1. Organisation and scope of activity

Enemona AD (the "Parent company") was initially registered as a partnership company in 1990 and in 1994 the Parent-company was registered as a joint-stock company. The address of the Parent-company according to the court registration is at the city of Kozlodui, PanaoitHitov 1A. The Parent-company is a public entity and its shares are registered at the Financial Supervision Commission in order to be traded at the Bulgarian Stock Exchange. As of September 30, 2014 and December 31, 2013 the major shareholder of Enemona AD is DichkoProkopievDichkov. There have been no changes in the legal status of the Parent company during the current financial year.

The scope of activity of the Parent Company is construction works, which includes all stages from design to assembly and construction.

As of September 30,2014the following subsidiaries of the Parent company have been included in the consolidation:

		Interest	
Company	Description of activities	As of30.09.2014	As of31.12.2013
Enemona Utilities AD	Trade in electrical power	92.25%	92.25%
FEEI ADSIP	Special investment purpose company – securitization of receivables	51.11%	88.20%
Pirin Power AD	Design and construction of energy projects	84.00%	84.00%
FINI ADSIP	Special investment purpose company – purchase of real estate	69.23%	69.23%
Hemus gas AD	Construction of compressor stations	50.00%	50.00%
Esko engineering AD	Heating and air conditioning projects	99.00%	99.00%
TFETS Nikopol EAD	Construction of electric power station	100.00%	100.00%
Nevrokop gas AD	Trade in gas	-	90.00%
EMKO AD	Construction contracts	77.36%	77.36%
Regionalgas AD	Gasification projects	50.00%	50.00%
PPPMladenovo EOOD	Prospecting, design, constructionandassembly, commissioning, reparation, servicingandengineeringworks	100.00%	100.00%
Artanes Mining Group AD	Exploration of mineral resources	90.00%	90.00%

At 16 April 2014 completed the increase of the capital of subsidiary FEEI ADSIP. The subscribed and paid number of shares are 562 704. The amount received is 1,013 EUR thousand.

2. Accounting policy

2.1 General financial reporting framework

These consolidated financial statements are prepared in all material respects in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations, issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union (the "EU") and applicable in the Republic of Bulgaria.

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

Changes in IFRS

Standards and Interpretations effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- **IFRS 13 "Fair Value Measurement"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013),

- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, adopted by the EU on December 11, 2012(effective for annual periods beginning on or after January 1, 2013),

- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Government Loans, adopted by the EU on March 4, 2013 (effective for annual periods beginning on or after January 1, 2013),

- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** - Offsetting Financial Assets and Financial Liabilities, adopted by the EU on December 13, 2012 (effective for annual periods beginning on or after January 1, 2013),

- **Amendments to IAS 1 "Presentation of financial statements"**– Presentation of Items of Other Comprehensive Income, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after July 1, 2012),

- **Amendments to IAS 12 "Income Taxes"** – Deferred Tax: Recovery of Underlying Assets, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013),

- **Amendments to IAS 19 "Employee Benefits"**– Improvements to the Accounting for Post-employment Benefits, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after January 1, 2013),

- **Amendments to various standards "Improvements to IFRSs (cycle 2009-2011)"** resulting from the annual improvement project of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording, adopted by the EU on March 27, 2013 (amendments are to be applied for annual periods beginning on or after January 1, 2013),

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013).

The adoption of these amendments to the existing standards has not led to any changes in the Group's accounting policies.

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

Changes in IFRS (continued)

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these consolidated financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **IFRS 10 "Consolidated Financial Statements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014),
- **IFRS 11 "Joint Arrangements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014),
- **IFRS 12 "Disclosures of Interests in Other Entities"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014),
- **IAS 27 (revised in 2011) "Separate Financial Statements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014),
- **IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"**– Transition Guidance, adopted by the EU on April 4, 2013 (effective for annual periods beginning on or after January 1, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 (revised in 2011) "Separate Financial Statements"**– Investment Entities, adopted by the EU on November 20, 2013(effective for annual periods beginning on or after January 1, 2014),
- **Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on December 13, 2012** (effective for annual periods beginning on or after January 1, 2014),
- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on December 19, 2013 (effective for annual periods beginning on or after January 1, 2014),
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on December 19, 2013 (effective for annual periods beginning on or after January 1, 2014).

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

Changes in IFRS (continued)

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use in EU as at date of publication of these consolidated financial statements:

- **IFRS 9 "Financial Instruments" and subsequent amendments** (effective date was not yet determined),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after July 1, 2014),
- **Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)"** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after July 1, 2014),
- **Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after July 1, 2014),
- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after January 1, 2014).

The Group anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the consolidated financial statements of the Group in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the Group's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments:Recognition and Measurement", would not significantly impact the consolidated financial statements, if applied as at the reporting date.

2.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments and the deemed cost of buildings on the first time adoption of IFRS.

These consolidated financial statements have been prepared on accrual basis and the going concern assumption.

3. Critical accounting estimates and main sources of uncertainty at making accounting assumptions

3.1. Revenue and expenses under construction contracts

The Group classifies as construction contract each contract in which it is specifically agreed that the construction of an asset or a number of assets, which are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contract revenue is measured at the fair value of the consideration received or receivable. Contract costs include all direct costs, attributable to the contract. Costs that are not attributable to the contract such as administrative expenses and selling costs are recognized during the reporting period regardless of the stage of completion of the contract.

