ANNUAL CONSOLIDATED REPORT ON THE ACTIVITY OF ENEMONA AD FOR 2014

Unofficial translation of the original in Bulgarian

I. DEVELOPMENT, POSITION AND PERSPECTIVES OF THE COMPANIES FROM ENEMONA GROUP OF COMPANIES

1. General information

Enemona Group of Companies (the Group) includes Enemona AD and its subsidiary and associate undertakings.

Enemona AD is a publically traded joint stock company, with seat and registered office: at 20, Kosta Lulchev str., 1113 Sofia, Bulgaria, tel.: + 359 6 2 805 4850, fax: + 359 2 915 9815, e-mail: office-sf@enemona.com, Internet site: www.enemona.com. The Company has currently one Bulgarian branches, Enemona AD – Sofia Branch (UIC 0024).

The Company has a one-tier system of government – Board of Directors, consisting of: DICHKO PROKOPIEV PROKOPIEV – Chairman of the of Board of Directors and Chief Executive Officer, BOGDAN DICHEV PROKOPIEV - Deputy Chairman of the Board of Directors and Executive Director and NIKOLAY FILIPOV FILCHEV - Independent Member of the Board of Directors. The Company is represented by DICHKO PROKOPIEV PROKOPIEV and BOGDAN DICHEV PROKOPIEV both together and independently.

*The **registered capital** of the Company currently amounts to BGN 13,036,501 and is fully paid in. It is distributed into 13,036,501 dematerialized (book-entry form) shares, with a nominal value of BGN 1.00 each. The shares are divided in two classes: Class I – consisting of 11,933,600 ordinary voting shares and Class II – consisting of 1,102,901 non-voting preference shares.*

2. Enemona Group of Companies

Enemona is a "Economic group", under the provisions of §1, p. 7 of the Additional Provisions of Ordinance №2 of September 17, 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information by the public companies and the other issuers of securities. According to the above mentioned provision, the Economic group consists of a parent undertaking and its subsidiaries. Under the definition of Art.2, Para.1, i."a" form Seventh Council Directive 83/349/EEC of the Treaty on consolidated accounts, "a subsidiary undertaking" is an undertaking, in which a parent undertaking has a majority of the shareholders' or members' voting rights. The unifying factor in the group (parent undertaking) is Enemona AD.

The companies which Enemona AD controls and manages as of December 31, 2013 and December 31, 2014, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

COMPANY	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2014
„CHPP Nikopol" EAD	100.00	100.00
„PPP Mladenovo" EOOD	100.00	100.00
"Artanes Mining Group" AD	89.99	89.99
"Enemona Utilities" AD	92.24	97.23
"ESCO Engineering" AD	99.00	99.00
"Nevrokop-Gas" AD	90.00	00.00
"Energetics and Energy Savings Fund - EESF" SPV	88.20	37.28*
"PirinPower"AD	84.00	84.00
„EMCO"AD	77.36	77.36
„Real Estate Investment Fund- FINI" REIT	69.23	55.47
"HemusGas"AD	50.00	50.00

Enemona AD Indirect Shareholdings

Company	Indirect Shareholding through	Percentage (%) of indirect shareholding as of 31.12.2014
„RegionalGas" AD	„Enemona Utilities" AD	50.00
„Pirin Power"AD	„Enemona Utilities" AD	16.00
„Real Estate Investment Fund- FINI" REIT	„Enemona Utilities" AD	39.73

Enemona's shareholdings below 50%

Company	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„Alfa - Enemona"OOD	40.00	40.00
"Enemona - Start" AD	4.90	4.90
"Enida Engineering" AD	4.90	4.90

3. Changes in the structure of the economic group, which took place during the period under review

There are no changes in the structure of the economic group, which took place during the period.

4. Brief history

The Company was incorporated in 1990 and registered in the Trade Register as a partnership company named „Prokopiev and Enemona" SD. By a decision dated 28 July 1994 the Vratsa District Court entered into the companies register at the Vratsa District Court under company file No 542/1990, volume 2, page 180, batch number 57, the transformation of the Company into a joint stock company named Enemona AD. The Company is set up for an unlimited period of time.

By a decision No 84 – PD dated 16 January 2008, the Financial Supervision Commission (FSC) registered Enemona AD as a public company in the register of public companies and other issuers of securities under Art. 30, Para. 1, i.3 Financial Supervision Commission Act (FSCA), kept thereby.

5. Strategy and investments

The Management of Enemona Groupcontinues realization of the activities to restructure the Group, to optimize the activity and to concentrate on the fundamental sectors for the economic group with the aim to ensure its sustainable development. The main trends in the development of the Group are directed mainly towards strategic sectors of the Bulgarian economy, namely: power engineering, industry and ecology.

In 2010 the Board of Directors of Enemona prepared and started the implementation of the new development strategy focusing on the following key areas: Focus on the core business – further development of its two core business lines: engineering, construction and assembly works, including energy efficiency and electricity trading; and disposal of non-core assets and businesses.

The Company's investment strategy will continue to be focused on the activities, in which the company has a good experience and competitive advantages. These are the engineering, construction and assembly works division (incl. energy efficiency) and trade in electricity.

The mid-term strategic goals of the Management of Enemona AD include:

- Achieving higher efficiency by means of optimization and concentration on the core business areas of Enemona Group;
- Further improvement of the Group's margins and profitability in the different fields of activities;
- Optimization of the operating expenses and achieving higher average margins from operating activities;
- Geographical expansion of the Group to EU while maintaining its leading position on the domestic market.

The new strategy of the Group assumes also the divestment of most of its non-core assets and businesses. The work in this direction covers two areas - one develops and tries to sell investment projects and activities, and the other focuses on and optimizes construction and assembly works.

In pursuance of these objectives, in 2013 the Management of Enemona Group launched the sale of the gas business of the Enemona Group.

The business line Engineering, construction and assembly works in the field of energy, industry, environment and energy efficiency renders the following engineering, construction and assembly services, comprising the complete project value-added chain: design and engineering – expert appraisals, design, consultations, analyses, technical-economic designs, project planning and management, supervision during project execution, preparation of hand-over documentation, control over resources and project implementation; construction and assembly works as well as steel structures manufacturing within the following areas: architecture and construction, water supply and sewerage, heating, ventilation and air conditioning, plant and technology, installation of fire alarm systems; electrical installations, instrumentation and control – electrical installation works, installation of measuring and control instruments and devices, lightning protection systems, earthling systems, etc.; start-up and set-up works, commissioning and testing during plant installation, control of instruments, special systems and equipment, etc.; maintenance, monitoring and warranty services.

Enemona also provides a full scope of customized solutions for energy saving measures and implements them in private and public buildings, industrial and power generation facilities with the aim to reduce energy losses in the power and heat supply infrastructure as well as to increase the efficiency ratio of the power generating equipment. In 2006 EESF SPV was founded by Enemona AD (as a majority shareholder) with the aim to finance the investments made under ESCO contracts.

The Business line Trade in electricity (electricity trading and natural gas trading) is conducted primarily by the subsidiary Enemona Utilities AD. Electricity trade in Bulgaria is carried by the regulated third party access, where transactions take place through direct bilateral contracts between producers/traders and consumers and balancing market (on which the missing quantities are bought and the remaining surpluses in bilateral contracts are sold). In the transitional period of gradual liberalization, the relationship between market players is still carried out on the regulated and free electricity market.

6. Annual Financial Statements

On June19, 2014, Enemona AD publicly disclosed its Non-Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2013.

7. Convening and holding of the General Meetings of Shareholders and holders of warrants

On January 08, 2014, the General Meeting of the holders of warrants was held. The Protocol was published on January 10, 2014.

On 17 November 2014, Enemona AD publicly disclosed Information that In accordance with art.227, para.3 of Commerce Act (CA), the conduct of the regular session of the General Meeting of Shareholders of "Enemona" AD, scheduled for November, 12, 2014, beginning at 14.00 o'clock, convened in accordance with art. 223 of the Commerce Act (CA) by the Board of Directors, through an invitation, published on the Trade Registry on October 13, 2014, due to the absence of quorum required under the legislation and the Company Statutes, has been postponed for the indicated in the invitation reserve date, and the meeting will be held on November, 27, 2014, beginning at 14.00 o'clock to the same place and on the same agenda and the agenda for the new session is unable to include matters under art.223a of Commerce Act (CA).

