MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

March 25, 2014

The following management's discussion and analysis ("**MD&A**") for Crius Energy Trust (the "**Trust**") dated March 25, 2014 has been prepared with all information available up to and including March 25, 2014. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012. The Trust's financial statements and other disclosure documents, including the Trust's Annual Information Form for the year ended December 31, 2013, dated March 25, 2014, are available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The Trust's units are traded on the Toronto Stock Exchange under the symbol "KWH.UN".

The audited consolidated financial statements of the Trust are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and are presented in United States dollars. All figures within this MD&A are presented in United States dollars unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding.

Certain information contained in this MD&A constitutes "forward-looking statements". Investors should read the "Note about Forward-Looking Statements" section at the end of this MD&A.

Non-IFRS financial measures

Statements throughout this MD&A make reference to EBITDA and Adjusted EBITDA, which are non-IFRS financial measures commonly used by financial analysts in evaluating the financial performance of companies, including companies in the energy retailing industry. Accordingly, Management believes EBITDA and Adjusted EBITDA may be useful metrics for evaluating the Trust's financial performance as they are measures that Management uses internally to assess performance, in addition to IFRS measures. As there is no generally accepted method of calculating EBITDA and Adjusted EBITDA, these terms as used herein are not necessarily comparable to similarly titled measures of other companies. The items excluded from EBITDA are significant in assessing the Trust's operating results and liquidity. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted to exclude any change in the fair value of derivative instruments, change in fair value of non-controlling interest, unit based compensation and distributions to non-controlling interest. See the "Reconciliation of Net Income and Comprehensive Income to EBITDA and Adjusted EBITDA" section of this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net income and comprehensive income as calculated under IFRS for the periods, the most directly comparable measure in the Trust's audited consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Overview

The Trust is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust was established to provide investors with a distribution-producing investment through the acquisition of an approximate 26.8% ownership interest ("**Acquisition of the Company Interest**") in Crius Energy LLC ("**Crius Energy**" or the "**Company**") by its indirect wholly-owned subsidiaries. The Trust's ownership interest in the Company entitles it, through its wholly-owned subsidiaries, to appoint a majority of the members of the board of directors of the Company, and thereby to control the day-to-day operations of the Company.

Throughout this MD&A, the Trust and its subsidiaries are collectively referred to as the "Trust" and the term "Company" or "Crius Energy" refers to Crius Energy LLC and its consolidated subsidiaries. In addition, references to the results of operations refer to operations of the Company, of which the Trust holds an approximate 26.8% ownership interest. Operations officially commenced on November 13, 2012, concurrent with the initial public offering of the Trust (the "**IPO**") and the Trust's acquisition of an approximate 26.8% ownership interest in the Company.

Crius Energy is a comprehensive energy solutions partner that provides electricity, natural gas and solar products to residential and commercial customers. The Company goes to market through an innovative family-of-brands strategy that gives various and targeted customer segments access to a broad suite of energy products and services that make it easier for consumers to make informed decisions that address their energy needs. This multi-channel marketing approach differentiates Crius Energy in the marketplace, enhances customer retention and positions the Company to achieve long-term growth for investors. Crius Energy LLC currently sells electricity, natural gas, and/or solar energy products and services in 19 states and the District of Columbia.

2012 Comparative Financial Information

The Trust was formed on September 7, 2012 and did not begin active operations until November 13, 2012, including closing its IPO and completing the Acquisition of the Company Interest. Therefore, financial information presented in this MD&A for the period from inception on September 7, 2012 to December 31, 2012 has limited usefulness for comparison purposes.

2013 Highlights

- 15.1% year-over-year growth in electricity and natural gas customers to 615,373, up from 534,564 as at December 31, 2012, representing 80,809 net customers added. The strong growth was led by our Network Marketing and Strategic Marketing Partnership channels, up 23% and 161% in the period

- Sold 5.1 million MWh of electricity, 4.7 million MMBtu of natural gas and solar systems with total generation capacity of 2,200 KW

- Revenue of $507.1 million

- Gross margin of $103.4 million, representing 20.4% of revenue

- Adjusted EBITDA of $32.2 million, representing 6.3% of revenue

- Total distributions of $37.3 million paid, normalized for distributions related to the 2012 stub period

- Total cash and availability of $27.5 million, consisting of $15.3 million in cash and $12.2 million available under our credit facility

- Product suite expanded to include residential solar energy products and services through marketing relationship with SolarCity

- Expanded electricity and natural gas service offerings under multiple brands:
    - Viridian Energy entered two new electric utility service areas, five new natural gas utility service areas and three new states
    - FTR Energy Service entered three new electric utility service areas and one new state
    - Public Power entered five new electric utility service areas and three new natural gas utility service areas

- Acquired a portfolio of residential and small commercial customer accounts in New Hampshire from PNE Energy Supply LLC

- Strengthened the management team through the appointments of Chaitu Parikh as Chief Operating Officer, Seth Zuckerman as Senior Vice President of Finance, and Pradeep Tiwari as Vice President of Information Technology. In addition, Meredith Berkich was promoted to President of Viridian Energy and Cami Boehme was promoted to the newly created position of Chief Strategy Officer

Q4 2014 Highlights

- Sold 1.2 million MWh of electricity, 1.9 million MMBtu of natural gas and solar systems with total generation capacity of 2,000 KW

- 0.8% quarter-over-quarter growth in electricity and natural gas customers to 615,373, up from 610,459 as at September 30, 2013, representing 4,914 net customers added

- Revenue of $128.6 million

- Gross margin of $24.9 million, representing 19.4% of revenue

- Adjusted EBITDA of $6.1 million, representing 4.7% of revenue. Adjusted EBITDA was impacted by a year-end adjustment of $2.6 million relating to a change in estimate of the uncollectibility of customer accounts receivable balances in markets where we are subject to credit risk. Normalizing for this impact, Adjusted EBITDA was $8.7 million in the quarter.

Highlights Subsequent to 2013

- Expanded working capital facility with Macquarie Energy from $25.0 million to $60.0 million of availability. As at December 31, 2013, on a pro-forma basis, total cash and cash availability would have more than doubled from $27.5 million to $63.6 million

- Added new distribution channel for solar energy products through expansion of existing partnership with Frontier Communications. Starting in April 2014, Frontier Communications will begin selling solar energy products to their existing subscriber base in California, the largest solar market in the United States, through multiple inbound customer care facilities across their regions. This offering is expected to be extended to include Frontier Communications subscribers in Arizona, Oregon, Colorado and New York.

- Expanded the strategic marketing partnership with Frontier Communications as the Company gained access to multiple inbound customer care facilities to sell natural gas and electricity to Frontier Communications subscribers in California, Illinois, Indiana, New York and Ohio under the FTR Energy Services brand name.

- Continued to strengthen the management team through the following appointments:

    - Christian McArthur was appointed to the position of Executive Vice President of Energy Supply and Pricing. Mr. McArthur has over 10 years of experience in the retail energy industry, most recently serving as Senior Vice President for Just Energy where he was responsible for energy supply operations for all North American businesses.

    - Barbara Clay was promoted to position of General Counsel of the Company. In her role, Ms. Clay oversees the legal and regulatory functions of the Company. Prior to her promotion, Ms. Clay had day-to-day responsibility for the regulatory affairs of the Company. Ms. Clay was also appointed an Officer of the Trust.

    - Martin Phillips was appointed to the position of Vice President of Human Resources. Mr Phillips has approximately 20 years practicing HR in a number of different industries, most recently with ConEdison Solutions, the deregulated energy business of ConEdison. Prior to ConEdison Solutions, he spent ten years as Senior Manager, HR with Philips Electronics and as a corporate HR manager with William M. Mercer Consulting and a division of Navigant.

2013 Discussion

The year 2013 was the first full year of operation for Crius Energy Trust. Following the merger of Regional Energy Holdings, Inc. and Public Power, LLC in September 2012, the Trust listed on the Toronto Stock Exchange in November 2012.

Total revenue for 2013 was $507.1 million driven by our strong customer growth and higher average retail prices paid by customers. Electricity revenue was $475.4 million, natural gas revenue was $26.6 million, fee revenue from independent contractors was $4.1 million and solar revenue was $1.0 million. Revenue growth was highlighted by the strong contribution by our Network Marketing channel which generated $266.9 million of revenue in 2013.

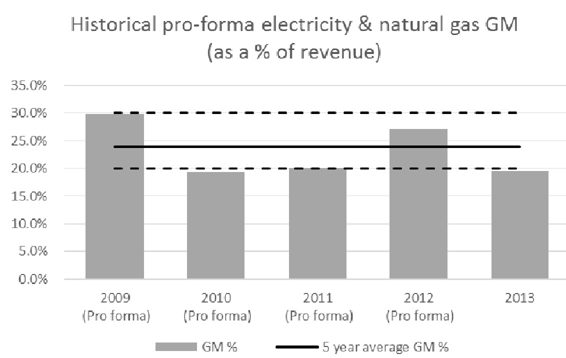
In this first full year of operations the Company focused on growing its customer base, strengthening its distribution channels, diversification of revenues and investment in technology and human capital. The Company grew 15.1% year-over-year in electricity and natural gas customers to 615,373, up from 534,564 as at December 31, 2012. This growth represented 80,809 net customers added in the period.

Customer growth was driven by the Network Marketing and Strategic Marketing Partnership channels, with 23% and 161% growth respectively. The Company's Network Marketing and Strategic Marketing Partnership channels, known as "warm" marketing channels due to the existing relationship between the customer and the sales agent, are typically more successful in highly competitive market conditions due to their lower attrition rates and ability to solicit customers not accessible through more traditional marketing tactics (e.g. telemarketing and door-to-door). In addition, customers acquired through our Network Marketing and Strategic Marketing Partnership channels typically have a greater customer lifetime value as a result of higher energy usage and/or longer retention.

Net customer growth in the Direct Marketing channel was negative in 2013, representing a 7% net decline in customers year-over-year. This channel is known as a "cold" marketing channel due to the lack of relationship between the customer and the sales agent. In highly competitive markets, the use of mainstream "cold" marketing tactics such as telemarketing and door-to-door are typically less successful as the same customers are targeted by multiple companies. Management continue to invest in the Direct Marketing channel as it is an important part of our multi-channel distribution platform. Although historically, the Company has primarily used telemarketing and door-to-door sales tactics in the Direct Marketing channel, management is currently exploring plans to implement other direct marketing methodologies in this channel that may improve customer acquisition, increase customer retention and drive future performance.

The customer growth in the period resulted in continued diversification of our business which management believes will mitigate volatility in our earnings going forward by reducing exposure to risks including, but not limited to, weather variation impacting customer consumption (volumetric risk). In particular, the Company saw positive trends in diversification of commodity (electricity, natural gas), product (fixed, variable, solar), geography and segment (commercial, residential).

Gross margin was $103.4 million, or 20.4% of total revenues, which is at the low end of the Company's pro-forma historical range of approximately 20% to 30% of revenue as illustrated in the graph below.



Gross margin varied by quarter from a high of 24.2% in the second quarter of 2013 to a low of 17.5% in the first quarter. Gross margin was lower than the prior five year average due to volatile weather conditions encountered in certain quarters during the year and supply-side natural gas constraints in ISO-New England. In addition, new customer acquisition was highly competitive resulting in introductory rates offered at gross margins lower than historical averages driving down the average gross margin per customer across our entire customer portfolio in 2013.

Management also made significant investments in technology and human capital during 2013 which increased overall expenses and reduced earnings. Management believe the investments in technology are important as the Company competes in an increasingly competitive and dynamic market where cost to serve each customer will become an important driver of success. While additional investment will be required going forward, the Company expects to start benefiting from the investment made in 2013 by generating cost savings from automation, improving sales and billing processes and promoting organic growth. Similarly, the Company made an investment in human capital in the period hiring top industry talent including Chaitu Parikh (Chief Operating Officer), Seth Zuckerman (SVP Finance) and Pradeep Tiwari (VP Information Technology).

Adjusted EBITDA for 2013 was $32.2 million, or 6.3% of revenue. Adjusted EBITDA for our first full year of operation was affected by higher expenses and lower gross margins from our electric customers, balanced by growing contributions from our natural gas customer base as well as the launch of the new solar product at the end of the third quarter. The contribution from each of our three products is discussed below.

Electricity

The contribution from our electricity portfolio was below expectations in 2013, driven by gross margin performance at the low end of our historical pro-forma range of approximately 20% to 30% of revenue. Electricity gross margin was affected by, among other factors, weather volatility in the first and third quarters of the year and supply-side natural gas constraints in ISO-New England primarily impacting first quarter wholesale market prices. These quarters include the months of January, February, July and August which traditionally have the highest demand for electricity. In 2013, these months experienced weather volatility which caused customer usage to deviate from historic norms impacting the Company's hedge position and exposing it to higher spot energy prices. While these conditions impact the industry in general, they have an exaggerated impact on our business due to our high concentration of customers in the New England and mid-Atlantic markets as well as our predominantly residential electric customer base, which is most sensitive to deviations in weather patterns. The Company is focused on diversifying geographically to reduce this exposure as well as expand further into the commercial segment, which is generally less sensitive to weather impacts. Related to geographic diversification, our electric customer base in the New York ISO service territory increased from 6.1% of the electric portfolio at the beginning of the year to 13.8% at the end of the year and, as a result, the electric customer base in our core service areas of ISO-New England and PJM were reduced by 1.6% and 7.3% respectively.

The Company sold 5,112,737 MWh of electricity in 2013 in 12 states and the District of Columbia. At year end, Crius Energy had 536,429 electricity customers, an increase of 38,369 or 7.7% from the beginning of the year. Electricity revenue was $475.4 million, accounting for 93.8% of total revenue. Gross margin for electricity was $93.4 million or 19.7% of revenue.

Natural Gas

Management is pleased with strong contribution of natural gas to gross margins in the year. As part of the company-wide diversification strategy, management successfully grew the natural gas customer portfolio during 2013 with the customer base doubling to nearly 80,000 customers in the period. By year end, natural gas customers constituted 12.8% of our total customer base, from 6.8% at the beginning of the year. The growth in customers was primarily driven by entry into several new states (District of Columbia, Maryland, Virginia) and the introduction of fixed price natural gas products in our Network Marketing channel and expansion of our sales efforts in the Strategic Marketing Partnership channel with Frontier Communications and Cincinnati Bell.

In 2013, the Company sold 4,658,400 MMBtus of natural gas in seven states and the District of Columbia. At year end, Crius Energy had 78,944 natural gas customers, a net increase of 42,440 customers or 116% from the beginning of the year. Natural gas revenue was $26.6 million, accounting for 5.2% of total revenue. Gross margin for natural gas was $4.8 million or 18.2% of revenue. Full year gross margins as a percentage of revenue, were below our target range as management used competitive pricing in the off peak low usage season to aggressively grow the portfolio, which was offset by higher margins of 28.9% achieved in the fourth quarter as the Company entered the winter peak season.

Solar

In September 2013, the Company successfully launched sales of solar energy services with limited capital investment. The services were initially launched through our Network Marketing brand given the clear alignment with our sales force and brand positioning. The sales success earned Crius recognition as SolarCity's fastest partner to date to ever reach 1,000 KW of sales, which was achieved in less than one month.

The solar business generated $1.0 million of revenue in 2013, or about 0.2% of revenue from the sale of solar systems with 2,200 KW of generation capacity.

Customer Aggregation

The following table summarizes the Company's growth in customers during 2013 on a quarterly basis.

Customer Aggregation
(in customers)[1]

	Opening Customer Count	Customer Adds[2]	Customer Drops[2]	Net Change	Closing Customer Count
Electricity	498,060	92,063	(56,883)	35,180	533,240
Natural Gas	36,504	16,065	(2,677)	13,388	49,892
Quarter ending March 31, 2013	**534,564**	**108,128**	**(59,560)**	**48,568**	**583,132**
Net Change % of Opening Customer Count				***9.1%***	
Electricity	533,240	77,252	(76,236)	1,016	534,256
Natural Gas	49,892	13,698	(1,947)	11,751	61,643
Quarter ending June 30, 2013	**583,132**	**90,950**	**(78,183)**	**12,767**	**595,899**
Net Change % of Opening Customer Count				***2.2%***	
Electricity	534,256	63,467	(58,923)	4,544	538,800
Natural Gas Electricity	61,643	14,265	(4,249)	10,016	71,659
Quarter ending September 30, 2013	**595,899**	**77,732**	**(63,172)**	**14,560**	**610,459**
Net Change % of Opening Customer Count				***2.4%***	
Electricity	538,800	66,621	(68,992)	(2,371)	536,429
Natural Gas	71,659	19,117	(11,832)	7,285	78,944
Quarter ending December 31, 2013	**610,459**	**85,738**	**(80,824)**	**4,914**	**615,373**
Net Change % of Opening Customer Count				***0.8%***	

Notes:

(1) References to customers in this table and throughout this MD&A refer to estimates of the residential customer equivalents, or RCEs, based on customer accounts and information available regarding their historical usage.

(2) Customer adds and customer drops are based on a customer's utility acceptance date, which lag the customer's enrolment and termination request dates.

Sources of Revenue

The Company earns its revenue primarily from electricity and natural gas sales and recognizes its revenue based on customer consumption. Both electricity and natural gas are subject to seasonal variations in customer usage and the Company's revenues may fluctuate accordingly; however, the impact of seasonality on customer usage is one of the many factors impacting revenues, which are also affected by retail rates charged to customers, customer growth and customer attrition. Electricity consumption is typically highest during the summer months (July and August) due to cooling demand and, to a lesser extent, during the winter months (January and February) due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand.

The Company also receives revenue from the marketing of solar products as well as from fees paid by independent contractors in the network marketing channel. Independent contractors pay sign-up fees and other fees to the Company to participate in the network marketing program. Sign-up fees are deferred and recognized on a straight line basis over the twelve-month term of the independent contractor agreement and other monthly fees are recognized on a monthly basis.

