ANNUAL REPORT 2013

March 5th 2014

www.ecohz.com

Report from the Board of Directors 2013

1. Background and history

ECOHZ AS was founded on October 8 2002. On foundation the company's name was Enviro Energi ASA, but 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.

The company participates actively in the Norwegian-Swedish green electricity certificate market and has succeeded in taking a significant market position. In addition, in 2013, the company positioned itself in the market for LEC certificates (Levy Exemption Certificates), which are traded in the UK.

In 2013, the company launched a new product on the market, which was named GO^2. This product is based on Guarantees of Origin, and links payment flows directly with the financing of new power plants. To ensure transparency and focus, the ECOHZ Renewable Energy Foundation was established. ECOHZ believes that GO^2 can be established as a standard/category in the market, and therefore launched the product in the EU Parliament.

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

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 aims to be the leading company in Europe in the sale and delivery of Guarantees of Origin for renewable energy. 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.

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, but during 2013, ECOHZ 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.

ECOHZ has focused on ensuring increased traceability and improved documentation in connection with the purchase of electricity with Guarantees of Origin, and it has established a broad product portfolio.

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 increased its focus on direct communication with selected target groups.

ECOHZ Origin Matters

3. Framework conditions and market development

Renewable electricity documented by means of Guarantees of Origin is backed as one of a number of measures in the EU's renewable energy directive of 2009. The system is being adopted by a growing 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 such instrument among many, but has now become well-established and accepted among European customers and stakeholders.

The market for electricity with Guarantees of Origin has shown continued strong growth. This is reflected in both Norwegian statistics and European figures. At times the market experienced high volatility, however, with prices periodically lower than throughout most of 2012. A number of benchmark countries – Germany, France, Italy and Finland – implemented Guarantees of Origin in national legislation in 2013, and were physically connected to the European trading system operated by AIB. We expect to see further increase in the number of countries in 2014.

In 2013, a number of independent stakeholders expressed increased support for the system of Guarantees of Origin. Among the most important are CDP, EKOenergy and LEED.

A new initiative – International REC (I-REC) – was started in late 2013. Based on requests from certain international companies, the European standard for Guarantees of Origin may be used as a platform for countries outside Europe; initially, in the three pilot countries – Turkey, Taiwan and South Africa.

In the spring of 2014, the EU submitted to Parliament a draft of new legislation for corporate social responsibility (CSR). The draft legislation would impose reporting responsibility on 18,000 companies in the EU. Corporate energy use is one of the proposed reporting metrics.

The EU system is also a key aspect of the discussion on how climate and energy policy should be formulated after 2020 and toward 2030. The discussion centres primarily on three main principles: 1) Should there be a sole CO_2 target or should the principle of also having specific renewable and energy efficiency targets be maintained? 2) How ambitious should these targets be? 3) Should targets be supranational or broken down to binding national targets? There are few signs in the discussion that suggest a weakening of the system for Guarantees of Origin. There is rather a tendency to want to strengthen voluntary market mechanisms.

In 2013, the total volume of renewable energy generated in Norway amounted to approximately 132 TWh, compared with 145 TWh in 2012. Of this volume, 124 TWh was certified as electricity with Guarantees of Origin, and an approximately similar volume was sold in Norway or exported.

The market for renewable electricity with Guarantees of Origin is maturing and becoming more differentiated. The market is increasingly demanding specialised products and qualities.

The Norwegian-Swedish joint electricity certificate market has now been operational for two years. The market is now functioning, but is still dominated by periods of low liquidity. Over time, market prices have been too low to trigger the planned new power projects. Transitional arrangements for old funding schemes have also contributed to the accumulation of an energy surplus of about 11–13 TWh. In February 2014, Norwegian and Swedish authorities proposed changes in the "quota curve", which is expected to create a better balance in the market as a whole.

With the exception of offshore power generation, more than 98% of Norwegian power generation is based on renewable energy sources. 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). The product declaration for Norwegian electricity without Guarantees of Origin in 2013 will be published by NVE in April/May 2014. 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 20% in 2012 and 23% in 2011.

