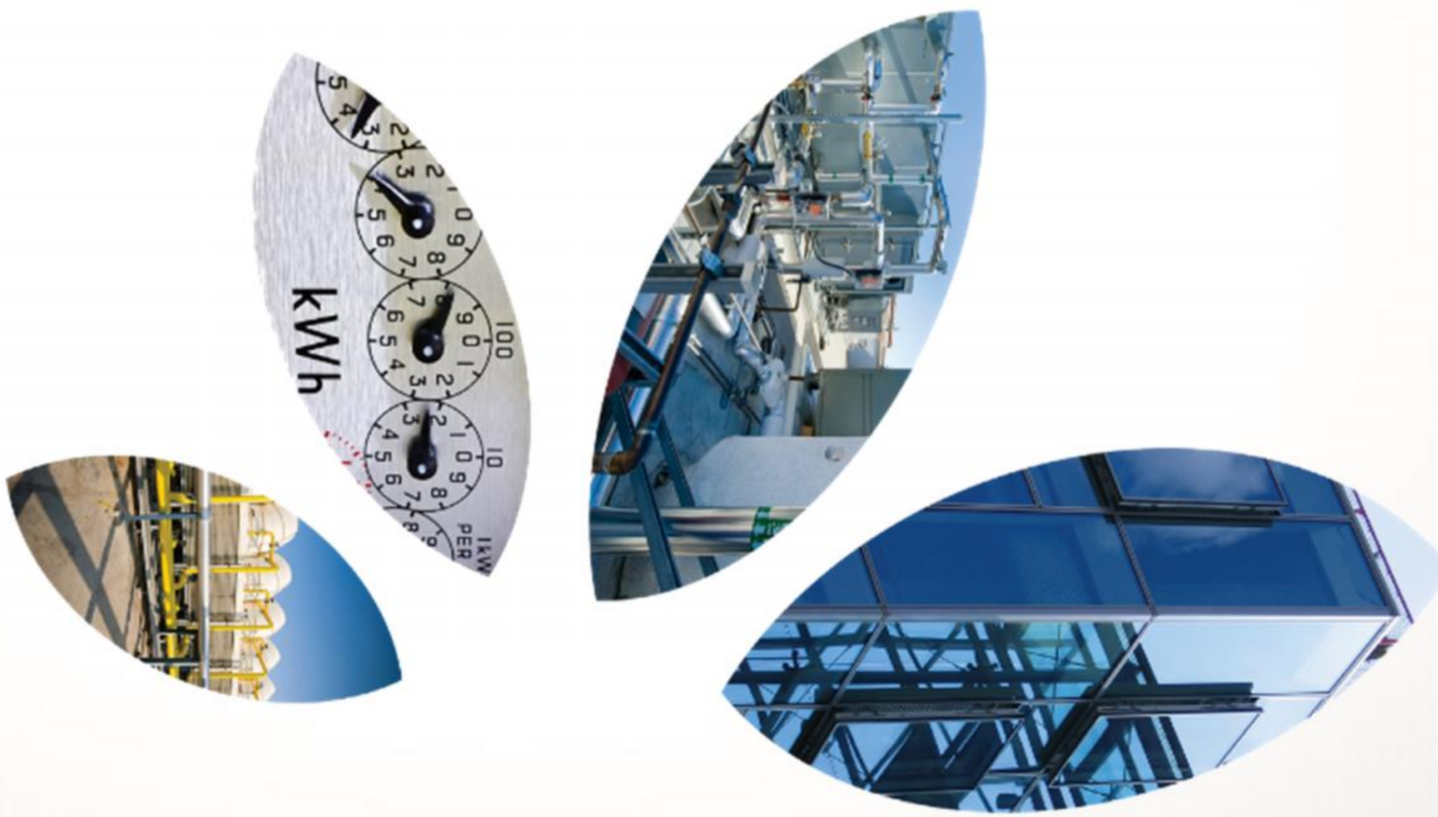
PRELIMINARY ANNUAL REPORT 2015

Year Ended 30 June 2015

Ecosave Holdings Limited ABN 77 160 875 016



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Year Ended 30 June 2015

ecosave

Chairman's Letter

Chairman's Letter

Fellow shareholders,

I am pleased to introduce Ecosave's Preliminary Annual Report for 2015.

The past year has witnessed a 47 percent increase in revenue across Ecosave's operations globally, from FY14 $14.9M to FY15 $21.9M. We have continued to shift from a project-based company to one that builds annuity revenues through our innovative Ecosave Service Agreements (ESAs) and have continued to invest in growth across all our markets, including the highly prospective North American market.