When the result of a construction contract can be reliably measured, contract revenue and expenses are recognized by reference to the stage of completion of the contract as of the date of the statement of financial position, calculated as a ratio between the up-to-date contract expenses and the expected total amount of expenses under the contract. Expected loss under the construction contract is recognized as expense in the statement of comprehensive income.

Changes in construction works, payment of claims and incentives are recognized to the amount to which it is probable that they will lead to income realization and they can be reliably measured.

When the outcome of a construction cost cannot be reliably measured, contract revenue is recognized to the extent of contract costs incurred, if it is probable that they will be recovered by the customer.

3.2. Impairment of non financial assets

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, whereas the recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between informed, knowledgeable, willing parties, less the costs of disposal. Value in use is based on the discounted cash flow model. The cash flows are determined on the budget estimates for the next five years. Recoverable amount depends on the discount factor used in the discounted cash flow model and on the expected future cash flows, as well as on the growth assumption.

3.3. Impairment of financial assets

Impairment of financial assets is determined based on the expected future cash flows discounted at the initial effective interest rate. When determining the expected future cash flows, the Group analyzes the financial capabilities of its debtors and the expected period for receiving the cash flows.

3.4. Useful life of property, plant and equipment and intangible assets

Another key sources of estimation uncertainty include estimation of useful lives of property, plant and equipment and intangible assets. During the second quarter 2014 there are no circumstances that may trigger a change in the estimated useful lives of these assets.

3. Critical accounting estimates and main sources of uncertainty at making accounting assumptions (continued)

3.5. Economic environment

In the шгсиа quarter of 2014 and during 2013 year as a result of the global financial crisis, a decrease in the economic development of the Bulgarian economy is perceived which affects a wide range of industrial sectors. This leads to noticeable aggravation of cash flows; decline in income and as a result to substantial worsening of the economic environment in which the Group operates. In addition the entity is exposed to significantly higher price, market, credit, liquidity, interest, operating and other risks. As a result, uncertainty for the ability of clients to settle their liabilities in accordance with contracted terms increases.

Therefore, the amount of impairment losses on loans granted, receivables from clients, and the value of other accounting estimates in subsequent periods could substantially differ from those determined and recorded in this separate financial statements. The management of the Group applies all necessary procedures to control these risks.

All amounts are in thousand Bulgarian Levs, except otherwise stated

4. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost							
JANUARY 1, 2013	6,158	27,468	6,747	9,586	3,092	6,496	59,547
Additions	-	-	1,204	3	237	112	1,556
Transfers	-	-	-	-	-	-	-
Disposals	-	(4,919)	(265)	(1,705)	(18)	(1)	(6,908)
Reclassified to held for sale	(358)	(5,780)	(1,883)	(2,232)	(3)	-	(10,256)
DECEMBER 31, 2013	5,800	16,769	5,803	5,652	3,308	6,607	43,939
Additions	-	-	112	-	57	7	176
Transfers	-	-	1	-	-	1	2
Disposals	-	(3,376)	(211)	(79)	(163)	(1)	(3,830)
SEPTEMBER 30, 2014	5,800	13,393	5,705	5,573	3,202	6,614	40,287
Accumulated depreciation							
JANUARY 1, 2013	-	3,040	4,265	4,249	2,025	168	13,747
Depreciation charge	-	539	715	639	292	-	2,185
Impairment	-	(1,004)	(152)	(490)	(14)	-	(1,660)
Disposals	-	-	5	-	-		5
Reclassified to held for sale	-	(679)	(681)	(1,226)	(1)		(2,587)
DECEMBER 31, 2013	-	1,896	4,152	3,172	2,302	168	11,690
Depreciation charge	-	237	429	311	209	-	1,186
Disposals	-	(574)	(193)	(59)	(143)	-	(969)
SEPTEMBER 30, 2014	-	1,559	4,388	3,424	2,368	168	11,907
Net book value							
DECEMBER 31, 2013	5,800	14,873	1,651	2,480	1,006	6,439	32,249
SEPTEMBER 30, 2014	5,800	11,834	1,317	2,149	834	6,446	28,380

4.1 Investment property

During the third quarter of 2014 the Group signed a preliminary agreement for purchase of land at the amount of BGN 6,843 thousand, situated at the Port of Lom, under which the process of transfer of ownership is ongoing. The payable of the Company under the transaction will be offset against receivables of the Company from the seller. The Company has classified the land as investment property held with the purpose of realizing capital gain.

All amounts are in thousand Bulgarian Levs, except otherwise stated

5.1. Intangible assets

	Title of property	Software	Total
Cost			
JANUARY 1, 2013	1,491	287	1,778
Disposals	-	-	-
Reclassified to held for sale	(30)		(30)
DECEMBER 31, 2013	1,461	287	1,748
Additions		19	19
Disposals	-	(40)	(40)
SEPTEMBER30, 2014	1,461	266	1,727
Accumulated amortization			
JANUARY 1, 2013	899	232	1,131
Charged for the period	64	21	85
Disposals	-	-	-
Reclassified to held for sale	(4)		(4)
DECEMBER 31, 2013	959	253	1,212
Charged for the period	45	8	53
Disposals		(18)	(18)
SEPTEMBER 30, 2014	1,004	243	1,247
Net book value			
DECEMBER 31,2013	502	34	536
SEPTEMBER30, 2014	457	23	480

5.2. Exploration and evaluation assets

Exploration and evaluation assets represent capitalized expenditures on energy project LomLignites. The project is related to obtaining concession for lignite production from Lom Lignite field.