4. Ownership and equity information

As of 31 January 2014, the company has 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%	

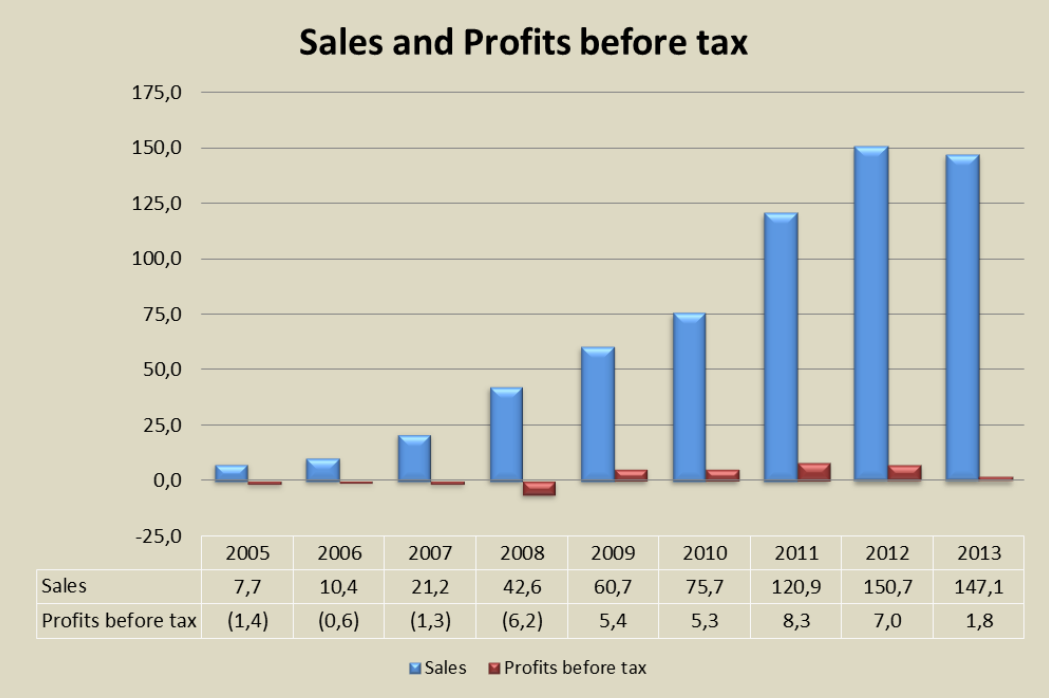
5. Income statement and balance sheet

As of the 2013 financial year, the company will present its financial statements based on a non-standard financial year. The 2013 financial year will thus include 13 months from 1 January 2013 to 31 January 2014.

This change to the accounting period entails that this year's financial statements will include operating expenses for 13 months. The financial statements for 2012 will not be revised.

Total sales declined from NOK 150.7 million in 2012 to NOK 147.1 million in 2013. The result for the year changed from a profit of NOK 7.0 million in 2012 to a profit of NOK 1.78 million 2013.

As of 31 January 2014, provisions for bad debts were made in the amount of NOK 4.0 million related to a contractual dispute over a delivery of Guarantees of Origin. The company disputes the contention that the delivery was not executed in accordance with the contract, but in line with generally accepted accounting principles, the company has chosen to make a provision for the whole of the disputed amount.



At the end of the year, total assets amounted to NOK 60.0 million, compared with NOK 76.4 million at year-end 2012. As of 31 January 2014, the equity ratio was 37.4%, as against 27.1% as of 31 December 2012.

The company's liquidity position at the balance sheet date is considered to be satisfactory. Total liquidity less restricted funds plus an undrawn overdraft facility of NOK 5.0 million amount to NOK 17.1 million. Furthermore, the company's total current liabilities of NOK 36.5 million in their entirety could be covered by its outstanding trade receivables of NOK 40.4 million.

Net cash flow from operating activities was NOK 6.2 million which is NOK 4.4 million higher than the operating profit for the period. The difference is essentially attributable to changes in trade receivables, trade payables and other accruals and prepayments due to the extension of the 2013 financial year to 31 January 2014. The company has a significant percentage of its annual revenues and goods receipt after 1 December and the related trade receivables and trade payables will therefore be settled to a greater extent at the balance sheet date in relation to 31 December 2012.