Ecosave completed a capital raise in December 2014 raising US$5mil ($A6mil) in the US to accelerate our growth strategy in the North American market. During the second half of the FY, a number of growth investments have been made. Such as a new North American HQ fitted and occupied and Ecosave Efficiency doubling its global salesforce, from 5 to 10 Business Development Managers. As expected, this additional investment in future growth has resulted in a loss for the current reporting period. However, our losses have reduced from FY14 ($5.2M) to FY15 ($1.9M). The strategic transitions we have made continue to build a platform for the company's sustainable and profitable future growth.

Projects to Annuities

Since I established the Ecosave business in 2002 until 2012, we have been primarily a project-based company that saves businesses and organisations money by reducing their energy consumption. During that period, we developed leading expertise in holistic energy and water conservation solutions and services. Despite being profitable for all eleven of those years, the project based nature of the business created significant variations in revenue and profitability. The lack of ongoing contracted revenue streams made revenues and profits very difficult to forecast.

To overcome these challenges, Ecosave developed the concept of "Energy Efficiency as a Service" and delivered that as a market offering in the form of the Ecosave Service Agreement (ESA). From a client's perspective, ESAs are a way of guaranteeing energy savings that more than cover Ecosave's service fee. From Ecosave's perspective, ESAs give us guaranteed annuity income - contracts signed to date have been of up to 15 years in duration. They also give us new revenue streams such as equipment maintenance services, interest income, contract management fees and long-term Utility Management service contracts.

Our gathering transition into an annuity revenue business is evidenced by our having already signed fifteen (15) ESAs across the three countries in which we operate. We consider this a great achievement.

Industry Update

It is an exciting time in the energy efficiency industry internationally, and the Directors of Ecosave believe that the demand for energy conservation services is likely to grow as energy prices continue to place pressure on the cost of doing business.

Since Ecosave's entry into the North American market in 2013, we have seen continued strength in the US economy and interest in our energy efficiency services continues to outpace our capacity to scope and deliver solutions. We have seen the profile of energy efficiency continue to increase in both the Government and Private sectors. One example of this is the new US Federal Government target of reducing CO_2 emissions from stationary power generation by 30%.

Australian Operations

Ecosave's Australian operations recorded a 64% increase in revenue and a profit before tax of $0.9 mil. This is a significant increase on the prior period.

The energy efficiency market in Australia has experienced growth over the last year and following a change in Government in Victoria, reinstatement of the suspended Efficient Government Buildings Program is being considered. The New South Wales Government's Energy Efficiency Action Plan continues to build momentum. Ecosave continues to be shortlisted to tender for these projects and recently secured a $2.63 mil Energy Performance Contract (EPC) for the NSW Department of Education and Communities (DEC).

Demand for energy efficiency services is increasing in the New Zealand market. In 2013 Ecosave became a member of the Energy Efficiency and Conservation Authority's panel to access energy efficiency funding support for projects. During 2014 Ecosave leveraged this arrangement to develop a significant pipeline of projects across New Zealand and further invested in this market in 2015.

North American Operations

In July 2013 Ecosave acquired a Philadelphia, PA, US based building controls company, DVL Automation (DVLA). DVLA's building controls skill sets, and the software tools they have developed to better identify energy wastage in buildings, are allowing Ecosave to achieve 5-10 % more savings for our clients than previously delivered.

The company has been re-named Ecosave Automation, and we have expanded their expertise and services to the Australian market so that Ecosave can offer our Australian clients an energy efficiency building controls solution that we believe to be unique – achieving savings that were previously beyond our reach.

Our US operations include the Ecosave Efficiency business (Ecosave Inc.), utilising the expertise of our Australian team to deliver Guaranteed Energy Savings outcomes in Eastern US. Although this business posted an expected loss for FY2015, we continue to secure contracts and with a significantly expanded sales team, new opportunities continue to develop.

Ecosave has also further developed its new Utility Management business unit. Our analytics package provides automated analysis and optimisation of energy consumption by combining Building Management System data, meter data, weather data and other operational data into a single database that provides useable information. The customisable rules applied to this database produce actionable items for facility management.

Ecosave Watch has a currently limited, but growing capability, to automate remote adjustment in building operations to save energy without human intervention. The power of analytics and automated response is its scalability through software, and not people, hence, scale can be achieved without significantly increasing overhead costs. The service promotes the development of long term client relationships and builds Ecosave's annuity income stream.

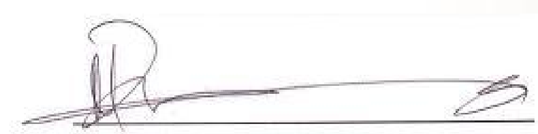
Growth

Ecosave continues to pursue a strategy of fast growth, as evidenced by our FY14 32% and FY15 47% revenue growth. Our extensive growth plans involve increasing our offerings to cover every piece of the energy services puzzle, in every market in which we operate and to continue building the number of Ecosave Service Agreements on our books.