On 27 November 2014, at 14:00 p.m., was held General Meeting of Shareholders (GMS), at the Company's seat and registered address, as follows: Sofia, Slatina, Geo Milev, 20 Kosta Lulchev str., fl.3 Conference room, under to the following agenda: 1.Approval of the individual annual report on activities of the Company for 2013; Draft Resolution: GMS approves the individual annual report on activities of the Company for 2013; 2. Approval of the Report on the activities of the Investor Relations Director for 2013; Draft Resolution: GMS approves the Report on the activities of the Investor Relations Director for 2013; 3. Approval of the individual annual financial statements of the Company for 2013 and the independent auditor's report; Draft Resolution: GMS approves the individual annual financial statements of the Company for 2013 and the independent auditor's report; 4. Approval of the consolidated annual report on activities of the Company for 2013; Draft Resolution: GMS approves the consolidated annual report on activities of the Company for 2013; 5. Approval of the consolidated annual financial statements of the Company for 2013 and the independent auditor's report; Draft Resolution: GMS approves the consolidated annual financial statements of the Company for 2013 and the independent auditor's report; 6. Adoption of a resolution for partial dividend distribution for 2012 to the shareholders, holding preferred shares, issued by the Company; Draft Resolution: GMS adopts a resolution for partial dividend distribution for 2012 to the shareholders, holding preferred shares, issued by the Company; 7. Adoption of a resolution on the distribution of the Company's net profit for 2013; Draft Resolution: GMS adopts the proposition of the Board of Directors for the Company's net profit for 2013 amounting to BGN 387 596, 96 not to be distributed; 8. Adoption of a resolution to discharge from responsibility/liability current and former members of the Board of Directors for their activities during 2013; Draft Resolution: GMS discharges from responsibility/liability current and former members of the Board of Directors for their activities in 2013; 9. Adoption of a resolution to dismiss the following members of the Board of Directors: Emil Kirilov Manchev and Margarita Ivanova Dineva according to their applications under Article 233, paragraph 5 of the Commercial Code; Draft Resolution: GMS dismiss the following members of the Board of Directors Emil Kirilov Manchev and Margarita Ivanova Dineva according to their applications under Article 233, paragraph 5 of the Commercial Code; 10. Approval of the Report of the audit committee for 2013; Draft Resolution: GMS approves the Report of the audit committee for 2013; 11. Election of a certified auditor for the year 2104 - in accordance with the proposal of the audit committee; Draft Resolution: GMS adopts a decision for election of a certified auditor for the year 2014 in accordance with the proposal of the audit committee; 12. Miscellaneous.

In order to implement Decision 975-PD от 11 November 2014г., of the Financial Supervision Commission, paragraphs 1, 3, 4, 5, 6, 7 and 8 of the agenda of the Ordinary General Meeting of shareholders, held on January 25, 2013, were not put to the vote.

On 27 November 2014, the Ordinary session of the General Meeting of the Shareholders (GMS) of Enemona AD adopted a decision to dismiss the following members of the Board of Directors Emil Kirilov Manchev and Margarita Ivanova Dineva according to their applications under Article 233, paragraph 5 of the Commercial Code;

On 27 November 2014, the Ordinary session of the General Meeting of the Shareholders (GMS) of Enemona AD elected Plamen Kirilov Angelov certified auditor registered under № 0316 in the Registry of Institute of Certified Public Accountants by "ANGELOV AUDITING" OOD, UIC 111018844, with seat and address of management Lom, 1 Stefan Karadza str., ent.B, 4th floor, ap. 21, represented by Plamen Kirilov Angelov to perform the independent financial audit and certify the annual financial statement for 2014, in accordance with the proposal of the audit committee.

The Protocol of The Ordinary General Meeting of shareholders, held on November27, 2014, was published on December02, 2014.

8. Dividend payments

According resolution of the General Meeting of Shareholders of Enemona AD, held on 25 of July 2013, for distribution of dividend for 2011 and partial distribution of dividend for 2012 to the shareholders, holding preferred shares, issued by the Company – a total amount of BGN 1 708 819, the payment of the partial dividend for 2012 amounting to BGN 631 605 was transferred to the Central Depositary on February 28, 2014. The partial dividend payment for 2012 was paid together with the legal interest, due for the period from November25, 2013 until February 28, 2014, amounting to BGN 0.02 per share.

The distribution of the partial dividend for 2012, was done under the terms and conditions of LPOS, ORDINANCE No 8 of November 12, 2003 on the Central Depository of securities, Rules and Regulations of Central Depository AD (Enclosure №27- „Procedure for payment of maturity payments on bonds and the distribution of dividends on share issues) and all the other relevant provisions of the Bulgarian legislation.

9. Changes in the board of directors

On 27 November 2014, the Ordinary session of the General Meeting of the Shareholders (GMS) of Enemona AD adopted a decision to dismiss the following members of the Board of Directors Emil Kirilov Manchev and Margarita Ivanova Dineva according to their applications under Article 233, paragraph 5 of the Commercial Code.

10. Amendments to the Articles of Association

During the period under review no Amendments to the Articles of Association

II. PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

In its ordinary course of business, the Group may be exposed to various financial risks, the most important of which are foreign exchange risk, credit risk and liquidity risk.

The risk management is currently carried out under the direct supervision of the Executive Director and the financial experts under the policy, established by the Board of Directors of Enemona AD, who developed the basic principles of general management of financial risk, based on which are developed specific (written) procedures for managing the individual specific risks, such as currency, price, interest rate, credit and liquidity, and the use of non-derivative instruments.

The following describes the different types of risks the Group faces in the course of its business operations and the approach for managing those risks.

Impact of the Global Economic Crisis

Currently, the macroeconomic environment in Bulgaria faces the negative impact of the global financial and economic crisis and its results continue to be strongly felt. The measures taken by the

EU and the Bulgarian Government destroyed to some extent, the negative phenomena in the economy.

Sector Risk

The construction sector suffered most severely and continuously by the negative impact of the global economic crisis, which resulted in the following trends:

- Shrinking of the construction market;
- Termination of contracts already signed;
- Freezing of construction works of already started contracts;
- Stronger competition in all market segments;
- Lowering prices to dumped levels.

Measures that the Group intends to undertake to reduce the impact of the global financial crisis, given the increase of global credit risk, liquidity stagnation and collapse of capital flows:

- strict compliance with the contracts concluded with financial institutions to exclude the possibility to early payment requests;
- limited investments in projects outside the main focus of the Group;
- cost optimization and investment programs review;
- speeding up the collection of receivables as well as their categorization for risk assessment and finding effective tolls for collection;
- insurance of the financial risks for significant receivables;
- establishment of relationships with affluent investors only (such as government institutions, municipalities, companies working on projects secured by government guarantees);
- if long-term receivables occur, searching for a form of their restructuring into long-term debt and securing them with appropriate assets;
- with regard to the implementation of certain energy projects and energy-efficient operations, searching for options for EU- and other financing programs.

Currency Risk

The Group carries out its activities primarily on the domestic market, whereas the contracts abroad are in Euro. Therefore, the Group is not exposed to significant currency risk because almost all of its operations and transactions are denominated in Bulgarian lev (BGN) and Euro (EUR).

The Group has introduced a system for planning of imported deliveries and future payments in order to control the currency risk.

Credit Risk

When carrying out its activities the Group is exposed to credit risk that is the risk associated with some of its Contractors which will not be able to comply fully and in time with their payments.

The Group's financial assets are concentrated in two groups: cash and receivables from customers.

The Group's cash and payment operations are carried out by the following banks - DSK, Eurobank EFG, UBB, Unicredit Bulbank, FIBank, etc., which have a high reputation and strong liquidity, that limits the risk on cash and cash equivalents.

The Group has no significant concentration of credit risk. Its policy is that payments are made within the terms specified in the contracts.

The collection and concentration of receivables is monitored currently, according to the established policy of the Group. For that purpose, a daily review is made by the financial and accounting department to monitor by clients and by received payments, followed by an analysis of the unpaid amount and the condition of the client.

To control the risk, the Group ensures immediate payment of collect receivables and the long-term ones are formed into individual agreements with debtors.

Measures that companies from the Enemona Group has introduced in order to control the collection of receivables:

- A detailed estimation for the expected revenues from receivables and uncollected receivables is made. A daily forecast for the next two months is made. A separate forecast is made on a monthly basis for the whole year. The implementation of the underlying assumptions are monitored by the Executive Director and the Financial Department of the Group;

- Every week, in some cases even more frequently, meetings are held by the Financial Committee to the Board of Directors, to discuss problems with uncollected receivables. A person responsible for each overdue receivable is determined, who is responsible for communicating with the company, sending notifications, if necessary bringing legal proceedings and making a plan to influence the payers. The meetings are attended by the Chief Executive Officer of Enemona AD;

- A model is developed that tracks receivables and cash flows. It is available to all offices and subsidiaries of the company and is constantly updated;

- When negotiating for a business deal with a new contractor, investigations are made for the financial reliability according to a procedure (assessment of the financial risk by Coface Group (a leading company in the field of financial management) and the Bulgarian Export Insurance Agency (BAEZ);

- Certain receivables are insured - "Financial Risk Insurance";

- The contracts with partners include provisions that ensure the collectability of receivables (indisputability, irrevocability, default interest, valid date, etc.)

- An age analysis of receivables is prepared and when unacceptable delay occurs, measures for their collecting are taken (reminders, calls for repayment notary and legal action).

Liquidity Risk

The liquidity risk is the adverse situation of the Companies from the Group not to be able to meet unconditionally all its obligations according to their maturity.

The Economic Group observes a conservative policy on liquidity management, maintaining constant optimal liquid cash and a good ability to finance its business. The Group uses bank and other loans as well.

Enemona Group manages liquidity of assets and liabilities by a detailed analysis of the structure and dynamics and forecasting of future cash flows.

III. INFORMATION ON IMPORTANT EVENTS THAT TOOK PLACE AFTER DECEMBER 31, 2014

The Company publicly disclosed via the unified system for disclosure of information E-Register of the Financial Supervision Commission and those of the Bulgarian Stock Exchange Sofia its new audited Separate Financial Statements for the year ended December 31, 2013 and new audited Consolidated Financial Statements for the year ended December 31, 2013.

