MANAGEMENT'S DISCUSSION AND ANALYSIS
CRIUS ENERGY TRUST

March 15, 2016

The following management's discussion and analysis ("**MD&A**") for Crius Energy Trust (the "**Trust**") dated March 15, 2016 has been prepared with all information available up to and including March 15, 2016. This MD&A should be read in conjunction with the Trust's audited consolidated financial statements and accompanying notes as at and for the years ended December 31, 2015 and December 31, 2014. The Trust's financial statements and other disclosure documents, including the Trust's Annual Information Form for the year ended December 31, 2015, dated March 15, 2016, are available on www.sedar.com under the Trust's issuer profile and on the Trust's website at www.criusenergytrust.ca. The units of the Trust ("**Units**") are traded on the Toronto Stock Exchange ("**TSX**") under the symbol "**KWH.UN**".

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. The consolidated financial statements of the Trust 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 non-IFRS financial measures and forward-looking statements. Investors should read the sections entitled *"Non-IFRS Financial Measures"* and *"Forward-Looking Statements"* at the end of this MD&A. Certain key terms and abbreviations used in this MD&A are defined in the section entitled *"Key Terms and Abbreviations"* below.

Overview of the 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 was established to provide investors with a distribution-producing investment through its indirect ownership interest in Crius Energy, LLC ("**Crius Energy**" or the "**Company**"). The Trust's indirect ownership interest in the Company entitles it, through its wholly-owned subsidiaries, to appoint a majority of the members of the Company's board of directors, and thereby to control the Company's day-to-day operations. The Trust completed its initial public offering ("**IPO**") on November 13, 2012 of 10,000,000 Units at a price of C$10.00 per Unit. Concurrent with the closing of the initial public offering, the Trust, through its indirect wholly-owned subsidiaries, acquired a 26.8% indirect ownership interest in the Company. On July 2, 2015, the Trust closed a public offering of 6,785,000 Units at a price of C$6.80 per Unit (the "**Offering**"). Concurrent with the closing of the Offering, the Trust, through its indirect wholly-owned subsidiaries, acquired an additional 16.3% ownership interest in the Company, such that the Trust holds a 43.1% indirect ownership interest in the Company as of the date hereof.

Throughout this MD&A, for purposes of convenience, references to (i) the "**Trust**", "**Crius Energy**" or "**our**" refer to Crius Energy Trust and its subsidiaries, (ii) the "**Company**" refer to Crius Energy, LLC, (iii) "**Management**" refer to the management of the Trust and the Company, together, as all of the executive officers of the Trust are also executive officers of the Company. References to results of operations refer to 100% of the consolidated operations of the Trust, notwithstanding that the Trust only holds an approximate 43.1% interest in such results.

Key Terms and Abbreviations

"**Adjusted EBITDA**" means EBITDA adjusted to exclude any change in the fair value of derivative instruments, change in fair value of non-controlling interest, change in fair value of warrant liability, unit-based compensation, goodwill impairment and distributions to non-controlling interest. See the section entitled *"Reconciliation of Net Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net (loss) income and total comprehensive (loss) income as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**Customer**" refers to a RCE (see definition of RCE below).

"**Distributable Cash**" means the amount of cash available to the Trust to meet its distribution obligations. See the section entitled *"Distributable Cash and Distributions"* in this MD&A for a reconciliation of Distributable Cash to Cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**KWh**" means Kilowatt hour and is a measurement of volume of electricity.

"**LLC Units**" means the membership units in the Company.

"**MWh**" means Megawatt hour and is a measurement of volume of electricity.

"**MW**" means Megawatt and is a measurement of capacity of electricity.

"**MMBtu**" means one million British Thermal Units and is a measurement of volume of natural gas.

"**RCE**" means residential customer equivalents, which is an industry standard unit of measurement of consumption per annum equivalent to 10 MWh (or 10,000 KWh) in the case of the electricity and 100 MMBtu in the case of natural gas. We have estimated the number of RCEs in accordance with industry conventions based on information available regarding customers and their historical usage.

"**Units**" means the units of the Trust that are traded on the TSX under the symbol "KWH.UN".

"**Unitholder**" means a holder of Units.

Unless the context indicates otherwise, references in this MD&A to "volume", "usage" and "consumption" refer to MWh in the case of electricity and MMBtu in the case of natural gas.

Overview of Business

Crius Energy is a comprehensive energy solutions partner that provides electricity, natural gas, and markets solar products to residential and commercial customers. Crius Energy connects with energy customers through an innovative family-of-brands strategy and multi-channel marketing approach. This unique combination creates multiple access points to a broad suite of energy products and services that make it easier for consumers to make informed decisions about their energy needs. Crius Energy currently sells energy products in 17 states in the United States and the District of Columbia with plans to continue expanding its geographic reach.

The Company's revenues are earned primarily from electricity and natural gas sales and are recognized based on customer consumption. Seasonal variability of customer usage of electricity and natural gas may cause the Company's revenues and gross margins to fluctuate. In general, electricity consumption is highest during the summer months of July and August due to cooling demand and, to a lesser extent, during the winter months of January and February due to heating demand. Heating demand also influences natural gas consumption, which is typically highest between the months of November through March. The Company's revenues will also fluctuate based on retail rates charged to customers, customer growth and customer attrition.

The Company also receives revenues from the marketing of solar products, primarily based on the generating capacity of the solar systems sold. The Company also receives various customer fees as well as 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 channel. Sign-up fees are deferred and recognized on a straight line basis over the twelve-month term of the agreement entered with each independent contractor, while other fees are recognized on a monthly basis.

The Company procures its energy and hedging requirements in various wholesale energy markets, including physical and financial markets, using both short-term and long-term contracts. For electricity and natural gas, the Company procures its wholesale energy requirements at various utility load zones for electricity and city gates for natural gas, based on the energy usage and 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 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 its customers and the forecasted quantities upon which such hedging instruments are based.

The Company's gross margin is derived from the difference between the revenues received from its electricity and natural gas customers and the cost of sales paid to its energy and non-energy suppliers, together with its revenues from the marketing of solar products and the fees paid by customers and independent contractors in the network marketing channel. The Company also incurs selling expenses through a mixture of upfront and residual-based payments. All such costs are recognized as expenses in the period incurred, pursuant to the applicable contractual arrangements in place. In addition, the Company incurs general, administrative, financing and other expenses while operating its business.

2015 AND FOURTH QUARTER 2015 HIGHLIGHTS

Financial Highlights

2015

- Revenue of $686.3 million in 2015, representing an increase of 14.3% from $600.5 million in 2014
- Gross margin of 23.9% of total revenue, an increase over the 21.5% of revenue achieved in 2014
- Adjusted EBITDA of $52.6 million during the year, a 36.9% increase from $38.5 million in 2014
- Distributable Cash for 2015 was $34.7 million and total distributions of $20.2 million, resulted in a payout ratio of 58.2% for the year

Fourth Quarter 2015

- Revenue of $147.5 million in the fourth quarter, representing an increase of 9.8% from $134.3 million in the fourth quarter of 2014
- Gross margin of 24.0% of total revenue for the quarter, a decrease from the 28.4% of revenue achieved in the fourth quarter of 2014
- Adjusted EBITDA of $8.4 million during the fourth quarter, a decrease of 41.7% from $14.4 million in the fourth quarter of 2014, with current quarter results being adversely impacted by $4.8 million resulting from a change in the application of our accounting policy for the recognition of solar revenues. Removing the one-time impact of this accounting change, Adjusted EBITDA for the quarter was $13.2 million.
- Distributable Cash for the fourth quarter was $9.0 million and total distributions of $5.9 million, resulted in a payout ratio of 65.6%

Operational Highlights

- Achieved net customer growth of 2.5% in the fourth quarter of 2015, with 20,000 RCEs added to the portfolio. On an annual basis, net customer growth was 43.9% from the end of 2014, due to organic customer adds and acquisitions
  - For the quarter, gross customer adds of 98,000, were 8.9% higher than the 90,000 average organic customer adds over the prior four quarters, driven by our diversified channel strategy and an increased quarterly contribution from our Comcast Energy Rewards brand

- ◦ Gross customer drops in the fourth quarter of 78,000, were 9.3% lower than the 86,000 average customer drops over the prior four quarters due to the transition of the customer portfolio to more fixed-price contracts and commercial customers

Continued growth of the partnership with Comcast Corporation ("**Comcast**") in the fourth quarter
- ◦ Following a successful launch in the second quarter of 2015, the Company launched in five markets servicing 26 utilities by the end of 2015, and management expects continued market, product and sales channel expansion for 2016
- ◦ Achieved continued growth in the quarter when compared to the prior quarter, adding high quality, longer-term customers to the portfolio

- Continued geographic expansion of distribution channels
  - ◦ Acquisition of TriEagle Energy earlier in the year allowed expansion into Texas through the Company's Comcast strategic partnership and network marketing channels, which were both operational in the state during the fourth quarter of 2015

Growth and Corporate Highlights

- Successfully completed acquisition of TriEagle Energy for $19.3 million, funded primarily by existing cash and availability under our credit facility
  - ◦ Increased commercial and municipal aggregation customer growth potential as the TriEagle Energy platform is now leveraged across the Crius Energy footprint.
  - ◦ Acquisition provides added portfolio diversity with longer-term, fixed price customers with more consistent energy usage profiles
  - ◦ Integration of the TriEagle Energy commercial platform into the Crius Energy business largely completed in 2015

- During the fourth quarter of 2015, the Company announced the acquisition of 75,000 electricity customers in Illinois, New York, Ohio and Texas
  - ◦ Purchased from Iron Energy LLC d/b/a Kona Energy ("**Kona Energy**") for approximately $7.0 million
  - ◦ Increases the longer-term commercial customer base and increases the proportion of fixed rate contracts
  - ◦ Customers serviced by existing infrastructure with minimal incremental costs
  - ◦ Positive impacts on Distributable Cash and payout ratio expected from the $5.0 million in pricing improvements over the next four years that was negotiated with Macquarie Energy LLC ("**Macquarie Energy**") as part of the acquisition
  - ◦ Greater diversification to Midwest states (Ohio and Illinois) further diluting exposure to North East and mid-Atlantic wholesale energy markets

- During 2015, the Company entered into a new exclusive reseller partnership with Sungevity, Inc. ("**Sungevity**")
  - ◦ The agreement allows the Company to co-brand and offer residential solar energy systems and products through Crius Energy's family of world-class energy brands, retaining brand awareness and upsell opportunity through the life of the solar customer relationship
  - ◦ Increased compensation from each solar system sold through Sungevity including enhanced recurring revenue for the life of the initial system contract and all customer renewal periods
  - ◦ Received 120 million warrants in Sungevity which provides additional upside from long-term solar growth
  - ◦ Integration to new reseller is progressing in line with management expectations and we completed our first full quarter of co-branded sales under the Viridian Solar and Citra Solar brands

- During the year the Trust completed a bought deal equity offering of 6.8 million Units for gross proceeds of C$46.1 million
  - ◦ Net proceeds primarily used to increase the Trust's indirect ownership of Crius Energy to 43.1% from 26.8%
  - ◦ Remaining net proceeds of $5.3 million were retained for general corporate purposes
  - ◦ Management expect the increased ownership of the operating company by the Trust will improve the float of the Units and market liquidity

Highlights Subsequent to the end of 2015

- Announced a 2% distribution increase
  - In January 2016, the Trust announced that the board of directors approved a 2% increase to distributions paid on Units for the first quarter of 2016, representing an annualized increase of C$0.014 per Unit and a total annualized distribution of C$0.714 per Unit
  - The increase was the result of the strong operating performance in 2015, the successful completion of several acquisitions and continued organic growth strategy, all of which raised the growth profile of the business
  - The board of directors indicated the distribution would be evaluated on a quarterly basis going forward

- Closed the Kona Energy acquisition of 75,000 customers
  - In February 2016, the Company successfully completed the acquisition of the customer contracts and associated assets for approximately 75,000 electricity customers for a total preliminary purchase price of $7.0 million
  - The acquisition further increases the Company's scale to nearly 900,000 customers and expands the Company's customer base in Illinois, New York, Ohio, and Texas

- Appointed Pat McCamley as an officer of the Trust
  - In March 2016, the board of directors approved the appointment of Pat McCamley, Executive Vice President, Corporate Development, as an officer of the Trust
  - Mr. McCamley has over 20 years of corporate and business development leadership experience and leads the Company's new business development efforts across all markets
  - The appointment is aligned with the Company's commitment to leveraging its unique partnership channel strategy and further supports the growing relationship with Comcast that was successfully launched in 2015

2015 DISCUSSION

Crius Energy delivered strong financial and operating performance in 2015 highlighted by significant year-over-year growth in the customer base, up 43.9%, and Adjusted EBITDA, up 36.9%. Management attribute the strong performance to the Company's successful sales and marketing channels, scalable operating platform, risk management capability and strong financial capacity as well as favorable commodity market conditions during the year.

Revenue increased 14.3% in 2015 to $686.3 million from $600.5 million for the year ended December 31, 2014. The increase was largely due to 17.8% greater electricity revenues primarily as a result of higher average electricity customer numbers resulting from organic customer additions and the acquisition of TriEagle Energy in April 2015.

During the year, the Company entered into a reseller agreement with Sungevity that allows the Company to co-brand and offer residential solar energy systems and products through Crius Energy's family of world-class energy brands, retaining brand awareness and upsell opportunity through the life of the solar customer relationship. Following the full transition to the new reseller agreement, the Company expects to benefit from improved economics per system sold, a more than 20 year co-branded customer relationship, and in 2016, Sungevity will become a new selling channel for the Company's energy products. The Company also received 120 million warrants in Sungevity as part of the transition which provides potential for additional value from continued growth of our solar business and the solar industry more generally.

While the solar business produced strong year-over-year growth in solar systems contracted, solar revenues in 2015 of $1.5 million, decreased from revenues of $6.1 million in the prior year, with the reduction attributable to a one-time $4.8 million impact resulting from a change in application of our revenue recognition accounting policy for solar revenues, made during the fourth quarter of 2015. Prior to the fourth quarter, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. In the fourth quarter, due to elevated cancellation rates and the transition to a new solar reseller partnership, the accounting change was made to more conservatively recognize revenue at the time of the installation of the solar system. This resulted in a one-time charge in the fourth quarter to reduce revenues by $4.8 million for solar systems that had not yet been installed, and these revenues will be recognized in future quarters based upon the installation of the systems.

Gross margin for 2015 was $163.7 million, 27.0% greater than $128.9 million in 2014 and benefited from favorable commodity market conditions in the year. As a percentage of total revenue, gross margin was 23.9% in 2015, an increase over the 21.5% in the previous year. The increase in gross margin as a percentage of revenue was primarily a result of broadly consistent year-over-year electric unit gross margins in a lower energy price environment in 2015. Overall gross margin benefited from increased average customer numbers resulting from organic customer additions and the TriEagle Energy acquisition.

Adjusted EBITDA in 2015 was $52.6 million, a 36.9% increase over the $38.5 million achieved in 2014. After adjusting for the above-mentioned one-time impact from the change in the application of our solar revenue recognition policy, Adjusted EBITDA in the fourth quarter of 2015 was $13.2 million, compared to $14.4 million in the fourth quarter of 2014, with current quarter results being adversely impacted by a seasonally milder winter causing temperatures to be approximately 27% higher than the 10 year normal across our core markets, as measured in Heating Degree Days.

Distributable Cash was $34.7 million in 2015 compared to $28.6 million in 2014, an increase of 21.3%. Total distributions paid were $20.2 million in 2015 and $28.4 million in 2014, representing an annual payout ratio of 58.2% and 99.3%, respectively. The improved payout ratio was driven by both lower total distributions paid as well as improved Distributable Cash year-over-year. Distributions were lower primarily as a result of the strength of the U.S. dollar against the Canadian dollar, with our business operations generating earnings in U.S. dollars whereas the distributions to Unitholders are set in Canadian dollars, as well as changes implemented which improve efficiencies within the Trust's structure related to the treatment of certain U.S. State and local withholding taxes paid on behalf of the non-controlling interest. Positive impacts on Distributable Cash resulted from strong operating cash flows, offset by elevated Maintenance Capital Expenditures of $9.0 million during the year, which were higher than typical, and due primarily to development work on numerous growth initiatives including the integration of TriEagle Energy, a new technology platform in the network marketing channel, the ongoing launch of the Comcast strategic partner channel and the transition to the Company's new solar partner, Sungevity. Capital expenditures on these strategic initiatives are non-recurring and are expected to contribute to the long-term growth of the Company. Management expect capital expenditures to return to historical levels in 2016. It is the intention of Management to maintain a conservative payout ratio to ensure funds are available to execute its growth strategy into 2016.

At December 31, 2015, Crius Energy had 819,000 customers, up from 569,000 at the end of 2014, representing net customer growth of 250,000 customers, or 43.9% over the prior year. Net customer adds in the year were higher than rates achieved in the prior year, and benefited from the 200,000 customers acquired in the TriEagle Energy acquisition, success in the direct marketing channel and commercial sales activity, as well as from declining attrition rates across all customer segments attributable to longer-term fixed price residential and commercial customers in the portfolio.

During 2015, excluding changes in operating assets and liabilities, the Company achieved operating cash flows of $52.6 million as compared to $39.2 million in 2014. At December 31, 2015 the Trust had cash and cash availability of $42.9 million. This consisted of $11.2 million of cash and equivalents and $31.7 million available under the credit facility. This compared to cash and cash availability of $46.3 million at the end of 2014. Cash and availability was impacted by the $19.3 million acquisition of TriEagle Energy in April 2015, which was primarily funded by cash.

The Trust continues to have no long-term debt and sufficient resources to execute its growth strategy. At the end of 2015, the Company had $4.0 million outstanding under its credit facility.

During the year, the Trust increased its indirect ownership of Crius Energy through the completion of a bought deal equity offering with a syndicate of underwriters for 6,785,000 Units at a price of C$6.80 per Unit for total gross proceeds of C$46.1 million. The net proceeds were used to purchase additional membership units of Crius Energy, thereby increasing the Trust's indirect ownership of Crius Energy to 43.1% from 26.8%, a 16.3% increase. Management expect that the increased ownership of the operating company by the Trust will improve the float of the Units and market liquidity.

OUTLOOK

Management expect to enhance long-term Unitholder value by focusing on two strategic imperatives: investing in customer growth and increasing the value of customer relationships. Management is focused on several key initiatives to meet these imperatives in the coming months and years. Management anticipate that the investments in growth will result in a compound annual growth rate ("**CAGR**") of approximately 16% in electricity and natural gas customers, which is in line with historical CAGR achieved in the business. Investment in the solar business is expected to drive growth rates in solar sales of at least the approximate forecasted industry CAGR of 18%.

Management expect to invest excess operating cash flow to fund these strategic growth and expansion initiatives, which may result in short-term impacts to earnings; however, long-term value creation remains the focus of Management. More specifically, Management is structuring products with lower margins in the first year plus incentives for customers to add product bundles, followed by higher margins in later years, a strategy that has short-term impacts on reported earnings. However, this approach is expected to create long-term value by increasing our customer portfolio and increasing the value of each customer relationship.

Management expect to increase the value of customer relationships by increasing revenue per customer, lowering customer attrition and reducing the cost-to-serve.

- **Increased Revenue Per Customer.** Management expect to pair current commodity offerings with higher margin product bundles to increase revenue per customer. These product bundles will be offered to new and existing commodity customers. Management expect to introduce several new products in 2016.
- **Lower Customer Attrition.** Management expect customer attrition to continue to decline in 2016 as a result of the Company offering products focused on providing customer value to drive residential customer growth and the increased focus on the commercial customer segment. Management also expect attrition to be positively impacted as more customers purchase product bundles from the Company.
- **Reduced Cost-to-Serve.** Management expect to benefit from operating leverage in our business to drive down the cost-to-serve. Our scalable technology platform enables the Company to add incremental customers with limited additional operating expense.