The project LomLignites started in October 2007 with a contract for prospecting and exploration between Enemona AD and Ministry of economy and energy. As of September 30, 2014 and December 31, 2013exploration and evaluation assets amount to BGN 1,674 thousand. As of these dates the Group has not charged amortization of the assets as the technical feasibility and commercial viability of the project are not demonstrable.

As of September 30, 2014 and December 31, 2013the Group estimated that there are no indications for impairment of the exploration and evaluation assets and no impairment has been charged.

6. Investments in associates

As of September 30, 2014 and December 31, 2013 the Group has an investment in associate Alfa EnemonaOOD which is valued at BGN 4 thousand, whereas the share in the investment's equity is 40%.

In these consolidated financial statements the investments in associated companies are presented using the equity method, considering the share of profit and loss of the associated companies.

All amounts are in thousand Bulgarian Levs, except otherwise stated

7. Current and non-current loans and receivables

Current and non-current loans and receivablesas of September 30,2014 and December 31, 2013are as follows:

Non-current loans and receivables	As of 30.09.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group	3,992	19,410
Receivables related to securitization with counterparties outside the Group	12,465	1,211
Cession receivables	1,669	3,268
Loans granted to non related parties	1,021	1,082
Loans granted to employees	12	10
Other assets	(952)	(1,101)
TOTALNON-CURRENT LOANS AND RECEIVABLES	18,207	23,880
Impairment of loans granted to employees	(597)	(597)
TOTALNON-CURRENT LOANS AND RECEIVABLES, NET	17,610	23,283

Current loans and receivables	As of 30.09.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group	8,654	7,846
Receivables related to securitization with counterparties outside the Group	2,827	2,088
Cession receivables	1,526	3,135
Loans granted to non related parties	11,556	15,086
TOTALCURRENT LOANS AND RECEIVABLES	24,563	28,155
Impairment of loans granted to non related parties (note 27.1)	(1,030)	(3,782)
TOTALCURRENT LOANS AND RECEIVABLES, NET	23,533	24,373

Receivables on ESCO contracts of the Group represent receivables on contracts for engineering performance with guaranteed result (ESCO contracts), under which the engineering activities are performed by the Group and deferred payment has been negotiated.

Receivables related to securitization represent receivables, acquired under cession contracts with companies not in the Group.

As of 30September 2014 and 31 December 2013 cession receivables comprise present value of the transferred receivable to local company.

Loans granted to related parties, non related parties and employees are not secured and have interest rate of 6% to 10%.

All amounts are in thousand Bulgarian Levs, except otherwise stated

7. Current and non-current loans and receivables(continued)

The movement of the impairment allowance is presented below:

	As of 30.09.2014	As of 31.12.2013
Balance at the beginning of the year	4,379	4,379
Reversed impairment of current loans and receivables	(2,752)	-
Balance at the end of the year	1,627	4,379

8. Inventories

	As of 30.09.2014	As of 31.12.2013
Materials	9,398	8,561
Finished goods	1,507	1,452
Goods	-	11
Work in progress	1,067	156
TOTAL	11,972	10,180

9. Trade and other receivables

	As of 30.09.2014	As of 31.12.2013
Receivables from customers	48,811	53,016
Advances to suppliers	18,814	6,116
Retentions	7,040	9,034
Advances to employees	299	328
Receivables from related parties	1	1
Other receivables	3,239	4,688
TOTAL TRADE AND OTHER RECEIVABLES	78,204	73,183
Impairment of receivables from customers	(3,922)	(5,870)
TOTAL TRADE AND OTHER RECEIVABLES, NET	74,282	67,313

The movement of the allowance for impairment of uncollectable receivables is presented below:

	As of 30.09.2014	As of 31.12.2013
Balance at the beginning of the year	5,870	5,936
Recognized loss from impairment of receivables	4	57
Reversal of impairment from prior periods	(1,952)	(123)
Balance at the end of the year	3,922	5,870

When determining the recoverability of the receivables the Group considers the changes in the credit risk of the trade and other receivables as of the date of origination until the end of the reporting period.

All amounts are in thousand Bulgarian Levs, except otherwise stated

10. Cash

	As of 30.09.2014	As of 31.12.2013
Cash at banks	414	767
Restricted cash at bank	121	220
Cash in hand	218	452
TOTAL CASH IN HAND AND AT BANKS	753	1,439

As of September 30, 2014 and December 31, 2013 restricted cash represents cash in bank account restricted as a collateral under issued guarantees.

For the consolidated cash flow statement purposes restricted cash is not included in cash.

11. Issued share capital and reserves

Issued share capital includes:

	As of 30.09.2014	As of 31.12.2013
Ordinary shares – note 11.1	11,934	11,934
Preferred shares – note 11.2	1,103	1,103
TOTAL SHARE CAPITAL	13,037	13,037
Premiums from share issuance – note 11.3	8,739	8,739
TOTAL ISSUED SHARE CAPITAL	21,776	21,776

11.1. Ordinary shares

	As of 30.09.2014	As of 31.12.2013
Number of shares	11,933,600	11,933,600
Nominal value per share in BGN	1	1
SHARE CAPITAL – ORDINARY SHARES	11,934	11,934

The share capital of ordinary shares is fully paid in as of September 30,2014 and December 31, 2013. Group's share capital includes in-kind contribution in the form of titles of property over three combined trademarks, with fair value to the amount of BGN 1,400 thousand obtained through independent appraiser's report. Titles of property are presented as intangible assets (see note 5above).