Energy Procurement

The Company procures its energy and hedging requirements in various wholesale energy markets, including both physical and financial markets and through short-term and long-term contracts. For both electricity and natural gas, the Company procures its wholesale energy requirements at various utility load zones for electricity and various city gates for natural gas, based on energy usage by our customers and the geographic location of our customers. The Company manages its exposure to short term and long-term movements in wholesale energy prices, by hedging using derivative instruments. These derivative instruments are principally physical forward contracts and financial fixed-for-floating swaps whereby the Company agrees with a counterparty, currently Macquarie Energy, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe at a specified location. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which such hedging is based. See "Financial Instruments and Risk Management" in this Management's Discussion and Analysis for details of the risk management processes adopted by the Company to minimize commodity market risk.

The Company's hedging strategy is based on, among other variables, the forecasted customer energy usage, which can vary substantially as a result of weather patterns deviating from historical norms within a given period. This variability is exaggerated as a result of our concentration in the residential customer segment, in which energy usage is highly sensitive to weather conditions, which impact heating and cooling demand. Degree days are a representation of outside air-temperature data and Cooling Degree Days ("**CDD**"), in the summer months, and Heating Degree Days ("**HDD**"), in the winter months, are widely used in the energy industry for measuring the impact of weather patterns on energy usage. CDD represents the number of degrees that a day's average temperature is above 65 degrees Fahrenheit and people start to use air conditioning. HDD represents the number of degrees that a day's average temperature is below 65 degrees Fahrenheit and people start to use heating. Deviations in forecasted to actual customer usage impacts the Company by reducing or increasing revenues and gross margins from expected results. Similarly, deviations may also impact the Company's hedging program by the amount of the under or over hedge (volumetric risk).

The Company's gross margin is derived from the difference between the price charged to its customers and that paid to its supplier, Macquarie Energy, and other non-energy wholesale energy suppliers. The Company also incurs selling expenses to compensate independent contractors and exclusive marketing partners for customer acquisition activities through a mixture of upfront payments and residual-based payments proportionate to customer usage and generally payable upon receipt of customer payment. All such costs are recognized as expenses in the period incurred pursuant to the contractual arrangements in place. In addition, the Company incurs general, administrative and financing and other expenses to operate its business.

Selected Consolidated Financial and Operational Data

The following selected historical financial information has been derived from the audited consolidated financial statements of the Trust for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2013 as well as the unaudited interim consolidated financial statements of the Trust for the quarter ended December 31, 2013. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Income Highlights
(in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012[(1)]
Revenue	$128.6	$507.1	$56.3
Cost of sales	103.7	403.7	44.4
Gross margin	24.9	103.4	11.9
Expenses			
Selling expenses	5.2	28.0	3.4
General and administrative	13.7	43.2	5.0
Unit-based compensation	0.1	0.3	—
Depreciation and amortization	9.5	38.4	5.2
Operating Loss	(3.6)	(6.5)	(1.7)
Other (expenses) income			
Finance costs	(1.5)	(6.0)	(0.7)
Goodwill impairment	(60.5)	(60.5)	—
Distributions to non-controlling interest	(6.7)	(31.2)	0.0
Change in fair value of derivative instruments	24.1	22.1	(2.4)
Change in fair value of non-controlling interest	43.5	120.4	4.5
Income (loss) before income taxes	(4.7)	38.3	(0.3)
(Expense) benefit from income taxes	(1.9)	10.4	3.1
Net income and comprehensive income	**(6.6)**	**48.7**	**2.8**
EBITDA[(2)]	6.3	82.7	5.6
Adjusted EBITDA[(2)]	**$6.1**	**$32.2**	**$3.5**

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012, as there was no activity in the Company prior to the Acquisition of the Company Interest.

(2) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Non-IFRS Financial Measures". The following table is a reconciliation of net income to EBITDA and Adjusted EBITDA for the period indicated.

Reconciliation of Net Income and Comprehensive Income to EBITDA and Adjusted EBITDA
(in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012[(1)]
Net income and comprehensive income	$(6.6)	$48.7	$2.8
Excluding the impacts of:			
Expense (benefit) from income taxes	1.9	(10.4)	(3.1)
Finance costs	1.5	6.0	0.7
Depreciation and amortization	9.5	38.4	5.2
EBITDA	6.3	82.7	5.6
Excluding the impact of:			
Goodwill impairment	60.5	60.5	—
Change in fair value of derivative instruments	(24.1)	(22.1)	2.4
Distributions to non-controlling interest	6.7	31.2	0.0
Unit-based compensation	0.1	0.3	0.0
Change in fair value of non-controlling interest	(43.5)	(120.4)	(4.5)
Adjusted EBITDA	**$6.1**	**$32.2**	**$3.5**

Notes:

(1) Reflects the results of the operations of Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012 as there was no activity in the Company prior to the Acquisition of the Company Interest.

Statement of Financial Position Highlights
(in millions)

	As at December 31, 2013	As at December 31, 2012
Current assets	$116.8	$93.8
Total assets	381.6	447.0
Current liabilities	82.7	53.7
Long-term liabilities	168.0	301.6
Unitholders' equity	130.9	91.7

Operational Highlights

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012[(1)]
Electricity			
Volumes (MWh)	1,215,458	5,112,737	676,480
Revenue ($ million)	115.3	475.4	53.0
Gross margin ($ million)	19.7	93.4	11.5
Gross margin ($/MWh)	16.19	18.27	16.99
Gross margin as a % of revenue	17.1%	19.7%	21.7%
Natural gas			
Volumes (MMBtu)	1,857,517	4,658,400	665,057
Revenue ($ million)	11.4	26.6	2.8
Gross margin ($ million)	3.3	4.8	(0.1)
Gross margin ($/MMBtu)	1.77	1.04	(0.2)
Gross margin as a % of revenue	28.9%	18.2%	(4.8%)

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

Statement of Cash Flows Highlights
(in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012[(1)]
Cash flows from (used in) operating activities	$11.4	$26.3	$(9.1)
Cash flows used in investing activities	(1.5)	(3.0)	(48.0)
Cash flows (used in) from financing activities	(11.4)	(38.3)	87.4
Cash and cash equivalents at beginning of period	16.8	30.3	—
Cash and cash equivalents at end of period	15.3	15.3	$30.3

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

Quarterly Results (unaudited)
(in millions)

	Quarter ended December 31, 2013	Quarter ended September 31, 2013	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended December 31, 2012[(1)]
Revenue	$128.6	$145.6	$113.9	$119.0	$56.3
Cost of sales	103.7	115.6	86.3	98.1	44.4
Gross margin	24.9	30.0	27.6	20.9	11.9
Expenses					
Selling expenses	5.2	8.7	7.1	7.0	3.4
General and administrative	13.7	10.8	10.4	8.3	5.0
Unit-based compensation	0.1	0.1	—	0.1	0.0
Depreciation and amortization	9.5	9.5	9.7	9.7	5.2
Operating loss (income)	(3.6)	0.9	0.4	(4.2)	(1.7)
Other (expenses) income					
Finance costs	(1.5)	(1.6)	(1.4)	(1.5)	(0.7)
Goodwill impairment	(60.5)	—	—	—	—
Distributions to non-controlling interest	(6.7)	(6.7)	(7.0)	(10.8)	0.0
Change in fair value of derivative instruments	24.1	3.8	(7.0)	1.2	2.4
Change in fair value of non-controlling interest	43.5	(19.9)	54.9	41.9	(4.5)
Income (loss) before income taxes	(4.7)	(23.5)	39.9	26.6	(0.3)
(Expense) benefit from income taxes	(1.9)	(4.4)	4.8	3.1	3.1
Net (loss) income and comprehensive (loss) income	**(6.6)**	**(19.0)**	**44.7**	**29.6**	**2.8**
EBITDA[(2)]	6.3	(12.3)	51.0	37.7	5.6
Adjusted EBITDA[(2)]	**$6.1**	**$10.5**	**$10.1**	**$5.5**	**$3.5**

Notes:

(1) The Trust became a reporting issuer on November 13, 2012, during the quarter ended December 31, 2012.

(2) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Non-IFRS Financial Measures".

Results of Operations
For the year ended December 31, 2013

Revenue

For the year ended December 31, 2013 revenue was $507.1 million, which includes the results from the 15.1% increase in the customer base over the year ended December 31, 2012. Revenues included:

- Electricity revenue of $475.4 million, accounting for 93.8% of total revenue. Electricity volumes for the year ended December 31, 2013 were 5,112,737 MWh.

- Natural gas revenue of $26.6 million accounting for 5.2% of total revenue. Natural gas volumes for the year ended December 31, 2013 were 4,658,400 MMBtu.

- Fee revenue consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel of $4.1 million, accounting for 0.8% of total revenue.

- Solar revenue of $1.0 million, accounting for 0.2% of total revenue. The Company started marketing residential solar energy products in September 2013.

Gross Margin

For the year ended December 31, 2013 gross margin was $103.4 million representing 20.4% of total revenues.

Electricity gross margin for the year ended December 31, 2013 was $93.4 million, representing 19.7% of electricity revenues and electricity gross margin per unit was $18.27/MWh. Electricity gross margins were impacted by weather variations from historical norms both in the first and third quarters and the corresponding hedge and spot price impacts.

Natural gas gross margin for the year ended December 31, 2013 was $4.8 million, representing 18.2% of natural gas revenues and natural gas gross margin per unit was $1.04/MMBtu.

Selling Expenses

Selling expenses consist of commissions due to independent contractors in the network marketing channel, telemarketing and door-to-door channel and to partners in our exclusive marketing partnerships for enrolling new customers and for customer consumption. Selling expenses are expensed in the period that the commissions are earned by the independent contractors or exclusive marketing partnerships.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrolment of the customer, and residual commissions, which are primarily based on customer consumption and receipt of customer payment. The commission structures by sales channel are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated pursuant to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrolment and energy usage. Residual commissions are primarily earned and payable after receipt of payment from the customer. In addition some commissions are paid to employees in an in-house sales team focusing on solar sales.

- Commissions due for customers acquired through our exclusive marketing partnerships are calculated based on a fixed, upfront commission per customer enrolled, subject to a partial or full repayment of commission for customers who terminate their service within the first three months, and a residual-based commission based on a percentage of revenue share over a customer's term of enrolment, earned and payable after receipt of the payment from the customer.

- Commissions due to independent contractors in our telemarketing and door-to-door channel are primarily comprised of upfront commission based on the successful qualification of the customer with the utility or paid under hourly contracts, subject to a partial or full repayment of commissions for customers who terminate their service within the first three months.

For the year ended December 31, 2013, selling expenses were approximately $28.0 million representing 5.5% of revenue. These costs consist of (a) upfront customer acquisition commissions of $13.3 million (representing $36.57 per customer acquired), (b) residual based commissions of $14.1 million (representing 2.8% of revenues) and (c) solar commissions of $0.6 million (representing 57.7% of solar revenues).

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2013 was $43.2 million, as set out in the table below.

	Year ended December 31, 2013	
	$	**%**
General and Administrative Expenses (in $ millions and % of revenue)		
POR fees / bad debt	$8.2	1.6%
Processing costs	6.0	1.1%
Human resources	14.1	2.8%
Gross receipts taxes and other taxes/levies	2.9	0.6%
Legal and regulatory	1.4	0.3%
Other	10.6	2.1%
Total	**$43.2**	**8.5%**

General and administrative expenses incurred during the year were impacted by higher Processing costs, which included IT costs of approximately $3.0 million related to IT systems integration costs as well as the strategic initiative to establish an integrated IT platform that will generate cost savings through improved sales and billing processes and promote long-term organic growth across all brands.

Unit-Based Compensation

The unit-based compensation charge relates to the issuance of 14,924 Restricted Trust Units ("**RTUs**") to the directors of the Administrators of the Trust as well as 154,601 issued to senior executive management of Crius Energy in 2013. For the year ended December 31, 2013, unit-based compensation expense amounted to $0.3 million and reflected the fair value of these RTUs based on the market price of the Trust units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization relate to the property and equipment and intangibles used in the Company's operations. Depreciation and amortization for the year ended December 31, 2013 was $38.4 million.

Finance Costs

Finance costs for the year ended December 31, 2013 were $6.0 million. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion under "**Liquidity and Capital Resources**" in this MD&A, for a detailed description of this facility.

Goodwill impairment

The Company recorded a goodwill impairment charge of $60.5 million for the year ended December 31, 2013. The impairment was primarily due to the carrying value of equity being in excess of the market capitalization of the Trust at year end. The impairment charge is non-cash and will not impact our normal business operations nor will it affect liquidity, cash flow from operations or financial covenants under our credit facility.

Distributions to Non-controlling Interest

Distributions to non-controlling interest for the year ended December 31, 2013 were $31.2 million.

Due to certain provisions in the governance documents which, in very limited change of control circumstances, provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest based on their approximate 73.2% interest in Crius Energy are included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional commodity or currency positions in the market if the derivative contracts were to be terminated at the respective period end (see "Financial Instruments and Risk Management" in this MD&A).

For the year ended December 31, 2013, the unrealized gains and losses associated with derivative contracts were a net gain of $22.1 million; made up of (a) unrealized gains of $20.8 million on forward electricity positions, (b) unrealized gains of $2.0 million on forward natural gas positions and (c) unrealized losses of $0.7 million on forward currency positions.

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to either hedge the fixed price exposure of customers on fixed price contracts or to hedge the expected short-term exposure of variable priced customers. On average, wholesale electricity and natural gas prices for all forward positions outstanding as at December 31, 2013 have increased by a weighted average of $13.18/MWh and $0.44/MMBtu, respectively from the time the forward positions were entered into.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the year ended December 31, 2013 was a gain of $120.4 million, representing the mark-to-market valuation of the non-controlling interest liability included on the consolidated statement of financial position. This non-cash gain is primarily the result of the decrease in the Trust's publicly traded Unit price from the beginning to the end of the year.

Due to the redeemable nature of the non-controlling interest in Crius Energy arising from certain provisions in the governance documents, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for profit interest units of Crius Energy, LLC that is calculated using an option pricing model.

Income Taxes

For the year ended December 31, 2013, the benefit for income taxes was $10.4 million. The Trust was in a pre-tax income position for the year-ending December 31, 2013, but was in a net taxable loss position for the same period after adjusting for permanent differences, including goodwill impairment, the change in fair value of non-controlling interest, distributions to non-controlling interests and removing the activity of Crius Energy, LLC that is attributed directly to the non-controlling partners of Crius Energy, LLC. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity. Therefore, its taxable income/(loss) flows directly to its partners who are then taxed on their allocable share of the partnership income tax/(benefit).

Net Income and Comprehensive Income

For the year ended December 31, 2013, net income and comprehensive income was $48.7 million. Net income was impacted by various non-cash items including a goodwill impairment charge of $60.5 million and the change in fair value of non-controlling interest liability which resulted in a gain of $120.4 million.

For the quarter ended December 31, 2013

Revenue

For the quarter ended December 31, 2013 revenue was $128.6 million. Revenues included:

- Electricity revenue of $115.3 million, accounting for 89.7% of total revenue. Electricity volumes for the quarter ended December 31, 2013 were 1,215,458 MWh.

- Natural gas revenue of $11.4 million accounting for 8.8% of total revenue. Natural gas volumes for the quarter ended December 31, 2013 were 1,857,517 MMBtu as the Company entered the peak natural gas usage season.

- Fee revenue consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel of $1.0 million, representing 0.8% of total revenue.

- Solar revenue of $0.9 million, representing 0.7% of total revenue. The Company started marketing residential solar energy products in September 2013.

Gross Margin

For the quarter ended December 31, 2013 gross margin was $24.9 million, representing 19.4% of total revenues.

Electricity gross margin for the quarter ended December 31, 2013 was $19.7 million, representing 17.1% of electricity revenues, and electricity gross margin per unit was $16.19/MWh.

Natural gas gross margin for the quarter ended December 31, 2013 was $3.3 million representing 28.9% of natural gas revenues and natural gas gross margin per unit was $1.77/MMBtu.

Selling Expenses

Selling expenses consist of commissions due to independent contractors in the network marketing channel, telemarketing and door-to-door channel and to partners in our exclusive marketing partnerships for enrolling new customers and for customer consumption. Selling expenses are expensed in the period that the commissions are earned by the independent contractors or exclusive marketing partnerships.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrolment of the customer, and residual commissions, which are primarily based on customer consumption and receipt of customer payment. The commission structures by sales channel are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated pursuant to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrolment and energy usage. Residual commissions are primarily earned and payable after receipt of payment from the customer.

- Commissions due for customers acquired through our exclusive marketing partnerships are calculated based on a fixed, upfront commission per customer enrolled, subject to a partial or full repayment of commission for customers who terminate their service within the first three months, and a residual-based commission based on a percentage of revenue share over a customer's term of enrolment, earned and payable after receipt of the payment from the customer.

- Commissions due to independent contractors in our telemarketing and door-to-door channel are primarily comprised of upfront commission based on the successful qualification of the customer with the utility or paid under hourly contracts, subject to a partial or full repayment of commissions for customers who terminate their service within the first three months.

For the quarter ended December 31, 2013, selling expenses were approximately $5.2 million representing 3.9% of revenue. These costs consist of (a) upfront customer acquisition commissions of $2.1 million (representing $23.98 per customer acquired), (b) residual based commissions of $2.5 million (representing 2.2% of revenues) and (c) solar commissions of $0.6 million (representing 61.4% of solar revenues).

General and Administrative Expenses

General and administrative expenses for the quarter ended December 31, 2013 was $13.7 million, as set out in the table below.

	Quarter ended December 31, 2013	
	$	**%**
General and Administrative Expenses (in $ millions and % of revenue)		
POR fees / bad debt	$3.8	3.0%
Processing costs	1.6	1.2%
Human resources	3.9	3.1%
Gross receipts taxes and other taxes/levies	1.1	0.8%
Legal and regulatory	0.5	0.4%
Other	2.8	2.2%
Total	**$13.7**	**10.7%**

General and administrative expenses in the fourth quarter increased to $13.7 million, up from $10.8 million in the third quarter. The increase in General and administrative expenses was primarily driven by higher POR / bad debt costs, which was impacted by a year-end increase in the allowance for doubtful accounts of $2.6 million. The increase was not attributable to an increase in the accounts receivable subject to credit risk, which increased from $8.5 million at the beginning of the quarter to $8.7 million at the end of the quarter, but rather was the result of a change in estimate of the collectability of receivables subject to credit risk taking into account a full year of historical data on collections performance in markets subject to credit risk. Gross receipts taxes were impacted by a true-up relating to prior quarters of $0.4 million.