Management expect to deliver the forecasted customer growth as a result of strategic growth initiatives in the areas of customer segment, geography, distribution channel, and new products.

Customer Segment

Commercial Expansion

Management completed the integration of the TriEagle Energy platform in the first quarter of 2016. The completed integration provides the Company with expanded commercial operations, expanding the Company's commercial footprint from three states and one product (electricity) to 14 states for electricity and nine states for natural gas.

In February 2016, the Company completed the previously announced acquisition of 75,000 customers from Kona Energy and began the integration of the customers onto the Crius Energy platform. The portfolio consists of approximately 96% commercial customers and approximately 98% fixed rate contracts, which is expected to increase the percentage of commercial customers and fixed rate contracts in the Company's portfolio to approximately 40% and 75%, respectively The acquisition also provides an opportunity to enhance our commercial sales through a broader broker portfolio.

Geography

Texas Market

The Company continues to make progress deploying its marketing channels into the Texas electricity market with the expansion of the TriEagle Energy electricity license to include the Viridian and Comcast Energy Rewards trade names completed in 2015. Texas is the largest deregulated energy market in the United States with high growth in forecasted energy volumes, offering a significant opportunity for the Company to increase its footprint in the State.

Australia Market Entry

Early in 2016, the Company announced that it will enter the Australia market through the network marketing channel, with a turn-key and limited risk partnership with a leading retail energy supplier that is responsible for all energy procurement and operations, with Crius Energy being responsible for sales and marketing functions only. Australia has a large addressable market of more than six million households and with low market penetration rates, offering a first-mover advantage for Crius Energy's sustainability-focused brand, Viridian Energy. The initial investment to enter the market is expected to be approximately $2.0 million in 2016 and we do not expect any contribution to EBITDA until 2017 and beyond.

New Licensing Activity

The Company is actively looking to expand its presence in existing markets by adding new brands and channels. The Company has filed for and is actively seeking licenses in the following markets.

- Delaware: Comcast Energy Rewards (Electric)
- Georgia: Comcast Energy Rewards (Natural Gas)
- Maryland: Comcast Energy Rewards (Electric, Natural Gas)
- Massachusetts: Comcast Energy Rewards (Electric, Natural Gas), Public Power (Electric), Viridian Energy (Natural Gas)
- Michigan: Comcast Energy Rewards (Natural Gas), Viridian Energy (Natural Gas)
- New Hampshire: Comcast Energy Rewards (Electric), Viridian Energy (Electric)

Distribution Channels

Strategic Partnership with Comcast

The Company continues to make progress expanding the footprint for marketing electricity and natural gas products under the Comcast Energy Rewards brand name. In addition to offering electricity and natural gas service in California, Illinois, Pennsylvania, New Jersey, and Texas, the Company plans to expand Comcast Energy Rewards licensing into key markets, with the priority in 2016 being Connecticut, Maryland, and Massachusetts. The Company remains on schedule to have access to all Comcast subscribers in deregulated energy markets by the end of 2016.

In addition to expanding geographically, the Company is actively looking to expand access to new channels within Comcast to increase penetration within their customer base.

Viridian Energy

Management anticipate a strong continued growth contribution from the network marketing channel. The channel will benefit from recent market expansion into Texas that was completed in 2015, new market expansion into Australia and California (natural gas) in the first half of 2016, and program enhancements that were launched in September 2015 at the national convention, PowerUp! 2015, including new technology, a new compensation plan, and product enhancements. While these initiatives had a short-term impact on Adjusted EBITDA and Distributable Cash as a result of increased selling costs and increased capital expenditures, they are expected to be a catalyst for growth in the deregulated energy and solar customer portfolios, in addition to expanding product bundle options.

Sungevity

The Company is working with its fulfillment partner for its solar energy business, Sungevity, on the launch of a new selling channel for the Company's energy products. Expected in early 2016, Sungevity will begin offering additional products to its solar customers, including green electricity and responsible natural gas through the Viridian brand. Management anticipates positive impact from this channel given the strong brand alignment between the companies, compelling overlap of geographic footprint and aligned customer interests in green energy.

New Products

Solar

The Company continues to focus on growth in the solar energy business through the Viridian and Citra Solar brands. In late 2015, the U.S. federal government made the decision to extend the solar Investment Tax Credit ("**ITC**"). The ITC is one of the most significant public policy mechanisms to support the deployment of solar energy in the United States, providing long-term business certainty to solar energy project developers, investors and the solar industry. The ITC provides a dollar-for-dollar reduction in the income taxes that a person or company investing in solar would otherwise pay the U.S. federal government.

In 2016, Management will continue to focus on the transition to the new solar reseller agreement with Sungevity, which is expected to be completed early in 2016. While management expect operating results from the solar business in the first half of 2016 to be impacted by the transition, the Company expects the solar business to produce strong operating results in the second

half of 2016 and beyond benefiting from the ITC extension, improved economics per system sold, reduced cancellation rates due to Sungevity's technology platform and broad installation network and a more than 20 year co-branded customer relationship through the alliance with Sungevity.

Bundled Products

In the ongoing emphasis on increasing the value of customer relationships, Management is focused on growing revenue per customer through pairing current product offerings with higher margin product bundles and building customer relationships that offer the opportunity for cross selling additional products to customers. In addition to core products, offerings may include smart thermostats, efficiency upgrades, HVAC audits, lighting packages and demand response programs. This bundle strategy is also expected to have a positive impact on customer attrition rates in the future.

Acquisitions

In addition to the Company's organic customer growth prospects, acquisitions remain a core growth strategy for Crius Energy. The Company has a robust platform that uniquely allows the ease of acquisition and integration onto the Crius Energy platform.

The Company continues to evaluate multiple acquisition opportunities and sees market conditions for consolidation in the United States improving. We have recently experienced, increased competition for the acquisition of retail energy assets, and will continue to employ a disciplined strategy in evaluating potential transactions.

Distributions and Capital Structure

In addition to the fundamental strength of our business model, Management expect the sustainability of the Trust's distributions to be further bolstered by the strength of the U.S. dollar, which results in a lower payout ratio as business operations generate earnings in U.S. dollars whereas the distributions to Unitholders are set in Canadian dollars. The Trust maintains an active currency hedging program that uses foreign currency options to set a floor exchange rate for its current distribution levels and is currently hedged through December 2017 at close to current exchange rate levels while retaining upside from further U.S. dollar strength. Additionally, the payout ratio will benefit from the $5.0 million in pricing improvements from Macquarie Energy over the next four years negotiated as part of the acquisition of Kona Energy.

As announced in January 2016, the Board of Directors of the Trust approved a distribution increase of 2% to distributions paid on Units for the first quarter of 2016, representing an annualized increase of C$0.014 per Unit and a total annualized distribution of C$0.714 per Unit. The increase was the result of our 2015 performance, the successful completion of several acquisitions and continued execution of our organic growth strategy, all of which raised the growth profile of the business. As part of the announcement, the board indicated that the distribution would be evaluated on a quarterly basis going forward.

Management will continue to evaluate further opportunities to acquire additional units of Crius Energy LLC in a similar fashion to the July 2015 Offering and acquisition of an additional 16.3% interest in the operating business, with the intention of eventually increasing its ownership to 100%. We expect such opportunities will be dependent on a number of factors, including prevailing capital market conditions, foreign currency exchange rate levels, the trading price of Units and the willingness of private owners of Crius Energy LLC to sell LLC Units.

Regulatory Environment

On February 23, 2016, the New York Public Service Commission ("**NYPSC**") issued an order, effective March 4, 2016 ("**Order**"), resulting in changes to the regulatory rules regarding the marketing of natural gas and electricity to residential and small commercial customers in the state of New York. The order applies to new or renewed residential and small commercial customer contracts only. The regulation requires customers to be offered value products in the form of either an electric product that meets a minimum 30% renewable energy content ("**Green Product**"), or an electric or gas product that meets or provides the customer savings as compared to the rate offered by the local distribution utility, measured on an annual basis ("**Saving Product**").

- Management believes the majority of Crius customers in New York are not impacted by this regulatory change as customers are already serviced with higher renewable energy content than the minimum 30% required under the regulation. Additionally, large commercial customers, which represent approximately 15% of the Company's customers in the state, are not impacted by the regulatory change.

- The Company plans to comply in the following manner: (i) for gas, offering a Savings Product, and (ii) for electricity customers not already on a compliant Green Product, automatically renewing customers onto a Savings Product unless they select a Green Product. This transition may result in increased cost-to-serve per customer and could have an impact on customer attrition rates within the state.

On March 4, 2016, Crius Energy, along with many of its peers in the retail energy industry, received a Temporary Restraining Order ("**TRO**") staying the NYPSC's Order until April 14, 2016, at which time the judge will hear a preliminary injunction hearing. Based on the success of the TRO, there is no immediate impact on our customers in New York.

Summary

Through its industry-leading, multi-channel marketing approach, Crius Energy is uniquely positioned to capitalize on diverse opportunities in the retail energy and solar industries. Crius Energy's growth prospects, combined with its financial capability, position it to continue its market leadership going forward.

Selected Consolidated Financial and Operational Data

The following selected historical financial information has been derived from the audited consolidated financial statements of the Trust as at and for the years ended December 31, 2015, December 31, 2014 and December 31, 2013 and the unaudited interim condensed consolidated financial statements of the Trust for the three months ended December 31, 2015 and December 31, 2014. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Income (Loss) Highlights
(in millions)

	Quarter ended December 31, 2015 (unaudited)	Quarter ended December 31, 2014 (unaudited)	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Revenue	$147.5	$134.3	$686.3	$600.5	$507.1
Cost of sales	112.0	96.1	522.6	471.6	403.7
Gross margin	35.5	38.2	163.7	128.9	103.4
Expenses					
Selling expenses	9.8	9.8	38.9	35.3	28.0
General and administrative	17.3	14.0	72.2	55.1	43.2
Goodwill impairment	—	—	—	77.1	60.5
Unit-based compensation	0.5	0.4	4.4	1.4	0.3
Depreciation and amortization	7.4	10.3	49.1	39.6	38.4
Operating income (loss)	0.5	3.7	(0.9)	(79.6)	(67.0)
Other (expenses) income					
Finance costs	(1.7)	(1.6)	(9.0)	(6.9)	(6.0)
Distributions to non-controlling interest	(3.8)	(1.5)	(14.9)	(18.3)	(31.2)
Change in fair value of derivative instruments	(1.6)	(39.4)	14.9	(58.9)	22.1
Change in fair value of warrant liability	0.2	(0.1)	(1.1)	(0.1)	—
Change in fair value of non-controlling interest	9.3	(3.1)	(62.8)	22.7	120.4
Income (loss) before income taxes	2.9	(42.0)	(73.8)	(141.1)	38.3
(Benefit from) provision for income taxes	(2.9)	(14.8)	1.1	(28.8)	(10.4)
Net income (loss) and comprehensive income (loss)	**$5.8**	**$(27.2)**	**$(74.9)**	**$(112.3)**	**$48.7**
EBITDA[(1)]	12.0	(30.1)	(15.7)	(94.6)	82.7
Adjusted EBITDA[(1)]	**$8.4**	**$14.4**	**$52.6**	**$38.5**	**$32.2**

(1) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net loss or other data prepared in accordance with IFRS. See the section in this MD&A entitled *"Non -IFRS Financial Measures"*. The following table is a reconciliation of net (loss) income and comprehensive (loss) income to EBITDA and Adjusted EBITDA for the periods indicated.

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

	Quarter ended December 31, 2015 (unaudited)	Quarter ended December 31, 2014 (unaudited)	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Net income (loss) and comprehensive income (loss)	$5.8	$(27.2)	$(74.9)	$(112.3)	$48.7
Excluding the impacts of:					
Finance costs	1.7	1.6	9.0	6.9	6.0
(Benefit from) provision for income taxes	(2.9)	(14.8)	1.1	(28.8)	(10.4)
Depreciation and amortization	7.4	10.3	49.1	39.6	38.4
EBITDA	12.0	(30.1)	(15.7)	(94.6)	82.7
Excluding the impact of:					
Goodwill impairment	—	—	—	77.1	60.5
Unit-based compensation	0.5	0.4	4.4	1.4	0.3
Distributions to non-controlling interest	3.8	1.5	14.9	18.3	31.2
Change in fair value of derivative instruments	1.6	39.4	(14.9)	58.9	(22.1)
Change in fair value of warrant liability	(0.2)	0.1	1.1	0.1	—
Change in fair value of non-controlling interest	(9.3)	3.1	62.8	(22.7)	(120.4)
Adjusted EBITDA	**$8.4**	**$14.4**	**$52.6**	**$38.5**	**$32.2**

Statement of Financial Position Highlights (in millions)

	As at December 31, 2015	As at December 31, 2014	As at December 31, 2013
Current assets	$103.8	$104.6	$116.8
Total assets	280.8	263.3	381.6
Current liabilities	154.2	132.6	82.7
Long-term liabilities	162.4	119.0	168.0
Unitholders' (deficit) equity	(35.8)	11.7	130.9

Statement of Cash Flows Highlights (in millions)

	Quarter ended December 31, 2015 (unaudited)	Quarter ended December 31, 2014 (unaudited)	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Cash flows provided by operating activities	$3.8	$15.5	$37.3	$50.9	$26.3
Cash flows used in investing activities	(2.2)	(1.0)	(20.4)	(9.6)	(3.0)
Cash flows used in financing activities	(3.9)	(10.8)	(19.9)	(42.3)	(38.3)
Cash and cash equivalents at beginning of period	13.5	10.6	14.3	15.3	30.3
Cash and cash equivalents at end of period	11.2	14.3	11.2	14.3	15.3

Operational Highlights

	Quarter ended December 31, 2015 (unaudited)	Quarter ended December 31, 2014 (unaudited)	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Electricity					
Volumes (MWh)	1,498,000	1,093,000	6,395,000	4,780,000	5,113,000
Revenue ($ million)	140.4	119.7	636.7	540.4	475.4
Gross margin ($ million)	34.3	31.1	140.5	106.0	93.4
Gross margin ($/MWh)	22.88	28.51	21.97	22.16	18.27
Gross margin as a % of revenue	24.4%	26.0%	22.1%	19.6%	19.7%
Natural gas					
Volumes (MMBtu)	1,478,000	1,896,000	5,959,000	6,601,000	4,658,000
Revenue ($ million)	8.7	12.3	41.5	50.3	26.6
Gross margin ($ million)	2.8	4.6	15.1	13.1	4.8
Gross margin ($/MMBtu)	1.90	2.44	2.54	1.99	1.04
Gross margin as a % of revenue	32.3%	37.8%	36.4%	26.1%	18.2%

Customer Aggregation

The following table summarizes the Company's gross additions and drops in electricity and natural gas customers over the trailing four quarters ending December 31, 2015.

Customer Aggregation
(in customers)

	Opening Customer Count	Customer Adds [1]	Customer Drops	Net Change	Closing Customer Count
Electricity	497,000	92,000	(78,000)	14,000	511,000
Natural Gas	72,000	10,000	(12,000)	(2,000)	70,000
Quarter ended March 31, 2015	**569,000**	**102,000**	**(90,000)**	**12,000**	**581,000**
Net Change % of Opening Customer Count				***2.1%***	
Electricity	511,000	281,000	(71,000)	210,000	721,000
Natural Gas	70,000	7,000	(8,000)	(1,000)	69,000
Quarter ended June 30, 2015	**581,000**	**288,000**	**(79,000)**	**209,000**	**790,000**
Net Change % of Opening Customer Count				***36.0%***	
Electricity	721,000	81,000	(71,000)	10,000	731,000
Natural Gas	69,000	8,000	(9,000)	(1,000)	68,000
Quarter ended September 30, 2015	**790,000**	**89,000**	**(80,000)**	**9,000**	**799,000**
Net Change % of Opening Customer Count				***1.1%***	
Electricity	731,000	91,000	(73,000)	18,000	749,000
Natural Gas	68,000	7,000	(5,000)	2,000	70,000
Quarter ended December 31, 2015	**799,000**	**98,000**	**(78,000)**	**20,000**	**819,000**
Net Change % of Opening Customer Count				***2.5%***	

(1) Includes approximately 200,000 customers acquired in conjunction with the acquisition of TriEagle Energy on April 1, 2015.

Solar Systems Installed

The following table summarizes the Company's solar sales in terms of solar systems installed for the year ending December 31, 2015.

Solar Systems Installed
(in MW of generating capacity)

Systems Installed (MW)	**2015**	**2014**
Residential	1.7	0.5
Commercial	—	—
Quarter ended March 31	**1.7**	**0.5**
Residential	2.2	1.0
Commercial	—	—
Quarter ended June 30	**2.2**	**1.0**
Residential	2.5	1.6
Commercial	—	—
Quarter ended September 30	**2.5**	**1.6**
Residential	2.1	2.8
Commercial	—	—
Quarter ended December 31	**2.1**	**2.8**

Summary of Quarterly Results

Quarterly Results (unaudited)
(in millions)

	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014
Revenue	$147.5	$204.1	$166.3	$168.3	$134.3	$154.6	$134.0	$177.6
Cost of sales	112.0	156.1	126.4	128.0	96.1	116.7	100.3	158.5
Gross margin	35.5	48.0	39.9	40.3	38.2	37.9	33.7	19.1
Expenses								
Selling expenses	9.8	11.5	7.5	9.9	9.8	8.1	8.1	9.3
General and administrative	17.3	20.4	18.6	15.9	14.0	14.6	12.4	14.1
Goodwill impairment	—	–	–	–	–	–	–	77.1
Unit-based compensation	0.5	1.7	1.4	0.8	0.4	0.3	0.7	–
Depreciation and amortization	7.4	17.6	14.0	10.1	10.3	10.2	9.6	9.5
Operating income (loss)	0.5	(3.2)	(1.6)	3.6	3.7	4.7	2.9	(90.9)
Other (expenses) income								
Finance costs	(1.7)	(2.5)	(3.0)	(1.8)	(1.6)	(1.6)	(1.7)	(2.0)
Distributions to non-controlling interest	(3.8)	(3.2)	(3.9)	(3.9)	(1.5)	(4.9)	(6.7)	(5.2)
Change in fair value of derivative instruments	(1.6)	11.0	3.8	1.6	(39.4)	4.9	4.6	(29.0)
Change in fair value of warrant liability	0.2	(0.6)	(0.2)	(0.5)	(0.1)	—	(0.3)	0.3
Change in fair value of non-controlling interest	9.3	(17.1)	(25.3)	(29.8)	(3.1)	10.2	(43.3)	58.9
Income (loss) before income taxes	2.9	(15.6)	(30.2)	(30.8)	(42.0)	13.3	(44.5)	(67.9)
(Benefit from) provision for income taxes	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)	(0.7)	(12.9)
Net income (loss) and comprehensive income (loss)	**$5.8**	**$(18.2)**	**$(30.7)**	**$(31.7)**	**$(27.2)**	**$13.8**	**$(43.8)**	**$(55.0)**

Reconciliation of Net Income (Loss) and Comprehensive Income (Loss) to EBITDA and Adjusted EBITDA

	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014
Net income (loss) and comprehensive income (loss)	$5.8	$(18.2)	$(30.7)	$(31.7)	$(27.2)	$13.8	$(43.8)	$(55.0)
Excluding the impacts of:								
Finance costs	1.7	2.5	3.0	1.8	1.6	1.6	1.7	2.0
(Benefit from) provision for income taxes	(2.9)	2.6	0.5	0.9	(14.8)	(0.5)	(0.7)	(12.9)
Depreciation and amortization	7.4	17.6	14.0	10.1	10.3	10.2	9.6	9.5
EBITDA	12.0	4.5	(13.2)	(18.9)	(30.1)	25.1	(33.2)	(56.4)
Excluding the impact of:								
Goodwill impairment	—	–	–	–	–	–	–	77.1
Unit-based compensation	0.5	1.7	1.4	0.8	0.4	0.3	0.7	–
Distributions to non-controlling interest	3.8	3.2	3.9	3.9	1.5	4.9	6.7	5.2
Change in fair value of derivative instruments	1.6	(11.0)	(3.8)	(1.6)	39.4	(4.9)	(4.6)	29.0
Change in fair value of warrant liability	(0.2)	0.6	0.2	0.5	0.1	—	0.3	(0.3)
Change in fair value of non-controlling interest	(9.3)	17.1	25.3	29.8	3.1	(10.2)	43.3	(58.9)
Adjusted EBITDA	**$8.4**	**$16.1**	**$13.8**	**$14.5**	**$14.4**	**$15.2**	**$13.2**	**$(4.3)**

Distributable Cash and Payout Ratio

	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014
Cash flows from operating activities	$3.8	$26.7	$(0.5)	$7.3	$15.5	$19.9	$17.7	$(2.3)
Changes in operating assets and liabilities	9.4	(13.7)	14.6	5.1	(2.2)	(4.9)	(3.8)	(0.7)
Cash flows from operating activities excluding changes in operating assets and liabilities	**13.2**	**13.0**	**14.1**	**12.4**	**13.3**	**15.0**	**13.9**	**(3.0)**
Finance costs included in financing activities	(2.0)	(3.1)	(2.1)	(1.7)	(1.4)	(1.8)	(1.4)	(2.1)
Maintenance Capital Expenditures[(1)]	(2.2)	(2.9)	(2.0)	(1.9)	(1.0)	(1.3)	(1.4)	(0.2)
Distributable Cash	**$9.0**	**$7.0**	**$10.0**	**$8.8**	**$10.9**	**$11.9**	**$11.1**	**$(5.3)**
Distributions to non-controlling interest	3.7	3.2	3.1	3.4	4.6	4.9	6.3	5.8
Distributions to Unitholders	2.2	1.9	1.4	1.4	1.6	1.6	1.6	2.1
Total distributions	**$5.9**	**$5.1**	**$4.5**	**$4.8**	**$6.2**	**$6.5**	**$7.9**	**$7.9**
Payout Ratio	**65.6%**	**72.9%**	**45.0%**	**54.5%**	**56.9%**	**54.6%**	**71.2%**	**NA**

(1) Maintenance capital expenditures consisted of Cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude Cash flows used in investing activities relating to acquisitions.