Enemona AD is registered as a public company and its shares are traded on the Bulgarian Stock Exchange.

11.2. Preferred shares

On April 2, 2010 the Financial Supervision Commission registered for trading on a regulated market the issuance of the Parent-company's preferred shares. The issue is realized in the amount of BGN 1,103 thousand, divided into 1,102,901 preferred shares without voting rights with a guaranteed dividend, guaranteed liquidation share portion, convertible into ordinary shares in March 2017 with a nominal value of BGN 1 each. The preferred shares carry out a guaranteed cumulative dividend of BGN 0.992 per share over the next 7 years.

All amounts are in thousand Bulgarian Levs, except otherwise stated

11. Issued share capital and reserves (continued)

11.2. Preferred shares (continued)

Upon initial recognition the Parent-company has accounted for the issued preference shares as compound financial instrument and has distanced a financial liability in respect to the obligation for dividends' payment, and the residual value is recorded as an increase in equity. The total value of funds received is distributed as follows:

	Upon initial recognition	As of 31.12.2013	As of 30.09.2014
Preferred shares –par value	1,103	1,103	1,103
Premiums from share issuance	5,425	5,425	5,425
Financial liability on preferred shares	4,412	2,619	2,097
Dividend payables on preferred shares	-	2,199	2,399
TOTAL CASH RECEIVED	10,940	11,346	11,024

11.3. Premiums from share issuance

	As of 30.09.2014	As of 31.12.2013
Balance as of January 1	8,739	8,739
Premiums from preferred shares issuance	-	-
Balance as of September 30	8,739	8,739

11.4. Reserves

Group's reserves represent legal reserves and are formed based on decision of the shareholders. Legal reserves could be used to cover accumulated losses or for capital increase.

12. Loans

Loans received by the Group as of September 30, 2014 and December 31, 2013are as follows:

	As of 30.09.2014	As of 31.12.2013
Borrowings from financial institutions	86,982	91,222
Borrowings from not related parties	611	2,146
Borrowings from related parties	25	-
TOTAL	87,618	93,368

12.1 Maturity of the loans

The loans received by the Groupaccording to their contracted repayment term are as follows

	As of 30.09.2014	As of 31.12.2013
Up to one year	72,916	86,643
Over 1 year	14,702	6,725
TOTAL LOANS	87,618	93,368

All amounts are in thousand Bulgarian Levs, except otherwise stated

12. Loans (continued)

12.2 Borrowings from financial institutions

Borrowings from financial institutions, received by the Group as of September 30,2014 and December 31, 2013are as follows:

		As of 30.09.2014	As of 31.12.2013
Credit lines – SG Expressbank	(a)	16,990	18,296
Investment loans – DSK Bank	(b)	9,641	10,227
Credit lines – UniCreditBulbank	(c)	19,019	19,199
Investment loans – UniCreditBulbank	(d)	1,693	2,087
Overdraft – UniCreditBulbank	(e)	1,955	1,955
Credit line – ING Bank	(f)	6,188	7,507
Credit line – MKBUnion Bank	(g)	197	1,181
Overdraft - Investbank	(h)	10,872	4,409
Investment loans – European Bank for Reconstruction and Development (EBRD)	(i)	14,224	17,502
Credit line – Eurobank EFG	(j)	2,026	2,275
Credit line – International Asset Bank	(k)	3,339	2,772
Credit line – Alpha bank	(l)	-	1,196
Credit line – D bank	(m)	-	1,412
Corporate Credit card – UniCreditBulbank	(n)	2	2
Financial institutions (non-bank)		836	1,202
TOTAL LOANS FROM FINANCIAL INSTITUTIONS		86,982	91,222

The main parameters of borrowings from financial institutions are as follows:

(a) In May 2010 the Group has received a revolving loan from SG Expressbank at the amount of EUR 15,325 thousand to finance a project for cabling and installing of monitoring and measurement equipment and automation in Units 3 and 4 of Mochovce Nuclear Power Plant, Slovak Republic. The loan is collaterized by a pledge of receivables under the contract, pledge of materials and equipment. As of September 30, 2014 BGN 13,212 thousand have been utilized.

In July 2011 the Group has signed a contract for financing of construction and assembly activities, at total limited of EUR 5,000 thousand. As of September 30, 2014 the amount of BGN 3,778thousand have been utilized.

(b) Loans from DSK Bank are granted for financing of Group's energy efficiency projects. Limits of the loans are EUR 7,750 thousand and as of September 30, 2014 the Company has utilized BGN 9,641 thousand. In order to secure the loans from DSK Bank the Company has issued a promissory note, pledge of future receivables from customers under financed projects and finance risk insurance.

(c) As of September 30, 2014 the Group has utilized BGN 15,705 thousand under a combined credit line, contracted with UnicreditBulbank. The credit line limit is EUR 8,500 thousand. In order to secure the loans from UnicreditBulbank the Company has established a mortgage of land and buildings and pledge of present and future receivables from a customer.