Unit-Based Compensation

The unit-based compensation charge relates to the issuance of 154,601 Restricted Trust Units ("RTUs") to senior executive management of Crius Energy in 2013. For the quarter ended December 31, 2013, unit-based compensation expense amounted to $0.1 million and reflected the fair value of these RTUs based on the market price of the Trust units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization relate to the property, equipment and intangibles used in the Company's operations. Depreciation and amortization for the quarter ended December 31, 2013 was $9.5 million.

Finance Costs

Finance costs for the quarter ended December 31, 2013 were $1.5 million. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion under "Liquidity and Capital Resources" in this MD&A, for a detailed description of this facility.

Goodwill impairment

The Company recorded a goodwill impairment charge of $60.5 million for the quarter ended December 31, 2013. The impairment was primarily due to the carrying value of equity being in excess of the market capitalization of the Trust at year end. The impairment charge is non-cash and will not impact our normal business operations nor will it affect liquidity, cash flow from operations or financial covenants under our credit facility.

Distributions to Non-controlling Interest

Distributions to non-controlling interest for the quarter ended December 31, 2013 were $ 6.7 million.

Due to certain provisions in the governance documents which, in very limited change of control circumstances, provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest based on their approximate 73.2% interest in Crius Energy are included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional commodity or currency positions in the market if the derivative contracts were to be terminated at the respective period end (see "Financial Instruments and Risk Management" in this MD&A).

For the quarter ended December 31, 2013, the unrealized gains and losses associated with derivative contracts were a net gain of $24.1 million; made up of (a) unrealized gains of $22.5 million on forward electricity positions (b) unrealized gains of $1.7 million on forward natural gas positions and (b) unrealized losses of $0.1 million on forward currency positions.

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to either hedge the fixed price exposure of customers on fixed price contracts or to hedge the expected short-term exposure of variable priced customers. On average, wholesale electricity and natural gas prices for all forward positions outstanding as at December 31, 2013 have increased by a weighted average of $13.18/MWh and $0.44/MMBtu, respectively from the time they were entered into.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the quarter ended December 31, 2013 was a gain of $43.5 million, representing the mark-to-market valuation of the non-controlling interest liability included on the consolidated statement of financial position. These non-cash gains are primarily the result of the decrease in the Trust's publicly traded Unit price from the beginning to the end of the quarter ended December 31, 2013.

Due to the redeemable nature of the non-controlling interest in Crius Energy arising from certain provisions in the governance documents, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for profit interest units of Crius Energy, LLC that is calculated using an option pricing model.

Income Taxes

For the quarter ended December 31, 2013, the provision for income taxes was $1.9 million. For this period, the Trust reported pre-tax book loss and was in a net income-tax position after adjustments for permanent differences, including goodwill impairment, the change in fair value of non-controlling interest, distributions to non-controlling interests and removing the activity of Crius Energy, LLC that is attributed directly to the non-controlling partners of Crius Energy, LLC. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity. Therefore, its taxable income/(loss) flows directly to its partners who are then taxed on their allocable share of the partnership income tax/(benefit).

Net Loss and Comprehensive Loss

For the quarter ended December 31, 2013, net loss and comprehensive loss was $6.6 million. Net loss was impacted by various non-cash items including a goodwill impairment charge of $60.5 million and change in fair value of non-controlling interest liability which resulted in a gain of $43.5 million.

Liquidity and Capital Resources

The Trust expects to have sufficient liquidity to fund its planned operations for the foreseeable future. The following are the primary sources of funding for future expenditures that are expected by Management to be available: (i) internally generated cash flow from operations; (ii) existing cash and working capital; and (iii) borrowing capacity under our supplier agreement ("the **Supplier Agreement**") with Macquarie Energy, LLC ("**Macquarie Energy**"). Additionally, Management may seek to raise capital via the following means: (iv) external debt financing and (v) new capital through the issuance of additional Units.

The Supplier Agreement provides for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in October 2017 (the "**Supplier Agreement**"). Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each Independent System

Operator, or ISO. Under the Supplier Agreement, the utilities serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "**Lockbox**"), and the funds in that account are used to pay Macquarie Energy for the energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable and all other assets of the Company.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $200.0 million subject to certain customary financial covenants and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in finance costs in the statement of comprehensive income.

The Supplier Agreement includes a working capital facility with a sub-limit of $25.0 million under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR.

Subsequent to year end, and effective on February 7, 2014, the Company executed an amendment to the Supplier Agreement, which expanded the working capital facility sub-limit from $25.0 million to $60.0 million with the base interest rate remaining unchanged at 5.5% plus LIBOR. Other material changes to the credit facility include a decrease in the overall exposure limit of $200.0 million to $150.0 million, the extension of the term of the agreement to December 2019, and an incremental interest rate of 1.25% applied to borrowings above a certain threshold. Additionally, the Company made a one-time payment in the amount of $1.3 million, which will be amortized over the remaining term of the facility and Macquarie Energy were issued 750,000 warrants to purchase Trust units with a strike price of C$6.23 per Unit and a term of five years, with the warrants being exercisable over a four-year schedule.

Under the Supplier Agreement, the Company and its operating subsidiaries are permitted to make monthly distributions provided that (i) no event of default, termination event or potential event of default under the Supplier Agreement has occurred, (ii) Macquarie Energy has been paid in full for all amounts owing under all then outstanding monthly invoices, (iii) Macquarie Energy has not received notice that any amount owed to any party is then currently past due, and (iv) the requested distribution would not result in a breach of any covenant under the Supplier Agreement. Refer to the discussion under "Principal Agreement with Macquarie Energy" in the Trust's Annual Information Form, available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca, for a detailed description of the Supplier Agreement.

Cash and Working Capital Position, Cash Flow from Operations

As of December 31, 2013, the Trust had no long-term debt, a cash balance of $15.3 million and a working capital balance, defined as current assets less current liabilities, of $34.1 million. Working capital was impacted by non-cash, unrealized net gains of $20.3 million on derivatives outstanding at year end. Working capital excluding these net unrealized gains was $13.8 million. At year-end, the Company has a balance outstanding of $6.5 million under its credit facility and has availability under the credit facility of $12.2 million, resulting in aggregate cash and availability under our credit facility of $27.5 million, which decreased from $43.0 million as at December 31, 2012.

Cash flow from operations for the year ended December 31, 2013 amounted to $26.3 million and included net outflows of $8.9 million for changes in operating assets and liabilities, which primarily resulted from the growth in customer accounts receivable due to our increased customer base as well as higher retail rates. Excluding these changes in operating assets and liabilities, cash flow from operations was $35.2 million for the year. Changes in operating assets and liabilities primarily arise due to the time lag associated with the cash conversion cycle, or the time between the time we pay for wholesale energy and the time we receive payments from our customers for the energy sold, which is also impacted by growth and seasonality in the business. The credit facility in place with Macquarie Energy is a borrowing base facility and, as such, provides access to cash that is needed to fund changes in operating assets and liabilities associated with the build-up of customer accounts receivables and trade payables. The changes in operating assets and liabilities in the year of $8.9 million were principally funded by draws under the facility of $6.5 million made in the year.

Cash flow from operations for the quarter ended December 31, 2013 amounted to $11.4 million and included net inflows of $4.1 million of net change in operating assets and liabilities, which primarily resulted from seasonality in the business. Excluding these changes in operating assets and liabilities, cash flow from operations was $7.3 million for the quarter.

Contractual Obligations

In the normal course of business, the Company is obligated to make future payments under various non-cancellable contracts and other commitments. As at December 31, 2013, the payments due by period are set out in the following table:

Contractual Obligations
(in $ millions)

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$75.1	$75.1	$75.1	—	—
Operating leases	—	1.5	0.6	0.9	—
Financing leases	1.3	1.3	0.3	1.0	—
Credit facility	6.5	6.5	6.5	—	—
Distribution payable	0.8	0.8	0.8	—	—
Other long-term liabilities	0.8	0.5	—	0.5	—
	84.5	**85.7**	**83.3**	**2.4**	**—**

Distributions

As required by National Policy 41-201 – *Income Trusts and Other Indirect Offerings*, the following table outlines the differences between net cash provided by (used in) operating activities and cash distributions as well as the differences between net income and cash distributions.

(in $ millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012[1]
Cash flows provided by (used in) operating activities	11.4	26.3	(9.1)
Finance costs included within financing activities	(1.2)	(5.5)	(0.9)
Cash flows provided by (used in) operating activities adjusted for finance costs	**10.2**	**20.8**	**(10.0)**
Net income	**(6.6)**	**48.7**	**2.8**
Distributions to unitholders	2.4	10.2	—
Distributions to non-controlling interest	6.8	29.0	—
Total distributions	**9.2**	**39.2**	**—**
Excess (shortfall) of cash flows provided by operating activities including interest over cash distributions paid	1.0	(18.4)	(10.0)
Excess (shortfall) of net income over cash distributions paid	(15.8)	9.5	2.8

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

For the year ended December 31, 2013 distributions exceeded cash flows provided by operating activities (adjusted to include interest) for the year by $18.4 million. This shortfall was impacted by (a) the net change in operating assets and liabilities included within cash flows from operating activities of negative $8.9 million as well as (b) cash distributions paid during 2013 of $1.9 million that related to the 2012 stub period. After adjusting for these two items, cash distributions exceeded cash flows from operations less financing costs by $7.6 million for the year. This shortfall was attributable to our Adjusted EBITDA performance primarily due to the impacts of lower-than-normal gross margins in the first and third quarters due to challenging market conditions and differences between forecasted and actual electricity volumes in key markets. This was funded by existing cash as well as by cash advances under the credit facility.

For the year ended December 31, 2013, net income exceeded distributions for the year primarily due to the impact of various non-cash items including a gain of $120.4 million from changes in fair value of non-controlling interest and a gain of $22.1 million from changes in fair value of derivative instruments.

For the quarter ended December 31, 2013 cash flows provided by operating activities (adjusted to include interest) exceeded distributions for the quarter by $1.0 million. This excess was impacted by the net change in operating assets and liabilities included within cash flows from operating activities of $4.1 million.

For the quarter ended December 31, 2013 distributions exceeded net income by $15.8 million primarily due to non-cash charges including depreciation and amortization and goodwill impairment.

Outstanding Unit Data

At the date of this MD&A, March 25, 2014, the Trust had 10,014,924 Units outstanding including 14,924 Units issued pursuant to RTUs issued to directors of the Administrator on March 25, 2013.

Outlook

At the beginning of 2014, we experienced several challenges which had a material effect on our business. We are actively addressing these issues while remaining focused on executing on our strategy. We will continue to strengthen our distribution channels, increase our product diversity, and expand into more states and utilities in order to grow and diversify our customer base. Our goal remains to grow and diversify our cash flows to support long-term distributions for our unitholders.

To provide some background, our core markets in the Northeast, New York and Mid-Atlantic states experienced record-breaking wholesale energy prices and volatility in the first quarter of 2014, driven by historic cold temperatures and supply constraints, including natural gas shortages and unexpected generation outages. Given the magnitude of these impacts, management felt it was prudent to reduce its distributions by 30% starting in February 2014, which we expect to maintain for the remainder of the year, after which time it will be re-evaluated by the Board. This will enable us to rebuild the capital required for the Trust's long-term success and manage through the temporary slowdown in net customer growth, driven primarily by elevated customer attrition, as the Company passes through higher variable rates to customers over the coming months. To mitigate attrition, management has implemented customer retention strategies, including offering promotional products at reduced margins, which will negatively impact 2014 gross margins but provide long-term value through a continued customer relationship.

Despite these short-term challenges faced, management is optimistic about the long-term prospects of Crius Energy. In highly competitive markets with many energy service offerings available to consumers, we feel it is our unique family-of-brands strategy and diversified distribution channels that enable us to not only face the challenges in our markets but also to capitalize on the growth opportunities.

In the short- to medium-term, we believe that the extreme market volatility and wholesale price spikes create significant growth opportunities for the Company. First, we believe higher utility rates, which can lag wholesale markets by up to a number of years, will create increased sales opportunities and make our products more competitive, as utilities pass through the higher wholesale energy costs to their customers. Second, we anticipate this higher price environment will create more customer awareness and shopping for alternative solutions. Our multiple touch points in the market through our family-of-brands and distribution channels increases our visibility and positions us to provide solutions for the shopping customer. Third, our offerings of solar products and fixed price electricity and natural gas solutions will be attractive in an environment with increasing utility prices, as these products provide consumers with price certainty. Finally, we expect industry-wide increased customer attrition, new regulations, higher collateral costs and poor financial performance to drive many retail industry suppliers who are not committed to the industry to look for market exits via merger and acquisition opportunities.

To deliver long-term growth, management expanded our working capital facility with Macquarie Energy in February 2014 from $25.0 million to $60.0 million of availability which materially improves the financial capacity of the Company. The expanded facility allows for investment in growth, both organic and acquisition, while also supporting distributions to our unitholders. The facility expansion was a validation of Macquarie Energy's continued confidence in our business model, especially given the challenging conditions faced throughout the retail energy industry in the first quarter of 2014.

We continue to see acquisitions as an important component of our future growth. In the first quarter of this year, merger and acquisition activity has increased significantly as a result of the market conditions. There are many opportunities and management has been actively evaluating several counterparties in the quarter.

In addition to acquisitions, we expect our Network Marketing, Strategic Marketing Partnership and Direct Marketing channels all to continue to improve and remain productive in 2014 by delivering continued organic growth.

While we have flagged temporary elevated customer attrition rates over the coming quarters as we pass through higher rates to customers, we feel confident that our "warm" marketing channels are particularly well-positioned to drive growth in 2014. In our Network Marketing channel, marketed under the Viridian Energy brand name, the Company has experienced continued growth for the first two months of the first quarter of 2014 with approximately 3,900 new independent sales associates enrolled. The record-breaking growth of new independent associates in the quarter-to-date is encouraging. Historically we have seen a ratio of 15 Customers per independent sales associate, over the life of the associate's relationship with us, and expect we will see our newly enrolled associates propel future customer and associate growth in the remaining quarters of the year.

Our Strategic Marketing Partnership channel is expected to ramp up significantly when, in the second quarter, FTR Energy Services rolls out natural gas and electricity products to subscribers of Frontier Communications through multiple inbound care facilities. This is the result of our successful inbound sales trial with Frontier Communications in 2013. Historically, our Strategic Marketing Partnership channel is most effective when we are able to utilize the high-volume and "warm" nature of inbound customer calls to our Strategic Marketing Partners as a cross-selling opportunity for our electricity and natural gas products. The upcoming rollout through Frontier Communications represents the largest group of inbound agents to date through any of our partners and management believe that this will have a positive impact on 2014 customer growth. In 2014 we will look to similarly strengthen our other Strategic Marketing Partnerships and forge new ones.

In 2014 we expect to continue to diversify our commodities, products, customer segments, and geographies. This will increase earnings stability and mitigate our exposure to market-specific risks, including weather impacts. Regarding commodity diversification, management expects to grow our natural gas Customer base as a percentage of our overall portfolio. As for product diversity, management anticipates continued growth in fixed price products as well as continued growth in solar energy products. Regarding customer segment diversification, management is focused on driving commercial growth and has invested in systems and key hires to facilitate growth. Management is in the process of operationalizing commercial sales programs through our Network Marketing and Strategic Marketing Partnership channels, which have traditionally targeted residential accounts. As for geographic diversity, the Company has immediate plans to expand natural gas and electricity service to new markets.

Similarly, management is encouraged by the continued growth of our solar business. The sales growth is ramping up consistent with management expectations at launch and is expected to have a meaningful impact on fiscal year 2014 Adjusted EBITDA. In the Network Marketing channel, management have successfully expanded sales efforts into every market serviced by SolarCity which will help drive additional growth in 2014. In the Strategic Marketing Partnership channel, the Company recently announced that it has expanded its relationship with Frontier Communications to offer solar energy products to their customers initially in California, the largest market for solar energy products in the U.S. The solar energy products will be sold through a dedicated team of inbound customer service agents in the Frontier Communications call centers. Based on the success in California, the program is expected to be rolled out to Frontier Communications subscribers in Arizona, the second-largest solar market, Colorado, New York and Oregon. While the Company has proven its ability to participate in this fast growing market as a reseller, management is exploring opportunities to participate in other parts of the solar value chain in order to generate more value per customer and expand our presence in a market with strong long-term growth fundamentals.

In addition to growth, management is also focused on managing our cost base as we continue to scale operations. As disclosed previously, scale is a key competitive advantage in our industry as it provides a cost benefit per each customer served. The investments in technology and human capital made in 2013 and expected to continue in 2014 are generating cost savings from automation, improving sales and billing processes and promoting organic growth.

Finally, the Company was recently recognized as "Energy Supplier of the Year" at the inaugural Energy Marketing Conference. At that time it was stated that the criteria for the honour was to be an energy supplier that "managed to grow their business into a strong industry competitor while maintaining an outstanding reputation for integrity. In addition, consideration was also given to energy suppliers that successfully coordinated with joint venture partners to build brands and capitalize on opportunities in deregulated markets." We were pleased with this validation of our strategy and will continue to deploy it to deliver value in 2014 and beyond.

Off Balance Sheet Items

Pursuant to the Supplier Agreement, the Company has issued letters of credit totaling $5.3 million to various counterparties, principally utilities.

Pursuant to separate arrangements with International Fidelity Insurance Corporation and ACE American Insurance Company, the Company has issued surety bonds to various counterparties including states, regulatory bodies and utilities in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Surety bonds issued as at December 31, 2013 totaled $8.2 million.