The financial data presented above for each of the eight most recently completed quarters has been prepared in accordance with IFRS, as issued by the International Accounting Standards Board, and presented in United States dollars.

Discussion of Operations
For the years ended December 31, 2015 and December 31, 2014

Revenue

For the year ended December 31, 2015, revenue was $686.3 million, representing an increase of 14.3% from $600.5 million for the year ended December 31, 2014. Revenue growth was partially driven by the strong contribution from the network marketing channel, which generated $323.6 million of revenue in 2015.

Electricity

Electricity revenue for the year ended December 31, 2015 was $636.7 million, representing an increase of 17.8% from $540.4 million for the year ended December 31, 2014, as a result of a 33.8% increase in volume, partially offset by a 11.9% lower average retail rate per unit, reflecting lower market prices for energy. Electricity volumes for the year ended December 31, 2015 were 6,395,000 MWh representing an increase of 33.8% from 4,780,000 MWh for the year ended December 31, 2014, with the increase due to higher average customer numbers resulting from organic customer additions and the TriEagle Energy acquisition.

Natural Gas

Natural gas revenue for the year ended December 31, 2015 was $41.5 million, representing a decrease of 17.5% from $50.3 million for the year ended December 31, 2014, as a result of a 9.7% decrease in volume and an 8.7% decrease in average retail rate per unit, reflecting lower market prices for energy. Natural gas volumes for the year ended December 31, 2015 were 5,959,000 MMBtu, representing a decrease of 9.7% from 6,601,000 MMBtu for the year ended December 31, 2014, with the decrease resulting from lower average usage per customer and lower average customer numbers.

Solar Revenue

Solar revenue for the year ended December 31, 2015 was $1.5 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 8.5 MW. This represents a decrease of 76.1% from revenues of $6.1 million and 5.9 MW in the year ended December 31, 2014. The reduction in revenues was primarily attributable to a one-time $4.8 million impact resulting from a change in application of our revenue recognition accounting policy for solar revenues, made during the fourth quarter of 2015. Prior to the fourth quarter, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. In the fourth quarter, due to elevated cancelation rates and the transition to a new solar reseller partnership, the accounting change was made to more conservatively recognize revenue at the time of the installation of the solar system. This resulted in a one-time charge in the fourth quarter to reduce revenues by $4.8 million for solar systems that had not yet been installed. Removing the one-time impact of this accounting policy change, solar revenue for 2015 would have been $6.3 million.

Fee Revenue

Fee revenue, consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers, for the year ended December 31, 2015 was $6.6 million, representing an increase of 82.2% from $3.6 million for the year ended December 31, 2014, which was primarily attributable to customer fee revenues in the Texas electricity market as a result of the TriEagle Energy acquisition, which closed on April 1, 2015.

Gross Margin

For the year ended December 31, 2015, gross margin was $163.7 million, representing an increase of 27.0% from $128.9 million for the year ended December 31, 2014 and benefited from favourable commodity market conditions in the year. Gross margin for the year ended December 31, 2015 was 23.9% of total revenue, representing an increase from 21.5% of total revenue for the year ended December 31, 2014. Gross margin benefited from increased average customer numbers due to organic customer additions and the TriEagle Energy acquisition, with the increase in gross margin as a percentage of revenue in the current year primarily a result of broadly consistent year-over-year electric unit gross margins in a lower energy price environment in 2015.

Electricity

Electricity gross margin for the year ended December 31, 2015 was $140.5 million, representing an increase of 32.6% from $106.0 million for the year ended December 31, 2014. For the year ended December 31, 2015, electricity gross margin per unit was $21.97/MWh and electricity gross margin was 22.1% of electricity revenues, compared to $22.16/MWh and 19.6%, respectively, for the year ended December 31, 2014. Electricity gross margin per unit in the year was broadly consistent with the prior year and, with the lower energy price environment, electric gross margin as a percentage of revenue was higher. Electricity gross margins per unit were driven lower by the increasing commercial customer base in the portfolio from the TriEagle Energy acquisition, and offset by higher unit margins on our variable rate customer portfolio, which has benefited from the lower wholesale energy price environment.

Natural Gas

Natural gas gross margin for the year ended December 31, 2015 was $15.1 million, representing a 15.1% increase from $13.1 million for the year ended December 31, 2014. For the year ended December 31, 2015, natural gas gross margin per unit was $2.54/MMBtu and natural gas gross margin was 36.4% of natural gas revenues representing an increase from $1.99/MMBtu and 26.1%, respectively, for the year ended December 31, 2014, with the increases in unit margin and gross margin as a percentage of revenue in the current year aided by the impact of the significant year-over-year decrease in wholesale natural gas prices on our variable rate customer portfolio.

Other

Gross margin for the year ended December 31, 2015 included solar revenues of $1.5 million, and revenues from independent contractors in the network marketing channel and various fees received from customers of $6.6 million. For the year ended December 31, 2014, solar revenues were $6.1 million, and revenues from independent contractors in the network marketing channel and various fees received from customers were $3.6 million. These revenues do not have associated cost of sales.

Selling Expenses

Selling expenses consist of commissions due to (i) independent contractors in the network marketing channel, commercial broker channel, telemarketing and door-to-door channels, (ii) partners in our strategic partnerships, (iii) employees for enrolling new electricity, natural gas and solar customers, and for customer consumption, and (iv) vendors used in the Company's direct mail and other direct marketing campaigns. Selling expenses are expensed in the period that they are earned by the independent contractors, strategic partnerships, employees or vendors, as applicable.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrollment of customers, and residual commissions, which are primarily based on customer consumption and receipt of customer payments. The commission structures utilized are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated according 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 enrollment and energy usage.

- Commissions due for customers acquired through our strategic partnerships are calculated primarily based on upfront commissions calculated per customer enrolled, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain timeframes, and a residual-based commission based on a revenue or energy usage over a customer's term of enrollment.

- Commissions due to independent contractors in our direct marketing channel are primarily comprised of upfront commissions, based on successful customer enrollments, and may be subject to a partial or full repayment of such commission for customers who terminate their service within certain timeframes, or paid under hourly contracts. Selling costs also include costs from various vendors used in direct mail and other direct marketing campaigns.

- Commissions due to brokers in our commercial broker channel are primarily residual commissions, which are based on energy usage over a customer's term of enrollment.

- Commissions due to employees in a sales team focusing on solar sales are based on the size and pricing of the solar systems sold.

For the year ended December 31, 2015, selling expenses were $38.9 million, representing an increase of 10.0% from $35.3 million for the year ended December 31, 2014. Selling expenses for the year ended December 31, 2015 amounted to 5.7% of revenue compared to 5.9% of revenue for the year ended December 31, 2014. Selling costs in 2015 were impacted by additional commissions incentives offered in the network marketing channel during the transition to a new compensation plan structure that was launched at the national convention, PowerUP! 2015, in September 2015. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the year ended December 31, 2015 of $12.9 million (amounting to $34 per customer acquired), representing an increase from $12.5 million for the year ended December 31, 2014 (amounting to $47 per customer acquired), with the 2015 costs being impacted by the upfront component of the above-mentioned transitional commissions incentives offered in the network marketing channel. Upfront selling costs in the current year were impacted by higher organic customer enrollments compared to the prior comparable period in 2014, offset by lower upfront costs per customer, due to increased commercial customer enrollments, with a residual-based commissioning structure, as a result of the TriEagle Energy acquisition. In addition, upfront costs per customer were elevated in the prior year due to an investment of $3.2 million in targeted direct marketing campaigns employed by the Company in several utility markets in the Northeastern U.S. to take advantage of market opportunities, which successfully generated approximately 40,000 customer enrollments in the period.

(b) Residual-based electricity and natural gas commissions for the year ended December 31, 2015 of $21.3 million (amounting to 3.1% of revenues), representing an increase from $20.1 million for the year ended December 31, 2014 (amounting to 3.3% of revenues), with the increase being impacted by the residual based component of the above-mentioned transitional commissions incentives offered in the network marketing channel. In addition, this impact was partially offset by two factors associated with the acquisition of TriEagle Energy on April 1, 2015. Firstly, residual-based commissions owed to brokers based on usage of the customers acquired are treated under acquisition accounting as an assumed liability and are included in the preliminary purchase price allocation for the acquisition, based on estimated customer usage and contracted commission rates. Thus, ongoing payment of residual-based commissions associated with the customers acquired from TriEagle Energy, of approximately $2.6 million or 0.4% of revenue, relieve the liability on the consolidated statement of financial position rather than be expensed as a selling cost. Secondly, the Texas electricity market structure is a 'marketer consolidated billing' model, in contrast to the 'utility consolidated billing' and 'dual billing' models in other Crius Energy electricity and natural gas markets. Under the Texas model, the marketer, Crius Energy, is responsible for the billing and collection of transmission and distribution charges of the local utility as well as its own energy charges, and as such residual-based commissions are lower as a percentage of revenue as they are based only on the energy charges and usage.

(c) Solar selling expenses for the year ended December 31, 2015 of $4.6 million (amounting to 314.7% of solar revenues), representing an increase from $2.7 million for the year ended December 31, 2014 (amounting to 44.8% of solar revenues). Solar selling expenses as a percentage of revenue were significantly higher than typical and were impacted by higher fixed costs during the partner transition in the latter half of the year as well as by the impact of the one-time reduction in solar revenues as a result of the aforementioned change in the application of our solar revenue recognition policy.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2015 were $72.2 million. This represented an increase from $55.1 million for the year ended December 31, 2014, as set out in the tables below. The increased level of general and administrative expenses year-over-year was impacted by the acquisition of TriEagle Energy on April 1, 2015.

General and Administrative Expenses
(in $ millions and % of revenue)

	Year ended December 31, 2015		Year ended December 31, 2014	
	$	%	$	%
POR fees / bad debt	$6.7	1.0%	$7.5	1.2%
Processing costs	7.5	1.1%	6.6	1.1%
Human resources	29.5	4.3%	22.1	3.7%
Gross receipts taxes and other taxes	6.2	0.9%	5.1	0.8%
Professional and consultant fees	3.8	0.6%	3.1	0.5%
Legal and regulatory	2.9	0.4%	2.2	0.4%
Other	15.6	2.3%	8.5	1.4%
Total	**$72.2**	**10.5%**	**$55.1**	**9.2%**

General and administrative expenses incurred during the year ended December 31, 2015 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the local distribution companies ("**LDCs**") pursuant to Purchase of Receivables ("**POR**") programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees / bad debt expense for the year ended December 31, 2015 was $6.7 million, representing 1.0% of revenue, compared to $7.5 million for the year ended December 31, 2014, representing 1.2% of revenue for that period. The decrease was impacted by a reduction in bad debt expense in the markets in which the Company is exposed to credit risk, partly due to the increase in the mix of commercial customers, which are generally associated with lower bad debt expense.

(b) Processing costs for the year ended December 31, 2015 of $7.5 million include various data processing and information technology costs incurred to service our customers and salesforce. This figure compares to $6.6 million for the year ended December 31, 2014. Processing costs were higher due to the increased costs of servicing the TriEagle Energy customer base and the more operationally-intensive Texas market.

(c) Human resource costs for the year ended December 31, 2015 of $29.5 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2014 of $22.1 million. The increase was primarily the result of overall growth in employee headcount over the period as a result of the TriEagle Energy acquisition as well as to support our growth initiatives and improve our operational and risk management capabilities and increased incentive compensation which is based on achievement of Company profitability and growth targets.

(d) Gross receipts taxes and other taxes for the year ended December 31, 2015 of $6.2 million represent operational taxes in various states and jurisdictions and are primarily driven by revenue. This compares to the $5.1 million incurred in the prior comparable period in 2014, with the increase primarily attributable to higher revenues in certain markets such as New York and Pennsylvania, where such taxes are applicable, which was impacted by the acquisition of TriEagle Energy, which had a concentration of customers in such markets.

(e) Professional and consultant fees for the year ended December 31, 2015 of $3.8 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares to $3.1 million in the prior comparable period in 2014, with the current period being impacted by $0.3 million of acquisition due diligence costs, including the TriEagle Energy acquisition.

(f) Legal and regulatory costs for the year ended December 31, 2015 of $2.9 million represent external legal fees incurred in the United States and Canada and compares to $2.2 million in the prior comparable period in 2014 with the increase primarily attributable to costs associated with industry-wide increased activity by regulatory agencies as well as $0.3 million related to the TriEagle Energy acquisition.

(g) Other costs for the year ended December 31, 2015 of $15.6 million represent the balance of corporate, operational and marketing related expenses incurred to operate our business. These costs compare to $8.5 million in the prior comparable period in 2014 with the increase being primarily attributable to the increased costs associated with the TriEagle Energy acquisition, which closed on April 1, 2015, increased costs associated with the Viridian national convention, PowerUP! 2015, held in September 2015, as well as the program improvements that were launched at the convention including new technology, product enhancements and other programmatic improvements. In addition, costs were impacted in the current period by the regulatory environment in certain markets leading to increased compliance and fulfillment costs including those related to additional customer notices.

Goodwill Impairment

The Trust recorded no goodwill impairment for the year ended December 31, 2015. The Trust recorded goodwill impairment charges for the year ended December 31, 2014 of $77.1 million due to the carrying value of equity being in excess of the market capitalization of the Trust, adjusted for an estimated acquisition premium. The impairment charge in the prior period was non-cash and did not impact our normal business operations or liquidity, cash flow from operations or financial covenants under our credit facility.

Unit-Based Compensation

The unit-based compensation charge relates to the cumulative net issuance of Phantom Unit Rights ("**PURs**") and Restricted Trust Units ("**RTUs**") to Management, the directors of the Crius Energy Administrator Inc. (the "**Administrator**") and other parties. For the year ended December 31, 2015, unit-based compensation expense amounted to $4.4 million, representing an increase from $1.4 million for the year ended December 31, 2014. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period. The unit-based compensation expense in the current periods was impacted by an increased Unit price, increased unit-based issuances to both Management and the sellers of TriEagle Energy as part of the acquisition that closed on April 1, 2015 as well as additional vesting.

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, 2015 was $49.1 million, representing an increase from $39.6 million for the year ended December 31, 2014. The increase is primarily attributable to incremental amortization associated with intangible asset additions made by the Company, including the TriEagle Energy acquisition completed on April 1, 2015 as well as the impact of changes in estimates of the useful lives of intangible assets.

Finance Costs

Finance costs for the year ended December 31, 2015 were $9.0 million, representing an increase from $6.9 million for the year ended December 31, 2014. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy LLC ("**Macquarie Energy**"). Refer to the discussion in the section entitled *"Liquidity and Capital Resources"* in this MD&A, for a detailed description of this facility. The higher finance fees for the year ended December 31, 2015 as compared to the prior comparable period in 2014 were attributable to increased volumetric energy fees primarily as a result of increased customer numbers including customers acquired in the TriEagle Energy acquisition that closed on April 1, 2015.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the year ended December 31, 2015 were $14.9 million, compared to $18.3 million for the year ended December 31, 2014. This decrease was primarily due to the reduction in the non-controlling interest ownership of the Company's units as a result of the acquisition of an additional 16.3% indirect ownership interest by the Trust on July 2, 2015. In addition, distributions to non-controlling interest were lower than the prior comparable periods due to the effects of a stronger USD/CAD exchange rate, which results in lower U.S. denominated distributions to the non-controlling interest.

Due to certain provisions in the Trust's governance documents, which in 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 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 the section entitled *"Financial Instruments and Risk Management"* in this MD&A).

For the year ended December 31, 2015, the changes in unrealized gains or losses associated with derivative contracts were net gains of $14.9 million compared to net losses of $58.9 million for the year ended December 31, 2014.

Change in Fair Value of Derivative Instruments
(in millions)

	Year ended December 31, 2015	Year ended December 31, 2014
Forward electricity positions	$12.7	$(53.7)
Forward natural gas positions	3.0	(5.1)
Weather derivative positions	0.2	0.3
Forward currency positions	(1.0)	(0.4)
Change in fair value of derivative instruments	**$14.9**	**$(58.9)**

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 hedge either the fixed price exposure of customers on fixed price contracts, the expected short-term exposure of variable priced customers, or the impacts of currency movements on the Trust's distributions thus minimizing the impact of these unrealized mark-to-market gains and losses.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability for the year ended December 31, 2015 represented a loss of $1.1 million compared to a loss of $0.1 million for the year ended December 31, 2014. This loss represents the mark-to-market valuation of the 750,000 Unit purchase warrants ("**Warrants**") issued to Macquarie Energy as consideration for the expansion of the Supplier Agreement (as defined in the section entitled *"Liquidity and Capital Resources"* in this MD&A) in February 2014. The valuation of the Warrants is based on an option valuation model, and accordingly the non-cash loss is the result of changes in the Unit price, volatility and yield, the time to maturity and the risk-free rate over the period.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the year ended December 31, 2015 was a loss of $62.8 million compared to a gain of $22.7 million for the year ended December 31, 2014. These gains and losses represent the mark-to-market valuation of the non-controlling interest liability included on the Trust's statement of financial position. The mark-to-market valuation losses in the year ended December 31, 2015 were primarily the result of an increase in the trading price of Units over the period.

Due to certain provisions in the Trust's governance documents, which in 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 Trust's consolidated statement of financial position. Accordingly, this non-controlling interest is measured at fair value at the end of each period with the gain or loss being recorded in the profit and loss. The fair value of the non-controlling interest is measured principally based on the trading price of Units on the TSX, with an adjustment for certain profit interest units of the Company that is calculated using an option pricing model.

