4,427,469 was recognised in operating expenses for the business in Switzerland in respect of the period 1 February 2015 to 31 January 2016.

Note 9 Restricted funds / Overdraft facility / Credit facility

Restricted funds comprise tax deductions in the amount of NOK 400,000 and rental deposits of NOK 599,823.

The company has a bank overdraft agreement with DNB with a limit of NOK 5,000,000. The above is a revolving credit facility and renewal is reviewed annually. The interest rate is one-month NIBOR + 2.5 % on the amount drawn. The annual fee is 0.8 % of the credit limit.

Note 10 Tax

Taxes are recognised as expenses as they are incurred, i.e. the tax expense is based on the accounting result before tax. The tax expense comprises tax payable (tax on the year's taxable income) and changes in net deferred tax. The tax expense is allocated to the result from ordinary activities and the result of extraordinary items in accordance with the tax basis.

Breakdown of and changes in deferred tax assets

Temporary differences	**Change**	**31 Jan 2016**	**31 Jan2015**
Operating assets	-10,582	-154,746	-165,328
Provisions	276,195	-276,195	0
Receivables	-235,483	110,483	-125,000
Pension liabilities	702,435	-882,802	-180,367
Net temporary differences	732,565	-1,203,260	-470,695
Losses and remuneration carried forward	-2,520,063	0	-2,520,063
Basis for deferred tax assets in balance sheet	-1,787,498	-1,203,260	-2,990,759
Deferred tax assets in the financial statements	**-506,690**	**-300,815**	**-807,505**

Basis for tax expense, changes in deferred tax assets and tax payable	**31 Jan 2016**	**31 Jan2015**
Profit before tax	9,551,693	2,048,166
Permanent differences	40,094	54,643
Basis of tax expense for the year	9,591,787	2,102,809
Change in differences that form the basis for deferred tax assets	732,565	-4,622,872
Change in tax losses carryforward	-2,520,063	2,520,063
Taxable income (basis for tax payable in the balance sheet)	7,804,289	0

Breakdown of tax expense		
Tax payable (27 per cent of basis for tax payable in the income statement)	2,107,158	0
Over-, under-provision in previous year	23,118	0
Total tax payable	2,130,276	0
Change in deferred tax assets	482,625	567,758
Change in deferred tax asset deriving from changed tax rates	24,065	
Tax expense (27 per cent of the basis of the tax expense for the year)	**2,636,966**	**567,758**

Tax payable in the balance sheet		
Tax payable in the income statement	2,107,158	0
Tax payable, not settled	0	1,347,132
Tax payable in the balance sheet	**2,107,158**	**1,347,132**

It is likely on the balance of probabilities that the company will be able to realise its deferred tax assets against positive earnings in the coming years. The deferred tax asset has therefore been recognised in the balance sheet.

Deferred tax for the period 1 January 2014 to 31 January 2015 has been calculated at a tax rate of 27 %, while tax for the period 1 January 2015 to 31 January 2016 has been calculated at 25 %.

Note 11 Equity

	Share capital	Share premium account	Other equity	Total
Equity 31 Jan 2015	6,413,725	2,586,300	14,957,509	23,957,534
Net profit for the year	0	0	6,914,727	6,914,727
Proposed dividend			-5,000,000	-5,000,000
Equity 31 Jan 2016	**6,413,725**	**2,586,300**	**16,872,236**	**25,872,261**

Note 12 Share capital and shareholder information

Ownership structure
ECOHZ AS' shareholders as of 31 January 2016 were as follows:

	Number of shares	Shareholding	Share of votes
Home Capital AS	130,601	50.91%	50.91%
Eidsiva Vannkraft AS	31,916	12.44%	12.44%
TrønderEnergi Kraft AS	31,916	12.44%	12.44%
Nordisk Industriutvikling AS	30,200	11.77%	11.77%
Troms Kraft Handel AS	25,516	9.95%	9.95%
Troms Kraft AS	6,400	2.49%	2.49%
Total number of shares	**256,549**	**100.00%**	**100.00%**

The company has one share category and all shares confer equal voting rights. The company's share capital comprises NOK 6,413,725 divided into 256,549 shares, each with a nominal value of NOK 25.

ECOHZ's financial statements are included in the consolidated financial statements of Home Invest AS, Fredrik Stangs gate 22-24, NO–0264 Oslo, Norway.

Note 13 Trade receivables

The company experiences high seasonal sales variations: over 32 % of operating revenues for the accounting period were invoiced in January 2016. At the reporting date a bad debt provision was recognised in the amount of NOK 40,000. In the period 1 February 2015 to 31 January 2016 recognised bad debts totalled NOK 229,272.

Note 14 Other current liabilities

A provision of NOK 9,636,956 was recognised in other current liabilities for goods delivered but for which an invoice had not yet been received from the supplier at the balance sheet date.

Note 15 Related-party transactions

Remuneration paid to senior executives is described in Note 3. Several of the company's shareholders are energy companies that both buy and sell Guarantees of Origin and electricity certificates either themselves or through associates. The company's transactions pertaining to Guarantees of Origin, electricity certificates and services to related parties during the period reporting period and intercompany balances at the reporting date were as follows:

Sale of goods and services	**2015/2016**	**2014/2015**
Sale of goods associates	2,682,142	5,780,076
Sale of services to associates	821,828	846,663
Total	**3,503,970**	**6,626,739**

Purchase of goods and services	**2015/2016**	**2014/2015**
Purchase of goods from associates	6,177,111	8,533,231
Total	**6,177,111**	**8,553,231**

Net balance with related parties	**31 Jan 2016**	**31 Jan 2015**
Trade receivables	469,429	2,008,293
Trade payables	1,834,464	3,498,316

ECOHZ AS
Rådhusgata 23
NO–0158 Oslo Norway

www.ecohz.com