Financial Instruments and Risk Management

Electricity and natural gas derivatives

The Company has entered into contracts with customers to provide electricity or natural gas at either variable or fixed prices, with the majority of the electricity and natural gas provided by the Company to customers pursuant to variable price contracts. Fixed-price contracts expose the Company to changes in market prices of electricity and natural gas, as the Company is obligated to purchase electricity and natural gas at floating wholesale market prices for the delivery to its customers. To reduce its exposure to short-term and long-term movements in commodity prices arising from the procurement of electricity and natural gas at floating prices, the Company uses derivative instruments. These derivative instruments are principally physical forward contracts and fixed-for-floating swaps whereby the Company agrees with a counterparty, currently Macquarie Energy, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe at a specified location. The cash flow from these instruments is expected to be effective in offsetting the Company's price exposure and serves to fix the Company's wholesale cost of electricity or natural gas to be delivered to the customer. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which the commodity hedging is based.

Realized swap settlements under derivative instruments are included in cost of sales in the consolidated statement of comprehensive income. Unrealized gains or losses resulting from changes in the fair value of the derivative instruments, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statement of comprehensive income.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based, forward wholesale price curves.

As at December 31, 2013, the Company had fixed-for-floating swaps and physical natural gas forward contracts with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date	Fixed Price ($)	Fair Value ($)	Notional Value ($)
Fixed-for-floating electricity swaps........	1–35 MWh	1,402,719 MWh	1–24 months	$22.70–$87.62	$18.5	$72.6
Fixed-for-floating natural gas swaps	2,800–263,000 MMBtu	1,378,500 MMBtu	1–11 months	$3.62–$4.01	$0.7	$5.4
Physical natural gas forward contracts....	8–11,254 MMBtu	995.441 MMBtu	1 month	$3.30–$9.40	$(0.2)	$6.1
Fixed-for-floating natural gas basis swaps	5,000–153,000 MMBtu	1,442,000 MMBtu	1–3 months	$(0.11)–$1.86	$1.3	$1.2

Currency derivatives

The Company is exposed to currency risk as its business operations are conducted in United States dollars and distributions are denominated in Canadian dollars. To reduce its exposure to fluctuations in currency markets, the Company uses derivative instruments, including foreign exchange options whereby the Company agrees with a counterparty to have the right to swap the floating price and the fixed price on a notional quantity of currency at or over a specified timeframe. Realized settlements under derivative instruments are included in the relevant section of the consolidated statement of comprehensive income or consolidated balance sheet. Unrealized gains or losses resulting from changes in the fair value of the derivatives, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statement of comprehensive income.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based prices and option valuation methods.

As at December 31, 2013, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value
December 31, 2013					
Foreign currency options	US$9.4 C$10.0	US$9.4 C$10.0	1–12 months	C$1.07 per US$1.00	US$0.1

Transactions with Related Parties

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including primarily intercompany notes and administrative service fees amongst its subsidiaries. These transactions are eliminated on consolidation.

Crius Energy, LLC entered into a transition services agreement for professional services with a related party for an initial period of nine months commencing September 2012, with the option to extend the agreement for an additional nine months. In March 2013, Crius Energy, LLC gave notice to the related party that it would not extend the agreement subsequent to the initial six month term. As at December 31, 2013, there is $ – (December 31, 2012 — $0.02 million) included in Trade and other payables related to this agreement. For the year ended December 31, 2013, there is $0.1 million included in General and administrative expense related to this agreement.

Crius Energy, LLC has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp which is a unitholder in Crius Energy, LLC. Both Macquarie entities are part of the same group. As at December 31, 2013, Macquarie Energy had extended trade credit to the Company totaling $40.6 million (December 31, 2012 — $28.1 million) under this Supplier Agreement. As at December 31, 2013, there were letters of credit issued totaling $5.3 million (December 31, 2012 — $4.3 million) and cash advances drawn totaling $6.5 million (December 31, 2012 — $ –) under the working capital facility. During the year ended December 31, 2013, energy purchases totaled $382.5 million (the period from inception at September 7, 2012 to December 31, 2012 — $42.6 million) and interest expense under the Supplier Agreement totaled $5.6 million (the period from inception at September 7, 2012 to December 31, 2012 — $0.1 million). As at December 31, 2013, the aggregate availability under the credit facility was $12.2 million (December 31, 2012 — $12.7 million).

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

Risks and Uncertainties

The Trust's operations are affected by a number of underlying risks, both internal and external to the Trust. The Trust's financial position, results of operations and cash distributions are directly impacted by these factors.

A full listing of the operational and business risks is set out in the Trust's 2013 Annual Information Form that is available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca.

The Trust's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities, including:

- Market risk, including commodity risk, interest rate risk and foreign currency risk
- Credit risk, including customer credit risk and counterparty credit risk
- Liquidity risk

This section sets out information about the Trust's exposure to each of these risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout the audited consolidated financial statements.

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. The Trust has letters of credit and cash advances outstanding of $11.8 million under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. In the year ended December 31, 2013, the impact of a 1% increase (decrease) in the interest rate on these balances would not have had a material impact on Finance costs in the consolidated statement of comprehensive income.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in United States dollars, however, its distributions and publicly listed units are denominated in Canadian dollars. The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative hedging products including options. The Trust maintains a rolling 12-month hedging program for this foreign currency exposure that is extended on a quarterly basis, and as at December 31, 2013 was hedged based on its current monthly distribution payout rate of C$0.0833 per unit to December 31, 2014.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. Customer credit risk exposure represents the risk related to the Trust's accounts receivable from Delaware, District of Columbia, Massachusetts, Maine, Maryland, New Hampshire, certain Ohio markets and New Jersey. If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust.

For the remaining markets, the local distribution companies ("**LDCs**") provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at December 31, 2013, the customer credit risk exposure amount of $8.7 million and the accounts receivable aging for these markets are as follows:

	Total	Current	30-59 days	Over 60 days
Accounts receivable	$8.7	$3.9	$1.1	$3.7

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk is limited to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency derivatives. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

The maximum counterparty credit risk exposure amounted to $20.3 million as at December 31, 2013 representing the risk relating to its derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring cash flow forecasts for the next twelve months to ensure adequate and efficient use of cash resources and credit facilities.

The table above under the "Contractual Obligations" section of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at December 31, 2013.

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

International Financial Reporting Standards

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standard Board ("**IASB**").

Critical Accounting Estimates

The preparation of consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

(a) *Revenue recognition*

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust based on the number of units of energy consumed but not yet billed, based on estimates using usage data available, multiplied by the current customer average sales price per unit.

(b) *Allowance for doubtful accounts*

The Trust reviews its accounts receivables at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

(c) *Fair value*

Determining the fair value of derivative instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for the profit interest units of Crius Energy LLC that is calculated using an option pricing model. The fair value of the unit based compensation liability is measured by the publicly traded unit price of the Trust.

The fair value of financial instruments is significantly influenced by the variability of forward commodity and currency prices. Periodic changes in forward prices could cause significant changes in the marked-to-market valuation ("**MTM Valuation**") of these financial instruments. For example, assuming that all other variables remain constant:

	Fixed-for-floating electricity swaps	
Percentage change in the forward spot price at December 31, 2013	**Percent change in MTM Valuation**	**Dollar change in MTM Valuation**
+/– 1%	+/– 4.9%	+/– $0.9
+/– 5%	+/– 24.6%	+/– $4.6
+/– 10%	+/– 49.3%	+/– $9.1

	Fixed-for-floating natural gas swaps	
Percentage change in the forward spot price at December 31, 2013	**Percent change in MTM Valuation**	**Dollar change in MTM Valuation**
+/– 1%	+/– 9.0%	+/– $0.1
+/– 5%	+/– 45.2%	+/– $0.3
+/– 10%	+/– 90.3%	+/– $0.6

	Physical natural gas forward contracts	
Percentage change in the forward spot price at December 31, 2013	**Percent change in MTM Valuation**	**Dollar change in MTM Valuation**
+/– 1%	+/– 21.0%	+/– $0.1
+/– 5%	+/– 105.0%	+/– $0.3
+/– 10%	+/– 210.0%	+/– $0.6

Percentage change in the forward spot price at December 31, 2013	Fixed-for-floating natural gas basis swaps: Percent change in MTM Valuation	Dollar change in MTM Valuation
+/– 1%	+/– 1.9%	+/– $0.0
+/– 5%	+/– 9.6%	+/– $0.1
+/– 10%	+/– 19.1%	+/– $0.2

(d) *Impairment of non-financial assets*

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Company evaluates value in use and fair value less costs of disposal. In doing so, assumptions are made regarding the market capitalization of the Trust, recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible assets.

(e) *Useful life of property and equipment and intangible assets*

The amortization method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Trust.

(f) *Acquisition accounting*

Management uses judgment to determine whether an acquisition qualifies as an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in a business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

(g) *Classification of Trust units as equity*

Trust units issued by the Trust give the holder the right to put the units back to the issuer in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust units as equity because the Trust units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

(h) *Consolidation of Entities in which the Trust has less than majority of ownership interest*

The Trust has determined that it controls the operating subsidiaries through its indirect wholly owned subsidiary, Crius Energy Corporation, notwithstanding its ownership interest is less than 50%. The factors the Trust considered in this determination include the relative size and dispersion of holdings by other shareholders, the Trust's right to a majority of Board Members and the sharing of key management positions between the entities.

New standards and accounting policies adopted

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those followed in the preparation of the Trust's prior year consolidated financial statements, except for the adoption of new standards and interpretations effective as of January 1, 2013. The Trust applied, for the first time, certain standards and amendments on January 1, 2013.

The IASB amended IFRS 7 *Financial Instruments: Disclosure* which clarifies the requirements for the offsetting of financial assets and liabilities. IFRS 7 has been applied as of January 1, 2013. IFRS 7 requires additional disclosures in the Trust's consolidated financial statements, which were incorporated in the Financial Instrument Note 13.

The IASB issued IFRS 13 *Fair Value Measurement* as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 has been adopted as of January 1, 2013. The adoption of IFRS 13 has not materially impacted the fair value measurements included in the consolidated financial statements, however, has required additional disclosures, which have been incorporated in the Financial Instruments Note 13.

The IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The standard has been adopted as of January 1, 2013. IFRS 10 had no impact on the Trust's consolidated financial statements upon adoption as the current consolidation method adheres to this standard.

The IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 has been adopted as of January 1, 2013. IFRS 11 had no impact on the Trust's consolidated financial statements upon adoption as the Trust and subsidiaries are not parties to any joint arrangements.

The IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The standard has been adopted as of January 1, 2013. IFRS 12 had no impact on the Trust's consolidated financial statements.

IAS 19 *Employee Benefits* amendments, issued in June 2011, changed the accounting for defined benefit plans and termination benefits. This standard requires that the changes in defined benefit obligations are recognized as they occur, eliminating the corridor approach and accelerating the recognition of past service costs. The changes in defined benefit obligation and plan assets are to be disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and remeasurements of the net defined benefit liabilities (assets). This standard is to be applied for accounting periods beginning on or after January 1, 2013. The adoption of the amendments to IAS 19 did not have an impact on the Trust's consolidated financial statements.

IAS 36 *Impairment of Assets* was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014, however, the Trust has early adopted this amendment during 2013 (Note 12).

Several other new amendments and annual improvements including IFRIC Interpretation 20, Amendments to IFRS 1 and Annual Improvements to IFRS 2009 – 2011 Cycle apply for the first time in 2013; however, they do not impact the consolidated financial statements of the Trust.

Future accounting pronouncements

Recent accounting pronouncements that are issued but not yet effective up to the date of issuance of the Trust's consolidated financial statements are listed below.

The IASB issued IFRS 9 *Financial Instruments: Classifications and Measurements* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

In November 2013, the IASB issued an amended version of IFRS 9 *Financial Instruments* which includes the new hedge accounting requirements and some related amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*. IFRS 9 does not yet have a mandatory effective date. The Trust has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

The IASB reissued IAS 27 *Separate Financial Statements* to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Trust prepares separate financial statements. IFRS 27 is effective for years beginning on or after April 1, 2013. These amendments will have no impact on the Trust's consolidated financial statements.

The IASB amended IAS 28 *Investments in Associates and Joint Ventures* as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Trust when there is joint control or significant influence over an investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not include control or joint control of those policy decisions. When it has been determined that the Trust has an interest in a joint venture, the Trust will recognize an investment and will account for it using the equity method in accordance with IAS 28. IAS 28 is effective for years beginning on or after April 1, 2013. IFRS 28 will have no impact on the Trust's consolidated financial statements on adoption as the Trust has no associates or joint ventures that are currently accounted for under the equity method.

Amendment to IAS 32 *Offsetting Financial Assets and Financial Liabilities* was issued in December 2011, and clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". These amendments are applicable for annual periods beginning on or after January 1, 2014. The Trust does not anticipate that the applications of these amendments will have a significant impact on the Trust's consolidated financial statements.

IAS 39 *Financial Instruments: Recognition and Measurement* was amended by the IASB in June 2013. The amendments clarify that novation of a derivative designated in a hedging relationship to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statement.

IFRIC 21 *Levies* was amended by the IASB in June 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The main features of IFRIC 21 are: (i) the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation, and (ii) the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statements.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

Internal control over financial reporting ("**ICFR**") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for establishing and maintaining adequate ICFR, as such term is defined in National Instrument 52-109 to provide reasonable, but not absolute, assurance regarding the reliability of our financial reporting as well as designing disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings has been recorded, processed, summarized and reported within the time periods specified in securities legislation.

A material weakness in ICFR exists if a deficiency is such that there is reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections or any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our ICFR are designed to provide reasonable, not absolute, assurance that the objectives of our control systems have been met.

As of December 31, 2013, the Company assessed the effectiveness of its ICFR using the criteria set forth in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). During this process, Management identified deficiencies in the design of key controls in certain financial and information technology processes and may find others that will require remediation as their assessment continues in 2014. Accordingly, Management has concluded that the aggregation of these design deficiencies, coupled with the fact that key controls have not yet been fully tested to determine operating effectiveness, constitutes a material weakness in the design and operating effectiveness of internal controls over financial reporting. Notwithstanding the above-mentioned material weakness, we have concluded that the consolidated financial statements included in this filing fairly present our consolidated financial position and consolidated results of operations as of and for the year ended December 31, 2013 and from inception on September 7, 2012 to December 31, 2012. There is no restatement of financial statements arising from the material weakness in internal controls identified above. Current and planned steps Management are undertaking to remediate these weaknesses in internal controls are outlined below.

Changes to Internal Control over Financial Reporting

National Instrument 52-109 also requires public companies in Canada to disclose in their MD&A any change in internal controls over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Management is continuing to assess and review its disclosure controls and procedures, including internal controls over financial reporting, on an ongoing basis and is working to strengthen the Trust's disclosure controls and procedures and internal controls over financial reporting, by taking such actions to date as those described below. We expect to continue to assess our progress and needs over the coming year which may result in further changes:

- Management has recruited additional qualified and experienced staff in the accounting and finance department to assist with its accounting processes and ICFR. This resulted in the addition to our team of a seasoned Senior Vice President of Finance as well as a Corporate Controller. We are also committed to reassessing our staffing levels in the coming months to determine if other accounting resources should be added to our team to handle the workload, provide extra technical depth, provide bench strength and further promote segregation of duties. As part of this process, certain functions that are either outsourced to accounting or tax specialists are being moved into our corporate headquarters. In the fourth quarter of 2013, we added an experienced Director of Tax that reports to the Senior Vice President of Finance. Likewise, we have revised the department's structure to provide more direct supervision by our Senior Vice President of Finance over our accounts receivables was well as credit and collections activities, while shifting certain energy procurement and hedging activities to the responsibility of our new Chief Operating Officer.

- In the third quarter of 2013, Management hired an independent professional consulting firm, with expertise in ICFR matters, to assist us in the design, documentation and testing of our internal controls and procedures. Under Management's direction, they worked with Company Management to define the scope of our ICFR effort for 2013 and 2014 and in the fourth quarter of 2013, started assisting the Company in documenting the controls pertaining to the key financial cycles as well as, entity-level and information technology processes that Management deems to be of higher risk; lower risk cycles will be addressed in 2014. Our focus in 2013 and 2014 relates to the following areas / cycles: Corporate Governance; Information Technology; Financial Reporting; Revenue and Accounts Receivable; Cost of Sales and Operating Expenditures (Purchasing and Accounts Payable); Goodwill, Intangibles and Long-lived Assets; Hedging and Derivative Instruments; Income and Sales Taxes; Non-Controlling Interest; Distribution to Unit Holders; Selling Costs; Payroll; Fixed Assets; and Foreign Exchange.

- Systems for internal control for the business acquired by the Trust in 2012 has been implemented and are now being refined. Management is in the process of enhancing and formalizing the design of internal control over financial reporting to ensure the Trust's standards are maintained. As a newly established public company, as expected, the ICFR team continues to identify areas for improvement and remediation that require Management's attention in 2014 to create, revise and strengthen the design of our control structure. We have already identified many processes that are undocumented, reliant on manual activities, in need of tighter controls, etc. and we will continue to do so in 2014. The level of effort and elapsed time to effect the remediation of controls can be significant in certain situations if the change is complex, involving new policies, practices and/or systems/providers.

- We continue to develop proper documentation and training of staff on period-end controls including cut-off procedures, account reconciliations and reviews thereof, and effect enhanced management oversight over the financial statements close process and journal entry review/approval. This will be an ongoing process as new personnel continue to be added to our financial accounting function Management will continue to enhance its closing checklist to reflect all of the steps needed to complete its financial statement close process as well as note completion dates and sign-offs by the responsible parties and reviews.

- A more robust operating and capital budgeting process is being launched for calendar year 2014 which will facilitate easier oversight, variance analysis and reforecasting. We also plan to enhance the variance analyses we conduct in connection with our period-end and daily activities.