Provision for (benefit from) Income Taxes

For the year ended December 31, 2015, the Trust recorded a provision for income taxes of $1.1 million and for the year ended December 31, 2014, the Trust recorded a benefit from income taxes of $(28.8) million. The Trust was in a pre-tax loss position for the year, and was in a net loss position for the same period after adjusting for permanent differences, including the change in fair value of non-controlling interest, distributions to non-controlling interest and removing the profit or loss of the Company that is attributed directly to the non-controlling partners of the Company. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable (loss) income flows through to its partners who are then taxed on their allocable share of the partnership (loss) income.

Net Loss and Comprehensive Loss

For the year ended December 31, 2015, net loss and comprehensive loss was $74.9 million, compared to net loss and comprehensive loss of $112.3 million for the year ended December 31, 2014, respectively, with the changes being attributable to the factors noted above. Net loss and comprehensive loss is impacted by numerous non-cash items, some being a result of the structure of the Trust and its subsidiaries as well as the industry in which it operates. Accordingly, Management believes the additional non-IFRS financial measures of Adjusted EBITDA and Distributable Cash are useful metrics to be considered together with net loss and comprehensive loss for evaluating the Trust's financial and operating performance, as they are measures that Management uses internally to assess performance.

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 the Company's supplier agreement (the "**Supplier Agreement**") with Macquarie Energy. Additionally, Management may seek to raise capital through the following means: (iv) external debt financing; and (v) the issuance of additional Units.

Supplier Agreement

The Supplier Agreement provides for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each Independent System Operator ("**ISO**"). Further, the Company's customers and the LDCs 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 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, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250.0 million subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in the Trust's finance costs in the profit and loss.

The Supplier Agreement includes a working capital facility with a sub-limit of $60.0 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, with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

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. For a detailed description of the Supplier Agreement, refer to the section entitled *"Principal Agreement with Macquarie Energy"* in the Annual Information Form of the Trust for the

year ended December 31, 2015, which is available on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.ca.

As at December 31, 2015, the Trust has no long-term debt and $4.0 million outstanding under its credit facility, compared to no long-term debt and no amounts outstanding under its credit facility as at December 31, 2014. At December 31, 2015, the Company was in compliance with all covenants under the Supplier Agreement.

Cash and Availability

As of December 31, 2015, the Trust had total cash and availability of $42.9 million consisting of cash and cash equivalents of $11.2 million and $31.7 million of availability under the credit facility. This compares to the total cash and availability as at December 31, 2014 of $46.3 million, consisting of cash and cash equivalents of $14.3 million and $32.0 million of availability under the credit facility. The cash and availability was impacted by the $19.3 million acquisition of TriEagle Energy in April 2015, which was primarily funded by cash.

Cash Flow from Operations

Cash flow from operations for the year ended December 31, 2015 amounted to $37.3 million and included net outflows of $15.3 million for changes in operating assets and liabilities, which compared to cash flow from operations for the year ended December 31, 2014 of $50.9 million and included net inflows of $11.7 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $52.6 million for the year ended December 31, 2015, compared to $39.2 million for the year ended December 31, 2014.

Cash flow from operations for the three month period ended December 31, 2015 amounted to $3.8 million and included net outflows of $9.4 million for changes in operating assets and liabilities, which compared to cash flow from operations for the three month period ended December 31, 2014 of $15.5 million and included net inflows of $2.2 million for changes in operating assets and liabilities. Excluding these changes in operating assets and liabilities, cash flow from operations was $13.2 million for the three month period ended December 31, 2015, compared to $13.3 million for the three month period ending December 31, 2014.

Changes in operating assets and liabilities primarily arise due to the time lag associated with the cash conversion cycle or the period between the time the Company pays for wholesale energy and the time it receives payments from our customers for the energy sold, which is also impacted by the business' growth and seasonality. 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.

Working Capital

As of December 31, 2015, the Trust had an adjusted working capital balance, defined as current assets less current liabilities, excluding unrealized gains and losses on derivatives, of negative $9.2 million (December 31, 2014 — $7.9 million). The decrease of $17.1 million was primarily attributable to the impacts of the TriEagle Energy acquisition on April 1, 2015. The Company settled the $19.3 million acquisition purchase price with (a) $15.9 million in cash, which impacted adjusted working capital, as well as (b) the issuance of $3.4 million of PURs in the Company which are to be settled in cash based on the future trading price of the Units on the TSX on the first and second anniversary of the acquisition date, the current portion of this liability, which impacts adjusted working capital, is $2.1 million. In addition, the Company assumed negative working capital in the acquisition, including the recognition of an assumed liability for the estimated residual-based broker commissions owed for customers acquired as part of the acquisition. The current portion of these assumed liabilities as at December 31, 2015 was $3.4 million, which contributed to the negative adjusted working capital. The table below shows a reconciliation of adjusted working capital to the Trust's consolidated balance sheet as prepared under IFRS:

Adjusted working capital
(in millions)

	As at December 31, 2015	As at December 31, 2014
Current assets	$103.8	$104.6
Current liabilities	154.2	132.6
Working capital	**$(50.4)**	**$(28.0)**
Adjusted for the impact of:		
Other current financial assets	1.9	2.1
Other current financial liabilities	43.1	38.0
Adjusted working capital	**$(9.2)**	**$7.9**

Distributable Cash and Distributions

Distributable Cash for the year ended December 31, 2015 was $34.7 million and total distributions paid for the year were $20.2 million, which represented a payout ratio of 58.2% of Distributable Cash. This compares to Distributable Cash of $28.6 million, total distributions of $28.4 million and a payout ratio of 99.3% for the year ending December 31, 2014. The improved payout ratio was driven by both lower total distributions paid as well as improved Distributable Cash year-over-year. Distributions were lower primarily as a result of the strength of the U.S. dollar against the Canadian dollar, with our business operations generating earnings in U.S. dollars whereas the distributions to Unitholders are set in Canadian dollars, as well as changes implemented which improve efficiencies within the Trust's structure related to the treatment of certain U.S. State and local withholding taxes paid on behalf of the non-controlling interest. Positive impacts on Distributable Cash resulted from strong operating cash flows, offset by elevated Maintenance Capital Expenditures of $9.0 million during the year, which were higher than typical, and due primarily to development work on numerous growth initiatives including the integration of TriEagle Energy, a new technology platform in the network marketing channel, the ongoing launch of the Comcast strategic partner channel and the transition to the Company's new solar partner, Sungevity. Capital expenditures on these strategic initiatives are non-recurring and are expected to contribute to the long-term growth of the Company. Management expect capital expenditures to return to historical levels in 2016. It is the intention of Management to maintain a conservative payout ratio to ensure funds are available to execute its growth strategy into 2016.

The following table provides a reconciliation of Cash flows provided by operating activities to Distributable Cash and shows the payout ratio of total distributions as a percentage of Distributable Cash.

Distributable Cash and Payout Ratio (unaudited)
(in millions)

	Quarter Ended December 31, 2015	Quarter Ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Cash flows from operating activities	$3.8	$15.5	$37.3	$50.9
Changes in operating assets and liabilities	9.4	(2.2)	15.3	(11.7)
Cash flows from operating activities excluding changes in operating assets and liabilities	**13.2**	**13.3**	**52.6**	**39.2**
Finance costs - included in financing activities	(2.0)	(1.4)	(8.9)	(6.7)
Maintenance capital expenditures[(1)]	(2.2)	(1.0)	(9.0)	(3.9)
Distributable Cash	**$9.0**	**$10.9**	**$34.7**	**$28.6**
Distributions to non-controlling interest	3.7	4.6	13.3	21.6
Distributions to Unitholders	2.2	1.6	6.9	6.8
Total distributions	**$5.9**	**$6.2**	**$20.2**	**$28.4**
Payout Ratio	**65.6%**	**56.9%**	**58.2%**	**99.3%**

(1) Maintenance capital expenditures consisted of Cash flows used in investing activities from the Consolidated Statement of Cash Flows, adjusted to exclude cash flows used in investing activities relating to acquisitions.

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, 2015, 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	$103.0	$156.8	$121.0	$35.8	$—
Operating leases	—	1.4	0.8	0.6	—
Financing leases	0.6	0.7	0.3	0.3	—
Credit facility	4.0	4.0	4.0	—	—
Distribution payable	0.7	0.7	0.7	—	—
Other non-current liabilities	4.7	4.7	—	4.7	—
	$113.0	**$168.3**	**$126.8**	**$41.4**	**$—**

Outstanding Unit Data

At the date of this MD&A, the Trust had (i) 16,745,151 Units outstanding (including 6,785,000 Units issued on July 2, 2015 pursuant to the Offering) and (ii) 750,000 Warrants outstanding, which were issued to Macquarie Energy in February 2014 with a five-year term and a strike price of C$6.23 per Unit.

During the period commencing April 11, 2014 and ending April 10, 2015, the Trust was authorized pursuant to a normal course issuer bid to purchase through the facilities of the TSX, in accordance with its rules or alternative Canadian trading platforms, a maximum of 500,746 Units representing approximately 5.0% of the public float (as defined by the rules and guidelines of the TSX) as of April 7, 2014. The price for any such Unit purchases was the prevailing market price at the time of such purchases. The Trust did not purchase any Units in the year ended December 31, 2015. In the year ended December 31, 2014, the Trust repurchased 94,193 Units for cancellation at an aggregate cost of $0.4 million.

Financial Instruments and Risk Management

Overview

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 Annual Information Form for the year ended December 31, 2015, which is available on SEDAR under the issuer profile of the Trust at 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; and
- supplier risk.

This part of the MD&A sets out information about the Trust's exposure to each of the above-noted risks, the Trust's objectives, policies and processes for measuring and managing such risks, and the Trust's management of capital. Further quantitative disclosures are included throughout the Trust's 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 Company has entered into contracts with customers to provide electricity or natural gas at variable or fixed prices. 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 delivery to its customers. The Trust is, therefore, 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 the Company's risk management policy (the "**Risk Management Policy**"). The Risk Management Policy prohibits speculative positions and sets out a variety of hedging limits, most importantly a target of maintaining a 100.0% hedged position, within certain tolerance bands, at all times for fixed-price contracts exposure in our electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including the accuracy of estimation of customer commodity requirements, commodity prices, and market volatility and liquidity.

Electricity and natural gas derivatives

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, through the Supplier Agreement, 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 instruments are based.

Realized swap settlements under derivative instruments are included in cost of sales in the Trust's consolidated statement of comprehensive (loss) 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 (loss) 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 its derivative instruments using market-based, forward wholesale price curves wherever available.

As at December 31, 2015, the Company had electricity and natural gas derivative instruments outstanding with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($ millions)	Notional Value ($ millions)
Fixed-for-floating electricity swaps	1 - 50 MW	3,730,457 MWh	1 - 36	$20.25 to $79.50	($22.6)	$173.7
Fixed-for-floating natural gas swaps	(2,000) – 2,500 MMBtu	5,772,900 MMBtu	1 – 30	$2.02 to $4.44	($6.7)	$28.1
Physical electric forward contracts	(35) – 20 MW	1,841,907 MWh	1 – 52	$17.75 to $76.80	($13.0)	$70.9
Physical natural gas forward contracts	(270) – 5,566 MMBtu	763,008 MMBtu	1 - 3	$0.30 to $5.67	($0.3)	$2.0
Physical electric basis forward contracts	(20) – 20 MW	- MWh	2	$23.50 to $24.94	$—	$0.6
Fixed-for-floating electricity basis swaps	(25) – 25 MW	- MWh	1 – 12	$26.80 to $42.55	($0.1)	$25.5
Fixed-for-floating natural gas basis swaps	(2,500) – 600 MMBtu	- MMBtu	1 – 15	$(0.93) to $2.75	($0.2)	$0.9
Heat rate forward contracts	1 – 20 MW	180,828 MWh	3 – 12	$22.20 to $47.81	($0.2)	$4.8
Financial transmission rights	0.1 – 31.7 MW	770,865 MWh	1 – 29	$(4.06) to $9.81	$0.4	$0.6

The fair value of electricity and natural gas financial instruments is significantly influenced by the variability of forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase / (decrease) in net loss and total comprehensive loss of $22.3 million in the profit and loss, but would not impact Adjusted EBITDA or Distributable Cash.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement. As at December 31, 2015, the Trust had cash advances and letters of credit outstanding of $4.0 million and $10.4 million respectively, under the Supplier Agreement 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, 2015, the impact of a 1.0% increase (decrease) in the interest rate on these balances would not have had a material impact on Finance costs in the profit and loss.

Foreign currency risk

The Trust is exposed to currency rate risk because the Company's business operations are conducted in United States dollars; however, the Trust's distributions and Units are denominated in Canadian dollars.

Currency derivatives

The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative products including foreign currency options whereby the Company agrees with a counterparty to have the right to swap the floating price for a fixed price on a notional quantity of currency at or over a specified timeframe. The Trust maintains a rolling hedging program for this foreign currency exposure of at least 12 forward months that is extended on a quarterly basis.

As at December 31, 2015, the Trust was hedged for this currency exposure for the 24 months to December 31, 2017 with a floor exchange rate of C$1.37 per US$1, based on the then current distribution rate of C$0.70 per Unit.

As at December 31, 2015, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value (millions)	Maturity Date (months)	Fixed Price	Fair Value (millions)
Foreign exchange options	US$17.1 C$23.4	1-24	C$1.37 per US$1	US$0.5

Realized settlements under derivative instruments are included in the relevant section of the consolidated statement of comprehensive loss 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 loss.

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.

Period to period changes in forward currency prices could cause significant changes in the mark-to-market valuation of these hedge contracts. For example, assuming that all other variables remain constant, a market move of +/-10% would result in increase (decrease) in net loss and total comprehensive loss of $1.2 million and $(0.4) million, respectively, in the profit and loss, but would not impact Adjusted EBITDA.

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

In certain markets in which the Company serves electricity and natural gas customers, LDCs provide collection services and assume the risk of any bad debts owing from the Company's customers for a fee, which is referred to as a POR fee. Management believes that the risk of the LDCs failing to deliver payment to the Company is minimal; however, there is no assurance that the LDCs that provide these services will continue to do so in the future.

In certain other markets in which the Company operates, the Company is exposed directly to customer credit risk. As a result, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer defaults. Customer credit risk exposure represents the risk related to the Company's accounts receivable from certain markets. If a significant number of customers in these markets were to default on their payments, it could have an adverse effect on the operations and cash flows of the Company.

As at December 31, 2015, the customer credit risk exposure was $5.9 million, compared to $3.3 million for the year ended December 31, 2014 and the accounts receivable aging for these markets are as follows:

	Total	**Current**	**30-59 days**	**Over 60 days**
Accounts receivable	$5.9	$5.1	$0.3	$0.5

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform 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 and other 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 $1.9 million as at December 31, 2015 compared to $2.1 million for the year ended December 31, 2014, representing the risk relating to the Company's 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 near-term and long-term cash flow forecasts to ensure adequate and efficient use of cash resources and credit facilities.

The table in the section entitled *"Contractual Obligations"* of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at December 31, 2015.

Supplier risk

The Company purchases the energy it delivers to its customers through contracts entered into with Macquarie Energy. This exposes the Company to supplier risk, as its ability to continue to deliver energy to its customers depends upon the ongoing operations of this supplier and its fulfillment of its contractual obligations.

Off-Balance Sheet Arrangements

Pursuant to the Supplier Agreement, the Company has issued letters of credit as at December 31, 2015 totaling $10.4 million (December 31, 2014 – $7.6 million) to various counterparties, principally LDCs.

Pursuant to separate arrangements with various insurance companies, the Company has issued surety bonds to various counterparties, including U.S. states, regulatory bodies and LDCs in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain U.S. states or markets. Surety bonds issued as at December 31, 2015 totaled $20.4 million (December 31, 2014 – $8.6 million).

We do not reasonably expect any presently known trend or uncertainty to affect our ability to continue using these arrangements.

Transactions Between Related Parties

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

The Company is a party to the Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp, a unitholder of the Company. Both Macquarie entities are part of the same group. As at December 31, 2015, Macquarie Energy had extended trade credit to the Company totaling $33.9 million (December 31, 2014 — $36.0 million) under the Supplier Agreement. As at December 31, 2015, there were letters of credit issued totaling $10.4 million (December 31, 2014 — $7.6 million), and cash advances drawn under the working capital facility of $4.0 million (December 31, 2014 — $—). During the year ended December 31, 2015, energy purchases totaled $453.4 million (December 31, 2014 — $433.1 million) and interest expense under the Supplier Agreement totaled $7.9 million (December 31, 2014 — $6.0 million). As at December 31, 2015, the aggregate availability under the credit facility was $31.7 million (December 31, 2014 — $32.0 million).

During the year ended December 31, 2015, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances of future distributions. The balance as at December 31, 2015 was $0.4 million (December 31, 2014 — $2.1 million) and is included in other current assets in the consolidated statement of financial position. These amounts are being repaid through future distribution disbursement and are expected to be fully recouped within one year from the date of the advances. Due to the short-term nature for the repayment of these advances, there is no interest being charged.

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.

LLC Units Acquisition

Concurrently with the closing of the Offering, Crius Energy Corporation purchased 5,557,542 LLC Units from certain existing holders of LLC Units (the "**LLC Units Acquisition**"). Such acquisitions were completed pursuant to an offer to purchase (the "**Offer**") from Crius Energy Corporation dated June 4, 2015 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation offered to purchase LLC Units from such registered holders of LLC Units on or prior to July 1, 2015.

The purchase price payable to each seller of LLC Units (a "**LLC Unit Seller**") per LLC Unit was C$6.39 (US$5.18) (the "**Purchase Price**"). Upon the terms and subject to the conditions of the Offer, Crius Energy Corporation accepted LLC Units for purchase pursuant to the Offer and paid the Purchase Price to each LLC Unit Seller.

Michael Fallquist, a director of the Administrator, Chief Executive Officer of the Trust, a director of the Company and Chief Executive Officer of the Company, held 1,756,538 LLC Units, representing approximately 5.1% of the outstanding LLC Units prior to the LLC Units Acquisition. Michael Fallquist sold 250,000 LLC Units pursuant to the Offer on the same terms and at the same Purchase Price as the other LLC Unit Sellers.

Robert Gries Jr., a director of the Company, and the Managing Member and a Director of GF Power I, LLC and GF Factoring, LP, which held, in the aggregate, 12,070,453 LLC Units, representing approximately 35.3% of the outstanding LLC Units prior to the LLC Units Acquisition. GF Power I, LLC and GF Factoring, LP sold 1,146,693 and 60,353 LLC Units, respectively, pursuant to the Offer on the same terms and at the same Purchase Price as the other LLC Unit Sellers.

Immediately following the LLC Units Acquisition, Michael Fallquist held, in the aggregate, 1,506,538 LLC Units, representing approximately 4.4% of the outstanding LLC Units (or a 0.7% decrease). Immediately following the LLC Units Acquisition, Robert Gries Jr., as the Managing Member and a Director of GF Power I, LLC and GF Factoring, LP, held, in the aggregate, 10,863,407 LLC Units, representing approximately 31.8% of the outstanding LLC Units (or a 3.5% decrease).

None of the interested parties subscribed for Units under the Offering.

Discussion of Fourth Quarter 2015 Operations
For the three month period ended December 31, 2015 and December 31, 2014

Revenue

For the three month period ended December 31, 2015, revenue was $147.5 million, representing an increase of 9.8% from $134.3 million for the three month period ended December 31, 2014. Revenues in the quarter from both electricity and natural gas customers were adversely impacted by a seasonally milder winter causing temperatures to be approximately 27% higher than the 10 year normal across our core markets, as measured in Heating Degree Days.

Electricity

Electricity revenue for the three month period ended December 31, 2015 was $140.4 million, representing an increase of 17.3% from $119.7 million for the three month period ended December 31, 2014, primarily as a result of a 37.1% increase in volume, partially offset by a 14.4% lower average retail rates per unit, reflecting lower energy prices as well as the continued normalization of variable customer rates. Electricity volumes for the three month period ended December 31, 2015 were 1,498,000 MWh, representing an increase of 37.1% from 1,093,000 MWh for the three month period ended December 31, 2014, with the increase primarily resulting from higher average customer numbers resulting from organic customer additions and the TriEagle Energy acquisition, but partially offset by seasonally milder winter temperatures experienced in our core markets.