IV. MAIN BUSINESS LINES IN THE GROUP

ENGINEERING, CONSTRUCTION AND ASSEMBLY WORKS,INCLUDING ENERGY EFFICIENCY

The business line Engineering, construction and assembly works in the field of energy, industry, environment and energy efficiency renders the following engineering, construction and assembly services, comprising the complete project value-added chain: design and engineering – expert appraisals, design, consultations, analyses, technical-economic designs, project planning and management, supervision during project execution, preparation of hand-over documentation, control over resources and project implementation; construction and assembly works as well as steel structures manufacturing within the following areas: architecture and construction, water supply and sewerage, heating, ventilation and air conditioning, plant and technology, installation of fire alarm systems; electrical installations, instrumentation and control – electrical installation works, installation of measuring and control instruments and devices, lightning protection systems, earthling systems, etc.; start-up and set-up works, commissioning and testing during plant installation, control of instruments, special systems and equipment, etc.; maintenance, monitoring and warranty services.

Enemona also provides a full scope of customized solutions for energy saving measures and implements them in private and public buildings, industrial and power generation facilities with the aim to reduce energy losses in the power and heat supply infrastructure as well as to increase the efficiency ratio of the power generating equipment. In 2006 EESF SPV was founded by Enemona AD (as a majority shareholder) with the aim to finance the investments made under ESCO contracts.

1. ENEMONA AD

Enemona AD is a joint-stock company with a *scope of activity: design, investment, construction and assembly, commissioning works, repair, maintenance, engineering, marketing, tourist, public catering, hotel management, camping, agency, advertising, business activities /including import, export, purchase and sale of real property including agricultural lands, purchase and sale of receivables, exchange, compensation, leasing, rental, barter, consignation transactions/, production, purchase, marketing, maintenance of and trade with machines, equipment, materials, elements and spare parts and commodities. production, transmission, distribution and trade with heat and electrical energy, including energy from renewable sources, production and trade with energy carriers – after the obtaining the relevant permit/licence in the cases provided in the law; design and construction of energy facilities and energy saving facilities; energy efficiency services (including investigation, consulting, research, design, construction, installation, modernization, maintenance, operation and monitoring of machines, facilities and buildings), prospecting, investigation, development, production and use of deposits of mineral resources within the meaning of Art. 2 of the Mineral Resources Act, and of biological resources, mineral resources, energy resources and water, acquisition of concessions for hydromeliorative and water supply facilities and systems, port terminals, republican roads, objects of the railroad infrastructure. consultancy, translation, motor vehicle repair, transport, taxi, tourist, communication and household services. agricultural activities /including production, purchase, processing and marketing of agricultural products/ in this country and abroad; veterinary services and consultations; holding of shares and interest including acquisition of shares and interest in other companies, participation in joint ventures, acquisition of shares, interest and/or companies by merger and bundling and their sale; trade with shops and any other activities that are not forbidden by the laws of the Republic of Bulgaria.*

ANALYSIS OF THE FINANCIAL RESULTS AND THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

Assets

The total assets of the Company as of 31 December 2014 amount to BGN 146 393 thousand, increasing by 8.7% compared to 31 December 2013.

The non-current assets of Enemona AD as of 31 December 2014 amount to BGN 51 435 thousand, or 35.1% of its total assets, and decrease by 4.0% compared to 31 December 2013.

The current assets of Enemona AD as of 31 December 2014 amount to BGN 94 958 thousand, representing 64.9% of its total assets, and increase by 17.2% compared to 31 December 2013, mainly due to an increase in trade and other receivables and gross amount due from customers on construction contracts.

Liabilities

Enemona AD finances its principal activity with equity or borrowings.

The Company's equity as of 31 December 2014 amounts to BGN 21 060 thousand, or 16.8% of its liabilities. As of 31 December 2014, equity increased by 0.5% compared to 31 December 2013 due to the reported profit in 2014.

The share capital of Enemona AD amounts to BGN 13 037 thousand split into BGN 11 934 thousand ordinary shares and BGN 1 103 thousand preference shares.

The non-current liabilities of Enemona AD as of 31 December 2014 amount to BGN 12 750 thousand, or 10.2% of the Company's total liabilities. They include mainly long-term bank loans.

The current liabilities of Enemona AD as of 31 December 2014 amount to BGN 112 583 thousand, or 89.8% of the Company's total liabilities, and increase by 8.4% compared to the previous year.

Liquidity analysis

Ratio	Description	31 December 2014
General liquidity	CA/CL	0.84
Quick liquidity	(Cash+Cash equivalents+Receivables)/CL	0.81
Immediate liquidity	(Cash+Cash equivalents)/CL	0.017

Funds available to the Company in a given moment to meet its operating expenses, incl. all short-term assets that may quickly transform into the required funds and at market values, without significant transactions costs, are determined as sources of liquidity. The sources of liquidity for Enemona AD are mainly revenue from sales of products and external/debt financing in the form of bank loans.

Operating revenue

The revenue of the Company for 2014 amounts to BGN 72 523 thousand and increases by 7.5% compared to 2013. During the past three years the management of Enemona AD focused its efforts to conclude construction contracts abroad, as well as in Bulgaria. The CBI as of 31 December 2014 amounts to approximately BGN 16 million. In addition the company has received calls for final negotiations for contracts amounting to over BGN 20 million. By these strong measures the management aims to boost revenue in 2015 compared to 2014 and achieve high positive results from operations.

Operating Expenses

The Company's operating expenses in 2014 amount to BGN 73 551 thousand, decreasing by 13.13% compared to 2013.

The Company's operating expenses in 2014 comprise: materials and consumables used BGN 18 918 thousand, hired services BGN 25 436 thousand, employee benefits expenses BGN 23 608 thousand, depreciation/amortization BGN 1 342 thousand, other expenses BGN 3 417 thousand and change in reduction of work in progress in the amount of BGN 830 thousand.

Profit analysis

In 2014 Enemona AD posts a positive net financial result amounting to BGN 141 thousand.

Profitability analysis

Ratio	Description	31 December 2014
Return on sales	Net profit/Total revenue	0.19%

Equity analysis

Ratio	Description	31 December 2014
Equity utilization	Total equity/Total assets	14.4%
Return on assets	Net profit/ Total assets	0.10%
Return on equity	Net profit/Equity	0.67%

Financial leverage analysis

Ratio	Description	31 December 2014
Leverage	Debt/Assets	52.7%
Gearing	Long-term debt/Equity	3.66

For the purpose of financial leverage analysis of Enemona AD, we calculate two ratios by dividing the issuer's debt by its assets and equity, respectively.

Effectiveness analysis

Ratio	Description	31 December 2014
Asset turnover	Sales revenue/Total assets	49.5%

INFORMATION ABOUT THE SOURCES FOR SUPPLY OF MATERIALS FOR 2014

TOP 5 SUPPLIERS OF MATERIALS IN TERMS OF VALUE OF SUPPIES

Supplier	Type of supplies	Amount ('000BGN)
OMIM EOOD	Materials	809
RAICOMMERCE CONSTRUCTION EAD	Materials	649
SE SPECIALNA ENERGOTEHNIKA OOD	Materials	641
THYSSENKRUPP INDUSTRIAL SOLUTIONS GMBH	Materials	641
OSKAR-EL EOOD	Materials	364

INFORMATION ABOUT CONCLUDED BIG TRANSACTIONS AND SUCH OF MATERIAL IMPORTANCE FOR THE ACTIVITY

In 2014, Enemona AD signed new contracts in the field of Engineering, Energy efficiency, Construction and Assembly Works for over BGN 20 million (excl. VAT).

2. EMCO AD

EMCO AD is established and entered into the Commercial Register in 1997. It is with seat and registered office at: region of Pleven, Municipality of Belene, town of Belene 5930, P.O.b. 63, Project: Nuclear Power Plant (NPP). The scope of activities of EMCO AD includes: *design,* *construction, mounting and repair works of energy industrial and communal projects and gas supply projects in Bulgaria and abroad, manufacturing of customized equipment, metal structures, reservoir basins, appurtenances, electrical equipment for Bulgaria and abroad, foreign and home trade, services.*

The Company is specialized in manufacturing of customized structures of carbon steel, alloy and stainless steels. EMCO AD is certified ISO 9001:2000.

ANALYSIS OF THE FINANCIAL RESULTS AND THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

The Total Revenue of EMCO AD for 2014 amounts to BGN 4 907 thousand and decreases by 29.94% compared to 2013, the net profit for the period isloss amounted BGN 1057 thousand.

Revenues from main operations

Revenues from main operations (in thousand BGN)	2014	2013
Products	4684	6 372
Materials	113	89
Services	94	68
Others	4	
TOTAL:	12	475

Liquidity analysis

Ratio	31 December 2014	31 December 2013
General liquidity	1.037	1.090
Quick liquidity	0.849	0.889
Immediate liquidity	0.002	0.020

Profitability analysis

Ratio	31 December 2014	31 December 2013
Return on sales	-	-
Return on equity	-	-

INFORMATION ON THE ACTIVITY

The physical volume of production for 2014 is 972 tons. The main Contactors during the reporting period are: Alstom Sweden, Enemona AD, Doosan Lentjes GmbH, se-austria GmbH&CO.KGand others.

Structural changes in the physical volume of production in 2014 were not made, because the production program of the Company in recent years includes mainly production of components for electrical precipitators, fundamental parts for gas and steam turbines, tanks for petroleum products and pressure vessels.

As of December 31, 2014 EMCO AD employs 167 people.

