

All amounts are in thousand Bulgarian Levs, except otherwise stated

## 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, Panaoit Hitov 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 June 30, 2014 and December 31, 2013 the major shareholder of Enemona AD is Dichko Prokopiev Dichkov. 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 June 30, 2014 the following subsidiaries of the Parent company have been included in the consolidation:

Company	Description of activities	Interest	
		As of 30.06.2014	As of 31.12.2013
Enemona Utilities AD	Trade in electrical power	97.24%	92.25%
FEEI ADSIP	Special investment purpose company – securitization of receivables	77.06%	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, construction and assembly, commissioning, reparation, servicing and engineering works	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 second 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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
<i>Cost</i>							
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	-	-	97	-	48	15	160
Transfers	-	-	-	-	-	-	-
Disposals	-	(3,375)	(176)	(65)	(159)	-	(3,775)
JUNE 30, 2014	5,800	13,394	5,724	5,587	3,197	6,622	40,324
<i>Accumulated depreciation</i>							
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	-	170	290	206	145	-	811
Disposals	-	(574)	(159)	(17)	(180)	-	(930)
JUNE 30, 2014	-	1,492	4,283	3,361	2,267	168	11,571
<i>Net book value</i>							
DECEMBER 31, 2013	5,800	14,873	1,651	2,480	1,006	6,439	32,249
JUNE 30, 2014	5,800	11,902	1,441	2,226	930	6,454	28,753

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**5.1. Intangible assets**

	Title of property	Software	Total
<i>Cost</i>			
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)
<b>JUNE 30, 2014</b>	<b>1,461</b>	<b>266</b>	<b>1,727</b>
<i>Accumulated amortization</i>			
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	30	6	36
Disposals		(18)	(18)
<b>JUNE 30, 2014</b>	<b>989</b>	<b>241</b>	<b>1,230</b>
<i>Net book value</i>			
DECEMBER 31, 2013	502	34	536
JUNE 30, 2014	472	25	497

**5.2. Exploration and evaluation assets**

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

The project Lom Lignites started in October 2007 with a contract for prospecting and exploration between Enemona AD and Ministry of economy and energy. As of June 30, 2014 and December 31, 2013 exploration 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 June 30, 2014 and December 31, 2013 the 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 June 30, 2014 and December 31, 2013 the Group has an investment in associate Alfa Enemona OOD 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30,2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**7. Current and non-current loans and receivables**

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

<i>Non-current loans and receivables</i>	As of 30.06.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group	16,817	19,410
Receivables related to securitization with counterparties outside the Group	1,234	1,211
Cession receivables	1,632	3,268
Loans granted to non related parties	1,019	1,082
Loans granted to employees	11	10
Other assets		
	(1,023)	(1,101)
<b>TOTALNON-CURRENT LOANS AND RECEIVABLES</b>	<b>19,690</b>	<b>23,880</b>
Impairment of loans granted to employees	(597)	(597)
<b>TOTALNON-CURRENT LOANS AND RECEIVABLES, NET</b>	<b>19,093</b>	<b>23,283</b>
 <i>Current loans and receivables</i>		
	As of 30.06.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group	8,509	7,846
Receivables related to securitization with counterparties outside the Group	2,671	2,088
Cession receivables	4,911	3,135
Loans granted to non related parties	17,966	15,086
<b>TOTALCURRENT LOANS AND RECEIVABLES</b>	<b>34,057</b>	<b>28,155</b>
Impairment of loans granted to non related parties (note 27.1)	(1,030)	(3,782)
<b>TOTALCURRENT LOANS AND RECEIVABLES, NET</b>	<b>33,027</b>	<b>24,373</b>

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 30 June 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%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 30.06.2014	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	<u>1,627</u>	<u>4,379</u>

**8. Inventories**

	As of 30.06.2014	As of 31.12.2013
Materials	10,242	8,561
Finished goods	1,606	1,452
Goods	-	11
Work in progress	139	156
TOTAL	<u>11,987</u>	<u>10,180</u>