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

6. Operational risk

78.3% of ECOHZ's total sales are generated in foreign currency. The company's results are subject only to 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. The company has not hired any new staff in 2013.

7. Research and development

In 2013, ECOHZ did not carry out any activities or investments relating to research or development.

8. Board and employees etc.

The board is comprised of a total of six members, two of whom are women and four men. Two observers also sit on the board.

The company's Managing Director is Tom Lindberg. At the end of the year, the company employed a staff of 16, of whom eight are women and eight men. 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 15.3 full-time equivalents in 2013.

The company operates its business from leased premises in Oslo, Norway, and it also has 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.

In 2013, the company carried out an audit of its environmental management system, based on the international standard ISO 14001. The certification was carried out by Det Norske Veritas.

As part of our environmental management system, ECOHZ has established the following environmental policy:

ECOHZ AS is committed to being a leading company with regard to initiating activities intended to minimise its local and global environmental impact.

ECOHZ shall take special 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 be motivational for 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/cleaning 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.

The sickness absence rate in 2013 was 3.8%, compared with 3.9% in 2012. Of this, 1.2% was related to long-term sickness 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 on the competitiveness of individual businesses.

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

The company is in a rapid growth phase and is suitably staffed with highly skilled employees. Consequently, the company is well positioned for a continued positive development.

11. Allocation of profit for the year

The board recommends to the annual general meeting the following allocation of profit for the year:

Transferred to other equity:	NOK 1,777,992
Total allocated:	NOK 1,777,992

Date: 5 March 2014

Bente Rathe, Chairman of the board	Stig Morten Løken
Kenneth Andersen	Gunhild A. Stordalen

Ove Gusevik

Erling Pettersen

Tom Lindberg

Profit and loss statement for 1 Jan 2013 – 31 Jan 2014

ECOHZ AS

	Note	1 Jan 2013 – 31 Jan 2014	2012
Sales revenues		147 152 737	150 665 286
Other operating revenues		4 400	4 400
Total operating revenues	2, 15	**147 157 137**	**150 669 686**
Cost of goods sold	15	(113 932 538)	(114 791 085)
Salaries and payroll costs	3, 6, 8	(20 266 771)	(18 209 647)
Depreciation of property, plant and equipment	4	(284 750)	(351 493)
Other operating expenses	3, 7, 8, 13	(10 923 333)	(6 826 766)
TOTAL operating expenses		**(145 407 392)**	**(140 178 991)**
Operating profit		**1 749 745**	**10 490 695**
Other financial income		900 247	278 267
Other financial expenses		(73 383)	(983 260)
Profit on ordinary activities before tax		**2 576 609**	**9 785 702**
Income tax expense	10	(798 617)	(2 753 174)
Profit on ordinary activities		**1 777 992**	**7 032 528**
Profit for the year		**1 777 992**	**7 032 528**
Transfers			
Proposed dividend			3 500 000
Other equity		1 777 992	3 532 528
Total		**1 777 992**	**7 032 528**

Balance sheet as of 31 January 2014
ECOHZ AS

	Note	31.01.2014	31.12.2012
ASSETS			
Non-current assets			
Intangible assets			
WEB – Company website	4	113 333	200 000
Deferred tax asset	10	1 375 263	490 748
Total intangible assets		**1 488 596**	**690 748**
Property, plant and equipment			
Tangible operating assets, furniture, etc.	4	179 952	378 035
Total property, plant and equipment		**179 952**	**378 035**
Total non-current assets		**1 668 548**	**1 068 783**
Current assets			
Inventories	5	**1 190 230**	**1 555 057**
Receivables			
Trade receivables	13	40 362 170	59 212 512
Other receivables		3 732 268	4 068 404
Total receivables		**44 094 438**	**63 280 916**
Bank deposits, cash and cash equivalents	9	**13 121 754**	**10 450 117**
Total current assets		**58 406 422**	**75 286 090**
Total assets		**60 074 970**	**76 354 873**