Natural Gas

Natural gas revenue for the three month period ended December 31, 2015 was $8.7 million, representing a decrease of 29.2% from $12.3 million for the three month period ended December 31, 2014, primarily as a result of a 22.1% decrease in volume combined with a 9.1% decrease in the average retail rate per unit. Natural gas volumes for the three month period ended December 31, 2015 were 1,478,000 MMBtu, representing a decrease of 22.1% from 1,896,000 MMBtu for the three month period ended December 31, 2014, with the decrease resulting from lower average customer numbers as well as lower average usage per customer in the current period as a result of seasonally milder winter temperatures experienced in our core markets.

Solar Revenue

Solar revenue for the three month period ended December 31, 2015 was negative $3.6 million, representing fees earned in connection with the marketing of solar systems with total generation capacity of 2.1 MW. This represents a decrease of 342.9% from revenues of $1.5 million and 2.8 MW in the prior comparable period. The reduction in revenues was primarily attributable to a $4.8 million impact resulting from a change in application of our revenue recognition accounting policy for solar revenues, made during the fourth quarter of 2015. Prior to the fourth quarter, solar revenues were recognized upon the execution of contracts with customers, net of expected cancellations that may occur prior to installation of the solar systems. In the fourth quarter, due to elevated cancelation rates and the transition to a new solar reseller partnership, the accounting change was made to more conservatively recognize revenue at the time of the installation of the solar system. This resulted in a one-time charge in the fourth quarter to reduce revenues by $4.8 million for solar systems that had not yet been installed. Removing the one-time impact of this accounting policy change, solar revenue for the fourth quarter of 2015 would have been $1.2 million.

Fee Revenue

Fee revenue, consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers, for the three month period ended December 31, 2015 was $2.0 million, representing an increase of 122.8% from $0.9 million for the three month period ended December 31, 2014, which was primarily attributable to customer fee revenues in the Texas electricity market as a result of the TriEagle Energy acquisition, which closed on April 1, 2015.

Gross Margin

For the three month period ended December 31, 2015, gross margin was $35.5 million, representing a decrease of 7.1% from $38.2 million for the three month period ended December 31, 2014. Gross margin for the three month period ended December 31, 2015 was 24.0% of total revenue representing a decrease from 28.4% for the three month period ended December 31, 2014.

Gross margin in the quarter was impacted by the milder winter temperatures, being 27% higher than the 10 year normal across our core markets, as measured by Heating Degree Days, as well as by the one-time charge related to solar revenue recognition detailed above. Gross margin as a percentage of revenue was lower in the quarter primarily as a result of the increased proportion of lower margin commercial customers from the TriEagle Energy acquisition as well as the period-over-period reduction in solar revenues.

Electricity

Electricity gross margin for the three month period ended December 31, 2015 was $34.3 million, representing an increase of 10.0% from $31.1 million for the three month period ended December 31, 2014. For the three month period ended December 31, 2015, electricity gross margin per unit was $22.88/MWh, and electricity gross margin accounted for 24.4% of electricity revenues, representing a decrease from $28.51/MWh and 26.0%, respectively, for the three month period ended December 31, 2014. Electricity gross margin per unit in the quarter reflect the increased concentration of lower margin commercial customers, including those acquired as part of the TriEagle Energy acquisition in April 2015 as well as normalized variable rate customer pricing as compared to the fourth quarter of 2014, when the Company was passing through to customers the high wholesale energy costs incurred as a result of the severe weather conditions experienced in the first quarter of 2014.

Natural Gas

Natural gas gross margin for the three month period ended December 31, 2015 was $2.8 million, representing a 39.4% decrease from $4.6 million for the three month period ended December 31, 2014. For the three month period ended December 31, 2015, natural gas gross margin per unit was $1.90/MMBtu, and natural gas gross margin accounted for 32.3% of natural gas revenues, representing decreases from $2.44/MMBtu and 37.8%, respectively, for the three month period ended December 31, 2014, with the lower gross margins being driven by normalization of the variable rate customer pricing.

Other

Gross margin for the three month period ended December 31, 2015 also included solar revenues of negative $3.6 million and revenues from independent contractors in the network marketing channel of $2.0 million. For the three month period ended December 31, 2014, solar revenues were $1.5 million and revenues from independent contractors in the network marketing channel were $0.9 million. These revenues do not have associated cost of sales.

Selling Expenses

Selling expenses consist of commissions due to (i) independent contractors in the network marketing channel, commercial broker channel, telemarketing and door-to-door channels, (ii) partners in our strategic partnerships, (iii) employees for enrolling new electricity, natural gas and solar customers, and for customer consumption, and (iv) vendors used in the Company's direct mail and other direct marketing campaigns. Selling expenses are expensed in the period that they are earned by the independent contractors, strategic partnerships, employees or vendors, as applicable.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrollment of customers, and residual commissions, which are primarily based on customer consumption and receipt of customer payments. The commission structures utilized are summarized above in the analysis of the Company's performance during the year ended December 31, 2015.

For the three month period ended December 31, 2015, selling expenses were $9.8 million, representing no change from $9.8 million for the three month period ended December 31, 2014. Selling expenses for the three month period ended December 31, 2015 amounted to 6.6% of revenue compared to 7.3% for the three month period ended December 31, 2014. These expenses consist of:

(a) Upfront electricity and natural gas customer acquisition commissions for the three month period ended December 31, 2015 of $3.8 million (amounting to $38 per customer acquired), representing a decrease from $4.8 million for the three month period ended by December 31, 2014 (amounting to $61 per customer acquired), with the reduction being impacted by lower upfront costs per customer, primarily associated with increased commercial customer enrollments as a result of the TriEagle Energy acquisition. In addition, upfront costs per customer in the prior comparable period were elevated due to an investment of $3.2 million in targeted direct marketing campaigns employed by the Company in several

utility markets in the Northeastern U.S. to take advantage of market opportunities, which successfully generated approximately 40,000 customer enrollments in the period.

(b) Residual-based electricity and natural gas commissions for the three month period ended December 31, 2015 of $5.3 million (amounting to 3.6% of revenues), representing an increase from $4.3 million for the three month period ended December 31, 2014 (amounting to 3.2% of revenues), with the increase primarily resulting from incremental commissions incentives offered in the network marketing channel during the transition to a revamped compensation plan structure that was launched at the national convention, PowerUP! 2015, in September 2015. In addition, this impact was partially offset by two factors associated with the acquisition of TriEagle Energy on April 1, 2015. Firstly, residual-based commissions owed to brokers based on customer usage for acquired customers are treated under acquisition accounting as an assumed liability and are included in the preliminary purchase price allocation for the acquisition, based on estimated customer usage and contracted commission rates. Thus, ongoing payment of residual-based commissions associated with the customers acquired from TriEagle Energy, of approximately $0.9 million or 0.6% of revenue, relieves the liability on the Trust's consolidated statement of financial position rather than being expensed as a selling cost. Secondly, the Texas electricity market structure is a 'marketer consolidated billing' model, in contrast to the 'utility consolidated billing' and 'dual billing' models in other Crius Energy electricity and natural gas markets. Under the Texas model, the marketer, Crius Energy, is responsible for the billing and collection of transmission and distribution charges of the local utility as well as its own energy charges, and as such residual-based commissions are lower as a percentage of revenue as they are based only on the energy charges and usage.

(c) Solar selling expenses for the three month period ended December 31, 2015 of $0.7 million (on negative 3.6 million of solar revenues), compared to $0.7 million for the three month period ended December 31, 2014 (amounting to 48.8% of solar revenues). Solar selling expenses as a percentage of revenue were significantly higher than typical and were impacted by higher fixed costs during the partner transition as well as by the impact of the one-time reduction in solar revenues as a result of the aforementioned change in the application of our solar revenue recognition policy.

General and Administrative Expenses

General and administrative expenses for the three month period ended December 31, 2015 were $17.3 million. This represented an increase from $14.0 million for the three month period ended December 31, 2014 as set out in the tables below. The increased level of general and administrative expenses period over period was impacted by the acquisition of TriEagle Energy on April 1, 2015.

General and Administrative Expenses
(in $ millions and % of revenue)

	Quarter ended December 31, 2015		Quarter ended December 31, 2014	
	$	%	$	%
POR fees / bad debt	$1.3	0.9%	$1.2	0.9%
Processing costs	1.8	1.2%	1.7	1.3%
Human resources	7.4	5.0%	6.8	5.0%
Gross receipts taxes and other taxes	1.0	0.7%	2.0	1.5%
Professional and consultant fees	0.9	0.6%	0.9	0.7%
Legal and regulatory	0.8	0.5%	1.1	0.8%
Other	4.2	2.8%	0.3	0.2%
Total	**$17.3**	**11.7%**	**$14.0**	**10.4%**

General and administrative expenses incurred during the three month ended December 31, 2015 were made up of the following categories:

(a) POR fees / bad debt represent fees paid to the LDCs pursuant to POR programs, under which the LDCs assume credit risk associated with customer non-payment and bad debt costs incurred in markets where the Company does not operate under a POR program, which exposes the Company to customer credit risk. The POR fees / bad debt costs for the three month period ended December 31, 2015 was $1.3 million, representing 0.9% of revenue, compared to $1.2 million for the three month period ended December 31, 2014, representing 0.9% of revenue for that period. The slight increase was impacted by an increase in customers in the markets in which the Company is exposed to credit risk due to the TriEagle Energy acquisition.

(b) Processing costs for the three month period ended December 31, 2015 of $1.8 million include various data processing and information technology costs incurred to service our customers and sales force. This figure compares to $1.7 million for the three month period ended December 31, 2014. Processing costs were slightly higher due to the increased costs of servicing the TriEagle Energy customer base and the more operationally-intensive Texas market.

(c) Human resource costs for the three month period ended December 31, 2015 of $7.4 million, consist of costs incurred in relation to the Company's employee base, temporary staff and independent contractors compared to costs in the prior comparable period in 2014 of $6.8 million. The increase was primarily the result of overall growth in employee headcount over the period as a result of the TriEagle Energy acquisition as well as to support our growth initiatives and improve our operational and risk management capabilities and increased incentive compensation which is based on achievement of Company profitability and growth targets.

(d) Gross receipts taxes and other taxes for the three month period ended December 31, 2015 of $1.0 million represent operational taxes in various U.S. states and jurisdictions and are primarily driven by revenue. This was lower than the $2.0 million incurred in the prior comparable period in 2014, which was impacted by approximately $1.0 million in non-recurring operational taxes.

(e) Professional and consultant fees for the three month period ended December 31, 2015 of $0.9 million represent audit, tax, investor relations, share registry, valuation, due diligence, internal controls consulting and other fees and compares to $0.9 million in prior comparable period in 2014.

(f) Legal and regulatory costs for the three month period ended December 31, 2015 of $0.8 million represent external legal fees incurred in the United States and Canada and compared to $1.1 million in the prior comparable period in 2014, with the prior comparable period impacted by $0.5 million relating to legal services provided in relation to various acquisitions.

(g) Other costs for the three month period ended December 31, 2015 of $4.2 million represent the balance of corporate, operational and marketing related expenses incurred to operate our business. These costs compare to $0.3 million in the prior comparable period in 2014 with the increase primarily a result of the cost base associated with the TriEagle Energy acquisition.

Goodwill Impairment

The Trust recorded no goodwill impairment for the three month periods ended December 31, 2015 and December 31, 2014. The Trust records a goodwill impairment charge when the carrying value of equity is in excess of the market capitalization of the Trust, adjusted for an estimated acquisition premium.

Unit-Based Compensation

The unit-based compensation charge relates to the cumulative net issuance of PURs and RTUs to Management, the directors of the Administrator and other parties. For the three month period ended December 31, 2015, unit-based compensation expense amounted to $0.5 million representing an increase from $0.4 million for the three month period ended December 31, 2014. The expense reflects the fair value of the unit-based compensation based on the market price of the Units at the end of the period and the applicable vesting period. The unit-based compensation expense in the current periods was impacted by an increased Unit price, increased unit-based issuances to both Management and to the sellers of TriEagle Energy as well as additional vesting.

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 three month period ended December 31, 2015 was $7.4 million, representing a decrease from $10.3 million for the three month period ended December 31, 2014. The decrease was primarily attributable to certain intangible assets set up at the time of the IPO, being fully amortized in the fourth quarter of 2015, partially offset by incremental amortization associated with intangible asset additions made during the period including the TriEagle Energy acquisition.

Finance Costs

Finance costs for the three month period ended December 31, 2015 were $1.7 million, representing an increase from $1.6 million for the three month period ended December 31, 2014. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion in the section entitled *"Liquidity and Capital Resources"* in this MD&A, for a detailed description of this facility. The higher finance fees for the three months ended December 31, 2015 as compared to the prior comparable period in 2014 was attributable to increased volumetric energy fees primarily as a result of increased volumes from the TriEagle Energy acquisition that closed on April 1, 2015.

Distributions to Non-Controlling Interest

Distributions to non-controlling interest for the three month period ended December 31, 2015 were $3.8 million compared to $1.5 million for the three month period ended December 31, 2014. This period over period increase was a result of the prior comparable period being impacted by a non-cash tax adjustment of $2.1 million related to tax distributions by the Company to its unitholders.

Due to certain provisions in the Trust's governance documents, which in 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 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 the section entitled *"Financial Instruments and Risk Management"* in this MD&A).

For the three month period ended December 31, 2015, the changes in unrealized gains or losses associated with derivative contracts were net losses of $1.6 million compared to net losses of $39.4 million for the three month period ended December 31, 2014.

Change in Fair Value of Derivative Instruments
(in millions)

	Quarter Ended December 31, 2015	Quarter Ended December 31, 2014
Forward electricity positions	$(0.9)	$(36.1)
Forward natural gas positions	(0.8)	(3.5)
Weather derivative positions	0.4	0.3
Forward currency positions	(0.3)	(0.1)
Change in fair value of derivative instruments	**$(1.6)**	**$(39.4)**

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 hedge either the fixed price exposure of customers on fixed price contracts, the expected short-term exposure of variable priced customers, or the impacts of currency movements on the Trust's distributions thus minimizing the impact of these unrealized mark-to-market gains and losses.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability for the three month period ended December 31, 2015 was a gain of $0.2 million compared to a loss of $0.1 million for the three month period ended December 31, 2014. These gains and losses represent the mark-to-market valuation of the 750,000 Warrants issued to Macquarie Energy as consideration for the expansion of the Supplier Agreement in February 2014. The valuation of the Warrants is based on an option valuation model, and accordingly the non-cash loss is the result of changes in the Unit price, volatility and yield, the time to maturity and the risk-free rate over the period.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the three month period ended December 31, 2015 was a gain of $9.3 million compared to a loss of $3.1 million for the three month period ended December 31, 2014. These gains and losses represent the mark-to-market valuation of the non-controlling interest liability included on the statement of financial position. The mark-to-market valuation gain in the three month ended December 31, 2015 was primarily the result of a decrease in the trading price of Units over the period.

Due to certain provisions in the Trust's governance documents, which in 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, this non-controlling interest is measured at fair value at the end of each period with the gain or loss being recorded in the condensed consolidated statement of comprehensive loss. The fair value of the non-controlling interest is measured principally based on the trading price of Units on the TSX, with an adjustment for certain profit interest units of the Company that is calculated using an option pricing model.

Benefit from Income Taxes

For the three month period ended December 31, 2015, the Trust recorded a benefit for income taxes of $2.9 million and for the three month period ended December 31, 2014, the Trust recorded a benefit from income taxes of $14.8 million. The Trust was in a pre-tax loss position for the year, and was in a net loss position for the same period after adjusting for permanent differences, including the change in fair value of non-controlling interest, distributions to non-controlling interest and removing the profit or loss of the Company that is attributed directly to the non-controlling partners of the Company. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity and its taxable (loss) income flows through to its partners who are then taxed on their allocable share of the partnership (loss) income.

Net Income (Loss) and Comprehensive Income (Loss)

For the three month period ended December 31, 2015, net income and comprehensive income was $5.8 million, compared to net loss and comprehensive loss of $27.2 million for the three month period ended December 31, 2014, with the changes being attributable to the factors noted above. Net income (loss) and comprehensive income (loss) is impacted by numerous non-cash items, some being a result of the structure of the Trust and its subsidiaries as well as the industry in which it operates. Accordingly, Management believes the additional non-IFRS financial measures of Adjusted EBITDA and Distributable Cash are useful metrics to be considered together with net loss and comprehensive loss for evaluating the Trust's financial and operating performance, as they are measures that Management uses internally to assess performance.

Proposed Transactions

In December, 2015, the Trust announced that the Company entered into an asset purchase agreement with Kona Energy, a Texas-based energy retailer, to acquire customer contracts and assets associated with 75,000 RCEs located in the states of Illinois, New York, Ohio and Texas for consideration of $7.0 million (the "**Kona Energy Acquisition**"). In connection with the completion of the Kona Energy Acquisition, Macquarie Energy also agreed to reduce its energy supply fees under the Supplier Agreement, which is expected to lower interest costs by more than $5.0 million over the next four years.

In February, 2016, the Trust announced that the Company had completed the Kona Energy Acquisition, which was funded from cash reserves and availability under the credit facility. The RCEs acquired from Kona Energy are expected to have annual gross margin of $70-$90 per RCE and be accretive to Distributable Cash in 2016. The Kona Energy Acquisition is expected to strengthen the Company's geographic footprint across four states where the Company currently operates and provide cross-selling opportunities for natural gas products. The portfolio of RCEs acquired is comprised of approximately 96% commercial customers and approximately 98% fixed-rate customers, which has increased the percentage of commercial customers and fixed-rate contracts in the Company's overall portfolio to approximately 40% and 75%, respectively.

In February, 2016, the Company closed an asset purchase agreement to acquire certain broker agreements, business licenses, all intellectual property and call center equipment of a Florida-based broker of electricity and natural gas, for an aggregate purchase price of $1.2 million. The acquisition was funded by cash and availability under our credit facility with Macquarie Energy.

Critical Accounting Estimates

The preparation of the 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 using usage data available, multiplied by the current customer average sales price per unit.

Solar revenues were historically recognized net of expected cancellations, which were estimated based on management judgment of historical cancellation rates. During 2015, Management concluded that it can no longer reliably estimate expected cancellations and therefore will recognize revenue when based on the installation of the solar system.

Allowance for doubtful accounts

The Trust reviews its accounts receivable 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 collectibility of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience.

Fair value of financial instruments

Determining the fair value of financial 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 Trust 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 or other non-financial assets.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expect the asset's future economic benefits to be consumed by the Trust, including customer attrition rates.

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 an asset acquisition or 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 Units as equity

Units issued by the Trust give the holder the right to put the Units back to the Trust 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 the outstanding Units as equity because the 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.

New Standards and Accounting Policies Adopted

The consolidated financial statements have been prepared following the same accounting policies as those that were followed in the preparation of the Trust's prior year consolidated financial statements, with the exception of the following new standards:

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. These amendments had no impact on the Trust's consolidated financial statements, as the Trust does not have defined benefit pension plans.

Two new annual improvements including Annual Improvements to IFRS 2010 – 2012 Cycle and Annual Improvements 2011 – 2013 Cycle included amendments effective immediately and thus were effective for periods beginning January 1, 2015; however, they did not have an impact on the consolidated financial statements of the Trust.

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 of the Trust, are responsible for establishing and maintaining adequate ICFR, as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual Interim Filings* ("**NI 52-109**"), to provide reasonable, but not absolute, assurance regarding the reliability of the Trust's financial reporting and designing disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Trust in its corporate filings has been recorded, processed, summarized and reported within the time periods specified by 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, the Trust's disclosure controls and procedures, and its ICFR are designed to provide reasonable, not absolute, assurance that the objectives of its control systems have been met.