**9. Trade and other receivables**

	As of 30.06.2014	As of 31.12.2013
Receivables from customers	49,295	53,016
Advances to suppliers	12,194	6,116
Retentions	6,597	9,034
Advances to employees	231	328
Receivables from related parties	2	1
Other receivables	14,127	4,688
TOTAL TRADE AND OTHER RECEIVABLES	<u>82,446</u>	<u>73,183</u>
Impairment of receivables from customers	(4,726)	(5,870)
TOTAL TRADE AND OTHER RECEIVABLES, NET	<u>77,720</u>	<u>67,313</u>

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

	As of 30.06.2014	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	(1,148)	(123)
Balance at the end of the year	<u>4,726</u>	<u>5,870</u>

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**10. Cash**

	As of 30.06.2014	As of 31.12.2013
Cash at banks	3,252	767
Restricted cash at bank	121	220
Cash in hand	431	452
<b>TOTAL CASH IN HAND AND AT BANKS</b>	<b>3,804</b>	<b>1,439</b>

As of June 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 30.06.2014	As of 31.12.2013
Ordinary shares – note 11.1	11,934	11,934
Preferred shares – note 11.2	1,103	1,103
<b>TOTAL SHARE CAPITAL</b>	<b>13,037</b>	<b>13,037</b>
Premiums from share issuance – note 11.3	8,739	8,739
<b>TOTAL ISSUED SHARE CAPITAL</b>	<b>21,776</b>	<b>21,776</b>

**11.1. Ordinary shares**

	As of 30.06.2014	As of 31.12.2013
Number of shares	11,933,600	11,933,600
Nominal value per share in BGN	1	1
<b>SHARE CAPITAL – ORDINARY SHARES</b>	<b>11,934</b>	<b>11,934</b>

The share capital of ordinary shares is fully paid in as of June 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 5 above).

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 30.06.2014
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	2,271
Dividend payables on preferred shares	-	2,199	2,125
<b>TOTAL CASH RECEIVED</b>	<b>10,940</b>	<b>11,346</b>	<b>10,924</b>

**11.3. Premiums from share issuance**

	As of 30.06.2014	As of 31.12.2013
Balance as of January 1	8,739	8,739
Premiums from preferred shares issuance	-	-
Balance as of June 30	<b>8,739</b>	<b>8,739</b>

**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 June 30, 2014 and December 31, 2013 are as follows:

	As of 30.06.2014	As of 31.12.2013
Borrowings from financial institutions	92,091	91,222
Borrowings from not related parties	956	2,146
Borrowings from related parties	40	-
<b>TOTAL</b>	<b>93,087</b>	<b>93,368</b>

**12.1 Maturity of the loans**

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

	As of 30.06.2014	As of 31.12.2013
Up to one year	84,161	86,643
Over 1 year	8,926	6,725
<b>TOTAL LOANS</b>	<b>93,087</b>	<b>93,368</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 June 30, 2014 and December 31, 2013 are as follows:

		As of 30.06.2014	As of 31.12.2013
Credit lines – SG Expressbank	(a)	16,997	18,296
Investment loans – DSK Bank	(b)	10,100	10,227
Credit lines – UniCreditBulbank	(c)	19,519	19,199
Investment loans – UniCreditBulbank	(d)	1,862	2,087
Overdraft – UniCreditBulbank	(e)	1,963	1,955
Credit line – ING Bank	(f)	6,173	7,507
Credit line – MKBUnion Bank	(g)	197	1,181
Overdraft - Investbank	(h)	12,116	4,409
Investment loans – European Bank for Reconstruction and Development (EBRD)	(i)	14,829	17,502
Credit line – Eurobank EFG	(j)	2,126	2,275
Credit line – International Asset Bank	(k)	4,436	2,772
Credit line – Alpha bank	(l)	287	1,196
Credit line – D bank	(m)	649	1,412
Corporate Credit card – UniCredit Bulbank	(n)	1	2
Financial institutions (non-bank)		836	1,202
<b>TOTAL LOANS FROM FINANCIAL INSTITUTIONS</b>		<b>92,091</b>	<b>91,222</b>

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 collateralized by a pledge of receivables under the contract, pledge of materials and equipment. As of June 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 June 30, 2014 the amount of BGN 3,785 thousand 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 June 30, 2014 the Company has utilized BGN 10,100 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 June 30, 2014 the Group has utilized BGN 16,205 thousand under a combined credit line, contracted with Unicredit Bulbank. The credit line limit is EUR 8,500 thousand. In order to secure the loans from Unicredit Bulbank 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 UniCredit Bulbank 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 June 30, 2014
- Total amount of EUR 600 thousand, of which EUR 500 thousand - for working capital. The amount utilised as of June 30, 2014 is 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 June 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 June 30, 2014 is BGN 696 thousand.