ECOHZ Origin Matters

Balance sheet as of 31 January 2014
ECOHZ AS

	Note	31.01.2014	31.12.2012
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		13 477 101	11 699 109
Total retained earnings		**13 477 101**	**11 699 109**
Total equity	11	**22 477 126**	**20 699 134**
Liabilities			
Provisions for liabilities			
Pension liabilities	6	1 078 105	1 377 056
Total provisions		**1 078 105**	**1 377 056**
Current liabilities			
Trade payables		19 330 641	14 170 142
Public charges payable		720 840	1 169 821
Tax payable	10	1 683 132	2 737 969
Proposed divided	11	0	3 500 000
Other current liabilities	14	14 785 126	32 700 751
Total current liabilities		**36 519 739**	**54 278 683**
Total liabilities		**37 597 844**	**55 655 739**
Total equity and liabilities		**60 074 970**	**76 354 873**

OSLO, 5 March 2014
ECOHZ AS

Bente Rathe
Chairman of the board

Ove Gusevik
Board member

Erling Pettersen
Board member

Kenneth Andersen
Board member

Stig Morten Løken
Board member

Gunhild A. Stordalen
Board member

Tom Lindberg
Managing Director

ECOHZ AS

STATEMENT OF CASH FLOW	31.01.2014	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2 576 609	9 785 702
Taxes paid for the period	-2 737 969	-639 668
Profit/loss on sale of non-current assets	0	0
Depreciation, amortisation and impairments	284 750	351 493
Change in inventories	364 827	367 738
Change in trade receivables	18 850 342	-4 341 263
Change in pension liabilities	-298 951	-304 341
Change in trade payables	5 160 499	-5 334 822
Change in other accruals and prepayments	-18 028 470	1 520 597
Net cash flow from operating activities	6 171 637	1 405 436
CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments for investments in property, plant and equ	0	-563 183
Payments for purchase of securities		
Receipts from sale of securities		
Net cash flow from investing activities	0	-563 183
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of dividends	-3 500 000	-9 000 000
Increase/reduction in long-term liabilities		
Increase/reduction in current liabilities		
Increase in equity		
Net cash flow from financing activities	-3 500 000	-9 000 000
Total change in cash and cash equivalents	2 671 637	-8 157 747
Cash and cash equivalents, 1 January	10 450 117	18 607 864
Cash and cash equivalents 31 January 14	**13 121 754**	**10 450 117**

Note 1 Summary of significant accounting policies

The financial statements are prepared in accordance with the requirements of the Norwegian Accounting Act and generally accepted accounting principles.

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

Acquisition costs
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 executed in a foreign currency, the asset is recognised at the exchange rate on the transaction date. For property, plant and equipment and intangible assets, the 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 pace 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 stated 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 provision 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 made 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 a write-down is insignificant for accounting purposes this is not carried out. Provisions for bad debts are valued the same way as for trade receivables.

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

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

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

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 schemes 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), together with adjustments for unrecognised 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 earning period. The same applies to estimate differences due to new information or changes in the actuarial assumptions, if they exceed 10% of the largest of the pension liabilities and pension funds (corridor).

Taxes
The tax expense in the income statement comprises taxes 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-related losses which are carried forward at the end of the financial year. Interim differences leading to increases or decreases in taxes which will, or can be reversed during the same period, are equalised. Deferred tax benefits on net tax reducing differences which have not been

eliminated and carry forward losses are based on estimated future earnings. Deferred tax and tax benefits which can be shown in the balance sheet are presented net. Deferred tax is recognised at its nominal amount.