12. Loans (continued)

12.2 Borrowings from financial institutions (continued)

(c) The Group has received four combined credit lines from UniCreditBulbank AD to finance specific contracts, secured by present and future receivables from contracting parties under those contracts. The main parameters of the credit lines are as follows:

- Total amount of EUR 297 thousand of which EUR 250 thousand - for working capital. The amount is fully repaid as of September 30, 2014
- Total amount of EUR 600 thousand, of which EUR 500 thousand - for working capital. The amount utilised as of September 30, 2014is BGN 731 thousand.
- Total amount of BGN 2,910 thousand Levs, of which BGN 2,500 thousand – for working capital. The amount utilised as of September 30, 2014 is BGN 1,887 thousand
- Total amount of BGN 2,100 thousand, of which BGN 2,000 thousand – for working capital. The amount utilised as of September 30, 2014 is BGN 696thousand.

(d) The Group has received an investment loan from UnicreditBulbank for the purchase of the office building of the Group in Sofia. As of September 30, 2014 the utilized amount is BGN 1,693housand. The loan has been secured by a mortgage on the building and its surrounding land.

(e) Overdraft loan from UniCreditBulbankis granted with the limit of EUR 1,000 thousand. The Loan has been granted for working capital purpose and is secured by pledge of future receivables, cash and production equipment. As of September 30, 2014 BGN1,955thousand has been utilized.

(f) The Group has received a combined credit limit from ING Bank at the amount of BGN 17,800 thousand, of which as of September 30,2014 BGN 6,188 thousand has been utilized in the form of credit lines and overdraft. The Group has pledged as collateral present and future receivables from customers, mortgage on property belonging to the Group and has been issued a promissory note in favor of the Bank.

(g) On 28 March 2012 the Group signing a new contract for new combined credit lines from MKB Unionbankwith credit limit EUR 4,800 thousand. As of September 30, 2014 the utilized amount is BGN 197 thousand. The loan is granted from same contract receivables.

(h) The Group has received a credit facility for working capital financing and bank guarantee issue from Investbank AD at the amount of BGN 22,532 thousand as an overdraft and credit line. As of September 30, 2014 the Group has utilized BGN 10,872thousand, securing working capital needs for the execution of a certain contracts. The frame is secured by pledge on land, current and future receivables from customers, owned by the Company and a promissory note in favour of the Bank..

(i)) Under a loan contract dated December 21, 2007 with the European Bank for Reconstruction and Development (EBRD) at total amount of EUR 7 million in 2010, 2009 and 2008 the Group received funds at the amount of EUR 1,665 thousand (2010), EUR 2,335 thousand (2009) and EUR 3,000 thousand (2008) for the purpose of financing of completed projects for energy efficiency with guaranteed result (ESCO contracts). As of September 30, 2014 the carrying value of the obligations under this loan 1,396 thousand (2013: 3,847 thousand). In 2012 applicable annual interest rate on the loan is as follows: for the first tranche – 6.45%, for the second tranche– 6.5%. During the period, ending on September, 30 2014 interest payments have been made under contract at the amount of BGN 99 thousand (2013 : 250 thousand) . Principal of the loan will be repaid in equal quarterly installments (23 installments for the first tranche and 21 installments for the second tranche). The loan matures on March 4, 2015. During the period, ending on September, 30 2014 part of the principal has been repaid at the amount of EUR 1,857 thousand (2013:EUR 1,925 thousand).

12. Loans (continued)

12.2 Borrowings from financial institutions (continued)

(i)On March 2, 2012 the Group signed a new contract with EBRD at the total amount of EUR 10 milion. According to the contract provisions the utilization term of the loan is March 3, 2013 and the first utilized amount should be not less than EUR 1,000 thousand. The loan bears a fixed interest rate of 6.50%. The principal is deferred to 25 payments and the first of which is of EUR 1,111 thousand due in March 2013 while the other 24 payments are equal quarter amounts of EUR 370 thousand. The final maturity date for loan repayment is March 4, 2019. Receivables are pledged as a collateral the securitization of which is financed by funds on the loan. Enemona AD is a garrantor under EBRD loan. As of September 30, 2014 the utilized principal amount is EUR 18,033 thousand and due to the utilization deadline expired pursuant the contract terms, the amount of EUR 780 thousand remained not utilized. Therefore the principle amount changes and reflects the repayment schedule.The principle is deferred to 25 payments and the first of which is of EUR 1,024 thousand due in March 2013 while the other 24 payments are equal quarter amounts of EUR 341 thousand In 2014 interest payments at the amount of BGN 462(2013: 796 thousand) and payment of principal at the amount of BGN1,655 (2013: 3,340) were made.

As of September 30,2014 the utilized amount of those loans is BGN 12,828 thousand.

(j) The Group has received from Eurobank EFG a credit line with limit of EUR 1,500 thousand. The utilized amount as of 30September 2014 is BGN 2,026 thousand. The credit is secured from client receivables and goods.

(k) The Group has signed four credit line agreements with International Asset Bank AD for the purpose of financing working capital and the execution of a certain contract. At 28 April 2014, The Group signed credit line for the purpose of financing ESCO contract, the credit limit is at the amount of 3,050 thousand , from which 2,500 thousand are designated for working capital. The total amount of the four credit lines is BGN 8,786 thousand and the utilized amount as of September 30, 2014 is BGN 3,339 thousand. Loans are secured by pledge on receivables on contracts.

(l) On February 26, 2013 the Group has signed an agreement with Alpha Bank AD regarding a new combined credit line for the financing of a certain contract with total amount of EUR 1,667 thousand, of which EUR 1,607 thousand for working capital financing. Loans are secured by a pledge of receivables on certain contract. The amount is fully repaid as of September 30, 2014.