(d) The Group has received an investment loan from Unicredit Bulbank for the purchase of the office building of the Group in Sofia. As of June 30, 2014 the utilized amount is BGN 1,862 thousand. The loan has been secured by a mortgage on the building and its surrounding land.

(e) Overdraft loan from UniCreditBulbank is 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 June 30, 2014 BGN1,963 thousand 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 June 30, 2014 BGN 6,173 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 Unionbank with credit limit EUR 4,800 thousand. As of June 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 June 30, 2014 the Group has utilized BGN 12,116 thousand, 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 June 30, 2014 the carrying value of the obligations under this loan 1,938 thousand (2013: 3,235 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 June, 30 2014 interest payments have been made under contract at the amount of BGN 98 thousand (2013 : 312 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 June, 30 2014 part of the principal has been repaid at the amount of EUR 1,284 thousand (2013:EUR 2,567 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 million. 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 June 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 229 (2013: 1,036 thousand) and payment of principal at the amount of BGN 1,598 (2013: 689) were made.

As of June 30, 2014 the utilized amount of those loans is BGN 12,891 thousand.

(j) The Group has received from Eurobank EFG a credit line with limit of EUR 1,500 thousand. The utilized amount as of 30 June 2014 is BGN 2,126 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 ss of June 30, 2014 is BGN 4,436 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. The utilized as of June 30, 2014 is BGN 287 thousand. Loans are secured by a pledge of receivables on certain contract.

(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. Amount utilized as of June 30, 2014 is BGN 649 thousand. Loans are secured by a pledge of receivables on certain contract.

(n) The Group signed a contract with UniCredit Bulbank for corporate credit cards with total limit of BGN 100 thousand. As of 30 June 2014 are utilized BGN 1 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 June 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 June 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, 2013 the 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 June 30, 2014 and December 31, 2013 the loan is presented as a current liability. The Group is compliant with other covenants under other loan agreements.

**12.4 Loans from non-related parties**

Loans from non-related parties as of June 30, 2014 comprise non-secured loans from Izolko OOD , SIP OOD and Enida Ingenering AD at the amount of BGN 678 thousand, BGN 15 thousand, and BGN 263 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, 2013 include uncollateralized loans from Izolko OOD and SIP OOD at the amount of BGN 1,619 thousand and BGN 527 thousand. The loans bear interest rate between 8% and 9% and maturity in 2013 and the terms for repayment could be extended.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 30.06.2014	As of 31.12.2013	As of 30.06.2014	As of 31.12.2013
Liabilities under finance lease with maturity:				
Up to 1 year	58	127	57	125
Between 2 and 5 years	65	95	59	87
<b>TOTAL LIABILITIES</b>	<b>123</b>	<b>222</b>	<b>116</b>	<b>212</b>
Less: future finance charges	(7)	(10)	-	-
<b>PRESENT AMOUNT OF LIABILITIES</b>	<b>116</b>	<b>212</b>	<b>116</b>	<b>212</b>

**14. Trade and other payables**

	As of 30.06.2014	As of 31.12.2013
Payables to suppliers	33,961	23,369
Payables for dividends on preferred shares	2,125	2,199
Payables to employees	4,747	2,386
Payables to social insurance organizations	5,598	4,803
VAT payables	2,482	4,479
Personal income tax liabilities	3,397	2,302
Other payables	3,936	3,254
<b>TOTAL</b>	<b>56,246</b>	<b>42,792</b>