Statement of cash flows
The statement of cash flows is prepared in accordance with the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term 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	2013	2012
Germany	50,770,911	47,303,741
Norway	41,241,612	29,184,472
Sweden	18,722,533	28,234,861
Switzerland	13,897,226	6,799,252
Netherlands	6,269,432	11,919,113
Austria	4,361,051	5,434,103
Belgium	3,351,982	6,454,208
Luxembourg	3,248,220	2,616,607
Denmark	2,590,775	1,661,740
Finland	2,089,089	10,912,204
Other European countries	614,306	149,385
TOTAL	147,157,137	150,669,686

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

Salaries and payroll costs	2013	2012
Salaries, holiday pay and directors' fees	16,505,675	15,068,076
Employer's national insurance contributions	2,169,889	1,981,907
Pension expenses	1,067,440	870,223
Other benefits	523,766	289,441
Total	**20,266,771**	**18,209,647**
Number of full-time equivalents	15.3	13.5

Salary and remuneration paid to the Managing Director
The Managing Director received a salary of NOK 1,845,917 and other remuneration of NOK 13,240.

The Managing Director is covered by the company's pension scheme and estimated pension premiums paid on his behalf in 2013 amounted to NOK 66,278.

Directors' fees
Directors' fees paid totalled NOK 630,200.

Auditor
Auditor's fees comprised the following:

Statutory audit		109,500
Other non-auditing services		63,000
Auditor's fees charged as expense	**172,500**	

Employee loans
No loans have been extended to and no security has been pledged on behalf of employees, the Managing Director, Board Chairman, board members 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 1,226,575 has been made for bonuses for the 2013 accounting year (including social security costs).

Note 4 Operating assets

Operating assets	**WEB – Homepage**	**Op. equipm., furniture etc.**	**Total non-current assets**
Acquisition costs as of 1 January 2013	848,540	1,222,515	2,071,055
Disposals of operating assets	608,540	223,284	831,824
Acquisition costs as of 31 January 2014	**240,000**	**999,231**	**1,239,231**
Cumulative depreciation as of 31 January 2014	126,667	819,279	945,946
Book value as of 31.1.14	**113,333**	**179,952**	**293,285**
Depr. and amort. for the year	86,667	198,083	284,750
Economic lifetime	3 years	3–5 years	
Depreciation/amortisation 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 January 2014	**31 December 2012**
Guarantees of Origin	1,031,260	1,501,238
Electricity certificates	158,970	53,819
Inventories	1,190,230	1,555,057

Guarantees of Origin and electricity 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 electricity certificates. All 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 scheme in accordance with the Norwegian Act on Mandatory Occupational Pension Schemes. The company's pension schemes satisfy the requirements laid down in this legislation. A total of 16 employees are covered by the pension schemes, which grant the right to defined future benefits. These obligations are covered through an insurance company. The company changed its pension scheme as of 1 January 2011, from a defined-benefit scheme to a contribution-based scheme. The company has retained the defined-benefit scheme for one employee.

Contribution-based pension
The amount expensed for the contribution pension scheme during the financial year was NOK 866,560.

Defined-benefit pension	**2013**	**2012**
Present value of accrued pension entitlements for the year	38,301	75,886
Interest expense on pension liabilities	33,452	337,950
Return on pension assets	-170,989	-271,337
Estimate changes recognised in income statement	0	0
Administration expenses	113,325	94,418
Employer's national insurance contributions on net pension expenses including administration expense	0	0
Planned changes recognised in income statement	111,175	633,306
Net pension expense including employer's national insurance contributions	125,264	870,223

Accrued pension liabilities		
Estimated effect of future salary adjustments		
Estimated pension liabilities	2,013,661	667,242
Pension assets (market value)		
Estimate deviations not recognised in income statement	-1,219,482	615,733
Employer's national insurance contributions	283,926	94,081
Emp. nat. ins. contr. on estimate deviations not recognised in income statement	0	0
Net pension liabilities incl. employer's national insurance contributions	1,078,105	1,377,056

Financial assumptions:	**2013**	**2012**
Discount rate	4.20%	4.20%
Expected salary increases	3.25%	3.25%
Expected adjustment to National Insurance Scheme's Basic Amount (G)/pension adjustment	3.25%	3.25%
Expected return on pension fund assets	4.10%	4.10%

Note 7 Leases

The company leases offices. The lease cost for 2013 amounted to NOK 1,262,672.