The capital raise completed in December 2014 has allowed further investment in business development capability to capture the large quantum of opportunities identified in the first 24 months of Ecosave Inc. operations.

The Company sees the bulk of its growth prospects in the US and hence has made a determination to focus most of its resources on its US operations going forward. This is one of the reasons the Company has applied to the ASX to de-list from the official list of the ASX. A subsequent ordinary resolution of shareholders approved the request for removal of the Company from the official list of the ASX no earlier than one month after shareholder approval was obtained.

I would like to thank our Board and Senior Management team for their insight and dedication, and our staff for their ongoing energy and expertise which has helped us move the business through these transitions and position us for the future.



Marcelo J Rouco
Chairman

APPENDIX 4E

Appendix 4E – Preliminary Final Report
Results for Announcement to the Market

1. Reporting period

- The current reporting period is the financial year from 1 July 2014 to 30 June 2015
- The prior comparative reporting period is the financial year from 1 July 2013 to 30 June 2014
- The financial reports for the current and prior financial years have been prepared in accordance with AIFRS.
- The financial reports are prepared in Australian dollars.

2. Results for announcement to the market

	2015 $000	2014 $000	% Change
Revenue from ordinary activities	21,900	14,881	47.2%
Loss Before Tax from Trading Activities	(1,752)	(4,388)	60.0%
Listing, Compliance, Board and Corporate Costs	(138)	(762)	
Total Loss Before Tax	(1,890)	(5,150)	
Less Income Tax	(681)	1,418	
Loss after tax	(2,571)	(3,732)	31.1%
Add Other Comprehensive Income	1,269	(276)	
Net Total comprehensive loss for the year attributable to owners of the parent entity	(1,302)	(4,008)	67.5%

3. Condensed consolidated income statement

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 June 2015

	Consolidated Group	
	2015	**2014**
	$000	**$000**
Continuing operations		
Sales revenue	21,900	14,881
Cost of sales	(13,065)	(10,253)
Gross profit	8,835	4,628
Other income	93	202
Marketing expenses	(173)	(323)
Occupancy expenses	(1,207)	(806)
Motor vehicle expenses	(429)	(400)
Employee benefits expense	(6,521)	(6,129)
Other expenses	(2,488)	(2,322)
Profit/(loss) from ordinary activities before income tax	**(1,890)**	**(5,150)**
IPO and ASX listing costs	-	-
Profit/(loss)before income tax	**(1,890)**	**(5,150)**
Less income tax (expense)/benefits	(681)	1,418
Profit/(loss) after tax for the year attributable to owners of the parent entity	**(2,571)**	**(3,732)**
Other comprehensive income (items that may be reclassified subsequently to profit or loss)		
Exchange differences on translation of foreign operations	1,269	(276)
Income tax on items of other comprehensive income	-	-
Total comprehensive loss for the year attributable to owners of the parent entity	**(1,302)**	**(4,008)**

Revenue

REVENUE AND OTHER INCOME

	Consolidated Group	
	2015	**2014**
	$000	**$000**
Revenue		
Sales revenue	21,900	14,881
Other revenue		
Interest received	31	75
Rental income		8
Profit on sale of non-current assets	19	23
Others	43	96
Total other revenue	93	202
Total revenue	**21,993**	**15,083**

Expenses

	Consolidated Group	
	2015	**2014**
	$000	**$000**
Employee benefits expense		
Salaries	6,144	5,108
Superannuation	191	269
Provision for employee entitlements	(22)	(17)
Share-based payments	27	19
Other employee benefit expenses	181	750
	6,521	6,129
Depreciation and amortisation		
Depreciation	492	351
Amortisation of Development costs	23	11
	515	362
Other Expenses		
Rental expenses on operating leases	551	426
Other Expenses	1,794	1,534

4. Condensed consolidated balance sheet

	Consolidated Group	
	2015	**2014**
	$000	**$000**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,846	3,337
Trade and other receivables	6,361	4,126
Inventories	300	266
Other current assets	1,258	553
TOTAL CURRENT ASSETS	**11,765**	**8,282**
NON-CURRENT ASSETS		
Property, plant and equipment	2,345	940
Investments in Associate	26	5
Deferred tax assets	1,695	2,013
Goodwill	4,073	3,310
Intangible assets	477	223
Other non-current assets	339	423
TOTAL NON-CURRENT ASSETS	**8,955**	**6,914**
TOTAL ASSETS	**20,720**	**15,196**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	6,217	4,941
Borrowings	1,597	16
Current tax liabilities	125	347
Provisions	263	321
Other Current Liabilities	750	607
TOTAL CURRENT LIABILITIES	**8,952**	**6,232**
NON-CURRENT LIABILITIES		
Borrowings	510	1,340
Provisions	23	22
TOTAL NON-CURRENT LIABILITIES	**533**	**1,362**
TOTAL LIABILITIES	**9,485**	**7,594**
NET ASSETS	**11,235**	**7,602**
EQUITY		
Issued capital	13,898	8,946
Reserves	1,279	10
Retained earnings	(3,942)	(1,354)
TOTAL EQUITY	**11,235**	**7,602**