TRADE IN ELECTRICITY

The Business line Trade in electricity (electricity trading and natural gas trading) is conducted primarily by the subsidiary Enemona Utilities AD. Electricity trade in Bulgaria is carried by the regulated third party access, where transactions take place through direct bilateral contracts between producers/traders and consumers and balancing market (on which the missing quantities are bought and the remaining surpluses in bilateral contracts are sold). In the transitional period of gradual liberalization, the relationship between market players is still carried out on the regulated and free electricity market.

The Business line includes the Companies: Enemona Utilities AD, along with Nevrokop-Gas AD, Hemusgas AD, Regionalgas AD and Pirin Power AD[1].

1. ENEMONA UTILITIES AD

Enemona Utilities is a joint-stock company with a scope of activity - *trade in electricity, generating, import and export of electric and heating energy, green certificates trading, energy management, investment designing and consulting in the energy field, trade (home and foreign) with all types of energy (after obtaining the required permit / license in the cases provided by the law), building and control on networks for natural gas in urban industrial areas, operation, maintenance, and repair of built-up water sources, water supply systems, appurtenances and pump stations, delivery, power and water supply, transmission and supply of potable water, joint distribution of the consumed quantities of cold potable water, building and control of the catalyst system, provision of telecommunication services, designing and building of telecommunication systems and appurtenances in Bulgaria and abroad, collection, transportation, treatment, and processing of solid (domestic and industrial) waste, treatment (recycling) of waste water (domestic and industrial) and appropriate processing of muddy sediments, improvement of the contaminated areas, city services (street lighting, control of buildings, parkings, subways, etc.), landscape planting, maintenance of parks and gardens, building of parks, and any other activity not forbidden by the law.*

Enemona Utilities is registered in the Trade Register in 2005. Its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 1.

The Company's shareholders as of December 31, 2013 are Enemona AD and two natural person. The capital of Enemona Utilities AD is BGN 2.25 million, divided into 1,710,000 ordinary shares and 540,000 ordinary bearer shares with a nominal value of BGN 1.00 each.

Enemona Utilities AD has a two-tier management system.

ANALYSIS OF THE FINANCIAL RESULTS OF THE COMPANY

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[1] *The leading company in the Business line is Enemona Utilities AD, which activities will be discussed in detail in the report. The activities of Nevrokop-gas AD, Hemusgas AD, Regionalgaz AD and Pirin Power AD are either at an early stage of development, or do not differ from the information revealed so far.*

In 2013 Enemona Utilities AD focused on minimizing the negative impact of the ongoing financial and economic crisis in Bulgaria.

As a result, in 2014 sales of electricity are reduced by about 25% compared to the 2013.

"Trade in natural gas" was discontinued in 2014. Tangible fixed assets employed in that activity are sold.

The Company's revenues in 2014 are segmented, as follows:

Revenue	Value in thousand BGN
Revenue, including	**45 622**
Sales of Goods:	**42 490**
Electricity	41 279
Compressed gas	1 211
Sales of Services:	**20**
Other Revenues:	**3 112**
Income from Financing:	**106**
Financial Income:	**4 471**

ANALYSIS OF THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

Ratios	31.12.2014	31.12.2013
1. Non-Currents Assets (thousand BGN)	897	6 827
2. Current Assets (thousand BGN)	25 694	14 236
3. Total Assets (thousand BGN)	26 591	21 063
4. Equity (thousand BGN)	5 724	5 678
5. Non-Current Liabilities (thousand BGN)	433	1 742
6. Current Liabilities (thousand BGN)	20 434	13 643

7. Revenue (thousand BGN)	43 820	58 188
8. Expenses (thousand BGN)	43 767	57 771
9. Net Profit (thousand BGN)	46	375
10. General Liquidity (CA/CL)	1,26	1,04
11. Return on Sales (Net Profit/Revenue)	0,006	0,006
12. Return on Assets (Net Profit/Total Assets)	0,01	0,02
13. Leverage (Liabilities/Total Assets)	0,78	0,73

Assets, Liabilities, Equity

In 2014, there is an increase in the current assets as comparedto2013. That fact is due to the decrease in the gross amounts due from customers, other current receivables and cash of the Company as ofDecember 31, 2014.

The equity of the Company as of December 31, 2014 amounts to BGN 5 724thousand, representing 21.53% of the total assets.

The decrease in non-current liabilities is due to the repayment of an investment bank loan used by Enemona UtilitiesAD for the Project "Virtual Pipeline Simitli - Gotse Delchev". The current liabilities mark an increase, resulting from an increase in the Company's payables to suppliers.

Revenue, Expenses, Profit

Company's revenues decreased in 2014 as compared to 2013, at about 25%. That is due to adecrease in the electricity and natural gas traded. The expenses also show decrease of about 26%. The Financial result for 2014 is a profit of BGN 46 thousand.

COMPANY'S FUTURE DEVELOPMENT

The main objectives to the Company are the increasing of the volume of traded quantities of electricity and natural gas, developing a strategy and taking action for the expansion of foreign trade contracts of sale with customers outside the Republic of Bulgaria.

The dynamics in relationships related to electricity and natural gas makes it possible to identify specific transactions that are expected to be concluded. The aim of Enemona Utilities AD is expanding the market, on which it operates, by attracting new customers both in Bulgaria and abroad.

ASSETS MANAGEMENT AND OTHER ACTIVITIES

Enemona is the founder and majority shareholder in two special investment purpose vehicles – Energetics and Energy Savings Fund - EESF SPV, and Real Estate Investments Fund - FINI REIT. Those two entities have been established in order to utilize different investment instruments, i.e. the opportunity of investing by means of securitization in the two legally defined directions by the Bulgarian Law on the Special Purpose Vehicles. The process of securitization includes investing the financial resources, raised by security issues, in real estate or receivables.

1. ENERGETICS AND ENERGY SAVINGS FUND – EESF SPV

Energetics and Energy Savings Fund - EESF SPV has its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 3.

On May 17, 2006 by a Decision № 333 - SPV, the Financial Supervision Commission issued a license to the Energetics and Energy Savings Fund - EESF SPV.

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.eesf.biz and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

2. REAL ESTATE INVESTMENT FUND- FINIREIT

Real Estate Investment Fund – FINI REIT has its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str., fl. 3.

On August 16, 2007 by a Decision № 1138 - SPV, the Financial Supervision Commission issued a license to the Real Estate Investment Fund – FINI REIT.

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.fini.bgand the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

3. ARTANES MINING GROUP AD

Artanes Mining Group AD was established on February 15, 2011 in the Republic of Bulgaria seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str. and is registered in the Trade register on April 19, 2011.

The Company's scope of activities includes: *prospecting, exploration and mining of underground resources; exploration, development and implementation of methods for underground coal gasification in solid fuels deposits; financing, construction and operation of mines; production and trade in electricity and energy (after obtaining the required permit / concession rights / license for the respective activity required by law) and any other activity that is not prohibited by law.*

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public, along with publication on the Internet site of the Company - www.artanesmining.bg and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

4. CHPP NIKOPOL EAD

CHPP Nikopol EAD was established in 2008 with main scope of activities: *research, design, construction, installation, start-up and commissioning, repair services, engineering, production and sale of electricity and heat from various energy sources.* Its seat and registered office is at: Sofia, Geo Milev Living District, 20 Kosta Lulchev Str.

CHPP Nikopol was established as a project company for developing Enemona's activities in the field of renewable energy sources. According to the conceptual technical characteristics, the Central Heating Power Plant will have a total installed heating capacity of 50 MWth, electrical capacity of 16MWel, generating a net annual electricity of 128MWh. The technology allows 80% of the fuel to be waste agricultural biomass (straw) and an option for the remaining 20% to be other biological waste.

V. RESEARCH AND DEVELOPMENT, PATENTS, LICENSES OF ENEMONA GROUP OF COMPANIES

Enemona AD creates and develops up to date scientific developments in the field of the national energy system. With the scope to find solutions for problems in the energy sector, the company forms teams from its own inventors, experts, and power engineers from outside organizations and scientists from the Technical Universities of Sofia and Varna.

For example, for the effective use of the shut down facilities in Kozloduy NPP, Enemona AD holds two patents related to the operation of power equipment in the second contour of Kozloduy NPP. The patents have with the following registration numbers BG 65250 B1 and BG 65267 B1 and have the following common name:

"A system for generation of reactive power in the power system"

The patented inventions were created by a team in 2002 while the patents were issued in 2008 by the Patent Office of Bulgaria. The created technical solutions allow the use of the generators of units 1 and 2 of Kozloduy NPP as synchronous compensators. The switching of these units in the country's power system improves the quality of electricity for end users, reduces losses in power transmission system, and achieves significant social, economic and political effects.

In the field of Energy Efficiency and Ecology with the aim to achieve beneficial effects on the ecological balance and to allow energy savings, Enemona AD created a number of technical solutions, united in a patent application № 110222/19.09.2008, having the following name:

"Methods and devices for receiving thermal energy towards steam turbine systems that produce electricity and heat"

The use of the proposed solutions to be patented enables the change of the thermal cycle in the currently operational thermal power plants and in Kozloduy NPP. This creates the possibility for the waste heat from the exhausted steam to be returned back into the thermal cycle and to reduce significantly its needs for cooling and condensation. Thus significant fuel savings are achieved which reduces the environmental pollution and the need for purification of flue gases. The heat pollution from so-called "hot canals" at the power stations can be reduced. The effect over the ecological balance is favorable as a significantly higher efficiency of steam turbine plants is achieved. The above mentioned benefits from the developed technical solutions contribute to the realization of significant economic effects in the power engineering.