Note 8 Branch office in Switzerland

The company has set up a branch office in Nyon, Switzerland, and has rented premises there since 1 September 2011. As of 31 January 2014, there is one employee at the office. For the period of 1 January 2013 to 31 January 2014, a total of NOK 3,305,991 was recognised as operating expenses for the business in Switzerland.

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

The company has a bank overdraft agreement with DNB with a limit of NOK 5.0 million. It 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. No security has been pledged for the overdraft facility. However, there is a condition that the company's recognised equity at any one time must be greater than 30% of total assets, as well as that Home Capital AS must own at least 50% of the shares in ECOHZ AS at all times. Moreover, the company cannot take up other debt without the prior written consent of the bank.

Note 10 Tax

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

Breakdown of deferred tax and changes in deferred tax

Temporary differences	Change	31 January 2014	31 December 2012
Operating assets	19,965	-53,592	-33,627
Inventories	-341,989	0	-341,989
Receivables	3,961,871	-3,961,871	0
Pension liabilities	-298,951	-1,078,105	-1,377,056
Net temporary differences	3,340,896	-5,093,568	-1,752,672
Losses and remuneration carried forward	0	0	0
Basis for deferred tax assets	3,340,896	-5,093,568	-1,752,672
Deferred tax assets in the financial statements	**884,515**	**-1,375,263**	**-490,748**

Basis for tax expenses, changes in deferred tax assets and tax payable	31 January 2014	31 December 2012
Profit before tax	2,576,609	9,785,702
Permanent differences	274,933	47,061
Basis of tax expenses for the year	2,851,542	9,832,763
Change in differences that form the basis for deferred tax assets	3,340,896	-54,303
Taxable income (basis for tax payable in the balance sheet)	6,192,437	9,778,460
Distribution of the tax charge		
Tax payable (28% of basis for tax payable on the income statement)	1,683,132	2,737,969
Too much, too little provision in previous year	0	0
Total tax payable	1,683,132	2,737,969
Change in deferred tax assets with the old rate	-895,708	15,205

Change in deferred tax asset deriving from changed tax rates	11,193	0
Tax expense (28% of the basis for tax expenses for the year)	798,617	2,753,174

Tax payable in the balance sheet

Tax payable in the tax expense	1,683,132	2,737,969
Tax payable in the balance sheet	1,683,132	2,737,969

It is considered highly probable 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.

The company's accounting year covers 13 months. Tax payable for the period 1 January 2013 to 31 December 2013 is calculated at a rate of 28%, while the tax payable for the period 1 January 2014 to 31 January 2014 is calculated at a rate of 27%.

Note 11 Equity

	Share capital	Share premium account	Other equity	Total
Equity as of 31 Dec 2012	6,413,725	2,586,300	11,699,109	20,699,134
Net profit for the year			1,777,992	1,777,992
Equity as of 31 Jan 2014	6,413,725	2,586,300	13,477,101	22,477,126

Note 12 Share capital and shareholder information

Ownership structure
ECOHZ AS shareholders as of 31 January 2014 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 share capital in the company 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 31% of operating revenues in the accounting period were invoiced after 1 January 2014. As of 31 January 2014, provisions have been made against bad debts were made in the amount of NOK 3,961,871 in connection with the dispute regarding with a larger delivery of Guarantees of Origin. The company disputes the contention that the delivery was not executed in accordance with the contract, but in line with generally accepted accounting principles, we have chosen to make a provision for the whole of the disputed amount. The company did not experience any other bad debts in the period from 1 January 2013 to 31 January 2014.

Note 14 Other current liabilities

A provision of NOK 8,419,436 for cost of goods sold as of 31 January 2014, for goods delivered but for which an invoice had not yet been received from the supplier on the balance sheet date.

Note 15 Transactions with related parties

Remuneration 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 themselves or through associates. The company's transactions pertaining to Guarantees of Origin, electricity certificates and services to related parties during the period 1 January 2013 to 31 January 2014 were as follows:

Sale of goods and services	
Sale of goods associates	3,853,898
Sale of services to associates	167,500
Total	4,021,398

Purchase of goods and services	
Purchase of goods from associates	7,283,207
Total	7,283,207

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