5. Condensed consolidated statement of cash flows

	Consolidated Group	
	2015	**2014**
	$000	**$000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	22,626	16,423
Payments to suppliers and employees	(25,885)	(17,098)
Interest received	31	75
Finance costs	(117)	(99)
Income tax paid	(438)	(586)
Net cash provided by operating activities	(3,783)	(1,285)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,484)	(300)
Payment for Acquisition of business	-	(2,717)
Net cash (used)/provided by investing activities	(1,484)	(3,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	6,122	4,096
Payment for share issue costs	(447)	(386)
Buy back of shares	(774)	(4)
Proceeds from borrowings	379	(443)
Dividends Paid	-	(1,087)
Net cash (used in)/provided by financing activities	5,280	2,176
Effect of Exchange rate changes on cash	496	(126)
Net (decrease)/ increase in cash held	509	(2,252)
Cash and cash equivalents at beginning of financial year	3,337	5,589
Cash and cash equivalents at end of financial year	**3,846**	**3,337**
Cash and Cash Equivalents		
Cash at bank and on hand	3,846	2,973
Short-term bank deposits	-	364
	3,846	**3,337**

6. Dividends

Amount per security		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
		cents	cents	cents
Final dividend	2015	-	-	-
	2014	-	-	-

Total Dividends on all security for the year

	2015	2014
	$000	$000
Ordinary securities	-	1,087
Total	**-**	**1,087**

7. Dividend reinvestment plans

The company introduced a dividend reinvestment plan (DRP) on 21 August 2013. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares in the Company, without transaction costs. A shareholder can elect to participate in or terminate their participation in the DRP at any time.

8. Retained earnings

Statement of Retained Earnings Showing Movements		
	2015	**2014**
	$000	**$000**
Balance at the beginning of the year	(1,371)	3,448
Net profit attributable to members of the parent entity	(2,571)	(3,732)
Dividends	0	(1,087)
Balance at the end of the year	(3,942)	(1,371)

9. Net tangible assets

	2015	2014
Net tangible assets per share	$0.08	$0.07

10. Details of entities over which control has been gained or lost

Not Applicable

11. Details of associates and joint venture entities

On 17 September 2014, the Group obtained a 49% interest in the associated Australian based entity Ecosave Services PTY LTD.

12. Other significant information

None to report. Refer to the accompanying Chairman's Letter, dated 21 August 2015, for further information.

13. Accounting standards

The accounting standards used in compiling the financial report are the Australian Equivalents to International Financial Reporting Standards (AIFRS). The Group includes subsidiary entities in Australia, New Zealand and the United States. The financial information of all subsidiaries included in the consolidated financial report reflects application of AIFRS and thus accounting treatment is consistent across the Group.

Compliance with AIFRS ensures that the financial statements and notes of the Group and the Company comply with International Financial Reporting Standards (IFRS) and the Corporations Act 2001.

14. Results for the period

Earnings per security

Earnings per share	2015 cents	2014 cents
Basic earnings per share (cents)	(0.09)	(0.13)
Diluted earnings per share (cents)	(0.09)	(0.13)

	Number	Number
Weighted average number of ordinary shares outstanding	29,508,933	28,423,247

Returns to shareholders

Not Applicable

Significant features of operating performances

Refer to the accompanying Chairman's Letter, dated 21 August 2015, for further information.

Segment results

	Australia	North America	Eliminations	Ecosave Group
Revenue				
External Sales	10,903	10,997	-	21,900
Less Cost of Sales	5,939	7,126	-	13,065
Reults-Business gross margin	4,964	3,871	-	8,835
Finance Cost	104	73		177
Income (Loss) before tax from ordinary activities	851	(2,742)	-	(1,891)
Tax Expense (benefit)	257	423		680
Income (Loss) after income tax benefit	594	(3,165)	-	(2,571)

	Australia	North America	Eliminations	Ecosave Group
ASSETS				
Current Assets	6,183	5,582		11,765
Non-current assets	12,493	1,151	(4,689)	8,955
Total Assets	18,676	6,733	(4,689)	20,720
LIABILITIES				
Current Liabilities	4,477	4,475	-	8,952
Non-current liabilities	272	262	-	534
Total Liabilities	4,749	4,737	-	9,486
Net Assets	13,927	1,996	(4,689)	11,234

Trends in performance

Refer to the accompanying Chairman's Letter, dated 21 August 2015, for further information.

15. Status of audit

The report is based on accounts to which one of the following applies;

- The accounts are in the process of being audited or subject to review

16. Description of any likely audit dispute or qualification

Not Applicable.