- To enhance our entity-level controls related to Corporate Governance, the Company rolled out an Employee Handbook and Computer Use Policy and appointed a new Vice President of Human Resources, reporting to the Chief Operating Officer. By the end of the second quarter of 2014, Management plans to adopt a formal disclosure checklist and have the Board conduct their self-assessment. The implementation of a formal Whistleblower Policy, including hotline and Board reporting sourced through a third party, was completed in early 2013.

- The planning for the implementation of a new and more robust accounting system and related sub-systems was initiated in the third quarter of 2013 to replace an outdated system that lacks the types of functionality, security and audit capabilities we now require given the size, complexity and structure of our business. This new commercial off-the-shelf solution, once fully operational by the end of calendar year 2014, will provide for better control, reporting and analysis. Along with acquiring the software, Management has engaged a consulting firm experienced with the product to assist in the planning, configuration, prototyping, customization (if required), training, security setup, program change control, data conversion, chart of account mapping, report development, system and user acceptance testing, etc. Project management responsibilities and overall sponsorship will remain with senior Company personnel, including representatives of the Financial Accounting and Information Technology groups. The implementation of the specific modules will continue in 2014 in a phased manner, including construction of interfaces to legacy and feeder systems. Revisions to our ICFR design documentation will be necessary in 2014 as we move from a more manual to an automated process. Management may elect to defer the implementation of certain modules or construction of automated interfaces based on the level of effort required to achieve these changes without disrupting the day-to-day operations and period-end closing, consolidation and reporting process.

- The Company currently relies on various outsourced providers to provide specialized information technology systems for payroll, coordination of customer and utility electronic data interchange, billings/receivables management, commissions tracking and network marketing associate payments as well as internal systems for financial reporting and other core functions. In addition, end user applications like spreadsheets and local databases are used to enable computations and analyses performed as part of our operations and financial activities. Because of the number of different platforms, systems and vendors we work with and the desire to migrate some of these functions internally, we have recently hired experienced senior IT personnel to begin to build an in-house IT function and reduce our dependency on consultants and contractors. In the fourth quarter of 2013, the IT team has started to address the need to enhance our logical and physical security practices related to our infrastructure, applications and protection of sensitive data, adopt and roll out a uniform system development methodology that will be leveraged initially for the implementation of the new financial accounting package, and formalize our operating procedures for backup and recovery, business continuity; develop schematics that show the flow of data, including records transfer, between systems (whether built and/or managed by Company personnel or third parties); we expect that this remediation work will continue throughout 2014. The level of effort required is expected to be substantial. The scope of our IT group's responsibilities will also extend to oversight of these outsourced providers and working with end users to tighten spreadsheet and database controls for those tools deemed critical for financial reporting. We have recently learned that some of the outsourced providers we use for processing and other work do not have Service Organization Control Reports that supply information regarding the internal controls at the service organizations; Management will consider what contractual, audit or other steps can be taken to evaluate risks of reliance on these providers and how to mitigate any control issues that are identified. As it relates to end-user computing, the Company will take inventory of critical key spreadsheets used in support of financial reporting, energy revenue, rates/pricing, hedging/swaps, forecasting, commissions, etc., assign responsibility for the periodic validation of the formulas/models and establish standard naming conventions, retention rules, and network storage/archival requirements by the end of calendar year 2014.

These measures were an on-going process during 2013 and will continue throughout 2014. Management will report on additional plans and the progress achieved towards improving the effectiveness of internal controls in subsequent public filings. Given the scope of the effort and the ongoing or upcoming changes in people, processes and systems, our immediate focus is on the design of the new control structure so the testing for operating effectiveness will likely not occur until the end of calendar year 2014. Accordingly we plan to extend/renew the service agreement with the independent professional consulting firm to perform ICFR testing starting in the second quarter of 2014 and assign Company resources to develop Company-wide policies and procedures in conjunction with the implementation of the new financial accounting system.

There were no other changes in internal controls over financial reporting during the year ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

Note about Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed under "Risk Factors" and "Forward-Looking Statements" in the Trust's Annual Information Form that is available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca (collectively, "forward-looking statements"). Forward-looking information in this MD&A includes, but is not limited to, the Trust's objectives and status as a mutual fund trust and not a SIFT trust, results of operations, financial position or cash flows, customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, general and administrative expenses, treatment under governmental regulatory regimes, distributable cash and Crius Energy's expectations and estimates regarding the payment of distributions to unitholders. The Trust cautions investors about important factors that could cause the Trust's actual results to differ materially from those projected in any forward-looking statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that the expectations set out in this MD&A will prove to be correct and, accordingly, such forward-looking statements should not be unduly relied upon. These statements speak only as of the date of this MD&A and the Trust does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for Management to predict all of these factors or to assess in advance the impact of each such factor on the Trust's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

CRIUS ENERGY TRUST

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013 AND THE PERIOD FROM INCEPTION ON SEPTEMBER 7, 2012 TO DECEMBER 31, 2012

CRIUS ENERGY TRUST

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012

INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report

Directors of Crius Energy Administrator Inc., as administrator of Crius Energy Trust

We have audited the accompanying consolidated financial statements of Crius Energy Trust (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Crius Energy Trust as at December 31, 2013 and 2012, and its financial performance and its cash flows for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst + Young LLP

Hartford, Connecticut
March 25, 2014

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars)

	Notes	As at December 31, 2013	As at December 31, 2012
ASSETS			
Current			
Cash and cash equivalents		$15,343	$30,301
Restricted cash and cash equivalents		—	65
Collateral deposits		743	984
Accounts receivable	8	75,564	56,197
Income tax receivable		2,918	4,864
Other current financial assets	13	20,345	241
Other current assets		1,909	1,105
		116,822	**93,757**
Non-current			
Property and equipment	9	2,685	953
Intangible assets	10	81,175	116,945
Other non-current assets		16	175
Goodwill	12	180,866	235,150
		$381,564	**$446,980**
LIABILITIES AND UNITHOLDERS' EQUITY			
Current			
Trade and other payables		$75,454	$49,718
Credit facility	11	6,500	—
Distribution payable	15	773	1,327
Other current financial liabilities	13	—	2,610
		82,727	**53,655**
Non-current			
Deferred tax liabilities	14	27,776	41,462
Other non-current liabilities	13	1,744	1,519
Unit-based compensation	18	228	—
Non-controlling interest	13	138,234	258,611
		250,709	**355,247**
Unitholders' Equity			
Trust capital	15	90,402	90,300
Accumulated earnings		51,430	2,760
Accumulated distributions	15	(10,977)	(1,327)
Total Unitholders' Equity		130,855	91,733
		$381,564	**$446,980**
Commitments	23		

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of U.S. dollars)

	Notes	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012
Revenue		$507,072	$56,260
Cost of sales		403,724	44,416
Gross margin		103,348	11,844
Expenses			
Selling expenses		27,959	3,396
General and administrative expenses		43,242	4,960
Unit-based compensation		330	—
Depreciation and amortization	9, 10	38,353	5,170
Operating loss		(6,536)	(1,682)
Other (expenses) income			
Finance costs		(6,021)	(746)
Goodwill impairment		(60,515)	—
Distributions to non-controlling interest		(31,168)	—
Change in fair value of derivative instruments	13	22,094	(2,386)
Change in fair value of non-controlling interest	13	120,377	4,469
Income (loss) before income taxes		38,231	(345)
Benefit from income taxes	14	(10,439)	(3,105)
Net income and comprehensive income		**$48,670**	**$2,760**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012
(in thousands of U.S. dollars, except unit amounts)

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings	Accumulated Cash Distributions	Total
Issued on initial organization – Sept 7, 2012	15	1	$0	$0	$0	$0
Repurchase of initial Trust units	15	(1)	—	—	—	—
Issuance of Trust units	15	10,000,000	99,612	—	—	99,612
Trust unit issuance costs	15	—	(11,587)	—	—	(11,587)
Distribution to unitholders	15	—	—	—	(1,327)	(1,327)
Tax benefit related to stock options		—	2,275	—	—	2,275
Net income and comprehensive income		—	-	2,760	—	2,760
Balance at December 31, 2012		**10,000,000**	**$90,300**	**$2,760**	**$(1,327)**	**$91,733**
Issuance of Trust units	15,18	14,924	102	—	—	102
Distribution to unitholders	15	—	—	—	(9,650)	(9,650)
Net income and comprehensive income		—	—	48,670	—	48,670
Balance at December 31, 2013		**10,014,924**	**$90,402**	**$51,430**	**$(10,977)**	**$130,855**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Notes	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012
Net inflow (outflow) of cash related to the following activities			
Operating Activities			
Net income and comprehensive income		$48,670	$2,760
Add net income items related to financing activities:			
Finance costs		6,021	746
Distributions to non-controlling interest		31,168	—
Add (deduct) items not affecting cash			
Depreciation of property and equipment	9	441	42
Goodwill impairment	12	60,515	—
Amortization of intangible assets	10	37,863	5,128
Change in fair value of derivative instruments	13	(22,094)	2,386
Change in fair value of non-controlling interest	13	(120,377)	(4,469)
Unit-based compensation	18	330	—
Bad debt expense		5,067	64
Non-cash interest		(302)	(31)
Loss on disposal of assets		49	—
Provision for income taxes	14	(12,143)	(3,354)
		35,208	3,272
Net change in operating assets and liabilities	17	(8,933)	(12,379)
		26,275	**(9,107)**
Investing Activities			
Acquisition of Crius Energy, LLC, net of cash acquired	7	—	(47,877)
Purchase of intangible assets	10	(2,142)	(18)
Purchase of property and equipment	9	(844)	(71)
		(2,986)	**(47,966)**
Financing Activities			
Proceeds from issuance of Trust units	15	—	99,612
Trust units issue costs	15	—	(11,587)
Credit facility advances	11	20,000	—
Credit facility repayments	11	(13,500)	—
Finance costs		(5,513)	(651)
Distributions to non-controlling interest		(29,029)	—
Distributions to unitholders		(10,205)	—
		(38,247)	**87,374**
Net cash (outflow) inflow		(14,958)	30,301
Cash and cash equivalents, beginning of period		30,301	—
Cash and cash equivalents, end of period		**$15,343**	**$30,301**
Supplemental cash flow information			
Interest paid		$5,513	$651
Income taxes paid		$327	$1,579

See accompanying notes to the consolidated financial statements.

1. NATURE AND ORGANIZATION

Crius Energy Trust (the "Trust") is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust has been established to provide investors with a distribution-producing investment through its acquisition (the "Acquisition") of an approximate 26.8% ownership interest in Crius Energy, LLC, a Delaware limited liability company, by its indirect wholly-owned subsidiary, Crius Energy Corporation, concurrently with the sale by the Trust of 10,000,000 trust units of the Trust at a price of C$10.00 per Unit pursuant to an initial public offering (the "Offering") that closed on November 13, 2012. There was no other activity in the Trust from inception on September 7, 2012 until the initial public offering was completed on November 13, 2012.

The Trust is administered by Crius Energy Administrator ("the Administrator"), pursuant to the Administration Agreement dated September 7, 2012 between Computershare Trust Company, as Trustee of the Trust and the Administrator. The Board of Directors of the Administrator therefore performs the majority of the oversight and governance role for the Trust and has been consolidated.

The Trust is domiciled at: 3400, One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada M5X 1A4

The following is a summary of the entities directly or indirectly wholly owned by the Trust:

- Crius Energy Holdings Inc., was incorporated under the *Business Corporations Act* (Ontario) on October 23, 2012. The Trust is the sole shareholder of Crius Energy Holdings Inc. Crius Energy Holdings Inc. was incorporated for the purpose of forming, acquiring and holding all of the issued and outstanding shares in, Crius Energy Corporation.

- Crius Energy Corporation was incorporated under the Delaware General Corporation Law on October 26, 2012. Crius Energy Corporation was incorporated for the purpose of acquiring a controlling 26.8% interest in Crius Energy LLC.

- Crius Energy Commercial Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario on November 7, 2012. Crius Energy Commercial Trust was established for the purpose of acquiring and holding debt of the Trust's other subsidiary, Crius Energy Corporation, following the closing of the Offering of trust units of the Trust.

The following are the operating subsidiaries that the Trust, through its indirect wholly owned subsidiary Crius Energy Corporation, holds a 26.8% ownership interest in: Crius Energy, LLC, Crius Energy Management, LLC, Regional Energy Holdings, Inc., Viridian Energy, LLC, Viridian Energy PA, LLC, Viridian Energy NY, LLC, Cincinnati Bell Energy LLC, FairPoint Energy LLC, Viridian Network LLC, FTR Energy Services LLC, Public Power, LLC (a CT entity), Public Power LLC (a PA entity), Public Power Energy, LLC, Public Power & Utility of NY, Inc., Public Power & Utility of New Jersey, Inc. and Public Power & Utility of Maryland, Inc.

2. OPERATIONS

The Trust's business primarily involves the sale of electricity and natural gas to residential and commercial customers under variable-priced and fixed-price contracts. The Trust, through its subsidiaries, markets electricity and natural gas, and derives its gross margin from the difference between the price at which it sells the commodities to its customers and the price at which it purchases the associated volumes from its supplier. The Trust, through its subsidiaries, commenced marketing solar products in September 2013.

Through its licensed operating subsidiaries, the Trust provides: (i) retail electricity to its customers in the Connecticut, Delaware, District of Columbia, Illinois, Massachusetts, Maine, Maryland, New Hampshire, New Jersey, New York, Ohio, Rhode Island and Pennsylvania markets; (ii) retail natural gas to its customers in the District of Columbia, Indiana, Maryland, New Jersey, New York, Ohio, Pennsylvania and Virginia markets; and (iii) markets solar energy products, beginning in September, 2013, in the Connecticut, Delaware, Maryland, Massachusetts, New Jersey and New York markets. In addition to the states in which it currently operates, its subsidiaries are also licensed, certified, or otherwise qualified by applicable state agencies to supply retail natural gas/electricity/solar energy products and services in California.

3. BASIS OF PRESENTATION

Basis of presentation

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in U.S. dollars, the functional currency of the Trust and all subsidiaries, and all values are rounded to the nearest thousands. The consolidated financial statements are prepared on a going concern basis under the historical cost convention except for the accounting for the acquisition and for certain financial assets and liabilities which are stated at fair value (Notes 5 and 13).

These consolidated financial statements have been prepared for the year ended December 31, 2013 with comparative data, as applicable, for the period from inception on September 7, 2012 to December 31, 2012. The opening balance sheet of the Trust on September 7, 2012 consisted of cash of C$10.00 and one trust unit with the issue price of C$10.00 and there was no other activity until the initial public offering was completed on November 13, 2012.

Principles of consolidation

The consolidated financial statements include the financial statements of the Trust and entities controlled by the Trust including subsidiaries as at December 31, 2013 and 2012, respectively, and include all the subsidiaries and entities over which the Trust has power to govern the financial and operating policies for and are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

Reclassification

Certain reclassifications have been made in the consolidated statements of financial position and cash flows in 2012 to conform to the 2013 presentation**.**

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consists of cash with financial institutions and includes highly liquid investments with original maturities of three months or less. At any time, cash in banks may exceed federally insured limits.

Restricted cash and cash equivalents

Restricted cash and cash equivalents are pledged as collateral for energy purchase and other obligations as required under the Trust's energy supplier agreement with Macquarie Energy LLC (Note 11).

Collateral deposits

Collateral deposits represent cash which is posted with State regulatory entities, independent system operators ("ISO"), local distribution companies ("LDCs"), or other counterparties as collateral for assurance bonds, required collateral in order to operate in certain markets, or for other financial assurance programs and are classified as current based on the duration and nature of the deposit requirements.

Accounts receivable

The Trust delivers electricity and natural gas to its customers through LDCs, many of which guarantee amounts due from customers for consumed electricity and natural gas. Accounts receivable primarily represents amounts due for electricity and natural gas consumed by customers net of an allowance for estimated amounts that will not be collected from customers.

Credit risk and allowance for doubtful accounts

The Trust primarily operates in LDC markets which have purchase of receivables ("POR") programs in place under which the LDCs assume the credit risk associated with the customer billings. Consequently, in these markets, the Trust's exposure to credit risk concentration is limited primarily to those LDCs that collect and remit receivables to the Trust. The Trust's customers are individually insignificant and geographically dispersed. The Trust regularly monitors the financial condition of each such LDC and currently believes that its susceptibility to an individually significant write-off as a result of concentrations of customer accounts receivable with those LDCs is remote.

In other markets, the Trust operates under either limited recourse POR or non-POR programs. In these markets, certain receivables are billed and collected by the Trust. The Trust bears the credit risk on these accounts and records an appropriate allowance for doubtful accounts to reflect any losses due to non-payment by customers. The Trust maintains an allowance for doubtful accounts, which represents management's estimates of losses inherent in the accounts receivable balance based on known troubled accounts, historical experience, account aging and other current available information. Based on the factors above, the Trust will write-off balances when it believes that amounts are no longer collectible and when we have exhausted all means to collect these receivables.

Property and equipment

Property and equipment are recognized at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, to bring the asset to a working condition for its intended use. The commencement date for capitalization of costs occurs when the Trust first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Depreciation commences when the assets are available for use and is recognized on a straight-line basis to depreciate the cost of these assets to their estimated residual value over their estimated useful lives. Maintenance and repairs are charged to expense as incurred. When significant parts of an item included in fixed assets have different useful lives, they are accounted for as separate components of the asset and depreciated over their estimated useful life on a straight-line basis.

Estimated useful lives are as follows:

Asset category	Depreciation method	Useful life
Office furniture and equipment	Straight line	3-5 years
Computer hardware	Straight line	3 years
Leasehold improvements	Straight line	Shorter of the life of the lease or the life of the asset

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in operating results in the period the item is derecognized.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Trust, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Trust will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Goodwill

Goodwill is measured as the excess of the cost of the business combination over the net fair value of the identifiable assets acquired and liabilities assumed including non-controlling interest. Any negative difference is recognized as a gain directly in the consolidated statements of comprehensive income. If the fair values of the assets, liabilities and non-controlling interest can only be calculated on a provisional basis, the business combination is recognized using provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months of the date of acquisition.