**15. Revenue**

	Period ended 30.06.2014	Period ended 30.06.2013
Revenue from construction contracts	24,871	42,859
Revenue from sale of electricity	23,661	22,579
Revenue from sale of compressed natural gas	1,211	2,633
Revenue from disposal of assets	10,241	97
Revenue from services	141	167
<b>TOTAL REVENUE</b>	<b>60,125</b>	<b>68,335</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 30.06.2014	As of 31.12.2013
Construction costs incurred plus recognized profits (less recognized losses) to date	298,324	285,499
Less: Progress billings	<u>(270,270)</u>	<u>(257,651)</u>
	<u>28,054</u>	<u>27,848</u>
Gross amounts stated in the statement of financial position comprise of:		
Gross amount receivable from customers under construction contracts	31,256	30,342
Gross amount payable to customers under construction contracts	<u>(3,202)</u>	<u>(2,494)</u>
	<u>28,054</u>	<u>27,848</u>

Retentions held by customers under construction contracts amount to BGN 6,597 thousand and BGN 6,116 thousand as of June 30, 2014 and December 31, 2013, respectively. Advances received from customers under construction contracts amount to BGN 13,719 and BGN 12,065 thousand as of June 30, 2014 and December 31, 2013, respectively.

As of June 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 30.06.2014	Period ended 30.06.2013
Interest income	1,951	2,870
Dividends	113	-
Foreign exchange gains	14	7
TOTAL FINANCIAL INCOME	<u>2,078</u>	<u>2,877</u>

**17. Materials and consumables used**

	Period ended 30.06.2014	Period ended 30.06.2013
Current value for sold goods	24,311	22,777
Raw material costs:		
Construction materials	6,094	14,272
Current value of assets sold	2,886	76
Expenses for instruments	54	184
Electric power	81	163
Fuels	97	140
Spare parts	1	25
Stationery	111	99
TOTAL MATERIALS	<u>9,324</u>	<u>14,959</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**18. Hired services**

	Period ended 30.06.2014	Period ended 30.06.2013
Under construction agreements with subcontractors	4,435	3,636
Services with mechanization	364	573
Transportation	686	840
Legal and consulting services	1,554	958
Insurances	417	440
Advertising	7	-
Telecommunications	98	108
Rents	1,492	1,296
Design services	76	488
Heating	14	37
Working permissions and tender documents	2	4
Starting work and control	390	289
Office maintenance cost	117	121
Security	35	15
Translation services	93	31
Courier services	27	61
Other services	148	136
	<u>9,955</u>	<u>9,033</u>
<b>TOTAL HIRED SERVICES</b>		

**19. Employee benefit expenses**

	Period ended 30.06.2014	Period ended 30.06.2013
Remunerations	12,374	13,633
Social security and health insurance	1,793	1,979
Food Vouchers	396	654
Compensations	663	291
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<u>15,226</u>	<u>16,557</u>

**20. Other expenses**

	Period ended 30.06.2014	Period ended 30.06.2013
Business trips	1,780	1,450
Expenses for one-off taxes and fees	38	577
Entertainment allowances	9	8
Waste on non-current assets	5	6
Expenses for donations	25	-
Other	34	23
<b>TOTAL OTHER EXPENSES</b>	<u>1,891</u>	<u>2,064</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**21. Other gains, net**

	Period ended 30.06.2014	Period ended 30.06.2013
Rent income	91	132
Gains on financing	53	53
Insurance compensations	-	1,112
Profit/(loss) on penalties, net	(94)	(155)
Loss on discounting of receivables	(19)	-
Impairment of receivables for the period	(4)	-
Sale of ESCO receivables, net of interest income	38	-
Reversal of impairment from receivables	4,002	-
Other	-	85
<b>TOTAL OTHER GAINS, NET</b>	<b>4,067</b>	<b>1,227</b>

**22. Finance costs**

	Period ended 30.06.2014	Period ended 30.06.2013
Interest expense	2,318	2,304
Expenses on financial liability on preferred shares	658	1,023
Foreign exchange losses	-	245
Finance costs on construction contracts	45	10
Guarantee and mortgage fees, bank charges	2,263	1,125
<b>TOTAL FINANCE COST</b>	<b>5,284</b>	<b>4,707</b>

**23. Assets held for sale and discontinued operations**

On January 16, 2014 the subsidiary Enemona Utilites AD signed a preliminary agreement for sale of assets 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 realizable 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 still held by Enemona Utilities.