Licenses in the Enemona Group of Companies

1. Enemona Utilities AD – License for trade in electricity for a 10 year period № L201-15/27.02.2006;

2. Enemona AD - License for trade in electricity for a 10 years period - № L275-15/08.09.2008;

3. Nevrokop-Gas AD - license for distribution of natural gas for 35 years period - № L289-08/22.12.2008; license for supply with natural gas on the territory of Gotse Delchev Municipality - № L289-12/22.12.2008;

4. EESF SPV – By a decision issued on May 17, Decision № 333 – SPV, the Financial Supervision Commission issued a License to the Energy and Energetic Savings Fund –EESF SPV;

5. FINI REIT - By Decision № 1138 of the Financial Supervision Commission (FSC) as of 16.08.2007 FINI has a license for carrying on its activity.

VI. INFORMATION UNDER APPENDIX №10 OF ORDINANCE No. 2 OF SEPTEMBER 17, 2003 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION BY THE PUBLIC COMPANIES AND THE OTHER ISSUERS OF SECURITIES

1. Analysis of the financial results and the results from the activities of the Group

1. Assets

The Total Assets of the Group as of December 31, 2014 reach BGN 170 124 thousand, which is a 1.0% decrease as compared to December 31, 2013.

The Non-Current Assets of the Group as of December 31, 2014 amount to BGN 79 227 thousand, or 46.6% of Total Assets, and increase by 30.9% compared to December 31, 2013.

The Current Assets of the Group (including assets classified as held for sale) as of December 31, 2014 reach BGN 90 897 thousand, representing 53.4% of Total Assets.

2. Equity and Liabilities

The Group finances its principal activity with equity or borrowings.

The specific characteristics of the fields of activity in which the companies from the Group operate, as well as the projects they are involved in, are characterized by high capital intensity and large time lag of return. The large-scale projects in the field of energy construction - the main business of the companies, require huge financial resources to be provided mainly by borrowing, especially in times of prolonged global economic crisis. Moreover, the financial return from the activities is expected to be postponed for a longer period of time as compared to other industries and sectors.

The Group's Equity as of December 31, 2014 amounts to BGN 21 559thousand, or 12.7% of its assets.

The Non-Current Liabilities of the Group as of December 31, 2014 amount to BGN 12 831 thousand, or 8.6% of Total Liabilities. They include mainly long-term bank loans and financial liabilities on preferred shares which vary compared to those reported at the end of 2013 by 54.6% and (26.6%), respectively.

The Current Liabilities of the Group (including liabilities associated with assets available for sale) as of December 31, 2014 amount to BGN 135 734 thousand,or 91.4% of Total Liabilities and comprise mainly trade and other payables and short-term loans. They decrease in 2014 by 2.0% compared to the previous year.

3. Liquidity analysis

Ratio	Description	31 December 2014
General liquidity	CA/CL	0.67
Quick liquidity	(Cash+Cash equivalents+Receivables)/CL	0.63

Immediate liquidity	(Cash+Cash equivalents)/CL	0.01

The funds available to the Group at a given moment to cover its operating expenses, incl. all short-term assets that may quickly and at market value, without significant transactions costs, transform into the required funds, are determined as sources of liquidity. The sources of liquidity for Enemona Group are mainly revenue from sales of products and external/debt financing in the form of bank loans.

4. Revenues

The Revenue of the Group in 2014 amounts to BGN 117 925 thousand and decreases by 9.3% compared to 2013.

The Group's operating expenses for 2014 amount to BGN 115 530 thousand, decreasing by 24.7% compared to 2013, due mainly to the decrease in materials and consumables used and cost of goods sold as well as the change in other gains/(losses), net.

5. Financial leverage analysis

Ratio	Description	31 December 2014
Leverage	Debt/Assets	52.1%

For the purpose of financial leverage analysis of the Group, we calculate a ratio by dividing the Group's bank loans by its assets.

6. Effectiveness analysis

Ratio	Description	31 December 2014
Asset turnover	Sales revenue/Total assets	69.3%

2. **Information given in value or quantitative terms about the main categories of commodities, products and/or provided services on a consolidated basis**

Revenue

	Year ended 31.12.2014 *Thousand BGN*	Year ended 31.12.2013 *Thousand BGN*
Revenue from construction contracts	64,882	65,793
Revenue from sale of electricity	41,145	52,717
Revenue from sale of compressed natural gas	1,211	4,949
Revenue from sale of assets	10,267	6,311
Revenue from services	420	326
TOTAL REVENUE	**117,925**	**130,096**

3. **Information about the revenues allocated by separate categories of activities on a consolidated basis**

Segment revenue

	Year ended 31.12.2014 *Thousand BGN*	Year ended 31.12.2013 *Thousand BGN*
Engineering, construction and assembly works	75,538	72,291
Electricity trading	42,376	52,748
Other segments	11	5,057
TOTAL	**117,925**	**130,096**

Geographical distribution

	Year ended 31.12.2014 *Thousand BGN*	Year ended 31.12.2013 *Thousand BGN*
Bulgaria	87,662	80,656
Slovakia	15,542	19,809
Germany	4,958	15,938
Norway	319	743
Britain	4,520	272
Other	4,924	12,678
TOTAL	**117,925**	**130,096**

4. **Information about the sources for supply of materials on a consolidated basis**

TOP 5 SUPPLIERS OF MATERIALS IN TERMS OF VALUE OF SUPPIES

Supplier	Type of supplies
OMIM EOOD	Materials
RAICOMMERCE CONSTRUCTION EAD	Materials
SE SPECIALNA ENERGOTEHNIKA OOD	Materials
THYSSENKRUPP INDUSTRIAL SOLUTIONS GMBH	Materials
UNION OCEL S.R.O.	Materials

5. **Information about the transactions concluded between with related parties during the reporting period, proposals for conclusion of such transactions as well as transactions which are outside the usual activity or substantially deviate from the market conditions, to which the issuer or its subsidiary is a party, indicating the amount of the transactions, the nature of relatedness and any information necessary for an estimate of the influence over the groups' financial status**

The information about the transactions concluded with related parties during the reporting period is disclosed in Note 31 of the Notes to the Consolidated Financial Statement for 2014.

6. **Information about events and indicators of unusual for the group nature, having substantial influence over its operation and the realized by it revenues and expenses made; assessment of their influence over the results during the current year**

During the period under review no events and indicators of unusual for the Group nature, having substantial influence over its operation.

7. **Information about off-balance kept transactions – nature and business objective, indication of the financial impact of the transactions on the operation, if the risk and benefits of these transactions are substantial for the assessment of the groups' financial status**

The Group prepares its Consolidated Financial statements 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. The information about contingent liabilities is disclosed in Note 33 of the Notes to the Consolidated Financial Statement for 2014.

8. **Information about holdings of the issuer, about its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as the investments in equity securities outside its economic group and the sources/ways of financing**

The companies which Enemona AD controls and manages as of December 31, 2013 and December 31, 2014, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

COMPANY	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2014
„CHPP NIKOPOL" EAD	100.00	100.00
„PPP MLADENOVO" EOOD	100.00	100.00
"ARTANES MINING GROUP" AD	89.99	89.99
"ENEMONA UTILITIES" AD	92.24	97.23
"ESCO ENGINEERING" AD	99.00	99.00
"NEVROKOP-GAS" AD	90.00	00.00
"ENERGETICS AND ENERGY SAVINGS FUND - EESF" SPV	88.20	37.28*
"PIRINPOWER"AD	84.00	84.00
„EMCO"AD	77.36	77.36
„REAL ESTATE INVESTMENT FUND- FINI" REIT	69.23	55.47
"HEMUSGAS"AD	50.00	50.00

Enemona AD Indirect Shareholdings

Company	Indirect Shareholding through	Percentage (%) of indirect shareholding as of 31.12.2014
„RegionalGas" AD	„Enemona Utilities" AD	50.00
„Pirin Power"AD	„Enemona Utilities" AD	16.00
„Real Estate Investment Fund- FINI" REIT	„Enemona Utilities" AD	39.73

Enemona's shareholdings below 50%

Company	Percentage (%) as of 31.12.2013	Percentage (%) as of 31.12.2012
„ALFA - ENEMONA"OOD	40.00	40.00
"ENEMONA - START" AD	4.90	4.90
"ENIDA ENGINEERING" AD	4.90	4.90

9. **Information about the concluded by the issuer, by its subsidiary or parent undertaking, in their capacity of borrowers, loan contracts with indication of the terms and conditions thereof, including the deadlines for repayment as well as information on the provided guarantees and assuming of liabilities**

The information about the concluded by the Companies from the Group, in their capacity of borrower, loan contracts, is disclosed in Note 15 of the Notes to the Consolidated Financial Statement for 2014.

10. **Information about the concluded by the issuer, by its subsidiary or the parent undertaking, in their capacity of lenders, loan contracts, including the provision of guarantees of any type, including to related persons, with indication of the concrete conditions there under, including the deadlines for repayment and the purpose for which they have been granted**

The information about the concluded by the Companies from the Group, in their capacity of lender, loan contracts, is disclosed in Note 9 of the Notes to the Consolidated Financial Statement for 2014.

11. **Information on the use of the proceeds from a new issue of securities carried out during the reported period**

During the reported period no new issues of securities have been carried out.