Goodwill is considered to have an indefinite useful life and is not amortized, but rather will be tested annually for impairment. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

Intangible assets

Intangible assets are initially recognized at fair value with subsequent additions measured at cost and are reflected net of any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization method and useful life of an intangible asset with a finite useful life is reviewed at least once annually. Changes in the expected life or pattern of consumption of future economic benefits are accounted for by changing the amortization period or method, as appropriate, and treated as a change in accounting estimate and recorded on a prospective basis. The amortization expense related to intangible assets with finite lives is recognized in the consolidated statements of comprehensive income in depreciation and amortization expense.

Intangible assets primarily consist of purchased customer relationships, a non-compete agreement, sales network, exclusive marketing relationships and computer related software.

Gains and losses arising from the de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statements of comprehensive income when the asset is de-recognized.

Asset category	Amortization method	Useful life
Customer relationships	Straight line	3 years
Non-compete agreement	Straight line	2 years
Sales network	Straight line	7 years
Exclusive marketing relationships	Straight line	3 years
Computer software	Straight line	3 years

Impairment of non-financial assets

At each statement of financial position date, the Trust reviews the carrying amounts of its finite life non-financial assets, including property and equipment and intangibles to determine whether there is any indication of impairment.

For the purposes of reviewing finite life non-financial assets for impairment, asset groups are reviewed at their lowest level for which identifiable cash inflows are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("CGU"). If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs is tested for impairment.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. Impairment losses are recognized in profit and loss in the period in which they occur. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss will only be reversed if there will be a change in the assumptions used to determine the asset's recoverable amount since the time the impairment loss was recognized. Where impairment subsequently reverses, the carrying amount of the asset is increased to the extent that the carrying value of the underlying asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized. Impairment reversals are recognized in profit and loss in the period in which they occur.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Trust issuance costs

The Trust has included all costs incurred related to the initial public offering of the Trust in "trust unit issuance costs". Included in these costs are all cash costs related to the filing of the prospectus and the initial public offering of the units.

Provisions

Provisions are recognized to the extent that we determine it is probable that the Trust will be required to settle a present obligation (legal or constructive) and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Finance costs

Finance costs are primarily incurred on the Trust's supplier agreement and are expensed in the period in which they are incurred (Note 11).

Contingencies

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized accordingly.

Unit-based compensation

The Trust has a Restricted Trust Unit Plan ("RTUP") and Phantom Unit Rights Plan ("PURP"), both as described in Note 18. The Trust uses the fair value method of valuing compensation expense associated with the RTUP and PURP. The units issued pursuant to the RTUP, the Restricted Trust Units ("RTUs"), and the PURP, the Phantom Unit Rights ("PURs"), are not considered equity settled unit-based compensation since the IAS 32 "puttable instrument exemption" does not extend to unit-based payments made by a Trust. Therefore, RTUs and PURs issued subject to the plans are treated similar to cash settled unit-based compensation arrangements, with the associated liability being fair-valued at the end of each reporting period and the corresponding change to fair value being recognized in the consolidated statements of comprehensive income. Compensation expense (recovery) is recognized over the vesting period of the RTU and PUR grants. The fair value of the RTUs or PURs is estimated and recorded based on the Trust unit price at the end of the period. If a cash payment or issuance of units is made to settle vested RTUs or PURs, the difference between the estimated liability and the actual settlement cost will be recognized in the consolidated statements of comprehensive income.

Income taxes

The Trust follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the effect of any temporary difference between the carrying amount of an asset or liability reported in the consolidated financial statements and its respective tax basis, using substantively enacted income tax rates. Deferred income tax balances are adjusted to reflect changes in substantively enacted income tax rates expected to apply when assets are realized or liabilities are settled, with adjustments being recognized in the period in which the change occurs. Deferred income tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Trust intends to settle on a net basis.

The Trust is a taxable entity under the *Income Tax Act* (Canada) ("Tax Act") and is currently taxable only on income that is not distributed or distributable to the unitholders. The Trust distributes all of its taxable income to its unitholders and expects to continue to distribute all of its taxable income to unitholders. The Trust will at no time be a specified investment flow-through entity ("SIFT") as defined in the Tax Act. Investment restrictions contained in the formation documents provide that the Trust and its subsidiaries will only invest in entities that qualify as a "portfolio investment entity" and will not hold any "non-portfolio property" or "taxable Canadian property", each as defined in the Tax Act. It also qualifies as a "mutual fund trust" within the meaning of the Tax Act and will not be subject to the limit on non-resident ownership in the Tax Act as it will not own any "taxable Canadian property" as defined in the Tax Act.

Energy sales

Revenue is recognized based on consumption. Sales of energy are billed based upon information received from the local utilities. The billing cycles for customers do not coincide with the accounting periods used for financial reporting purposes. Energy that has been consumed by a customer, but not yet billed to that customer, is estimated on an accrual basis and included in revenue during the period in which it was consumed. Such estimates are refined in subsequent periods upon obtaining customer billing information from the utilities. Changes in these estimates are reflected in revenue in the period they are refined.

The Trust's operations are seasonal. Electricity consumption is typically highest during the summer months (July and August) due to cooling demand and winter months (January and February) due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand.

Fee revenue

Fee revenue primarily consists of sign-up fees and other monthly fees received from the Trust's independent contractor sales associates in the network marketing sales channel. The sign-up fees component of fee revenue is recognized on a straight-line basis over the one year term of the agreement with the individual contractor and the monthly fees are recognized on a monthly basis.

Cost of sales

Direct energy costs are recognized concurrently with the related energy sales. Direct energy costs include the commodity cost of purchased electricity or natural gas, costs associated with energy delivery, fees incurred from various energy related service providers, the cost of renewable energy certificates and fees and charges from ISOs and LDCs. The Trust estimates and accrues for these fees based on invoices, activity levels, preliminary settlements and other available information. Final determination and settlements of these charges may take several months following the month of delivery and are adjusted as information becomes available.

Collection of sales tax

Sales tax is added to customer bills in certain markets served by the Trust. Sales tax collected from customers on behalf of governmental entities is recorded on a net basis. Such amounts are excluded from the Trust's revenue and are recorded in trade and other payables on the consolidated statements of financial position until they are remitted to the appropriate governmental entities.

Financial instruments

Financial assets and liabilities are recognized when the Trust becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire, or if the Trust transfers the control or substantially all the risks and rewards of ownership of the financial asset to another party. Financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled.

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss," "loans and receivables," "available-for-sale," "held-to-maturity" or "financial liabilities measured at amortized cost."

Financial assets and financial liabilities classified as fair value through profit or loss are either classified as held for trading or financial liabilities measured at fair value with changes in those fair values recognized in profit or loss.

Financial assets classified as loans and receivables, financial assets and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method of amortization.

All derivative instruments are classified as held for trading.

The Trust's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Derivative contracts	Held for trading	Fair value through Profit and loss
Accounts receivable	Loans and receivables	Amortized cost
Collateral deposits	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Supplier payable	Other financial liabilities	Amortized cost
Non-controlling interest	Other financial liabilities	Fair value through Profit and loss
Other liabilities	Other financial liabilities	Amortized cost

The Trust has not classified any financial assets as available-for-sale or held to maturity.

Fair values are determined based on the quoted market values where available from active markets. If the financial asset is not traded in an active market, the Trust establishes the fair value through valuation techniques taking into account external market inputs where possible.

Gains and losses on fair value of derivative instruments are recognized in profit and loss in the period in which they are incurred.

Transaction costs are capitalized to the carrying amount of the instrument and amortized using the effective interest method, other than those related to financial instruments measured at fair value through profit and loss, which are expensed as incurred.

Impairment of financial instruments

Financial assets, other than those classified as fair value through profit or loss, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in Profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Comprehensive income

The Trust is required to report comprehensive income and its components in the consolidated financial statements. The Trust has no items impacting other comprehensive income and, accordingly, the Trust's net income equals comprehensive income.

New standards and accounting policies adopted

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Trust's prior year consolidated financial statements, except for the adoption of new standards and interpretations effective as of January 1, 2013. The Trust applied, for the first time, certain standards and amendments on January 1, 2013.

The IASB amended IFRS 7 *Financial Instruments: Disclosure* which clarifies the requirements for the offsetting of financial assets and liabilities. IFRS 7 has been applied as of January 1, 2013. IFRS 7 requires additional disclosures in the Trust's consolidated financial statements, which were incorporated in the Financial Instrument Note 13.

The IASB issued IFRS 13 *Fair Value Measurement* as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 has been adopted as of January 1, 2013. The adoption of IFRS 13 has not materially impacted the fair value measurements included in the consolidated financial statements, however, has required additional disclosures, which have been incorporated in the Financial Instruments Note 13.

The IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The standard has been adopted as of January 1, 2013. IFRS 10 had no impact on the Trust's consolidated financial statements upon adoption as the current consolidation method adheres to this standard.

The IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 has been adopted as of January 1, 2013. IFRS 11 had no impact on the Trust's consolidated financial statements upon adoption as the Trust and subsidiaries are not parties to any joint arrangements.

The IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The standard has been adopted as of January 1, 2013. IFRS 12 had no impact on the Trust's consolidated financial statements.

IAS 19 *Employee Benefits* amendments, issued in June 2011, changed the accounting for defined benefit plans and termination benefits. This standard requires that the changes in defined benefit obligations are recognized as they occur, eliminating the corridor approach and accelerating the recognition of past service costs. The changes in defined benefit obligation and plan assets are to be disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and remeasurements of the net defined benefit liabilities (assets). This standard is to be applied for accounting periods beginning on or after January 1, 2013. The adoption of the amendments to IAS 19 did not have an impact on the Trust's consolidated financial statements.

IAS 36 *Impairment of Assets* was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014, however, the Trust has early adopted this amendment during 2013 (Note 12).

Several other new amendments and annual improvements including IFRIC Interpretation 20, Amendments to IFRS 1 and Annual Improvements to IFRS 2009 - 2011 Cycle apply for the first time in 2013; however, they do not impact the consolidated financial statements of the Trust.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Revenue recognition

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust based on the number of units of energy consumed but not yet billed, based on estimates using usage data available, multiplied by the current customer average sales price per unit.

Allowance for doubtful accounts

The Trust reviews its accounts receivables at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Fair value of financial instruments

Determining the fair value of derivative instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Company evaluates value in use and fair value less costs of disposal. In doing so, assumptions are made regarding the market capitalization of the Trust, recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible assets. The key assumptions used are further explained at Note 12.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Trust.

Acquisition accounting

Management uses judgment to determine whether an acquisition qualifies as an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in a business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

Classification of Trust units as equity

Trust units issued by the Trust give the holder the right to put the units back to the issuer in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust units as equity because the Trust units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

Consolidation of Entities in which the Trust has less than majority of ownership interest

The Trust has determined that it controls the operating subsidiaries through its indirect wholly owned subsidiary, Crius Energy Corporation, notwithstanding that its ownership interest is less than 50% of the voting interest. The factors the Trust considered in this determination include the relative size and dispersion of holdings by other shareholders, the Trust's right to a majority of Board Members and the sharing of key management positions between the entities.

6. FUTURE ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that are issued but not yet effective up to the date of issuance of the Trust's consolidated financial statements are listed below.

The IASB issued IFRS 9 *Financial Instruments: Classifications and Measurements* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

In November 2013, the IASB issued an amended version of IFRS 9 *Financial Instruments* which includes the new hedge accounting requirements and some related amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*. IFRS 9 does not yet have a mandatory effective date. The Trust has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

The IASB reissued IAS 27 *Separate Financial Statements* to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Trust prepares separate financial statements. IFRS 27 is effective for years beginning on or after April 1, 2013. These amendments will have no impact on the Trust's consolidated financial statements.

The IASB amended IAS 28 *Investments in Associates and Joint Ventures* as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Trust when there is joint control or significant influence over an investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not include control or joint control of those policy decisions. When it has been determined that the Trust has an interest in a joint venture, the Trust will recognize an investment and will account for it using the equity method in accordance with IAS 28. IAS 28 is effective for years beginning on or after April 1, 2013. IFRS 28 will have no impact on the Trust's consolidated financial statements on adoption as the Trust has no associates or joint ventures that are currently accounted for under the equity method.

Amendment to IAS 32 *Offsetting Financial Assets and Financial Liabilities* was issued in December 2011, and clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". These amendments are applicable for annual periods beginning on or after January 1, 2014. The Trust does not anticipate that the applications of these amendments will have a significant impact on the Trust's consolidated financial statements.

IAS 39 *Financial Instruments: Recognition and Measurement* was amended by the IASB in June 2013. The amendments clarify that novation of a derivative designated in a hedging relationship to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statement.

IFRIC 21 *Levies* was amended by the IASB in June 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The main features of IFRIC 21 are: (i) the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation, and (ii) the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statements.

7. ACQUISITION

On November 13, 2012 concurrent with the initial public offering of the Trust, the Trust, through its indirectly owned subsidiary, Crius Energy Corporation, acquired a 26.8% interest in Crius Energy, LLC. This 26.8% interest represents a controlling interest in Crius Energy, LLC due to the governance arrangements. This acquisition was accounted for using the acquisition method of accounting. The purchase price represents the cash paid by Crius Energy Corporation to the non-controlling interest for the acquisition of their ownership interests in Crius Energy, LLC at the time of the acquisition. The purchase price was paid in full in cash on November 13, 2012 with a portion of the proceeds from the initial public offering of the Trust. The Trust allocated the purchase price of $64,125 to the identifiable assets and liabilities based on their fair values at the date of acquisition. The assets and liabilities listed in the table below were initially measured at their preliminary fair value on the date of the acquisition. The purchase price allocation was considered preliminary, and as a result, was adjusted during the twelve month period following the acquisition, in accordance with IFRS 3. The following table shows the preliminary allocation of fair value together with the adjustments and final fair value:

Net assets acquired:	Preliminary	Adjustments	Final
Cash and cash equivalents	$16,248	—	$16,248
Accounts receivable	48,472	(1,280)	47,192
Trade and other payables	(54,565)	(6,210)	(60,775)
Other net assets	3,345	—	3,345
Customer relationships	76,000	—	76,000
Sales network	19,300	—	19,300
Exclusive marketing partnerships	24,947	—	24,947
Non-compete agreements	1,469	—	1,469
Goodwill	235,150	6,231	241,381
Deferred tax liability, net	(43,161)	1,259	(41,902)
Non-controlling interest	(263,080)	—	(263,080)
Total purchase price	**$64,125**	—	**$64,125**

If the acquisition had occurred at the date of inception on September 7, 2012, the estimate of revenues from operations for the prior reporting period is $124,443. The estimate of net income (loss) for the same period had the acquisition occurred at the date of inception is impracticable to calculate.

The goodwill includes benefits such as the value of assembled workforce and synergies which do not meet the criteria for recognition as intangible assets under IAS 38. Goodwill that is deductible for income tax purposes is $24,556. The deferred tax liability is principally comprised of the tax effect of the amortization for tax purposes of the above-mentioned intangible assets acquired. Non-controlling interest represents the ownership in Crius Energy, LLC by the non-controlling unit holders and is classified as a liability. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for the profit interest units of Crius Energy, LLC that is calculated using an option pricing model. The fair value of Accounts receivable acquired was $47,192, and the gross contractual accounts receivable was $49,703.

8. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	As at December 31, 2013	As at December 31, 2012
Accounts receivable	$80,548	$56,261
Less: allowance for doubtful accounts	(4,984)	(64)
	$75,564	**$56,197**

9. PROPERTY AND EQUIPMENT

2013	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at December 31, 2012	$232	$252	$511	$995
Additions	1,651	463	59	2,173
Balance as at December 31, 2013	**1,883**	**715**	**570**	**3,168**
Accumulated depreciation				
Balance as at December 31, 2012	(18)	(6)	(18)	(42)
Depreciation	(239)	(61)	(141)	(441)
Balance as at December 31, 2013	(257)	(67)	(159)	(483)
Net book value — December 31, 2013	**$1,626**	**$648**	**$411**	**$2,685**

Additions for 2013 consist predominantly of computer equipment and a new phone system.

Finance leases

The carrying value of property and equipment held under finance leases as at December 31, 2013 was $1,329. Additions during the year include $1,419 of property and equipment under finance leases. Leased assets are pledged as security for the related finance lease.

2012	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at September 7, 2012	$0	$0	$0	$0
Additions	232	252	511	995
Balance as at December 31, 2012	232	252	511	995
Accumulated depreciation				
Balance as at September 7, 2012	—	—	—	—
Depreciation	(18)	(6)	(18)	(42)
Balance as at December 31, 2012	(18)	(6)	(18)	(42)
Net book value — December 31, 2012	**$214**	**$246**	**$493**	**$953**

Additions in 2012 include the effect of the Crius Energy, LLC acquisition (Note 7).

10. INTANGIBLE ASSETS

2013	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Total
Cost						
Balance as at December 31, 2012	$357	$76,000	$1,469	$19,300	$24,947	$122,073
Additions	2,056	86	—	—	—	2,142
Disposals	(126)	—	—	—	—	(126)
Balance as at December 31, 2013	**2,287**	**76,086**	**1,469**	**19,300**	**24,947**	**124,089**
Accumulated amortization						
Balance as at December 31, 2012	(43)	(3,511)	(98)	(367)	(1,109)	(5,128)
Amortization	(226)	(25,829)	(734)	(2,758)	(8,316)	(37,863)
Disposals	77	—	—	—	—	77
Balance as at December 31, 2013	(192)	(29,340)	(832)	(3,125)	(9,425)	(42,914)
Net book value — December 31, 2013	**$2,095**	**$46,746**	**$637**	**$16,175**	**$15,522**	**$81,175**

During 2013, the Trust, through a wholly-owned subsidiary, acquired approximately 1,200 residential and small commercial electric customer accounts in New Hampshire for a purchase price of $86. This transaction was accounted for as an asset acquisition. These customer relationships will be amortized over their estimated useful life of seven years.

As at December 31, 2013, the remaining amortization period is less than 1 year to 6 years.