(m) On October 4, 2013 the Group has signed a contract with D Bank AD regarding a new combined credit line for the purpose of financing a specific contract at total size of BGN 2,351 thousand, of which BGN 1,820 thousand for working capital. Loans are secured by a pledge of receivables on certain contract. The amount is fully repaid as of September 30, 2014.

(n) The Group signed a contract with UniCreditBulbank for corporate credit cards with total limit of BGN 100 thousand. As of 30 September 2014 are utilized BGN 2 thousand.

The interest rates on bank loans are floating and are based on the EURIBOR and SOFIBOR with margin.

12. Loans (continued)

12.2 Borrowings from financial institutions (continued)

In relation to the issue of bank guarantees the Company has received credit facilities from BNP Paribas – Sofia branch at the amount of EUR 1,000 thousand. Current and future receivables from customer with maximum amount of EUR 1,000 thousand, goods and materials with obligatory minimum of EUR 1,000 thousand are pledged as collateral and a promissory note is signed in favour of the bank. As of September 30, 2014 and December 31, 2013 the Company has no liabilities on loans related to the credit facility.

The Company has signed loan agreements for issuance of bank guarantee with First Investment Bank AD at the amount of EUR 1,500 thousand. The loan is secured by a pledge on future receivables from customers for which the bank guarantees have been issued. As of September 30, 2014 and December 31, 2012 the Company has no liabilities on loans related to the credit facility.

12.3 Bank loans covenants

According to the terms of the loans, the Group should comply with certain operational and financial covenants.

As of December 31, 2013the Group does not comply with a financial requirement of the bank loan from EBRD. In accordance with the provision of the contract, the breach of the requirement could result in a change in the loan and it may become due upon demand of the creditor and the whole liability may become due in a single payment. As per the provisions this is possible after a request in writing from EBRD. As of the date of the approval of these consolidated financial statements there is no written standpoint from EBRD regarding the consequences from the non-compliance with the requirement.

As of September 30,2014 and December 31, 2013 the loan is presented as a current liability. The Groupis complient with other covenants under other loan agreements.

12.4 Loans from non-related parties

Loans from non-related parties as of September 30, 2014 comprise non-secured loans from Izolko OOD , SIP OOD and EnidaIngenering AD at the amount of BGN 352 thousand, BGN 13 thousand, and BGN 246 thousand, respectively. The loans are with interest rates between 8% and 9% and mature in 2014 as the repayment term may be prolonged with 1 month.

The loans from non-related parties as of December 31, 2013include uncollateralized loans from Izolko OOD andSIP OOD at the amount of BGN1,619thousand and BGN527thousand. The loans bear interest rate between 8% and 9% and maturity in 2013and the terms for repayment could be extended.

All amounts are in thousand Bulgarian Levs, except otherwise stated

13. Financial lease

Part of the tangible fixed assets has been leased under finance lease contract. The average term of the contracts is three years. The average effective interest rate under the finance lease contracts is 7%. The fair value of the lease liabilities of the Group approximates their carrying amount.

	Minimal lease payments		Present value of minimal lease payments	
	As of 30.09.2014	As of 31.12.2013	As of 30.09.2014	As of 31.12.2013
Liabilities under finance lease with maturity:				
Up to 1 year	63	127	62	125
Between 2 and 5 years	55	95	49	87
TOTAL LIABILITIES	118	222	111	212
Less: future finance charges	(7)	(10)	-	-
PRESENT AMOUNT OF LIABILITIES	111	212	111	212

14. Trade and other payables

	As of 30.09.2014	As of 31.12.2013
Payables to suppliers	29,429	23,369
Payables for dividends on preferred shares	2,399	2,199
Payables to employees	3,365	2,386
Payables to social insurance organizations	6,410	4,803
VAT payables	2,119	4,479
Personal income tax liabilities	3,823	2,302
Other payables	4,869	3,254
TOTAL	52,414	42,792

15. Revenue

	Period ended 30.09.2014	Period ended 30.09.2013
Revenue from construction contracts	44,527	60,656
Revenue from sale of electricity	32,368	38,015
Revenue from sale ofcompressed natural gas	1,211	3,439
Revenue from disposal of assets	10,242	678
Revenue from services	228	243
TOTAL REVENUE	88,576	103,031

All amounts are in thousand Bulgarian Levs, except otherwise stated

15. Revenue (continued)

The following table discloses information on construction contracts in progress at the date of the statement of financial position:

	As of 30.09.2014	As of 31.12.2013
Construction costs incurred plus recognized profits (less recognized losses) to date	315,427	285,499
Less: Progress billings	(284,124)	(257,651)
	31,303	27,848
Gross amounts stated in the statement of financial position compriseof:		
Gross amount receivable from customers under construction contracts	34,650	30,342
Gross amount payable to customers under construction contracts	(3,347)	(2,494)
	31,303	27,848

Retentionsheldbycustomers under construction contracts amount to BGN 7,040 thousand and BGN 6,116 thousand as of September 30,2014 and December 31, 2013 , respectively. Advances received from customers under construction contracts amount to BGN 9,974 and BGN 12,065 thousand as of September 30,2014 and December 31, 2013, respectively.

As of September 30,2014 and December 31, 2013 the Group reviewed for objective evidences for impairment of the gross amount due from clients under construction contracts in order to ensure that the carrying amount of the asset does not exceed the present value of the expected future cash flows.