On January 16, 2014 the subsidiary Enemona Utilites AD together with the Parent company signed a preliminary agreement and on January 30, 2014 final agreement for sale of the investment in subsidiary Nevrokop gaz 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 June 2014 the prior year impairment is reversed, because it relates to the assets sold during the period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 June 30, 2014 and 2013, are presented below:

	Period ended 30.06.2014	Period ended 30.06.2013
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 ended 30.06.2014	Period ended 30.06.2013
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 ended 30.06.2014	Period ended 30.06.2013
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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**24. Taxation**

Deferred taxes are as follows:

	As of 30.06.2014	As of 31.12.2013
Deferred tax assets	1,025	1,025
Impairment of receivables	166	166
Impairment of investments	-	-
Provisions	211	211
Others	15	15
Non current assets	(898)	(898)
	<u>519</u>	<u>519</u>
<b>TOTAL DEFERRED TAX ASSETS</b>	<u>519</u>	<u>519</u>
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities as of June 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 ended June 30, 2014 and 2013 are as follows:

	Period ended 30.06.2014	Period ended 30.06.2013
Current income tax expense	-	(78)
Deferred tax in relation to occurrence and reversal of temporary differences	-	-
<b>TOTAL TAX EXPENSE</b>	<u>-</u>	<u>(78)</u>

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

	Period ended 30.06.2014	Period ended 30.06.2013
Profit before taxation	(431)	1,492
Applicable tax rate	10%	10%
	(43)	149
Tax by applicable tax rate	43	(71)
Tax effect of the non-deductable and non-taxable positions	-	78
Effect of different tax rates in other tax jurisdictions	-	78
<b>EFFECTIVE TAX RATE</b>	<u>0%</u>	<u>5%</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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.

	Period Ended 30.06.2014	Period Ended 30.06.2013
Continuing and discontinued operations		
Share of net profit for Parent Company shareholders	(1,454,000)	1,324,000
Weighted-average number of ordinary shares	11,933,600	11,933,600
Earnings per share (in BGN) – basic and diluted	(0.12)	0.11

  

	Периода, приключващ на 30.06.2014	Периода, приключващ на 30.06.2013
Continuing operations		
Share of net profit from continuing and discontinued operations for Parent Company shareholders	(1,454,000)	1,324,000
Loss from discontinued operations	1,260,000	-
Share of net profit from continuing operations for Parent Company shareholders	194,000	1,324,000
Weighted-average number of ordinary shares	11,933,600	11,933,600
(Earnings per share (in BGN) – basic and diluted from continuing operations	0.02	0.11

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

**26. Related parties transactions**

The related parties within the Group with transactions performed in the periods ending June 30, 2014 and June 30, 2013 are 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 ended 30.06.2013	Period ended 31.12.2013
G Oil Expert EOOD	<u>2</u>	<u>2</u>
TOTAL INCOME FROM RELATED PARTIES	<u>2</u>	<u>74</u>

During the periods ending June 30, 2014 and June 30, 2013 the Group has no expenses on related parties transactions.

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

	As of 30.06.2014	As of 31.12.2013
G Oil Expert EOOD	<u>2</u>	<u>1</u>
TOTAL	<u>2</u>	<u>1</u>

Receivables from related parties consist of trade receivables.

The table below discloses the balances of liabilities to related parties as of June 30, 2014 and December 31, 2013:

	As of 30.06.2014	As of 31.12.2013
G Oil Expert EOOD	<u>40</u>	<u>-</u>
TOTAL	<u>40</u>	<u>-</u>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT JUNE 30, 2014

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 30.06.2014	Period ended 30.06.2013	As of 30.06.2014	As of 31.12.2013
Bulgaria	46,399	31,445	27,963	31,456
Slovakia	9,117	13,409	498	452
Germany	783	17,557	277	330
Norway	(56)	596	6	5
United Kingdom	2,367	-	9	6
Other	1,515	5,328	-	-
	60,125	68,335	28,753	32,249