2012	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Total
Cost						
Balance as at September 7, 2012	$0	$0	$0	$0	$0	$0
Additions	357	76,000	1,469	19,300	24,947	122,073
Balance as at December 31, 2012	**357**	**76,000**	**1,469**	**19,300**	**24,947**	**122,073**
Accumulated amortization						
Balance as at September 7, 2012	—	—	—	—	—	—
Amortization	(43)	(3,511)	(98)	(367)	(1,109)	(5,128)
Balance as at December 31, 2012	(43)	(3,511)	(98)	(367)	(1,109)	(5,128)
Net book value — December 31, 2012	**$314**	**$72,489**	**$1,371**	**$18,933**	**$23,838**	**$116,945**

Additions in the period include the effect of the Crius Energy, LLC acquisition (Note 7).

As at December 31, 2012, the remaining amortization period is 2 to 7 years.

11. FINANCING

Macquarie Energy Supplier Agreement

In September 2012, Crius Energy, LLC and its operating subsidiaries entered into several agreements (the "Supplier Agreement") with Macquarie Energy LLC ("Macquarie Energy") for the exclusive supply of the Trust's wholesale energy needs and commodity hedging requirements for a term ending in October 2017. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each ISO, and the utilities serving the Trust's customers are directed to remit all customer payments into a designated restricted bank account, (the "Lockbox"), whereby the funds in that account are used to pay Macquarie Energy for the energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable and all other assets of Crius Energy, LLC.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $200,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables and natural gas inventory. Crius Energy, LLC incurs a volumetric fee based on the wholesale energy delivered, which is included in finance costs in the statements of comprehensive income.

The facility includes a working capital facility with a sub-limit of $25,000 under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR (0.1646% at December 31, 2013).

Under this Supplier Agreement, Macquarie Energy had extended trade credit totaling $40,630 and $28,115 as at December 31, 2013 and 2012, respectively. There were letters of credit issued totaling $5,330 and $4,318 as at December 31, 2013 and 2012, respectively, and cash advances drawn of $6,500 and $- under the working capital facility as at December 31, 2013 and 2012, respectively. During the year ended December 31, 2013, total energy purchases totaled $382,521 and interest expense under the supplier agreement totaled $5,577, whereas during the period from inception at September 7, 2012 to December 31, 2012, total energy purchases totaled $42,554 and interest expense under the supplier agreement totaled $61. The aggregate availability under the credit facility was $12,187 and $12,683 as at December 31, 2013 and 2012, respectively.

Subsequent to December 31, 2013 and effective on February 7, 2014, the Trust executed an amendment to the Supplier Agreement. With the execution of this agreement, the sub-limit of the working capital facility was increased to $60,000, the unused portion of the overall exposure limit was decreased to $150,000, the base fee of 5.5% plus LIBOR remains unchanged with an incremental interest rate of 1.25% applied to borrowings above a certain threshold and the term of the facility was extended to December 2019. In addition, a one-time payment in the amount of $1,250 was made to Macquarie Energy and will be amortized over the life of the extended agreement. The Trust also issued Macquarie Energy 750,000 warrants to purchase Trust units with a strike price of C$6.23 per unit and a term of five years, with the warrants being exercisable over a four-year schedule.

12. IMPAIRMENT TESTING OF GOODWILL

Goodwill	**As at December 31, 2013**	**As at December 31, 2012**
Goodwill at the beginning of period	$235,150	$—
Goodwill recognized related to acquisition of Crius Energy LLC	6,231	235,150
Goodwill impairment	(60,515)	—
Goodwill at the end of period	**$180,866**	**$235,150**

Goodwill acquired through a business combination has been allocated to a single CGU, as the Trust operates under a single segment. The Trust performed its annual impairment test as at December 31, 2013. The Trust considered the relationship between its market capitalization and its carrying value, among other factors, when reviewing for indicators of impairment. As at December 31, 2013, the market capitalization of the Trust was below the carrying value of its equity, indicating that a potential impairment of goodwill exists. The recoverable amount as at December 31, 2013 has been determined based on a fair value less cost of disposal calculation using the market capitalization of the Trust units plus an estimated acquisition premium. The recoverable amount is classified a Level 2 in the FV hierarchy. As a result, a non-cash goodwill impairment charge of $60,515 is recorded in the consolidated statements of comprehensive income. The principal sensitivity of the fair value less cost of disposal calculation is the Trust unit price. Further reductions in the Trust unit price may result in additional impairment of goodwill in subsequent reporting periods. The impairment charge will not impact our normal business operations nor will it affect liquidity, cash flows from operations or financial covenants under our credit facility.

13. FINANCIAL INSTRUMENTS

Fair value

Fair value is the estimated amount that the Trust would pay or receive to dispose of financial instruments in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Management has estimated the fair value of financial instruments using a method that employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile thus leading to volatility in the mark to market with no impact to cash flows. To the extent the Trust has derivative instruments that are either not traded directly on an exchange or there is no published market data available, Management uses a valuation based on actual historical data on certain spreads to adjust forward published market prices to arrive at a forward curve. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for the profit interest units of Crius Energy, LLC that is calculated using an option pricing model. The fair value of the unit based compensation liability is measured by applying the publicly traded unit price of the Trust.

The Trust's activities expose it to a variety of market risks, principally from fluctuating commodity and currency prices. The Trust has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. The Trust's risk management activities include the use of derivative instruments such as options, swaps and forward contracts. The Trust maintains commodity and currency price risk management strategies that use derivative instruments, within approved risk tolerances to minimize significant, unanticipated fluctuations in earnings or distributions caused by market price volatility.

The following table illustrates changes in fair value of derivative instruments related to financial instruments classified as held-for-trading and recorded in the consolidated statements of comprehensive income:

	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012
Foreign exchange options	$(669)	$(34)
Fixed-for-floating electricity swaps	20,750	(2,023)
Fixed-for-floating natural gas swaps	1,020	(329)
Physical natural gas forward contracts	(275)	—
Fixed-for-floating natural gas basis swaps	1,268	—
Change in fair value of derivative instruments	**$22,094**	**$(2,386)**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded in the consolidated statements of financial position as at December 31, 2013 and 2012:

	Other current financial assets		Other current financial liabilities	
	2013	**2012**	**2013**	**2012**
Foreign exchange options	$191	$241	$0	$0
Fixed-for-floating electricity swaps	18,488	—	—	(2,262)
Fixed-for-floating natural gas swaps	673	—	—	(348)
Physical natural gas forward contracts	(275)	—	—	—
Fixed-for-floating natural gas basis swaps	1,268	—	—	—
	$20,345	**$241**	**$0**	**$(2,610)**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at December 31, 2013 and 2012:

	Notional Volume	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value	Notional Value
December 31, 2013						
Fixed-for-floating electricity swaps	1-35 MWh	1,402,719 MWh	1-24 months	$22.70 to $87.62	$18,488	$72,558
Fixed-for-floating natural gas swaps	2,800-263,000 Mmbtu	1,378,500 Mmbtu	1-11 months	$3.62 to $4.01	$673	$5,403
Physical natural gas forward contracts	8-11,254 Mmbtu	995,441 Mmbtu	1 month	$3.30 to $9.40	$(275)	$6,052
Fixed-for-floating natural gas basis swaps	5,000-153,000 Mmbtu	1,442,000 Mmbtu	1-3 months	$(.11) to $1.86	$1,268	$1,156
December 31, 2012						
Fixed-for-floating electricity swaps	1-139 MWh	937,016 MWh	1-18 months	$31.10 to $89.75	$(2,262)	$46,593
Fixed-for-floating natural gas swaps	10,000-140,000 Mmbtu	992,500 Mmbtu	1-3 months	$3.37 to $3.94	$(348)	$3,678

	Notional Value	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value
December 31, 2013					
Foreign exchange options	US$9,360 C$10,011	US$9,360 C$10,011	1-12 months	C$1.0695 per US$1	US$191
December 31, 2012					
Foreign exchange options	US$12,307 C$12,294	US$12,307 C$12,294	1-12 months	C$0.999 per US$1	US$241

The following table summarizes the financial assets and liabilities that are subject to offsets and related arrangements and the effect of offsets and arrangements on the amounts recorded in the consolidated statements of financial position:

	Gross Assets	Gross Liabilities	Offset	Net Amount
December 31, 2013				
Commodity contracts	$22,980	$(2,826)	$(2,826)	$20,154
December 31, 2012				
Commodity contracts	$3,230	$(5,840)	$3,230	$(2,610)

Fair value ("FV") hierarchy

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted, unadjusted market prices.

Level 2

Fair value measurements that require inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be substantially observable in the market. Derivative assets and liabilities included in Level 2 are valued using multiple prices quoted by market participants other than exchanges, industry pooling, volatility and other inputs that are derived principally from, or collaboratively by, observable market data.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs, such as internally developed assumptions used in pricing an asset or a liability, for example, an estimate of cash flows used in internally developed present value of future cash flows are classified as Level 3 in the FV hierarchy. The Trust's policy is to recognize transfers in and out as at the end of the reporting period.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measure in its entirety.

During the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012 there were no transfers between levels.

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2013:

Recurring Measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Other current financial assets	$—	$17,645	$2,700	**$20,345**
Financial liabilities				
Unit-based compensation	$(228)	$—	$—	**$(228)**
Non-controlling interest	—	—	(138,234)	**(138,234)**

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2012:

Recurring Measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Other current financial assets	$—	$241	$—	**$241**
Financial liabilities				
Other current financial liabilities	$—	$(2,610)	$—	**$(2,610)**
Non-controlling interest	—	—	(258,611)	**(258,611)**

The following tables illustrate the changes in net fair value classified as Level 3 in the FV hierarchy:

Non-controlling interest	**As at December 31, 2013**	**As at December 31, 2012**
Liability at the beginning of period	$258,611	$263,080
Changes in fair value of non-controlling interest	(120,377)	(4,469)
Liability at the end of period	**$138,234**	**$258,611**

Other current financial assets	**As at December 31, 2013**	**As at December 31, 2012**
Asset at the beginning of period	$0	$—
Purchases	2,700	—
Asset at the end of period	**$2,700**	**$0**

The above Other current financial assets classified as level 3 include certain structured financial electricity swaps.

Classification of financial assets and liabilities

As at December 31, 2013 and December 31, 2012, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, unit-based compensation liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, unit-based compensation liability and non-controlling interest are recorded at fair value.

Management of risks arising from financial instruments

The risks associated with the Trust's financial instruments are as follows:

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity price risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

The fair values of the Trust's financial instruments are significantly influenced by the variability of forward spot prices for electricity and natural gas. Period to period changes in forward spot prices could cause significant changes in the mark to market valuation ("MTM Valuation") of these contracts, as shown below:

	Fixed-for-floating electricity swaps			
	Percent change in MTM Valuation		**Dollar change in MTM Valuation**	
Percentage change in the forward spot price	**2013**	**2012**	**2013**	**2012**
+/– 1%	+/– 4.92%	+/– 19.6%	+/– $910	+/– $443
+/– 5%	+/– 24.62%	+/– 98.0%	+/– $4,552	+/– $2,217
+/– 10%	+/– 49.25%	+/– 196.0%	+/– $9,105	+/– $4,433

	Fixed-for-floating natural gas swaps			
	Percent change in MTM Valuation		**Dollar change in MTM Valuation**	
Percentage change in the forward spot price	**2013**	**2012**	**2013**	**2012**
+/– 1%	+/– 9.03%	+/– 7.7%	+/– $61	+/– $28
+/– 5%	+/– 45.17%	+/– 28.4%	+/– $304	+/– $101
+/– 10%	+/– 90.34%	+/– 54.2%	+/– $608	+/– $194

	Physical natural gas forward contracts			
	Percent change in MTM Valuation		**Dollar change in MTM Valuation**	
Percentage change in the forward spot price	**2013**	**2012**	**2013**	**2012**
+/– 1%	+/– 21.00%	—	+/– $58	—
+/– 5%	+/– 104.98%	—	+/– $289	—
+/– 10%	+/– 209.96%	—	+/– $578	—

	Fixed-for-floating natural gas basis swaps			
	Percent change in MTM Valuation		**Dollar change in MTM Valuation**	
Percentage change in the forward spot price	**2013**	**2012**	**2013**	**2012**
+/– 1%	+/– 1.91%	—	+/– $24	—
+/– 5%	+/– 9.56%	—	+/– $121	—
+/– 10%	+/– 19.12%	—	+/– $242	—

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. The Trust has letters of credit and cash advances outstanding of $11,830 and $4,318 as at December 31, 2013 and 2012, respectively, under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. During the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012 the impact of a 1% increase (decrease) in the interest rate on these balances would have not had a material impact on Finance costs in the consolidated statements of comprehensive income.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in United States dollars, however, its distributions and publicly listed units are denominated in Canadian dollars. The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative hedging products including options. Period to period changes in forward spot prices could cause significant changes in the mark to market valuation ("MTM Valuation") of these contracts, as shown below:

	Percent change in MTM Valuation		**Dollar change in MTM Valuation**	
Percentage change in the forward spot price	**2013**	**2012**	**2013**	**2012**
+/- 1%	+ 31.9%/-26.4%	+ 36.2%/-29.5%	+ $60/-$51	+ $87/-$71
+/- 5%	+ 190.5% /-80.4%	+ 210.5%/-81.0%	+ $364/-$154	+ $507/-$195
+/- 10%	+ 418.5%/-94.8%	+ 453.6%/-93.9%	+ $800/-$181	+ $1,093/-$226

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. Customer credit risk exposure represents the risk related to the Trust's accounts receivable from Delaware, District of Columbia, Massachusetts, Maine, Maryland, New Hampshire, certain Ohio markets and New Jersey. If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust.

For the remaining markets, the local distribution companies ("LDCs") provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at December 31, 2013, the customer credit risk exposure amount of $8,720 (December 31, 2012 — $6,301) and the accounts receivable aging for these markets are as follows:

Accounts Receivable at	**Total**	**Current**	**30-59 days**	**Over 60 days**
December 31, 2013	$8,720	$3,916	$1,099	$3,705
December 31, 2012	$6,301	$4,465	$206	$1,630

Changes in the allowance for doubtful accounts were as follows:

	December 31, 2013	**December 31, 2012**
Balance, beginning of year	$64	$—
Bad debt expense	5,067	64
Bad debts written off	(147)	—
Balance, end of year	**$4,984**	**$64**

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk is limited to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency derivatives. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

The maximum counterparty credit risk exposure amounted to $20,345 and $241 as at December 31, 2013 and 2012, respectively, representing the risk relating to its derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring cash flow forecasts for the next twelve months to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2013:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables.........	$75,118	$75,118	$75,118	—	—
Operating leases	—	1,485	588	897	—
Financing leases	1,329	1,329	336	993	—
Credit facility...........................	6,500	6,500	6,500	—	—
Distribution payable	773	773	773	—	—
Other non-current liabilities.....	751	549	—	549	—
	$84,471	**$85,754**	**$83,315**	**$2,439**	**$0**

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2012:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables.........	$49,718	$49,718	$49,718	$—	$—
Operating leases	—	2,022	652	1,370	—
Distribution payable	1,327	1,327	1,327	—	—
Derivative instruments.............	2,610	2,610	2,610	—	—
Other non-current liabilities.....	1,519	1,070	—	1,070	—
	$55,174	**$56,747**	**$54,307**	**$2,440**	$—

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

14. INCOME TAXES

The major components of the provision for income taxes, which relates to the Trust's U.S. subsidiaries, for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012 are:

	2013	2012
Current income tax:		
Current income tax charge	$1,704	$249
Deferred income tax:		
Origination and reversal of temporary differences	(12,143)	(3,354)
Benefit from income taxes	**$(10,439)**	**$(3,105)**

Reconciliation of the effective tax rate

The benefit from income taxes represents an effective tax rate different than the combined U.S. federal and state statutory tax rate as follows:

	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012
Income (loss) before income taxes	$38,231	$(345)
Federal income tax (at 34.0%)	12,999	(117)
State income tax	(97)	(439)
Impact of permanent differences		
Change in fair value of non-controlling interest	(40,928)	(1,519)
Goodwill impairment	18,481	—
Other permanent items	(894)	(1,030)
Total benefit from income taxes	**$(10,439)**	**$(3,105)**

Other permanent items principally represent income of Crius Energy Corporation that is attributed directly to the non-controlling unitholders of Crius Energy, LLC. Under United States partnership taxation rules Crius Energy, LLC is not a taxable entity and its taxable income / (loss) flows through to its partners who are then taxed on their allocable share of the partnership income tax expense / (benefit).

Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are attributed to the following:

	As at December 31,	
	2013	**2012**
Deferred tax assets:		
Change in fair value of derivative instruments	$0	$672
Allowance for doubtful accounts	2,758	337
Interest expense	235	342
Depreciation and amortization	—	649
Accrued renewable energy certificates	1,586	842
Accrued commissions	1,684	—
Net operating losses – federal and state	204	—
Goodwill	2,324	—
Other	875	13
Total deferred tax assets	**9,666**	**2,855**
Deferred tax liabilities:		
Intangibles	(31,485)	(44,213)
Goodwill	—	(99)
Change in fair value of derivative instruments	(5,863)	—
Depreciation and amortization	(94)	—
Other	—	(5)
Total deferred tax liabilities	(37,442)	(44,317)
Total net deferred tax liabilities	**$(27,776)**	**$(41,462)**

As at December 31, 2013 and December 31, 2012, the Trust has tax-effected federal net operating losses ("NOLs") of approximately $169 and $50, respectively, and state NOLs of approximately $77 and $19, respectively. The federal and the state NOLs will expire between 2032 and 2033.

Movement in deferred tax balances

	2013	**2012**
Opening balance	$(41,462)	$—
Deferred taxes acquired in a business combination	1,543	(44,816)
Tax income / (expense) during the period	12,143	3,354
Closing balance at December 31	**$(27,776)**	**$(41,462)**

15. TRUST CAPITAL

Initial public offering

On November 2, 2012, the Trust filed a final prospectus relating to the initial public offering of its Units. The closing date of this initial public offering was November 13, 2012 and the Trust received gross proceeds from the offering of $99,612 and incurred issue costs of $11,587.