The Trust initially designed its internal control structure under the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") 1992 Framework. During the year ended December 31, 2015, the Trust aligned its ICFR controls to the principles under the new COSO 2013 Framework which was updated and issued in May 2013. The updated ICFR controls were tested to confirm the controls were operating effectively.

As of December 31, 2015, the Trust assessed the effectiveness of its ICFR using the criteria set forth in the COSO 2013 Framework and concluded that it was effective as of that date.

Limitation on Scope of Design

The Chief Executive Officer and Chief Financial Officer of the Trust have limited the scope of design of disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of TriEagle Energy, which was acquired on April 1, 2015. This scope limitation is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of disclosure controls and procedures and internal control over financial reporting for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

Changes to Internal Control over Financial Reporting

NI 52-109 requires public companies in Canada to disclose in their MD&A any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. There were no changes in ICFR during the quarter ended December 31, 2015 that materially affected, or are reasonably likely to materially affect, the Trust's ICFR.

Non-IFRS Financial Measures

Statements throughout this MD&A make reference to EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio, which are non-IFRS financial measures commonly used by financial analysts in evaluating the financial performance of companies, including companies in the energy industry. Accordingly, Management believes EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio 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, Adjusted EBITDA, Distributable Cash and payout ratio, these terms as used herein are not necessarily comparable to similarly titled measures of other companies. EBITDA, Adjusted EBITDA, Distributable Cash and payout ratio have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net (loss) 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, change in fair value of warrant liability, unit-based compensation, goodwill impairment and distributions to non-controlling interest. The items excluded from EBITDA and Adjusted EBITDA are significant in assessing the Trust's operating results and liquidity. See the section entitled *"Reconciliation of Net (Loss) and Comprehensive (Loss) to EBITDA and Adjusted EBITDA"* in this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net loss and comprehensive loss as calculated under IFRS for the relevant periods, the most directly comparable measure in the Trust's consolidated financial statements. See the section entitled *"Distributable Cash and Payout Ratio"* in this MD&A for a reconciliation of Distributable Cash to cash flows provided by (used in) operating activities as calculated under IFRS, the most directly comparable measure in the Trust's consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed in the section entitled *"Financial Instruments and Risk Management"* in this MD&A and in the sections entitled *"Risk Factors"* and *"Forward-Looking Statements"* in the Annual Information Form of the Trust for the year ended December 31, 2015, which is available on SEDAR under the issuer profile of the Trust on www.sedar.com and on the Trust's website at www.criusenergytrust.ca. A statement may be considered a forward-looking statement when it uses what the Trust knows or expects today to make a statement about the future. Forward-looking statements may be identified by words such as anticipate, assume, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target, will or other similar expressions. Statements that are not historical facts may be considered forward-looking statements 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. Forward-looking statements in this MD&A include, without limitation, statements pertaining to EBITDA, Adjusted EBITDA, Distributable Cash, payout ratio, treatment under governmental regulatory regimes (including statements pertaining to the Trust's objectives and status as a mutual fund trust and not a specified investment flow-through ("**SIFT**") trust), hedging strategies, risk management, market risk, credit risk, off-balance sheet arrangements, transactions between related parties, liquidity and capital resources, critical accounting estimates, ICFR, derivative instruments, potential transactions, results of operations, financial position or cash flows, customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, expenses and distributions to Unitholders. Investors are cautioned that important factors could cause the Trust's actual results to differ materially from those contained in forward-looking statements. No assurance can be given that the expectations set-forth in this MD&A will ultimately prove to be accurate and, accordingly, such forward-looking statements should not be unduly relied upon. It is not possible for Management to predict new factors that may emerge from time to time, 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 forward-looking statements. These forward-looking statements are given only as of the date of this MD&A and the Trust does not assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances, except as may be expressly required by applicable securities laws.

CRIUS ENERGY TRUST

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

CRIUS ENERGY TRUST

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2015 and 2014

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Independent Auditors' 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, 2015 and 2014, and the consolidated statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, 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, 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.

Auditors' 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Hartford, Connecticut
March 15, 2016

/s/ Ernst & Young LLP

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands of U.S. dollars)

	Notes	As at December 31, 2015	As at December 31, 2014
ASSETS			
Current			
Cash and cash equivalents		$11,245	$14,268
Collateral deposits		1,215	1,008
Accounts receivable	8	80,346	80,166
Inventory	9	597	1,141
Income tax receivable		5,511	2,392
Other current financial assets	15	1,850	2,067
Other current assets		3,059	3,550
		103,823	**104,592**
Non-current			
Property and equipment	10	1,685	1,927
Intangible assets	11	55,318	51,069
Deferred tax assets	16	2,320	1,982
Goodwill	14	117,105	103,745
Other non-current assets		519	7
		$280,770	**$263,322**
LIABILITIES AND UNITHOLDERS' (DEFICIT) EQUITY			
Current			
Trade and other payables		$103,287	$93,667
Credit facility	13	4,000	—
Distribution payable	17	698	489
Unit-based compensation	20	3,105	—
Other current financial liabilities	15	43,069	38,049
Other current liabilities		—	390
		154,159	**132,595**
Non-current			
Warrant liability	15	1,576	470
Unit-based compensation	20	6,166	1,510
Non-controlling interest	15	149,619	115,570
Other non-current liabilities	12,15	5,069	1,446
		316,589	**251,591**
Unitholders' (Deficit) Equity			
Trust capital	17	124,523	90,058
Accumulated deficit		(135,751)	(60,840)
Accumulated distributions	17	(24,591)	(17,487)
Total Unitholders' (Deficit) Equity		**(35,819)**	**11,731**
		$280,770	**$263,322**
Commitments and contingencies	25		

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of U.S. dollars)

	Notes	Year ended December 31, 2015	Year ended December 31, 2014
Revenue		$686,320	$600,491
Cost of sales		522,623	471,631
Gross margin		163,697	128,860
Expenses			
Selling expenses		38,824	35,285
General and administrative expenses		72,218	55,102
Goodwill impairment	14	—	77,121
Unit-based compensation		4,425	1,372
Depreciation and amortization	10,11	49,086	39,600
Operating income (loss)		(856)	(79,620)
Other (expenses) income			
Finance costs		(9,031)	(6,861)
Distributions to non-controlling interest		(14,911)	(18,304)
Change in fair value of derivative instruments	15	14,918	(58,900)
Change in fair value of warrants	15	(1,106)	(70)
Change in fair value of non-controlling interest	15	(62,843)	22,664
Loss before income taxes		(73,829)	(141,091)
Provision for (benefit from) income taxes	16	1,082	(28,821)
Net loss and total comprehensive loss		**($74,911)**	**($112,270)**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2015 and 2014
(in thousands of U.S. dollars, except unit amounts)

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings (Deficit)	Accumulated Distributions	Total
Balance at December 31, 2013		10,014,924	$90,402	$51,430	($10,977)	$130,855
Distribution to unitholders	17	—	—	—	(6,510)	(6,510)
Repurchase of Trust units	17	(94,193)	(435)	—	—	(435)
Issuance of Trust units	17,20	19,290	91	—	—	91
Net loss and total comprehensive loss		—	—	(112,270)	—	(112,270)
Balance at December 31, 2014		**9,940,021**	**$90,058**	**($60,840)**	**($17,487)**	**$11,731**

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings (Deficit)	Accumulated Distributions	Total
Balance at December 31, 2014		9,940,021	$90,058	($60,840)	($17,487)	$11,731
Distribution to unitholders	17				(7,104)	(7,104)
Trust units issuance cost	17		(3,047)			(3,047)
Issuance of Trust units	17,20	6,805,130	37,512			37,512
Net loss and total comprehensive loss				(74,911)		(74,911)
Balance at December 31, 2015		**16,745,151**	**$124,523**	**($135,751)**	**($24,591)**	**($35,819)**

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, 2015	Year ended December 31, 2014
Net inflow (outflow) of cash related to the following activities:			
Operating Activities			
Net loss and total comprehensive loss		($74,911)	($112,270)
Add net loss items related to financing activities:			
Finance costs		9,031	6,861
Distributions to non-controlling interest		14,911	18,304
Add (deduct) items not affecting cash			
Depreciation of property and equipment	10	1,145	961
Goodwill impairment	14	—	77,121
Amortization of intangible assets	11	47,941	38,639
Change in fair value of derivative instruments	15	(14,918)	58,900
Change in fair value of non-controlling interest	15	62,843	(22,664)
Change in fair value of warrant liability	15	1,106	70
Unit-based compensation	20	4,425	1,372
Bad debt expense	15	1,408	1,747
Non-cash interest		(253)	(301)
Loss on disposal of assets		182	157
Provision for income taxes	16	(338)	(29,759)
		52,572	39,138
Net change in operating assets and liabilities	19	(15,290)	11,713
		37,282	**50,851**
Investing Activities			
Purchases of intangible assets	11	(123)	(7,783)
Acquisition of a subsidiary, net of cash acquired	7	(11,145)	—
Development expenditures	11	(8,274)	(810)
Acquisition of electricity derivative contracts	7	—	(561)
Purchases of property and equipment	10	(854)	(485)
		(20,396)	**(9,639)**
Financing Activities			
Credit facility advances	13	52,000	38,072
Credit facility repayments	13	(48,000)	(44,572)
Repayment of finance leases		(289)	(273)
Units issued for cash, net	17	34,362	—
Acquisition of non-controlling interest	17	(28,794)	—
Finance costs		(8,928)	(6,706)
Distributions to non-controlling interest		(13,338)	(21,579)
Distributions to unitholders		(6,922)	(6,794)
Repurchase of Trust units	17	—	(435)
		(19,909)	**(42,287)**
Net cash outflow		(3,023)	(1,075)
Cash and cash equivalents, beginning of period		14,268	15,343
Cash and cash equivalents, end of period		**$11,245**	**$14,268**
Supplemental cash flow information			
Interest paid		$8,928	$6,706
Income taxes paid		$4,726	$304

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 was established to provide investors with a distribution producing investment through its ownership interest in Crius Energy, LLC (the "**Company**"), a Delaware limited liability company, by its indirect wholly-owned subsidiary, Crius Energy Corporation.

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. 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 interest in the Company.

- 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 the debt of the Trust's other subsidiary, Crius Energy Corporation.

As at December 31, 2015, the following are the subsidiaries that the Trust, through its indirect wholly- owned subsidiary Crius Energy Corporation, holds a 43.1% ownership interest in the Company and its subsidiaries: Cincinnati Bell Energy, LLC; Citra, LLC; Crius Energy Management, LLC; Energy Solutions Group, LLC; Everyday Energy, LLC; Everyday Energy NJ, LLC; FairPoint Energy, LLC; People’s Choice Energy, LLC; Public Power Energy, LLC; Public Power, LLC (a Connecticut limited liability company); Public Power, LLC (a Pennsylvania limited liability company, entity number 3911142); Public Power, LLC (a Pennsylvania limited liability company, entity number 3933152); Public Power & Utility, Inc.; Public Power & Utility of Maryland, LLC, Public Power & Utility of NY, Inc.; Regional Energy Holdings, Inc.; TriEagle 1, LLC; TriEagle 2, LLC; TriEagle Energy LP; Viridian Energy, LLC; Viridian Energy NY, LLC; Viridian Energy PA LLC; and Viridian Network, LLC.

2. OPERATIONS

The Company's business primarily involves the sale of electricity and natural gas to residential and commercial customers under variable price and fixed price contracts. The Company, through its subsidiaries, principally 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 Company, through its subsidiaries, also markets solar products to its existing customers as well as to new prospects.

Through its licensed operating subsidiaries, the Company (i) provides retail electricity to its customers in the Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Texas markets; (ii) provides retail natural gas to its customers in the California, District of Columbia, Illinois, Indiana, Maryland, New Jersey, New York, Ohio, Pennsylvania and Virginia markets; and (iii) markets solar energy products in the Arizona, California, Connecticut, Delaware, Maryland, Massachusetts, New Jersey, and New York markets.

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 the Trust's 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 purchases of intangible assets and for certain financial assets and liabilities which are stated at fair value (Notes 5, 7, 11 and 15).

Principles of consolidation

The consolidated financial statements include the financial statements of the Trust and entities controlled by the Trust and the Administrator, including subsidiaries, as at December 31, 2015 and 2014, 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, and expenses are eliminated on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist 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.

Collateral deposits

Collateral deposits represent cash which is posted with State regulatory entities, independent system operators ("**ISOs**"), 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 represent amounts

due for electricity and natural gas consumed by customers net of an allowance for estimated amounts that will not be collected from customers.

Inventory

Inventory represents the natural gas delivered to and held in storage by certain LDCs in Illinois, Maryland, New York and Ohio. The balance will fluctuate as natural gas is injected or withdrawn from storage. Natural gas in storage is valued at the lower of cost and net realizable value with cost being determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business.

Credit risk and allowance for doubtful accounts

The Trust operates in certain 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. In non-POR markets, we manage customer credit risk through formal credit reviews or screenings, deposits and disconnection for non-payment. 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 it has exhausted all means to collect these receivables.

The Trust provides solar services to customers through an agreement with a third party vendor. Management believes that the risk associated with the solar partner not remitting the required payments is minimal.

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 their intended use and is recognized on a straight-line basis to depreciate the cost of these assets 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
Computer hardware	Straight line	3 years
Office furniture and equipment	Straight line	3-5 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 derecognition 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.

Operating lease payments are recognized as an expense in the consolidated statements of comprehensive loss on a straight-line basis over the minimum lease term.

Goodwill

Goodwill is measured as the excess of the cost of the acquired business 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 loss. 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 is 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 loss in depreciation and amortization expense.

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

Gains and losses arising from the derecognition 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 loss when the asset is derecognized.

Asset category	Amortization method	Useful life
Customer relationships	Straight line	Up to 4 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 lived non-financial assets, including property and equipment and intangibles to determine whether there is any indication of impairment.

For the purposes of reviewing finite lived 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 an individual asset or a CGU exceeds its recoverable amount. Impairment losses 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 the 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.

Provisions

Provisions are recognized to the extent that 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 13).

Contingent liability

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. When the economic obligation becomes virtually certain, the liability 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 20. 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 loss. 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 loss.

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 income to its unitholders and expects to continue to distribute all of its 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 LDCs. 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 of July and August due to cooling demand and the winter months of January and February due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand.

Solar revenue

Solar revenue consists of fees earned in connection with the marketing of solar systems. Through September 30, 2015, solar revenue was recognized upon execution of the contracts with customers, net of expected cancellations. Effective October 1, 2015, solar revenue is recognized up installation of the solar system.

Fee revenue

Fee revenue consists of sign-up fees and other monthly fees received from independent contractors in the network marketing channel and various fees received from customers. 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 on the consolidated statements of financial position in Accounts receivable until payment is received and are recorded in Trade and other payables 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. All derivative instruments are classified as held for trading.

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.

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

Asset/Liability	Classification	Measurement
Derivative instruments	Held for trading	Fair value through profit and loss
Accounts receivable	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Collateral deposits	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Contingent consideration liability	Other financial liabilities	Fair value through profit and loss
Distribution payable	Other financial liabilities	Amortized cost
Unit-based compensation	Other financial liabilities	Fair value through profit and loss
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 loss

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

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, 2015. The Trust applied, for the first time, certain standards and amendments on January 1, 2015.

Amendments to IAS 19 *Defined Benefit Plans*: *Employee Contributions* requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. This amendment had no impact on the Trust's consolidated financial statements, as the Trust does not have defined benefit pension plans.

Two new annual improvements including Annual Improvements to IFRS 2010 – 2012 Cycle and Annual Improvements 2011 – 2013 Cycle, which included amendments effective immediately and, thus, were effective for periods beginning January 1, 2015, however, they did not have an impact on 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 using usage data available, multiplied by the current customer average sales price per unit.

Through September 30, 2015, solar revenues were recognized net of expected cancellations, which were estimated based on management judgment of historical cancellation rates. As of October 1, 2015, Management

concluded that it can no longer estimate expected cancellations and therefore will recognize revenue upon installation of the solar system. The effect of reflecting this change in accounting estimate in the 2015 consolidated financial statements is a $4,774 decrease in revenues.

Allowance for doubtful accounts

The Trust reviews its accounts receivable 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.

Fair value of financial instruments

Determining the fair value of financial 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 intangible or non-financial assets

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Trust 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 or other non-financial assets. The key assumptions used are further explained at Note 14.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

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, including customer attrition rates.

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 an asset acquisition or 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 Trust 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.

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, bringing together the classification and measurement, impairment, and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: *Recognition and Measurement*. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018, with early adoption permitted. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of the initial application is before February 1, 2015. The Trust elected not to adopt the standard early and has not yet assessed the impact of this standard.

IFRS 15 *Revenue from Contracts with Customers* was released in May 2014 which focuses on a principles based five–step model which is required to be applied to all contracts with customers. The guidance amongst other things provides for (i) whether revenue should be recognized at a point in time or over time, which replaces the previous distinction between goods and services, (ii) identifies distinct performance obligations, accounting for contract modifications and accounting for the time value of money and (iii) new, increased requirements for disclosure of revenue in the financial statements. Furthermore, the standard specifies how to account for incremental costs of obtaining a contract and the costs directly associated with fulfilling a contract. Provided these costs are expected to be recovered, such costs will be capitalized, subsequently amortized over the useful life of customers and tested for impairment. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018, with early adoption permitted. The Trust will transition either using a full retrospective approach or a modified retrospective approach. The Trust has not yet assessed the impact of this standard or determined whether it will adopt the standard early.

Amendments to IAS 1 *Presentation of Financial Statements* were issued to address perceived impediments to preparers exercising their judgement in presenting their financial reports. Specific clarification in the areas of materiality, aggregation and disaggregation of financial statement line items and the ordering of footnotes have been provided. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Trust does not expect this standard to have any impact on the consolidated financial statements.

Annual Improvements to the 2012 – 2014 Cycle included amendments for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Trust does not expect these amendments to have any impact on the consolidated financial statements.

IFRS 16 *Leases* was issued by the IASB in January 2016. This guidance brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Furthermore, per the standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use

asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17 *Leases* and related interpretations, and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. The Trust has not yet assessed the impact of this standard.

7. ACQUISITIONS

Business Combinations

On April 1, 2015, the Company obtained control of TriEagle Energy, LP ("**TEE**") by acquiring 100% of TEE's partners' capital. TEE is a competitive retail energy provider of electricity to commercial and residential customers. The Company acquired TEE because it increases both its customer portfolio as well as its presence in new and existing markets.

The acquisition was accounted for using the acquisition method of accounting. The consolidated financial statements include the results of TEE from the acquisition date. The Company allocated the purchase price of $19,304 to the identifiable assets and liabilities based on their fair values as at the date of acquisition. The purchase price allocation is preliminary, and as a result, may be adjusted during the twelve month period following the acquisition, in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the preliminary amounts then the acquisition accounting will be revised. As at December 31, 2015, various items related to working capital and taxes are still being finalized.

The following table shows the preliminary allocation of fair value:

	Preliminary		
Fair value of identifiable net assets acquired:	**April 1, 2015**	**Adjustments**	**December 31, 2015**
Cash and cash equivalents	$4,723	$—	$4,723
Accounts receivable	18,661	1,202	19,863
Trade and other payables	(32,476)	(520)	(32,996)
Other current financial liabilities	(20,332)	—	(20,332)
Other net assets	1,018	—	1,018
Customer relationships	40,744	—	40,744
Sales network	852	—	852
Broker commission liability	(10,308)	—	(10,308)
Computer software	1,591	—	1,591
Other intangible assets	789	—	789
Goodwill	14,042	(682)	13,360
Total purchase price	**$19,304**	**$—**	**$19,304**

The purchase price for the acquisition of $19,304 was settled in cash of $15,869 and by issuing 623,217 PURs in the Company which are to be settled in cash based on the future trading prices of units of the Trust ("**Units**") on the Toronto Stock Exchange on the first and second anniversary of the acquisition date with an acquisition date fair value of $3,435. Details on the PURs issued are included in Note 20. The fair value of the PURs was based on the closing price of the Trust units as of the acquisition date. The purchase price is subject to a customary post-closing working capital adjustment for the twenty-four months following the acquisition date.