12. **Analysis of the ratio between the achieved financial results reflected in the financial statement for the fiscal year, and previously published forecasts for these results**

In the prospectuses for public offering of the ordinary shares, preferred shares and warrants issued by Enemona AD and approved by the FSC, there are no financial forecasts.

13. **Analysis and assessment of the policy concerning the management of the financial resources with indication of the possibilities for servicing of the liabilities, eventual jeopardizes and measures which the group has undertaken or is to undertake with a view to their removal**

The true and fair presentation of the information in the financial statements of the Group is ensured by the systematic application of accounting policies based on current accounting, which is checked by an internal control system.

14. **Assessment of the possibilities for realization of the investment intentions, indicating the amount of the available funds and stating the possible changes in the structure of the financing of this activity**

As of December 31, 2014the Group has cash and cash equivalents for a total BGN 2025 thousand. That fact in combination with the increased capital base, determines a good opportunity to raise funds for the implementation of the Group's investment projects.

15. **Information about occurred during the reporting period changes in the base principles for management of the issuer and its Economic Group**

For the period under review, there have been no changes in the base principles for management of the Issuer and its Group.

16. **Information on the amount of the remunerations, rewards and/or the benefits of everyone of the members of the management and control bodies for the fiscal year under review, paid by the issuer and its subsidiaries, irrespective of whether they have been included in the issuer's expenses or arise from profit distribution**

Name	Gross Remuneration (BGN)	Net Remuneration (BGN)
Dichko Prokopiev Prokopiev	66 000.00	56 079.54
Enemona AD	48 000.00	43 200.00
Enemona Utilities AD	9240.00	8316.00
Total	**123 240.61**	**107 595.54**
Margarita Ivanova Dineva		
Enemona AD	**11 599.03 лв**	**9 034.45 лв**
Bogdan Dichev Prokopiev		
Enemona AD	60 000.00	50 679.54
Enemona Utilities AD	48 020.00	43 218.00
EMCO AD	24 000.00	21 600.00
ANDI 52 EOOD	285.71	257.14
Total		
	132305.71	**115 754.68**
Emil Kirilov Manchev		
Enemona AD	12 099.02	10 770.70
Nikolay Filipov Filchev		
Enemona AD	**11 550.00**	**8 984.41**

17. Participation of the members of the Board of Directors and the Procurator as of 31 December 2014

Dichko Prokopiev Prokopiev
Enemona AD– Chairman of the of Board of Directors and Chief Executive Officer
Global Capital OOD, Kozloduy – Manager and Partner
Enemona Utilities AD, Sofia – Chairman of the Supervisory Board
ANDI 52 EOOD – Owner
Bogdan Dichev Prokopiev
Enemona AD - Vice Chairman of the of Board of Directors and Chief Executive Officer
Global Capital OOD, Kozloduy – Partner
Enemona Utilities AD, Sofia – Chairman of the Managing Board
CHHP Nikopol EAD, Sofia – Chairman of the Managing Board
ESCO Engineering AD, Sofia – Member of the Board of Directors
PirinPower AD, Sofia – Vice Chairman of the of Board of Directors
Hemusgaz AD
EMCO AD, Belene – Member of the Board of Directors
Artanes Mining Group AD, Sofia – Chairman of the of Board of Directors
RacioConsult OOD, Sofia - Partner
Interalt OOD - Partner
ANDI 52 EOOD – Manager
NikolayFilipovFilchev
Enemona AD – Member of the of Board of Directors

18. Information about the owned by the members of the management and the Procurators shares of the issuer

Shares in Enemona AD	Percentage of the capital as of 31 December 2014 at a capital of 13 036 501	Percentage of the ordinary shares as of 31 December 2014 at OS of 11 933 600	Percentage of the preferred shares as of 31 December 2014 at PS of 1 102 901	Percentage of warrants as of 31 December 2014 at an issue of 5 966 792
Dichko Prokopiev Prokopiev - Chairman of the Board of Directors	45.38	49.58	0.00	60.13
Bogdan Dichev Prokopiev – Vice Chairman of the Board	1.84	2.01	0.00	0.33

of Directors NikolayFilipovFilchev - Member of the Board of Directors	0.00	0.00	0.00	0.00

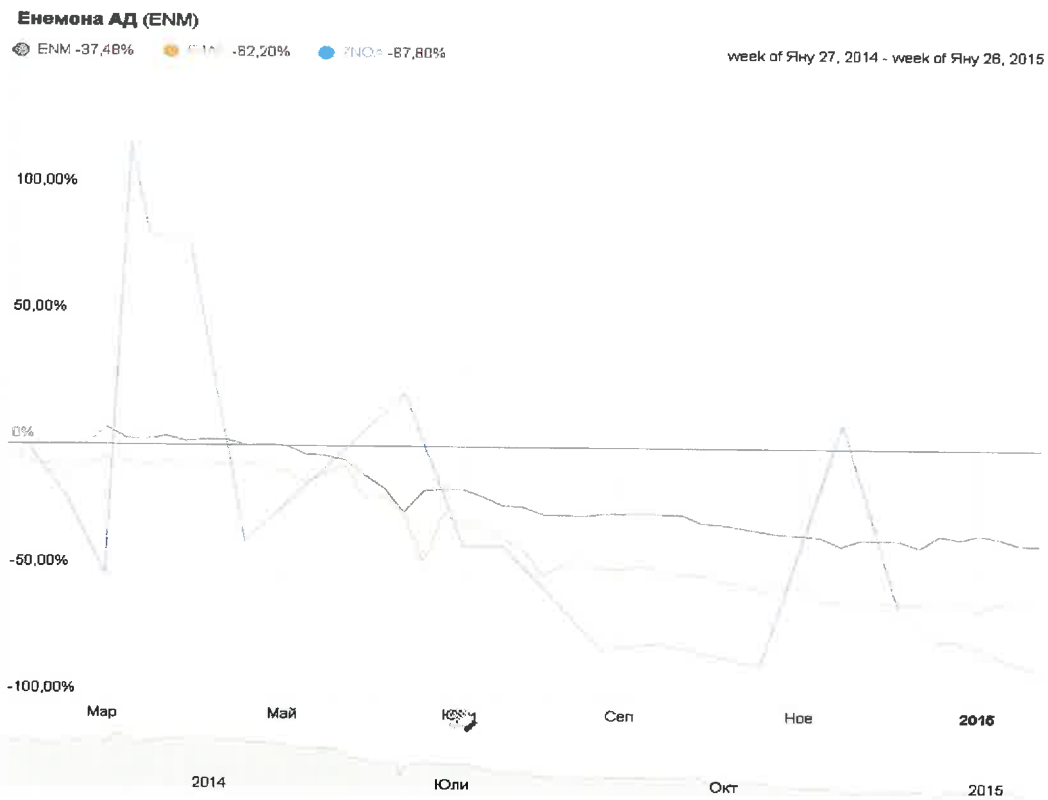
19. Information about the known to the group agreements (including also after the fiscal year closing) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders and bondholder

For the period under review there are no agreements, as a result of which changes may occur in the future in the owned percentage of shares by current shareholders.

20. Information about pending legal, administrative or arbitration proceedings relating to issuer's liabilities or receivables at amount at least 10 percent of its equity; if the total amount of the issuer's liabilities or receivables under all initiated proceedings exceeds 10 per cent of its equity, information shall be submitted for each procedure separately

Enemona AD had no pending legal administrative or arbitration proceedings, relating to issuer's liabilities or receivables at amount at least 10 percent of its equity.

21. Information about the price of the financial instruments, issued by the Enemona AD



22. Data about the Investor Relations Director, including telephone and address for correspondence

As of December 31, 2014 the position of Investor Relations Director of Enemona AD, is occupied by PetyaTomovaTomova.

Contact Data of the Investor Relations Director:
1113 Sofia
Geo Milev District
20, Kosta Lulchev Str.
tel: +359 2 80 54 766
fax: +359 80 54 837
Mobile: +359 888 318 103
E-mail: p.tomova@enemona.com

VII. INFORMATION IN RELATION TO THE BULGARIAN CODE FOR CORPORATE GOVERNANCE

On a meeting, held on 17 April 2008, the Board of Directors of Enemona AD decided to join and observe the National Code of Corporate Governance, approved and adopted by Minutes No 36 dated 17 October 2007 of BD of BSE – Sofia AD. This decision was announced to the Financial Supervision Commission, Bulgarian Stock Exchange and the public.

Pursuant to the instructions of the Financial Supervision Commission dated 21 February 2008, the application of the National Code of Corporate Governance substituted the requirement to prepare and implement their own corporate governance program. As a consequence of the decision that Enemona AD shall operate in accordance with the principles and provisions of the National Code of Corporate Governance, as well as due to the fact that the company's shares have been traded on the regulated market since the end of January 2008, the Company did not prepare and approve a separate corporate governance program.

Enemona AD observes the principal provisions of the National Code of Corporate Governance.

The main direction in fulfilling the commitments of the Code was bringing all in-house acts of the Company and its overall activity in accordance with the constantly changing effective regulations. All financial statements of the Company are prepared in accordance with International Accounting Standard (IAS) and the annual audit is carried out by an independent auditor to ensure the unbiased and objective assessment of the method of preparation and presentation of these financial statements. These financial statements are accompanied by detailed management reports.

Enemona AD is a publicly traded company with a one-tier management system. All members of the Board of Directors comply with the legal requirements for their position. The functions and obligations of corporate management, as well as its structure and competences, are in accordance with the Code. The remunerations of all Members of the Board of Directors have been disclosed in the annual reports in compliance with the legal provisions. Shareholders have an easy access to information about remunerations. Members of Board of Directors avoid and do not allow any actual or potential conflict of interests.