On closing, through an indirectly wholly owned subsidiary, Crius Energy Corporation, the Trust purchased an approximate 26.8% ownership interest in Crius Energy, LLC (the "CE Interest") for $88,025, with $64,125 being paid to former non-controlling members of Crius Energy, LLC and with $23,900 being retained for general corporate purposes and to fund future acquisitions.

Authorized

The beneficial interests in the Trust are represented and constituted by one class of units. An unlimited number of common voting trust units may be issued pursuant to the Trust Indenture. Each unit represents an equal, undivided beneficial interest in the net assets of the Trust, and all units rank equally and ratably with all other units. Each unit entitles the holder to one vote at all meetings of unitholders. Unitholders are entitled to receive non-cumulative distributions from the Trust if, as, and when declared by the Trust.

Trust units are redeemable at any time or from time to time on demand by the Unitholders thereof. Upon delivery to the Trust, the holder is entitled to receive a price per unit (the "Redemption Price") equal to the lesser of: (i) 90% of the volume-weighted average trading price of a unit during the last 10 consecutive trading days; and (ii) 100% of the volume-weighted average trading price of a unit on the redemption date. The aggregate Redemption Price payable by the Trust in respect of any units tendered for redemption during any month shall be satisfied by cheque drawn on a Canadian chartered bank or trust in lawful money of Canada payable to the Unitholders who exercised the right of redemption, on or before the end of the calendar month following the calendar month in which the units were tendered for redemption; provided that Unitholders shall not be entitled to receive cash upon the redemption of their Units if the total amount payable by the Trust in respect of such units and all other units tendered for redemption in the same month exceeds $100,000. If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in the immediately preceding paragraph, then the Redemption Price for each Unit tendered for redemption shall be equal to the fair market value of a Unit as determined by the Trustee, in its discretion, and shall, subject to all necessary regulatory approvals, be paid and satisfied by way of a distribution in specie of Trust Property, other than certain specified Trust assets as determined by the Trustee in its discretion. To the extent that the Trust does not hold Trust Property, other than the above mentioned specified Trust assets, having a sufficient amount outstanding to effect payment in full of the in specie Redemption Price, the Trust may affect such payment by issuing Redemption Notes, being unsecured subordinated promissory notes of the Trust. It is anticipated that the redemption right will not be the primary mechanism for Unitholders to dispose of their Units.

Trust Units Outstanding

	Number of Units	$
Issuance on initial formation – September 7, 2012	1	$—
Repurchase of initial Trust units	(1)	—
Trust units issued pursuant to public offering	10,000,000	99,612
Trust unit issuance costs	—	(11,587)
Tax benefit related to stock options	—	2,275
Balance at December 31, 2012	**10,000,000**	**90,300**
Issuance of Trust units	14,924	102
Balance at December 31, 2013	**10,014,924**	**$90,402**

On November 13, 2012, as part of the initial public offering, 10 million units were issued at a price of C$10.00 per unit, and with these funds, the Trust acquired a 26.8% membership interest in Crius Energy, LLC through an indirect wholly-owned subsidiary.

Distributions paid and proposed

For the year ended December 31, 2013, monthly distributions of C$0.0833 per unit and during the period from inception on September 7, 2012 to December 31, 2012, a distribution of C$0.1326 per unit were declared by the Trust. This amounted to $9,650 and $1,327, which was approved throughout the period by the Board of Directors of the Trust and all amounts were paid by January 15, 2014.

Declared dividends subsequent to year-end

On January 9, 2014, the Board of Directors of the Trust declared a distribution in the amount of C$0.0833 per unit. The distribution was paid on February 17, 2014, to shareholders of record at the close of business on January 31, 2014.

On February 10, 2014, the Board of Directors of the Trust declared a distribution in the amount of C$0.0583 per unit. The distribution was paid on March 17, 2014, to shareholders of record at the close of business on February 28, 2014.

On March 12, 2014, the Board of Directors of the Trust declared a distribution in the amount of C$0.0583 per unit. The distribution will be paid on April 15, 2014, to shareholders of record at the close of business on March 31, 2014.

Offer to Purchase Crius Energy, LLC Units from Excess Cash

In each fiscal year commencing with the 2019 fiscal year, the Trust is required make an offer ("Liquidating Offer"), on or before the 90th day of such fiscal year, to purchase the maximum number of membership units of the non-controlling interest that may be purchased out of Excess Cash (as defined below), at a price per unit equal to the Liquidity Offer Purchase Price (as defined below). If, in any year, a Liquidity Offer is made by the Trust for all or a portion of the membership units held by the non-controlling interest and any non-controlling interest refuses to accept such Liquidity Offer with respect to any of the member's membership units that are subject to the Liquidity Offer (the "Non-Tendered Membership Units"), the Trust is not required to make a further Liquidity Offer for any of the member's Non-Tendered Membership Units in any subsequent year. For these purposes, "Excess Cash" means an amount, as of the end of the immediately preceding fiscal year of the Trust, determined by the Trust's board of directors, in its sole and absolute discretion, which is not required to be retained in order to permit the Trust to make distributions (including future distributions) at the then current level of distributions and which is in excess of any other reasonable reserves established by the Trust's board of directors for any proper purpose. The "Liquidity Offer Purchase Price" per membership unit means, in respect of a Liquidity Offer made in any fiscal year of the Trust, an amount equal to (i) five times the Trust's consolidated cash flow for the immediately preceding fiscal year, plus the Trust's cash and cash equivalents on a consolidated basis as of the end of such preceding fiscal year, minus the Trust's debt as of the end of such preceding fiscal year, divided by (ii) the number of outstanding membership units as of the date of such Liquidity Offer.

Right to Acquire Membership Units

If at any time Crius Energy Corporation and its affiliates hold more than 80% of the membership units in Crius Energy, LLC then outstanding, the Trust has the right, exercisable at its option, to purchase all, but not less than all, of the outstanding membership units held by persons other than Crius Energy Corporation and its affiliates, at a price per membership unit equal to the greater of (i) the fair market value of the membership unit, determined by the Trust's board of directors in good faith, and (ii) the highest price paid by Crius Energy Corporation or any of its affiliates for any membership unit purchased during the 90-day period preceding the date notice of the Trust's intention to exercise its right is mailed.

Offer to Purchase Membership Units Upon Trust Change of Control

Within 30 days following the occurrence of a Trust Change of Control (as defined below), the Trust or Crius Energy Corporation is required to make an offer to purchase all of the membership units of each non-controlling interest at a price per membership unit equal to the Change of Control Purchase Price (as defined below). For these purposes, a "Trust Change of Control" means the occurrence of any of the following: (i) the adoption by the Trust of a plan relating to the liquidation or dissolution of the Trust; (ii) the consummation of any transaction (including, without limitation, any merger, consolidation or amalgamation) the result of which is that any person becomes the beneficial owner, directly or indirectly, of more than 50% of the Units of the Trust; (iii) the first day on which a majority of the members of the board of directors of the Administrator are not continuing directors; or (iv) the first day on which the Trust does not own, directly or indirectly through other wholly-owned subsidiaries, all of the outstanding equity interests in Crius Energy Corporation.

The "Change of Control Purchase Price" per membership unit is equal to (i) 6.5 times the Trust's consolidated cash flow for the preceding fiscal year (subject to certain adjustments in the event the Trust has made a material acquisition or disposition during that period), plus the amount of the Trust's cash and cash equivalents on a consolidated basis as of the preceding fiscal quarter, minus the amount of debt as of the end of the preceding fiscal quarter, divided by (ii) the number of outstanding membership units; provided that if the non-controlling interests, in the aggregate, own less than 20% of the outstanding membership units, the Change of Control Purchase Price per membership unit shall be the fair market value of a membership unit as determined by the Trust's board of directors in good faith.

Non-controlling interest

Due to the redeemable nature of the non-controlling interest in Crius Energy, LLC arising from the Liquidity Offer and Trust Change of Control provisions outlined above, the non-controlling interest is classified as a Non-current liability on the consolidated statements of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income.

16. INCOME PER UNIT

	For the year ended December 31, 2013	For the period from inception on September 7, 2012 to December 31, 2012
Net income and comprehensive income	$48,670	$2,760
Weighted average number of units outstanding	10,011,081	4,210,526
Basic income (loss) per unit	**$4.86**	**($0.66)**
Net income and comprehensive income	$48,670	$2,760
Adjust for change in fair value of unit based compensation	(53)	—
Adjusted net income and comprehensive income	**$48,617**	**$2,760**
Weighted average number of units outstanding	10,011,081	4,210,526
Weighted average number of Restricted Trust Units outstanding	69,074	—
Diluted weighted average number of units outstanding	10,080,155	4,210,526
Diluted income (loss) per unit	**$4.82**	**$(0.66)**[(1)]

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(1) Restricted Trust Units are anti-dilutive to loss per unit for the period from inception on September 7, 2012 to December 31, 2012.

Basic income per unit is calculated by dividing the net income and comprehensive income by the weighted average number of units outstanding during the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, respectively.

17. CONSOLIDATED STATEMENT OF CASH FLOWS

The inflows (outflows) of net change in operating assets and liabilities, are as follows:

	December 31,	
	2013	**2012**
Accounts receivable	$(24,434)	$(7,789)
Restricted cash	65	(65)
Collateral deposits	241	518
Other current financial assets	(619)	1,092
Other current assets	(804)	162
Other non-current assets	158	—
Trade and other payables	15,519	(6,100)
Other non-current liabilities	(763)	1,390
Income tax receivable	1,704	(1,587)
	$(8,933)	**$(12,379)**

18. UNIT BASED COMPENSATION

Restricted Trust Unit Plan

Under the Trust's Restricted Trust Unit Plan ("RTUP"), restricted trust units ("RTUs") may be granted by the board of the Administrator, or an appointed committee thereof (the "RTUP Administrator") to directors, officers, employees or direct or indirect service providers ("Participants") of the Trust. The number of Units reserved for issuance pursuant to the redemption of RTUs granted under the RTUP and pursuant to all other security based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTUP. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTUP. The vesting of RTUs is determined by the RTUP Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 20th of the third calendar year following the service year in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "Grant Date"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date.

At the determination of the RTUP Administrator, on a date on or before the date which is three calendar years following the end of the service year in respect of which the RTUs were granted (the "RTU Entitlement Date") the holder will receive, subject to applicable withholding taxes, for each RTU held either: (i) the cash equivalent of one Unit; or (ii) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the TSX. The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSX for the last five trading days prior to the date of calculation. Participant's RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the Participant if the RTUs in the Participant's account were outstanding Units during the relevant period. A Participant shall not have the right or be entitled to exercise any voting rights, receive distributions or have or be entitled to any other rights as a unitholder of the Trust in respect of any RTUs.

During the year ended December 31, 2013, the Trust granted 14,924 RTUs for directors and 154,601 RTUs to certain members of senior management. The 14,924 RTUs vested immediately and were converted to units in April 2013. 84,637, 61,594 and 8,370 RTUs vest on January 1, 2016, August 19, 2016 and October 15, 2016 respectively, and are being expensed ratably over these periods. In addition, Participants are eligible to receive additional RTUs for distributions declared by the Trust that would have been paid to the Participants if they were in fact a unit holder. These RTUs will accrue to the account of the Participant and vest in the same manner as the related Participants RTUs. As at December 31, 2013, RTUs from distributions were 13,152. For the year ended December 31, 2013, unit based compensation of $330 was included in the consolidated statements of comprehensive income.

The following schedule provides the continuity of the RTUs:

	Number of RTUs
As at December 31, 2012	—
RTUs issued	169,525
RTUs from distributions	13,152
RTUs converted to Units on April 5, 2013	(14,924)
As at December 31, 2013	**167,753**

Phantom Unit Plan

Crius Energy, LLC adopted a cash settled Phantom Unit Right Plan ("PURP") for the benefit of directors, officers or employees or direct or indirect service providers of the Crius Energy, LLC resident in the United States the ("U.S. Participants"). The purpose of the PURP is to provide incentive bonus compensation based on the appreciation in value of the Trust units and distributions payable in respect of these units, thereby providing additional incentive for continued efforts in promoting the growth and success of the Trust and in attracting and retaining management personnel in the United States. The PURP mirrors the material terms of the RTUP with the exception that Phantom Unit Rights ("PURs") may only be settled with cash payments by Crius Energy, LLC. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. As at December 31, 2013, no PURs have been granted under the PURP.

19. GUARANTEES

Officer and Directors

Corporate indemnities have been provided by the Trust to all Directors and Officers for various items including, but not limited to, all costs to settle suits, or actions due to their association with the Trust, subject to certain restrictions. The Trust has purchased directors' and officers' liability insurance to mitigate the costs of any potential lawsuits or actions taken against the Trust. Each indemnity, subject to certain exceptions, applies for so long as the indemnified person is a Director or Officer of the Trust. The maximum amount of any potential future payment cannot be reasonably estimated.

20. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL RENUMERATION

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial or operating decisions. The definition includes subsidiaries and other persons.

Subsidiaries

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including primarily intercompany notes and administrative service fees amongst its subsidiaries. These transactions are eliminated on consolidation and are not disclosed in these consolidated financial statements.

Key management personnel

The Trust's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Trust and is comprised of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Legal Officer, the Chief Strategy Officer and the President of Viridian Energy.

Compensation of key management personnel that is directly attributable to the Trust is as follows:

	For the year ended December 31, 2013	For the period from inception on September 7, 2012 to December 31, 2012
Wages, salaries and employee benefits	$2,194	$549
Directors fees	597	75
Post-employment benefits	34	5
	$2,825	**$629**

Other related party transactions

Crius Energy, LLC entered into a transition services agreement for professional services with a related party for an initial period of nine months commencing September 2012, with the option to extend the agreement for an additional nine months. In March 2013, Crius Energy, LLC gave notice to the related party that it would not extend the agreement subsequent to the initial six month term. As at December 31, 2013, there is $ - (December 31, 2012 — $24) included in Trade and other payables related to this agreement. For the year ended December 31, 2013, there is $121 included in General and administrative expense related to this agreement.

Crius Energy, LLC has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp which is a unitholder in Crius Energy, LLC. Both Macquarie entities are part of the same group (Note 11).

21. CAPITAL DISCLOSURES

For capital management purposes, the Trust considers its capital structure to include unitholders' equity, non-controlling interest, working capital and availability under the Supplier Agreement. The Trust's principal objectives in managing capital are:

- ensure sufficient liquidity to adequately fund the ongoing operations of the business;

- provide flexibility to take advantage of contract and growth opportunities that are expected to provide satisfactory returns to unitholders;
- maintain a strong capital base so as to maintain investor, creditor and market confidence;
- provide returns and generate predicable cash flow for distributions to unitholders;
- comply with financial covenants required under its financing arrangements.

The Trust manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management. The Trust is not subject to externally imposed capital requirements other than standard covenants in the Supplier Agreement (Note 11). As at December 31, 2013 all these covenants have been met.

22. REPORTABLE BUSINESS SEGMENTS

Operating segments

For the fiscal years ended December 31, 2013 and 2012, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment. For comparative purposes, we have modified the presentation of the footnotes to the 2012 consolidated financial statements to reflect single operating segment reporting.

Products

For the year ended December 31, 2013, revenue by product is as follows: $475,392 for electricity, $26,599 for natural gas, $4,126 for fee revenue and $955 for solar revenue. For the period from inception on September 7, 2012 to December 31, 2012, the revenue by product is as follows: $52,968 for electricity, $2,779 for natural gas and $513 for fee revenue.

Geographic information

All of the Trust's revenues from external customers and assets are located in the United States of America. The Trust does not have any key customers. For the year ended December 31, 2013, the trust operated in three states which together comprised 64.7% of revenue, two of which comprise 27.2% and 26.7%, respectively. For the period from inception on September 7, 2012 to December 31, 2012, the Trust operated in three states which together comprise 70.9% of revenue, two of which comprised 30.3% and 27.7%, respectively.

23. COMMITMENTS

Surety bonds

As at December 31, 2013 and 2012, the Trust had surety bonds issued of $8,195 and $7,109, respectively, to the various state regulatory commissions and LDCs.

Operating leases

The Trust leases its office facilities under non-cancelable operating leases which contain fixed escalation clauses and is subject to extension at the option of the Trust. The Trust takes into account escalation clauses when determining the amount of future minimum lease payments. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, rent expense under its operating leases of $641 and $68, respectively, was incurred. These costs are included in the consolidated statements of comprehensive income and the associated deferred rent liability is included within other non-current liabilities in the consolidated statements of financial position.

Financing leases

The Trust leases certain property and equipment under non-cancelable financing leases. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, depreciation expense under its financing leases of $28 and $0, respectively, were incurred and these costs are included in the consolidated statements of comprehensive income and the lease liability is included within trade and other payables and other non-current liabilities on the consolidated statements of financial position.

Employee defined contribution plan

The Trust has a 401(k) retirement plan in which substantially all full-time employees may participate. The Trust matches employee contributions up to a maximum of 4% of each participant's annual salary. During the year ended December 31, 2013 and for the period from inception on September 7, 2012 to December 31, 2012, employer contributions totaled $102 and $15, respectively.

Regulatory proceedings

The Trust is an independent energy marketer of retail electricity and natural gas to residential and commercial customers across numerous states. Market rules and regulations locally, regionally and state to state change periodically. These changes will likely have an impact on the Trust's business; some may be material and others may not. Some changes may lead to new or enhanced business opportunities, some changes may result in a negative impact on the Trust's business. As such, there is no way to impute an exact effect through a cost benefit analysis, because there are many variables. The regulatory process does allow for some participation, and the Trust engages in that participation, however, such participation provides no assurance as to the outcome of such proceedings. The Trust does not expect proceedings to have a material adverse effect on the Trust's financial condition or results of operations.

Litigation and other claims

The Trust is involved in various disputes and litigation. In the opinion of management, the resolution of these disputes against the Trust will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

24. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue on March 25, 2014 by the Board of Directors of the Administrator.