Acquisition-related costs amounting to $331 have been recognized as an expense in the consolidated statements of comprehensive loss, as part of general and administrative expenses in the year ended December 31, 2015.

As at December 31, 2015, the fair values of identifiable intangible assets amounted to $43,976. The fair value of the trade and other receivables acquired as part of the business combination amounted to $19,863, with a gross contractual amount of $20,697. As of the acquisition date, the Company's best estimate of the contractual

cash flow not expected to be collected amounted to $834. Goodwill recognized on the acquisition largely relates to benefits such as the value of the assembled workforce and synergies and economies of scale that are expected from combining the operations of the Company and TEE that do not meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*. This goodwill has been allocated to the Company's existing single segment.

TEE has contributed $152,524 and $(4,434) to the Company's revenues and net loss and total comprehensive loss, respectively, from the acquisition date to December 31, 2015. Had the acquisition occurred on January 1, 2015, the Company's revenue for the period to December 31, 2015 would have been $731,265 and the Company's net loss and total comprehensive loss for the period would have been $(85,213). These *pro forma* amounts have been determined by applying the Company's accounting policies**.**

Asset Acquisitions

In July 2015, the Trust purchased approximately 2,000 retail electric customer accounts from Gulf Oil, LP. This transaction was accounted for as an asset acquisition with the purchase price of $244 allocated to customer relationships. This asset will be amortized over its estimated useful life of three years.

In May 2014, the Trust purchased approximately 38,000 retail electric and natural gas customer accounts from Superior Plus Energy Services. In addition to customer relationships, the following assets and liabilities were included in the transaction (i) electricity derivative contracts, (ii) billing software, (iii) a two-year non-compete / non-solicitation agreement and (iv) residual based broker commissions. This transaction was accounted for as an asset acquisition with the purchase price of $3,783 allocated as follows: $2,967 to customer relationships, $561 to electricity derivative contracts, $444 to billing software, $54 to the non-compete / non-solicitation agreement and a liability of $243 for residual based broker commissions. The purchase price contained contingent consideration of $578 which the Trust settled in 2015. The assets acquired are being amortized over their estimated useful lives as follows: three years for customer relationships, within one year for electricity derivative contracts, three years for billing software and two years for the non-compete / non-solicitation agreement.

In June 2014, the Trust purchased approximately 16,000 retail electric customer accounts from HOP Energy, LLC. This transaction was accounted for as an asset acquisition with the purchase price of $1,482 allocated to customer relationships. This asset is being amortized over its estimated useful life of three years.

8. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	As at December 31, 2015	As at December 31, 2014
Accounts receivable	$81,311	$81,685
Less: allowance for doubtful accounts	(965)	(1,519)
	$80,346	**$80,166**

9. INVENTORY

As at December 31, 2015 and 2014, inventory consisted of natural gas in storage totaling $597 and $1,141, respectively. The amount of inventory recognized as an expense during the years ended December 31, 2015 and 2014 was $1,446 and $308, respectively.

10. PROPERTY AND EQUIPMENT

2015	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at December 31, 2014	$1,860	$762	$428	$3,050
Additions from acquisitions	22	19	9	50
Additions	460	260	134	854
Disposals	(26)	—	—	(26)
Balance as at December 31, 2015	**2,316**	**1,041**	**571**	**3,928**
Accumulated depreciation				
Balance as at December 31, 2014	(628)	(262)	(233)	(1,123)
Depreciation	(762)	(197)	(186)	(1,145)
Disposals	25	—	—	25
Balance as at December 31, 2015	**(1,365)**	**(459)**	**(419)**	**(2,243)**
Net book value - December 31, 2015	**$951**	**$582**	**$152**	**$1,685**

2014	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at December 31, 2013	$1,883	$715	$570	$3,168
Additions	479	6	—	485
Reclassifications	—	115	(115)	—
Other non-cash adjustments	(154)	(31)	—	(185)
Disposals	(348)	(43)	(27)	(418)
Balance as at December 31, 2014	**1,860**	**762**	**428**	**3,050**
Accumulated depreciation				
Balance as at December 31, 2013	(257)	(67)	(159)	(483)
Depreciation	(653)	(148)	(160)	(961)
Disposals	282	(47)	86	321
Balance as at December 31, 2014	(628)	(262)	(233)	(1,123)
Net book value - December 31, 2014	**$1,232**	**$500**	**$195**	**$1,927**

Finance leases

The carrying value of property and equipment held under finance leases was $613 and $902 as at December 31, 2015 and 2014, respectively. These amounts are included within property and equipment on the consolidated statements of financial position. Leased assets are pledged as security for the related finance lease.

Finance leases are measured at amortized cost using the effective interest rate method and are initially measured at fair value, which is the consideration received. The effective interest expense is included in finance costs in the consolidated statements of comprehensive loss.

11. INTANGIBLE ASSETS

2015	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Other intangibles	Total
Cost							
Balance as at December 31, 2014	$6,198	$80,535	$1,523	$19,300	$24,947	$0	$132,503
Additions	76	244	—	—	—	—	320
Additions from business combinations	1,591	40,744	114	852	—	675	43,976
Internally developed software	8,274	—	—	—	—	—	8,274
Asset acquisition adjustment	—	(197)	—	—	—	—	(197)
Disposals	(551)	—	—	—	—	—	(551)
Balance as at December 31, 2015	**15,588**	**121,326**	**1,637**	**20,152**	**24,947**	**675**	**184,325**
Accumulated amortization							
Balance as at December 31, 2014	(1,113)	(55,210)	(1,486)	(5,884)	(17,741)	0	(81,434)
Amortization	(3,066)	(34,405)	(88)	(2,970)	(7,206)	(206)	(47,941)
Disposals	368	—	—	—	—	—	368
Balance as at December 31, 2015	(3,811)	(89,615)	(1,574)	(8,854)	(24,947)	(206)	(129,007)
Net book value - December 31, 2015	**$11,777**	**$31,711**	**$63**	**$11,298**	**$—**	**$469**	**$55,318**

During 2015, the Trust reviewed the useful life of its intangible assets, and after considering customer retention and other key factors, it was determined that the useful lives of certain customer relationships decreased from its historical rate of 36 months to a range between 19 to 29 months. As such, the Trust adjusted the amortization periods for these intangibles. The effect of this change on amortization expense is as follows:

	Year ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2017
Increase (decrease) in amortization expense	$1,130	($544)	($586)

As at December 31, 2015, the remaining amortization period for customer relationships is less than 1 year to 4 years, for sales network is less than 4 years and for all other assets is less than 1 year to 3 years. In addition, there are fully amortized customer relationships still in use by the Company.

2014	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Total
Cost						
Balance as at December 31, 2013	$2,287	$76,086	$1,469	$19,300	$24,947	$124,089
Additions	2,585	—	—	—	—	2,585
Internally developed software	810	—	—	—	—	810
Asset acquisitions	695	4,449	54	—	—	5,198
Disposals	(179)	—	—	—	—	(179)
Balance as at December 31, 2014	**6,198**	**80,535**	**1,523**	**19,300**	**24,947**	**132,503**
Accumulated amortization						
Balance as at December 31, 2013	(192)	(29,340)	(832)	(3,125)	(9,425)	(42,914)
Amortization	(1,040)	(25,870)	(654)	(2,759)	(8,316)	(38,639)
Disposals	119	—	—	—	—	119
Balance as at December 31, 2014	(1,113)	(55,210)	(1,486)	(5,884)	(17,741)	(81,434)
Net book value - December 31, 2014	**$5,085**	**$25,325**	**$37**	**$13,416**	**$7,206**	**$51,069**

During 2014, costs relating to internally developed software and other proprietary systems were capitalized and included in computer software. All costs not eligible for capitalization were expensed and recognized in general and administrative expenses. Additions in the period include the effect of the Superior Plus Energy Services and HOP Energy, LLC acquisitions (Note 7).

12. LOAN RECEIVABLE

On October 29, 2015, the Company entered into a loan agreement with Big Sky Gas Holdings, LLC ("**Big Sky Gas**"), whereby the Company has made available a credit facility of $800. Upon closing, the Company issued a 36 month convertible term loan in the amount of $500, with an annual interest rate of LIBOR + 10%. Interest will be paid on the convertible loan maturity date, and as such, accrues interest monthly and increases the balance of the loan. As at December 31, 2015, the loan receivable balance of $509 is included within other non-current assets on the consolidated statements of financial position.

13. FINANCING

Macquarie Energy Supplier Agreement

The Company and its operating subsidiaries entered into several agreements (the "**Supplier Agreement**") with Macquarie Energy LLC ("**Macquarie Energy**") to provide for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in January 2019. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each ISO. Further, the Company's customers and the LDCs 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 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, natural gas inventory and all other Company assets.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following the delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of $250,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables, natural gas inventory, forward value of customers and certain other items. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in the Trust's finance costs in the consolidated statements of comprehensive loss.

The Supplier Agreement includes a working capital facility with a sub-limit of $60,000 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 (0.43% and 0.16% as at December 31, 2015 and 2014, respectively), with an incremental interest rate of 1.25% applied to borrowings above a certain threshold.

Macquarie Energy has extended trade credit to the Company totaling $33,933 and $36,046 under this Supplier Agreement as at December 31, 2015 and 2014, respectively. There were letters of credit issued totaling $10,446 and $7,573, and cash advances drawn totaling $4,000 and $0 under the working capital facility as at December 31, 2015 and 2014, respectively. Total energy purchases totaled $453,383 and $433,119 and interest expense under the Supplier Agreement totaled $7,900 and $5,982, during the years ended December 31, 2015 and 2014, respectively. The availability under the credit facility was $31,739 and $31,966 as at December 31, 2015 and December 31, 2014, respectively.

14. GOODWILL

The following schedule provides the continuity of Goodwill:

Goodwill	2015	2014
Balance as at January 1,	$241,381	$241,381
Goodwill recognized related to acquisition of TEE	13,360	—
Balance as at December 31,	**$254,741**	**$241,381**

Accumulated impairment	2015	2014
Balance as at January 1,	($137,636)	($60,515)
Goodwill impairment	—	(77,121)
Balance as at December 31,	**($137,636)**	**($137,636)**
Net book value as at December 31,	**$117,105**	**$103,745**

Goodwill acquired through a business combination relates to a single CGU, as the Trust operates under a single segment. The Trust performed a review of impairment indicators as at December 31, 2015 including a review of the relationship between its market capitalization and its carrying value, among other factors and concluded no impairment indicator was present. As at March 31, 2014, the market capitalization of the Trust was below the carrying value of its equity, indicating that a potential impairment of goodwill existed. The recoverable amount as at March 31, 2014 was 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 was classified as Level 2 in the FV hierarchy. As a result, a non-cash goodwill impairment charge of $77,121 was recorded in the consolidated statement of comprehensive loss for the year ended December 31, 2014. The principal sensitivity of the fair value less cost of disposal calculation is the Unit price. Future reductions in the Unit price may result in additional impairment of goodwill in subsequent reporting periods. The impairment charge does not impact our normal business operations nor will it affect liquidity, cash flows from operations or financial covenants under our credit facility.

15. 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, with an adjustment for the profit interest units of the Company that is calculated using an option pricing model. The principal sensitivity of the fair value of non-controlling interest is the Unit price. Changes in the Unit price will result in additional gains (losses) in subsequent reporting periods. The fair value of the warrant liability is based on an option pricing model. The fair value of the contingent consideration liability was determined based on an internally developed discounted cash flow model, as well as the contractual terms of the contingent consideration. The cash flows projections were discounted using the estimated weighted average cost of capital of a market participant. The fair value of the weather derivative was determined based on an internally developed model that was based on certain historical temperature and electricity pricing data together with the contractual terms of the derivative. The fair value of the renewable energy certificate ("**REC**") liability was determined based on broker pricing.

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, forward contracts, weather derivatives,

financial transmission rights and transmission congestion 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 loss:

	Year ended December 31, 2015	**Year ended December 31, 2014**
Foreign exchange options	($975)	($404)
Fixed-for-floating electricity swaps	11,850	(53,467)
Fixed-for-floating natural gas swaps	(4,360)	(3,017)
Physical electric forward contracts	122	—
Physical natural gas forward contracts	7,115	(371)
Physical electric basis forward contracts	33	—
Fixed-for-floating electricity basis swaps	68	(200)
Fixed-for-floating natural gas basis swaps	269	(1,709)
Heat rate forward contracts	(307)	—
Financial transmission rights	936	—
Weather derivatives	167	268
Change in fair value of derivative instruments	**$14,918**	**($58,900)**

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, 2015 and 2014:

	Other current financial assets		**Other current financial liabilities**	
	2015	**2014**	**2015**	**2014**
Foreign exchange options	$530	$79	$—	$0
Fixed-for-floating electricity swaps	—	—	22,567	34,417
Fixed-for-floating natural gas swaps	—	—	6,702	2,345
Physical electric forward contracts	—	—	12,976	—
Physical natural gas forward contracts	—	—	315	646
Physical electric basis forward contracts	—	—	(33)	—
Fixed-for-floating electricity basis swaps	—	—	132	200
Fixed-for-floating natural gas basis swaps	—	—	173	441
Heat rate forward contracts	—	—	237	—
Financial transmission rights	412	—	—	—
Weather derivatives	908	1,988	—	—
	$1,850	**$2,067**	**$43,069**	**$38,049**

The following table summarizes the fair value of the financial assets and liabilities classified as held-for-trading and recorded as at December 31, 2015 and 2014:

	Notional Volume	Total Remaining Volume	Maturity Date (months)	Fixed Price ($)	Fair Value ($)	Notional Value ($)
December 31, 2015						
Fixed-for-floating electricity swaps	1 - 50 MW	3,730,457 MWh	1 - 36	$20.25 to $79.50	($22,567)	$173,658
Fixed-for-floating natural gas swaps	(2,000) – 2,500 MMBtu	5,772,900 MMBtu	1 – 30	$2.02 to $4.44	($6,702)	$28,089
Physical electric forward contracts	(35) – 20 MW	1,841,907 MWh	1 – 52	$17.75 to $76.80	($12,976)	$70,888
Physical natural gas forward contracts	(270) – 5,566 MMBtu	763,008 MMBtu	1 - 3	$0.30 to $5.67	($315)	$1,984
Physical electric basis forward contracts	(20) – 20 MW	- MWh	2	$23.50 to $24.94	$33	$635
Fixed-for-floating electricity basis swaps	(25) – 25 MW	- MWh	1 – 12	$26.80 to $42.55	($132)	$25,516
Fixed-for-floating natural gas basis swaps	(2,500) – 600 MMBtu	- MMBtu	1 – 15	$(0.93) to $2.75	($173)	$920
Heat rate forward contracts	1 – 20 MW	180,828 MWh	3 – 12	$22.20 to $47.81	($237)	$4,810
Financial transmission rights	0.1 – 31.7 MW	770,865 MWh	1 – 29	$(4.06) to $9.81	$412	$645
December 31, 2014						
Fixed-for-floating electricity swaps	(15) - 50 MW	2,868,237 MWh	1 - 35	$32.61 to $141.25	$(34,417)	$170,571
Fixed-for-floating natural gas swaps	123 – 31,000 MMBtu	3,027,800 MMBtu	1 - 32	$3.51 to $4.47	$(2,345)	$11,938
Physical natural gas forward contracts	2 – 8,066 MMBtu	966,177 MMBtu	1 - 3	$1.30 to $7.98	$(646)	$3,848
Fixed-for-floating electricity basis swaps	(25) – 25 MW	— MWh	1 - 12	$34.25 to $52.85	$(200)	$610
Fixed-for-floating natural gas basis swaps	1,000 – 3,000 MMBtu	229,000 MMBtu	1 - 3	$2.00 to $6.62	$(441)	$976
Financial transmission rights	0.1 – 11.6 MW	132,814 MWh	1	$(9.62) to $17.86	$0	$940

	Notional Value	Total Remaining Volume	Maturity_ Date (months)	Fixed Price	Fair Value
December 31, 2015					
Foreign exchange options	US$17,084 C$23,405	US$17,084 C$23,405	1 - 24	C$1.37 per US$1	US$530
December 31, 2014					
Foreign exchange options	US$6,060 C$6,954	US$6,060 C$6,954	1 - 12	C$1.1475 per US$1	US$79

The Company has entered into weather derivatives, specifically, a temperature contingent, financially settled, electricity strangle option which, as at December 31, 2015, matures in three months and gives the Company the right to purchase or sell electricity at predetermined fixed prices in quantities that are dependent on average daily temperatures at certain agreed weather locations. The initial recognition of the weather derivative is determined to be different from the fair value based on a developed financial valuation model. There is no quoted price in an active market for this type of weather derivative as of either the initial recognition date or

December 31, 2015. The Company marks to market the fair value of the weather derivative and has included that value as other current financial assets on the consolidated statements of financial position. Changes in the fair value of the weather derivatives are recorded through the consolidated statements of comprehensive loss as a change in fair value of derivative instruments. The net gain from the initial day one measurement has been deferred and will be recognized on a straight line basis over the term of the contract. As at December 31, 2015, the remaining deferred gain of $57 is included within other current liabilities in the consolidated statements of financial position.

To satisfy the renewable portion of the Company's energy products, RECs are purchased directly from generators or in the secondary market from REC brokers. Generally, the Company purchases these credits in arrears after the period in which it delivers load to customers. The fair value of the liability related to these RECs is included in trade and other payables in the consolidated statements of financial position. As at December 31, 2015 and 2014, the carrying amount of these liabilities is $26,492 and $25,532, respectively.

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, 2015				
Commodity contracts offset to assets	$715	($303)	($303)	$412
Commodity contracts offset to liabilities	$5,561	($48,630)	$5,561	($43,069)
December 31, 2014				
Commodity contracts	$2,925	$(40,974)	$(40,974)	$(38,049)

In August 2015, the Company entered into an agreement (the "**Reseller Agreement**") with Sungevity Inc. ("**Sungevity**") for the exclusive marketing of Sungevity's solar products for a term ending in September 2018. In consideration for entering into the Reseller Agreement, a one-time grant of 120,000,000 warrants to purchase Series C Preferred Shares of Sungevity at a strike price of $0.09 per share was made to the Company. These warrants vest at the latter of the one year anniversary of the Reseller Agreement or once certain performance criteria have been met and are exercisable for a period of five years. The warrants were not recorded in the consolidated statements of financial position, as they have zero fair value due to the underlying shares not being quoted in active markets and the terms and conditions of the Reseller Agreement not providing a transaction price. As such, they are not reliably measurable. In subsequent periods, the fair value of the warrants will remain at zero until they can be reliably measured.

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.

The Trust's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. In the year ended December 31, 2015, there were transfers out from Level 3 into Level 2 of $126, due to an increase in observability of pricing on the underlying derivative instruments, as evidenced by published commodity futures quotes. In the year ended December 31, 2014, there was no transfer into or out of Level 1, Level 2 or Level 3.