16. Financial income

	Period ended 30.09.2014	Period ended 30.09.2013
Interest income	3,238	4,333
Dividends	113	104
Foreign exchange gains	30	7
Other	188	-
TOTALFINANCIAL INCOME	3,569	4,444

17. Materials and consumables used

	Period ended30.09.20 14	Period ended 30.09.2013
Current value for sold goods	32,898	38,552
Raw material costs:		
Construction materials	10,151	20,503
Current value of assets sold	2,921	1,290
Expenses for instruments	60	248
Electric power	112	228
Fuels	112	217
Spare parts	18	31
Stationery	154	155
TOTAL MATERIALS	13,528	22,672

All amounts are in thousand Bulgarian Levs, except otherwise stated

18. Hired services

	Period ended 30.09.2014	Period ended 30.09.2013
Under construction agreements with subcontractors	11,609	6,609
Services with mechanization	487	1,072
Transportation	1,025	1,377
Legal and consulting services	2,038	1,461
Insurances	694	657
Advertising	13	1
Telecommunications	137	150
Rents	1,860	1,900
Design services	90	536
Heating	15	39
Working permissions and tender documents	4	27
Starting work and control	443	552
Office maintenance cost	175	183
Security	49	31
Translation services	110	100
Courier services	41	85
Other services	153	190
TOTAL HIRED SERVICES	18,943	14,970

During the third quarter of 2014 the Group has reported expenses under an agreement with subcontractors for supply and assembly of equipment under main agreement, performed in Bulgaria at the amount of BGN 3,964 thousand.

19. Employee benefit expenses

	Period ended 30.09.2014	Period ended 30.09.2013
Remunerations	16,912	18,041
Social security and health insurance	2,439	2,877
Food Vouchers	523	751
Compensations	856	157
TOTAL EMPLOYEE BENEFITS EXPENSES	20,730	21,826

20. Other expenses

	Period ended30.09.2014	Period ended 30.09.2013
Business trips	2,118	1,898
Expenses for one-off taxes and fees	302	847
Entertainment allowances	12	14
Waste on non-current assets	5	16
Expenses for donations	30	-
Other	36	67
TOTAL OTHER EXPENSES	2,503	2,842

All amounts are in thousand Bulgarian Levs, except otherwise stated

21. Other gains, net

	Period ended30.06.2014	Period ended 30.06.2013
Rent income	133	176
Gains on financing	81	79
Subsequent premiums from sale of investments		120
Cessions discounting of receivables (net)	(711)	(240)
Sale of ESCO receivables, net of interest income	38	-
Reversal of impairment from receivables	804	123
Reversal of provision on loans and receivables	4,002	-
Reintegrated provision for contractual obligations	1,112	-
Provision for contractual obligations	(259)	-
Revenues from consulting services	-	128
Other	(262)	3,739
TOTAL OTHER GAINS, NET	4,938	4,125

22. Finance costs

	Period ended30.09.2014	Period ended 30.09.2013
Interest expense	4,009	3,539
Expenses on financial liability on preferred shares	2,892	2,598
Foreign exchange losses	321	368
Finance costs on construction contracts	77	28
Guarantee and mortgage fees, bank charges	997	684
TOTAL FINANCE COST	8,296	7,217

23. Assets held for sale and discontinued operations

On January 16, 2014the subsidiary EnemonaUtilites AD signed a preliminary agreement for sale ofassets used in the gaz trading business for the consideration of BGN 2,250 thousand. The assets sold are with book value of BGN 886 thousand, presented in the line of assets held for sale in the statement of financial position. The net realizible value exceeds the book value of the assets therefore further impairment losses are not recognized. As of the date of these financial statements, the assets are stil held by Enemona Utilities.

On January16, 2014the subsidiary EnemonaUtilites AD together with the Parent company signed a preliminary agreement and on January 30,2014 final agreement for sale ofthe investment in subsidiary Nevrokopgaz for the consideration of BGN 400 thousand and for sale of the remaining assets using in the gaz trading business and held by Enemona Utilities AD . As of the date of these financial statements the consideration for the assets sold at the amount of BGN 3,734 thousand. The book value of the assets sold is BGN 5,814 thousand.

As a result of the deal for the disposal of the gaz trading business, for the year ended at 31 December 2013 is recognized impairment loss of BGN 1,089 thousand , representing the correction of the book value of asset to their net realizable value. For the period, ended at 30 September 2014 the prior year impairment is reversed, because it relates to the assets sold during the period.

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Assets held for sale and discontinued operations (continued)

The combined results from discontinued operations for the periods ending September 30, 2014and 2013, are presented below:

	Period ended30.09.2014	Period ended 30.09.2013
Revenue from assets sold	3,112	-
Book value of assets sold	(5,814)	-
Receivable written off	(437)	
Reversal of impaired assets related to the gaz trading to their net realizable value	1,089	-
Loss from sale of assets used in the Group's gaz business	(2,050)	-
	-	-
Profit from sale of subsidiary, representing the gaz business	790	-
Loss after taxes from discontinued operations	(1,260)	-

The profit from sale of investment is as follow:

	Period ended30.09.2014	Period ended 30.09.2013
Consideration received	400	-
Expenses, directly attributable to the deal	-	-
Net value of the assets sold	(433)	-
Non controlling interests written off	43	-
Profit from sale of investment in subsidiary	790	-

The net loss arose from sale of investment in subsidiary and assets, held for sale is presented in the line of discontinued operations in the statement of comprehensive income.

Net cash flows sale of investment in subsidiary and assets, held for sale presented in the consolidated statement of cash flows are as follow:

	Period ended30.09.2014	Period ended 30.09.2013
Proceeds from sale of subsidiary and assets, held for sale	2,634	-
Decreased with the cash balance and cash equivalents sold with the disposal of	(10)	-
Net cash flows from discontinued operations	2,624	-

The total amount of the cash proceeds as of the date of these financial statements is BGN 4,134 thousand, from which BGN 2,634 thousand received during 2014 and BGN 1,500 during 2013.

All amounts are in thousand Bulgarian Levs, except otherwise stated

24. Taxation

Deferred taxes are as follows:

	As of 30.09.2014	As of 31.12.2013
Deferred tax assets		
Impairment of receivables	1,025	1,025
Impairment of investments	166	166
Provisions	-	-
Others	211	211
Non current assets	15	15
	(898)	(898)
	519	519
TOTAL DEFERRED TAX ASSETS	519	519
TOTAL DEFERRED TAX LIABILITIES	-	-

Deferred tax assets and liabilities as of September 30,2014 and December 31, 2013 are calculated by applying tax rate of 10% according to the Corporate Income Taxation Act and applicable for the periods in which the temporary differences will be realized.

Income tax expenses for the periods endedSeptember 30,2014 and 2013 are as follows:

	Period ended30.09.2014	Period ended 30.09.2013
Current income tax expense	-	(59)
Deferred tax in relation to occurrence and reversal of temporary differences		-
TOTAL TAX EXPENSE	-	(59)

The calculations for the effective interest rate are presented in the following table:

	Period ended30.09.2014	Period ended 30.09.2013
Profit before taxation	(1,348)	2,716
Applicable tax rate	10%	10%
	(134)	271
Tax by applicable tax rate		
Tax effect of the non-deductable and non-taxable positions	134	(271)
Effect of differenttaxratesinothertaxjurisdictions	-	59
EFFECTIVE TAX RATE	0%	5%

All amounts are in thousand Bulgarian Levs, except otherwise stated

25. Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the shareholders of the Parent Company to the weighted-average number of ordinary shares outstanding for the period.

Continuing and discontinued operations	Period Ended 30.09.2014	Period Ended 30.09.2013
Share of net profit for Parent Company shareholders	(1,158,000)	2,527,000
Weighted-average number of ordinary shares	11,933,600	11,933,600
Earnings per share (in BGN) – basic and diluted	(0.10)	0.21

	Периода, приключващ на 30.09.2014	Периода, приключващ на 30.09.2013
Continuing operations		
Share of net profit from continuing and discontinued operations for Parent Company shareholders	(1,158,000)	2,527,000
Loss from discontinued operations	(1,260,000)	-
Share of net profit from continuing operations for Parent Company shareholders	102,000	2,527,000
Weighted-average number of ordinary shares	11,933,600	11,933,600
(Earnings per share (in BGN) – basic and diluted from continuing operations	0.01	0.21

As disclosed in note 11as of September 30, 2014andDecember 31,2013the Parent company has issued warrants and preferred shares, which in2014and 2013do not influence diluted earnings per share as their conversion to ordinary shares would not have dilutive effect on basic earnings per share.

All amounts are in thousand Bulgarian Levs, except otherwise stated

26. Related parties transactions

The related parties within the Group with transactions performed inthe periods ending September 30,2014 and September 30, 2013are as follows:

RELATED PARTY	TYPE OF RELATIONSHIP
Alfa Enemona OOD	Associated company
Global CapitalOOD	Company under common control
G Oil Expert EOOD	Company under common control
Eco Invest Holding AD	Company under common control
Resource Engineering EOOD	Company under common control
Softgeo-Lint 2006 OOD	Company under common control

The table below discloses income received from related parties:

	Period ended30.09.2014	Period ended30.09.2013
G Oil Expert EOOD	4	2
TOTAL INCOME FROM RELATED PARTIES	4	2

During the periods ending September 30, 2014 and September 30,2013 the Group has no expenseson related parties transactions.

The table below discloses the balances of receivables from related parties as ofSeptember 30,2014 and December 31, 2013:

	As of 30.09.2014	As of 31.12.2013
G Oil Expert EOOD	1	1
TOTAL	1	1

Receivables from related parties consist oftrade receivables.

The table below discloses the balances of liabilitiesto related parties as of September 30,2014 and December 31, 2013:

	As of 30.09.2014	As of 31.12.2013
G Oil Expert EOOD	25	-
TOTAL	25	-

Liabilities to related parties consist of gross amount due to clients under construction contracts.

All amounts are in thousand Bulgarian Levs, except otherwise stated

27. Geographical distribution

The Group operates in four basic geographical areas – Bulgaria, Serbia, Germany, Slovakia,Norway and United Kingdom.

The Group's revenue from external clients and information about non-current assets, excluding financial instruments, deferred tax assets, post-employment benefit assets, and assets arising from insurance contracts, is presented as follows:

	Revenue from external clients		Property, plant and equipment	
	Period ended 30.09.2014	Period ended 30.09.2013	As of 30.09.2014	As of 31.12.2013
Bulgaria	70,166	65,194	27,622	31,456
Slovakia	10,129	18,212	470	452
Germany	817	18,841	261	330
Norway	243	756	6	5
United Kingdom	3,649	-	21	6
Other	3,572	28	-	-
	88,576	103,031	28,380	32,249