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2015:

Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Other current financial assets	$—	$803	$1,047	**$1,850**
Financial liabilities				
Other current financial liabilities	$—	($42,865)	($204)	**($43,069)**
Contingent consideration liability	—	—	(69)	**(69)**
Warrant liability	—	(1,576)	—	**(1,576)**
Non-controlling interest	—	—	(149,619)	**(149,619)**

The following table illustrates the classification of financial assets and liabilities in the FV hierarchy as at December 31, 2014:

Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Other current financial assets	$—	$79	$1,988	**$2,067**
Financial liabilities				
Other current financial liabilities	$—	$(37,608)	$(441)	**$(38,049)**
Contingent consideration liability	—	0	(260)	**(260)**
Warrant liability	—	(470)	0	**(470)**
Non-controlling interest	—	0	(115,570)	**(115,570)**

The following tables illustrate the changes in net fair value of financial assets and liabilities classified as Level 3 in the FV hierarchy:

Contingent consideration liability	As at December 31, 2015	As at December 31, 2014
Liability at the beginning of period	$260	$—
Additions	—	93
Changes in fair value of contingent consideration liability	(191)	167
Liability at the end of period	**$69**	**$260**

Non-controlling interest	As at December 31, 2015	As at December 31, 2014
Liability at the beginning of period	$115,570	$138,234
Acquisition of non-controlling interest	(28,794)	–
Changes in fair value of non-controlling interest	62,843	(22,664)
Liability at the end of period	**$149,619**	**$115,570**

Commodity contracts	As at December 31, 2015	As at December 31, 2014
Net balance at the beginning of period	$1,547	$2,700
Total loss	(4,841)	(10,977)
Purchases	2,762	1,547
Settlements	1,501	8,277
Transfer out of Level 3	(126)	–
Net balance at the end of period	**$843**	**$1,547**

Classification of financial assets and liabilities

As at December 31, 2015 and 2014, respectively, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities, contingent consideration liability, warrant liability and non-controlling interest, approximated their fair value due to the short-term nature of these items. The derivative assets and liabilities, contingent consideration liability, warrant 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 including but not limited to commodity forwards, swaps, options and weather derivatives 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 value of electricity and natural gas financial instruments is significantly influenced by the variability of the forward commodity prices. Periodic changes in forward prices could cause significant changes in the mark-to-market valuation of these financial instruments. For example, assuming that all other variables remain constant, a market move of +/-10% would result in an increase/(decrease) in net loss and total comprehensive loss of $22,308 in the consolidated statements of comprehensive loss.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. As at December 31, 2015 and 2014, the Trust has aggregate letters of credit outstanding of $10,446 and $7,573, respectively, and cash advances of $4,000 and $0, respectively, outstanding 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, 2015, 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 loss.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in U.S. dollars; however, its distributions and publicly listed units are denominated in Canadian dollars. The Trust's policy is to mitigate its economic exposure to currency rate movements by entering into currency derivative products including options and swaps.

Period to period changes in forward currency prices could cause significant changes in the mark to market valuation of these contracts. For example, assuming that all other variables remain constant, a market move of +/-10% would result in increase/(decrease) in net loss and total comprehensive loss of $1,233 and $(430), respectively, in the consolidated statements of comprehensive loss.

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. The Trust has customer credit risk exposure relating to all or certain electricity and natural gas accounts receivable in the states of California, Delaware, District of Columbia, Illinois, Maine, New Hampshire, New Jersey, Ohio, Rhode Island, Texas and Virginia ("**Non-POR markets**"). 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. In Texas, certain customers are required to provide a deposit when they open an account with the Company, which can be used in the event of default on a customer account, thereby reducing customer credit risk in this market. As at December 31, 2015, these customer deposits total $764, and are included within other current liabilities on the consolidated statements of financial position.

For the remaining markets, the 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, 2015 and 2014, the customer credit risk exposure from Non-POR markets amounts to $5,947 and $3,347, respectively. The accounts receivable aging for these markets are as follows:

Accounts Receivable at	Total	Current	30-59 days	Over 60 days
December 31, 2015	$5,947	$5,149	$314	$484
December 31, 2014	$3,347	$2,114	$431	$802

Changes in the allowance for doubtful accounts were as follows:

	December 31, 2015	December 31, 2014
Balance, beginning of year	$1,519	$4,984
Bad debt expense	1,408	1,747
Bad debts written off	(1,962)	(5,212)
Balance, end of year	**$965**	**$1,519**

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 and other 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 $1,850 and $2,067 as at December 31, 2015 and 2014, 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 near-term and long-term cash flow forecasts 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, 2015:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$102,962	$156,799	$121,049	$35,750	$—
Operating leases	—	1,389	824	565	—
Financing leases	613	657	325	332	—
Credit facility	4,000	4,000	4,000	—	—
Distribution payable	698	698	698	—	—
Other non-current liabilities	4,668	4,668	—	4,668	—
	$112,941	**$168,211**	**$126,896**	**$41,315**	**$—**

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2014:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$91,142	$92,234	$91,021	$1,213	$—
Operating leases	—	906	558	348	—
Financing leases	902	993	336	657	—
Distribution payable	489	489	489	—	—
Other non-current liabilities	529	448	—	448	—
	$93,062	**$95,070**	**$92,404**	**$2,666**	**$—**

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.

16. INCOME TAXES

The major components of the provision for (benefit from) income taxes, which relates to the Trust's U.S. subsidiaries, for the years ended December 31, 2015 and December 31, 2014 are:

	Year ended December 31, 2015	Year ended December 31, 2014
Current income tax:		
Current income tax charge	$1,420	$938
Deferred income tax:		
Origination and reversal of temporary differences	(338)	(29,759)
Provision for (benefit from) income taxes	**$1,082**	**($28,821)**

Reconciliation of the effective tax rate

The provision for (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, 2015	Year ended December 31, 2014
Loss before income taxes	($73,829)	($141,091)
Federal income tax (at 34.0%)	(25,102)	(47,972)
State income tax, net of federal benefit	(178)	(6,416)
Impact of permanent differences		
Change in fair value of non-controlling interest	21,367	(6,071)
Goodwill impairment	—	23,554
Other permanent items	1,183	(2,502)
Change in unrecognized deferred tax assets	3,812	10,586
Total provision for (benefit from) income taxes	**$1,082**	**($28,821)**

Other permanent items principally represent income of Crius Energy Corporation that is attributed directly to the non-controlling unitholders of the Company. Under United States partnership taxation rules the Company 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 are attributed to the following:

	As at December 31,	
	2015	2014
Deferred tax assets:		
Change in fair value of derivative instruments	$5,276	$9,440
Allowance for doubtful accounts	107	781
Interest expense	—	229
Accrued renewable energy certificates	1,017	6,182
Accrued commissions	—	604
Goodwill	—	1,804
Other	122	896
Total deferred tax assets	**6,522**	**19,936**
Deferred tax liabilities:		
Intangible assets	(4,105)	(16,128)
Depreciation and amortization	(97)	(1,462)
Deferred revenue	—	(364)
Total deferred tax liabilities	(4,202)	(17,954)
Total net deferred tax assets	**$2,320**	**$1,982**

Significant components of unrecognized deferred tax assets

	As at December 31,	
	2015	2014
Net operating losses – Federal and State	$555	$1,691
Goodwill	4,978	3,444
Renewable energy certificates	709	—
Change in fair value of derivative instruments	8,156	5,451
Total unrecognized deferred tax assets	**$14,398**	**$10,586**

Movement in deferred tax balances

	As at December 31,	
	2015	2014
Opening balance	$1,982	($27,776)
Tax income during the period	338	29,758
Closing balance	**$2,320**	**$1,982**

The Company recognizes deferred tax assets to the extent that the Company believes that the likelihood of recognition is probable. In making such a determination, the Company considers reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and the results of recent operations. During 2015, the Company determined that we would not be able to realize all of our deferred tax assets in the future that are in excess of $2,320.

As at December 31, 2015 and December 31, 2014, the Trust has tax-effected federal net operating losses ("**NOLs**") of approximately $485 and $1,433 respectively, and state NOLs of approximately $70 and $258, respectively. The federal and the state NOLs will expire between 2032 and 2035.

17. TRUST CAPITAL

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.

Issuance of Trust Units

On July 2, 2015, the Trust closed a public equity offering of 6,785,000 Units at a price of C$6.80 (US$5.51) per Unit, which included 885,000 Units issued pursuant to the exercise in full of the over-allotment option by the underwriters, for total gross proceeds of C$46,138 (US$37,409) (the "**Offering**").

Concurrent with the closing of the Offering, the Trust used the proceeds to primarily make an additional indirect investment in Crius Energy Corporation through a capital contribution to enable Crius Energy Corporation to purchase 5,557,542 membership units ("**LLC Units**") of the Corporation from certain existing holders of LLC Units (the "**LLC Units Acquisition**"), representing an additional 16.3% indirect ownership interest in the Company such that the Trust holds a 43.1% indirect ownership interest in the Company immediately following the transaction. Such LLC Units Acquisition was completed pursuant to an offer to purchase (the "**Offer**") from Crius Energy Corporation dated June 4, 2015 to each registered holder of LLC Units, other than Crius Energy Corporation, whereby Crius Energy Corporation offered to purchase LLC Units from such registered holders of LLC Units. The purchase price payable to each seller of LLC Units (an "**LLC Unit Seller**") per LLC Unit was C$6.39 (US$5.18) (the "**Purchase Price**"). Upon the terms and subject to the conditions of the Offer, Crius Energy Corporation accepted LLC Units for purchase pursuant to the Offer and paid an aggregate Purchase Price of $28,794 to the LLC Unit Sellers. The remaining net proceeds after $3,047 of transaction costs are available for general corporate purposes.

Repurchase of Trust Units

During the period commencing April 11, 2014 and ending on April 10, 2015, the Trust had approval to make a normal course issuer bid to purchase up to 500,746 Units, representing approximately 5% of the issued and outstanding Units. Purchase of Units may be made through the facilities of the TSX in accordance with its rules or alternative Canadian trading platforms. Daily limits were limited to 12,531 Units, other than block

purchase exceptions. The price that the Trust will pay for any Units purchased under the bid will be the prevailing market price at the time of purchase and any Units purchased by the Trust will be canceled. The Trust did not purchase any Units in the year ended December 31, 2015. In the year ended December 31, 2014, the Trust purchased 94,193 units for approximately $435.

Warrants issued to Macquarie Energy, LLC

In consideration for entering into an amendment to the Supplier Agreement, the Trust 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 period which were fair valued using an option pricing model. The fair value of the warrants issued is being amortized over the life of the extended Supplier Agreement.

Distributions paid and proposed

For the year ended December 31, 2015, distributions of C$0.0583 per unit were declared by the Trust for January through December, which together amounted to $7,104. For the year ended December 31, 2014, distributions of C$0.0833 per unit were declared by the Trust for January. Additionally, monthly distributions of C$0.0583 per unit were declared by the Trust for February through December 2014, which together amounted to $6,510. These distributions were approved throughout the periods by the Board of Directors of the Trust and all amounts were paid by January 15, 2016.

Declared dividends subsequent to year-end

On January 6, 2016, the Board of Directors of the Trust declared a monthly distribution for the first quarter in the amount of C$0.0595 per unit per month. The January 2016 distribution was paid on February 16, 2016, to unitholders of record at the close of business on January 31, 2016. The February 2016 distribution will be paid on March 15, 2016, to unitholders of record at the close of business on February 29, 2016. The March 2016 distribution will be paid on April 15, 2016 to unitholders of record at the close of business on March 31, 2016.

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 ("**Liquidity 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 the Company 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 the Company arising from the 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 loss.

18. LOSS PER UNIT

	Year ended December 31, 2015	Year ended December 31, 2014
Net loss and total comprehensive loss	($74,911)	($112,270)
Weighted average number of units outstanding	13,353,673	9,965,335
Basic loss per unit	**($5.61)**	**($11.27)**
Net loss and comprehensive loss	($74,911)	($112,270)
Adjust for change in fair value of unit based compensation	$—	$—
Adjusted net loss and comprehensive loss	**($74,911)**	**($112,270)**
Weighted average number of units outstanding	13,353,673	9,965,335
Weighted average number of Restricted Trust Units outstanding	—	—
Diluted weighted average number of units outstanding	13,353,673	9,965,335
Diluted loss per unit	**($5.61)**	**($11.27)**

For the years ended December 31, 2015 and 2014, PURs and 750,000 warrants are anti-dilutive to loss per unit and are, therefore, excluded from the determination of dilutive per unit amounts.

19. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	December 31,	
	2015	**2014**
Collateral deposits	($207)	($265)
Accounts receivable	18,274	(6,348)
Inventory	544	(1,063)
Income tax receivable	(3,120)	527
Other current financial assets	(176)	(2,012)
Other current assets	(453)	(1,719)
Other non-current assets	(511)	9
Trade and other payables	(28,218)	22,202
Distributions payable	209	—
Other current liabilities	(5,544)	390
Other non-current liabilities	3,912	(8)
	($15,290)	**$11,713**

20. UNIT BASED COMPENSATION

Restricted Trust and Phantom Unit Plans

Under the RTUP, restricted trust units 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. As at December 31, 2015, there were no outstanding or vested RTUs.

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 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 ("**accrued distributions**"). 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.

The following schedule provides the continuity of the RTUs:

	Number of Units
As at December 31, 2013	167,753
RTUs issued	299,243
RTUs accrued distributions	67,787
RTUs converted	(19,290)
Forfeitures	(515,493)
As at December 31, 2014	—
RTUs issued	19,535
RTUs accrued distributions	595
RTUs vested into Units	(20,130)
As at December 31, 2015	—

In December 2014, RTUs that were not previously forfeited due to employment separation or converted into units were voluntarily forfeited by Participants. Each Participant received the same number of PURs along with all accrued units.

During 2015, the Board of the Directors of the Administrator reviewed the RTUP and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, has determined that the RTUP is no longer the most appropriate long-term incentive plan for the Trust. As such, the RTUP expired on November 2, 2015.

The Company adopted a cash settled PURP for the benefit of directors, officers or employees or direct or indirect service providers of the Company residing in the United States ("**U.S. Participants**"). In December 2014, the PURP was renamed under Crius Energy Management, LLC. 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 PURs may only be settled with cash payments by Crius Energy Management, LLC. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. The PURs will vest between January 2016 and June 2018 and are being expensed ratably over this period.

The following schedule provides the continuity of the PURs:

	Number of Units
As at December 31, 2013	—
PURs issued	649,279
PURs accrued distributions	114,161
Forfeitures	(8,026)
As at December 31, 2014	755,414
PURs issued	1,338,001
PURs accrued distributions	169,209
Forfeitures	(56,534)
As at December 31, 2015	2,206,090

In conjunction with the acquisition of TEE, the Company issued PURs of 623,217 and accrued PUR distributions of 40,718, which are included in the table above. As at December 31, 2015, there were no vested PURs, except for the PURs that were issued in conjunction with the TEE acquisition. For the years ended December 31, 2015 and 2014, unit based compensation of $4,425 and $1,372 was included in the consolidated statements of comprehensive loss.

On March 15, 2016, the Board of Directors approved the grant of 272,034 PURs.

Deferred Trust Unit Plan

In January 2016, the Trust established the Deferred Trust Unit Plan ("**DTUP**") for non-executive Administrator Directors to enhance our ability to attract and retain high quality individuals to serve as members of our Board and to promote a greater alignment of interests between our outside Administrator Directors and our Unitholders.

A Deferred Trust Unit ("**DTU**") is a security, equivalent in value to a trust Unit, credited by means of a bookkeeping entry in our books, to an account in the name of the Administrator Director. Under the DTUP, non-executive Administrator Directors may receive a percentage of their annual fee in the form of DTUs. The number of DTUs to be credited to an Administrator Director's account in each year is calculated by dividing (a) the amount of the annual fee that the Administrator Director will receive in the form of DTUs, by (b) the market value of a Unit using the five-day trailing volume-weighted average price prior to January 1st of any given grant year. As at December 31, 2015, there are no DTUs outstanding.

21. 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.

22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL REMUNERATION

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.

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

	Year ended December 31, 2015	Year ended December 31, 2014
Wages, salaries and employee benefits	$3,710	$2,522
Directors fees	389	455
Termination benefits	138	105
Share-based compensation	2,518	999
Post-employment benefits	48	55
	$6,803	**$4,136**

Other related party transactions

The Company has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp. which is a unitholder in the Company. Both Macquarie entities are part of the same group (Note 13).

During the years ended December 31, 2015 and 2014, the Trust made certain tax payments on behalf of the non-controlling interest holders, which are treated as advances. The balance as at December 31, 2015 and December 31, 2014, was approximately $448 and $2,129, respectively, and is included in other current assets in the consolidated statements of financial position. This amount is being repaid through future distribution disbursement and is expected to be fully recouped within one year of the advance. Due to the short-term nature for the repayment of these advances, there is no interest being charged.

23. CAPITAL DISCLOSURES

For capital management purposes, the Trust considers its capital structure to include unitholders' equity 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 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 13). As at December 31, 2015 all these covenants have been met.

24. REPORTABLE BUSINESS SEGMENTS

Operating segments

For the fiscal years ended December 31, 2015 and 2014, the Trust operated in a single operating segment and evaluates the performance of the business as a single segment.

Products

The following table summarizes the revenue by product recorded in the consolidated statements of comprehensive loss:

	Year ended December 31, 2015	Year ended December 31, 2014
Electricity	$636,719	$540,441
Natural gas	41,485	50,267
Fee revenue	6,649	3,649
Solar	1,467	6,134
Total revenue	**$686,320**	**$600,491**

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, 2015, the Trust operated in five states which comprise 17.9%, 15.6%, 14.3%, 13.5% and 13.4%, of revenue, respectively. For the year ended December 31, 2014, the Trust operated in three states which comprise 23.3%, 21.7% and 17.2%, of revenue, respectively.

25. COMMITMENTS AND CONTINGENCIES

Surety bonds

As at December 31, 2015 and 2014, the Trust had surety bonds issued of $20,357 and $8,556, respectively, to the various state regulatory commissions and LDCs.

Contingent consideration liability

As at December 31, 2015 and 2014, the Trust had contingent consideration payable related to the acquisition of a technology platform in the amounts of $69 and $260, respectively. The amount of contingent consideration payable is based on an agreed percentage of the cash flows generated by use of the technology platform over a four year period commencing in 2015. This payable is included within other non-current liabilities in the consolidated statements of financial position.

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. Furthermore, the Trust has entered into an agreement to occupy additional office space, which does not contain escalations or an extension. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the years ended December 31, 2015 and 2014, rent expense under its operating leases of $877 and $501, respectively, was incurred. These costs are included in the consolidated statements of comprehensive loss. Deferred rent liability associated with the operating lease 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. These leases are measured at amortized cost using the effective interest rate method and are initially measured at fair value. A purchase option is provided at the end of the lease term and ranges in value from $1 to fair market value. For the years ended December 31, 2015 and 2014, depreciation expense under its financing leases of $294 and $294, respectively, was incurred by the Trust. These amounts were included in the consolidated statements of comprehensive loss. The related 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 years ended December 31, 2015 and 2014, employer contributions totaled $256 and $167, respectively.

Regulatory proceedings

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

From time to time, the Company is subject to state and federal tax audits. In the opinion of management, assessments levied against the Company as a result of these audits will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

26. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue on March 15, 2016 by the Board of Directors of the Administrator**.**

27. SUBSEQUENT EVENTS

On February 1, 2016, the Company closed on an asset purchase agreement with Iron Energy LLC d/b/a Kona Energy, a Texas based energy retailer, to acquire the customer contracts and associated assets for approximately 75,000 electricity residential customer equivalents in Illinois, New York, Ohio, and Texas. The acquisition was funded by cash and availability under the Company's credit facility with Macquarie Energy. This transaction will be accounted for as an asset acquisition with the purchase price of $7,016, allocated to customer relationships. In conjunction with the closing of the asset purchase agreement, the Company entered into an amendment to the Supplier Agreement with Macquarie Energy. The amended Supplier Agreement provides for a temporary reduction in volumetric energy fees, ceasing when the Company has realized $5,000 in total savings from these reduced fees.

On February 25, 2016, the Company closed on an asset purchase agreement to acquire certain seller agreements, business licenses, all intellectual property and call center equipment of a Florida-based broker of electricity and natural gas, for an aggregate purchase price of approximately $1,200. The acquisition was funded by cash and availability under the Company's credit facility with Macquarie Energy. An estimate of the financial effect of this transaction has not been determined.