To increase the trust of shareholders, investors and all other persons interested in the governance and activities of the Company was one of the principal commitments of corporate governance in the past year as well.

Enemona AD guarantees equal treatment of all shareholders, including minority and foreign shareholders, and protects their rights.

Following the policy for transparency in its relationships with shareholders, investors and the public, Enemona AD has announced the media through which it discloses regulated information:www.investor.bg.

The Board of Directors of Enemona AD believes that through its activity in 2014, it has created conditions for sufficient transparency of its relationships with investors, financial media and analysts in the capital market.

For the reporting year 2014, the Company has disclosed any regulated information on time and in accordance with the procedure provided for in LPOS and the regulations on its application.

A section "For investors" has been added in the Company's website – www.enemona.bg. The purpose of this section is to facilitate investors in receiving up-to-date and timely information. This section contains information about the financial and economic position of the Company, as well as materials concerning corporate events already held or forthcoming. The Company's contact information is published in the website, as also that of Investor Relations Director, thus encouraging shareholders and interested parties to ask for the information they need.

The Regular General Meeting of Shareholders is convened in accordance with the effective rules for making public the invitation, the agenda and draft decisions. All printed materials shall be made available to the shareholders in the office and published at the website of the Company.

The financial statements are published at the website of Enemona AD right after they are forwarded to the regulatory authority and the public, which enables the shareholders, investors and all interested parties to exercise control.

In conclusion it can be summarized that the activity of the Board of Directors of the Company in 2014 was in accordance with the National Code of Corporate Governance and International Standards.

Evidence for this is the inclusion of Enemona AD in the new INDEX OF THE COMPANIES HAVING GOOD CORPORATE GOVERNANCE - Corporate Governance IndeX (CGIX). The CGIX is an index comprising the seven companies listed on the Exchange that have the best corporate governance, based on the market capitalisation of the issues of ordinary shares included, adjusted by the free-float of each one.

INFORMATION UNDER APPENDIX №11 OF ORDINANCE No. 2 OF SEPTEMBER 17, 2003 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION BY THE PUBLIC COMPANIES AND THE OTHER ISSUERS OF SECURITIES

I. Structure of the Company's capital including the securities that have not been admitted to trading on a regulated market in the Republic of Bulgaria or another member state, with indication of the different classes of shares, the rights and liabilities attaching to any of the classes of shares and the portion of the total capital which each individual class constitutes

As of December 31, 2014 the Company's share capital amounts to 13,036,501 (thirteen million thirty-six thousand five hundred and one), divided into 11,933,600 ordinary shares with voting rights in the GMS and 1,102,901 preferred shares without voting rights at the GMS, giving their owners a guaranteed cumulative annual dividend of 10 per cent of the issue price per preferred share.

Structure of the capital

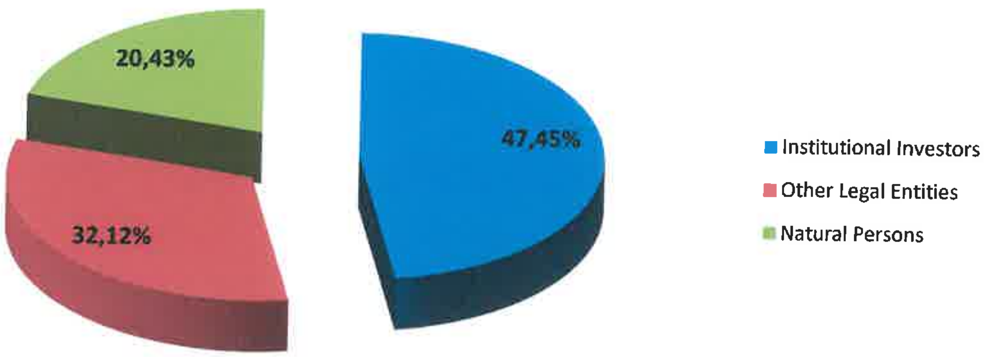
ordinary shares[2]:

The structure of the issue of ordinary dematerialized shares, with voting rights, with a nominal value of BGN 1.00 and ISIN code BG1100042073 is shown below:

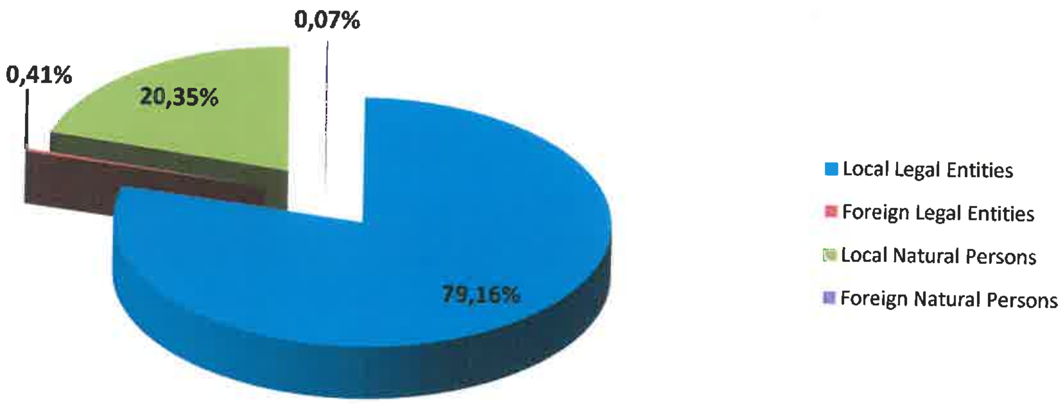
№	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	1 612	2 437 596
2.	Legal entities	121	9 496 004
	Total:	1 733	11 933 600

[2]The shares pledged under repo-transactions, owned by Dichko Prokopiev and Global Capital OOD, are included in their percentage of holding.

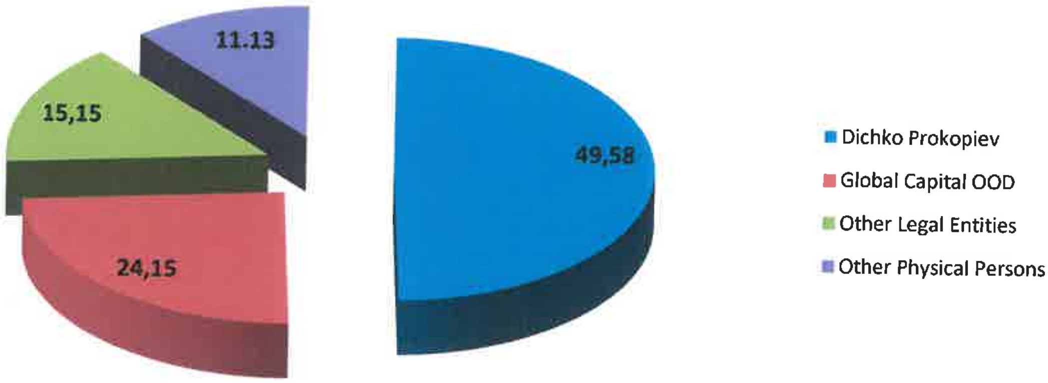
Shareholder Structure of Ordinary Shares, issed by Enemona AD as of 31.12.2014



Shareholder Structure of Ordinary Shares, issed by Enemona AD as of 31.12.2014



Shareholder Structure of Ordinary Shares, issed by Enemona AD as of 31.12.2014



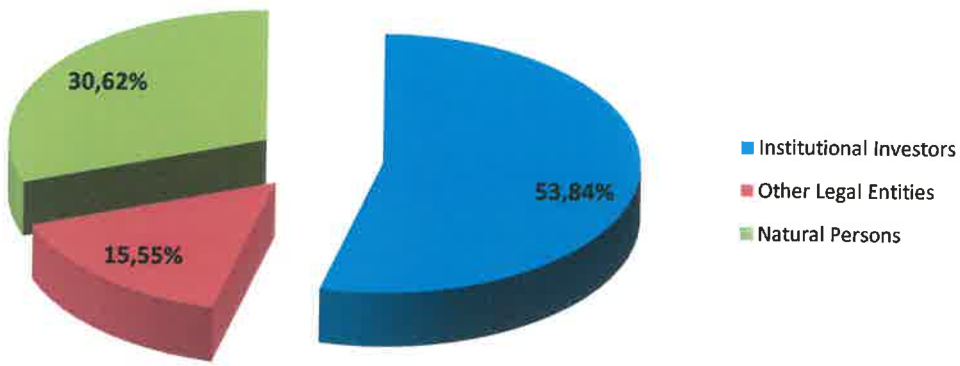
PREFERRED SHARES

The structure of the issue of preferred, dematerialized shares, without voting rights, with a nominal value of BGN 1.00 and ISIN code BG1200001102 is shown below:

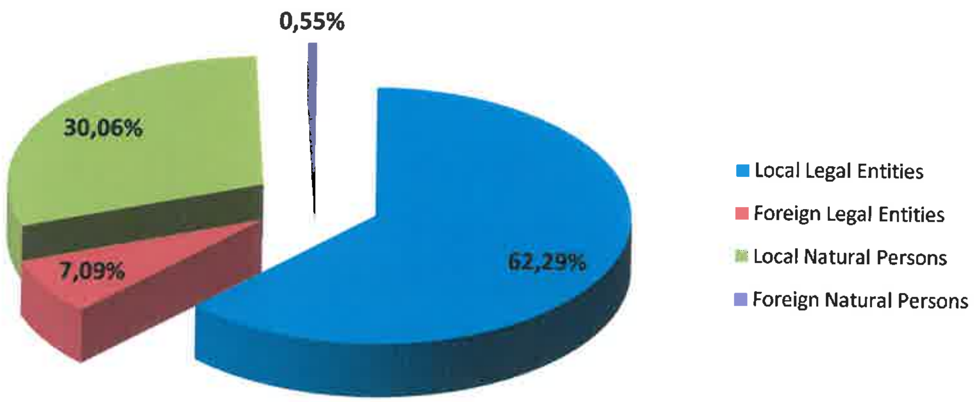
№	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	297	337679
2.	Legal entities	42	765222
	Total:	**339**	**1 102 901**

This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

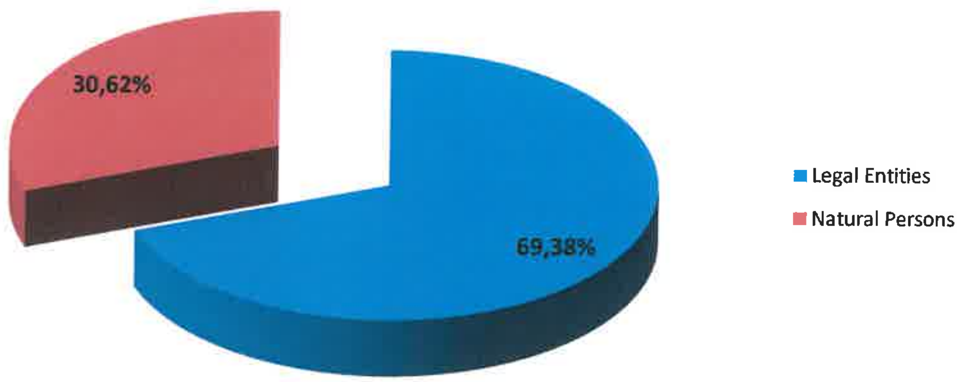
Shareholder Structure of Preferred Shares, issed by Enemona AD as of 31.12.2014



Shareholder Structure of Preferred Shares, issed by Enemona AD as of 31.12.2014



Shareholder Structure of Preferred Shares, issed by Enemona AD as of 31.12.2014



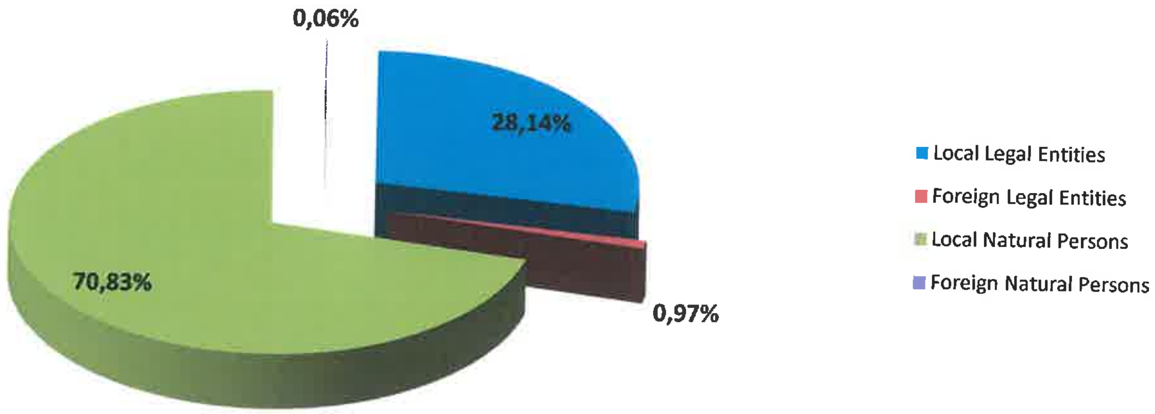
WARRANTS

The structure of the issue of warrants, with an underlying asset – a future issue of ordinary shares, ISIN code BG9200001105 is shown below:

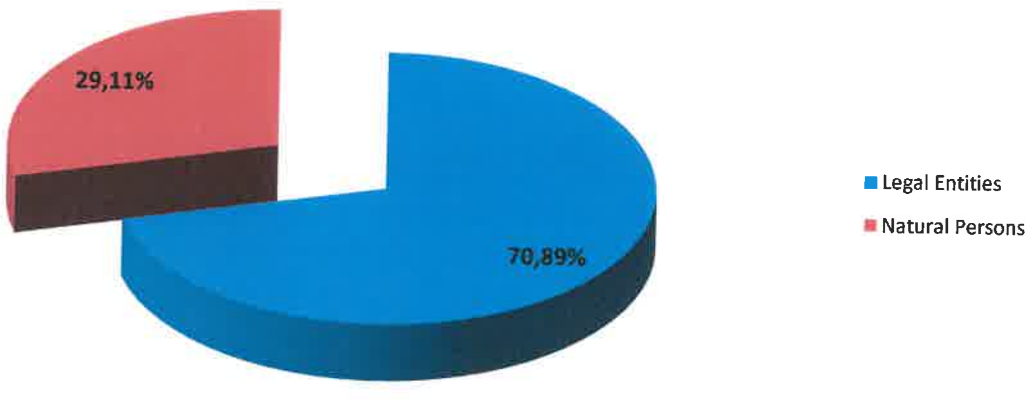
№	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	244	**4 229807**
2.	Legal entities	28	**1 736985**
	Total:	**277**	**5 966 792**

This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

Stricture of the Holders of Warrants, issued by Enemona AD as of 31.12.2014



Stricture of the Holders of Warrants, issued by Enemona AD as of 31.12.2014



II. Limitations over the securities transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder

There are no limitations over securities transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder.

Securities are freely transferable, subject to the requirements of the applicable law for transactions in dematerialized securities. The Articles of Association and the other internal Acts of the Company may not establish conditions or restrictions on securities transfer.

III. Information on the direct and indirect holding of 5 or more percent of the voting rights in the company's General Meeting, including data about the shareholders, the amount of their holding and the manner in which the shares are owned

Ownership as of December 31, 2014[3]

Ownerships as of 31 December 2014	Ordinary Shares 11 933 600	Preferred Shares 1 102 901	Issued Share Capital 13 036 501
Dichko Prokopiev Prokopiev	49.58%	-	45.38%
Global Capital OOD	24.14%	-	22.10%

Dichko Prokopiev owns directly and indirectly via Global Capital – 67,48% of the issued share capital.

As of December 31, 2014, a total of 1 306 000ordinary shares, owned by Global Capital OOD, and 4 576 288 ordinary shares, owned by Dichko Prokopiev, are subject to repo transactions.

IV. Data about the shareholders with special control rights and description of these rights

There are no shareholders with special control rights.

V. The control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them

There is no control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them.

[3]The shares pledged under repo-transactions, owned by Dichko Prokopiev and Global Capital OOD, are included in their percentage of holding.

VI. **Limitations over the voting rights, such as limitations over the voting rights of the shareholders with a given percent or number of votes, deadline for exercising the voting rights or systems whereby with the company's assistance, the financial rights attaching to the shares are separated from the holding of shares**

There are no limitations over the voting rights.

VII. **Agreements among the shareholders, which are known to the company and which may result in limitations over the transfer of shares or the voting right**

There are no agreements among the shareholders, which are known to the company and which may result in limitations over the transfer of shares or the voting right.

VIII. **The provisions about the appointment and dismissal of the members of the company's management bodies and about introduction of amendments and supplements to the Articles of Association**

The General Meeting of Shareholders decides by a majority of more than a half of the shares with voting rights about the election and dismissal of members of the Board of Directors. Members of the Board of Directors are elected for a term of 5 years.

Members of the Board of Directors may be reelected without any limitations. After termination of their mandate, the Board of Directors shall continue to perform its functions until General Meeting of Shareholders elects a new Board of Directors.

IX. **The powers of the company's management bodies, including the right to take decisions for the issue and redemption of shares in the company**

Enemona AD has one-tier management system. The bodies of the Company are the General Meeting of Shareholders and a Board of Directors.

The General Meeting of Shareholders includes shareholders entitled to vote. They attend the General Meeting either personally or through a person authorized by an express written authorization in compliance with Art. 116, Para.1 from LPOS.

The Company is managed by a Board of Directors elected by the General Meeting of Shareholders.

The company has a one-tier system of government – Board of Directors, consisting of:

Members of the Board of Directors:

1. Dichko Prokopiev Prokopiev – Chairman of the of Board of Directors;
2. Bogdan Dichev Prokopiev - Deputy Chairman of the Board of Directors;

3. Nikolay Filipov Filchev - Independent Member of the Board of Directors.

Representatives:

To third parties, the Company is jointly and independently represented by:

1. Dichko Prokopiev Prokopiev – Chief Executive Officer;
2. Bogdan Dichev Prokopiev - Executive Director;

Under Art. 37, Para. 1 of the Articles of Association of the Company within five years from registering in the Trade Register, the Board of Directors may decide to increase the capital to 100 million (one hundred million) by issuing new shares.

X. Significant contracts of the company which give rise to action, have been amended or terminated due to change in the control of the company upon carrying out of obligatory tender offer and the consequences thereof, save for the cases when the disclosure of such information may cause serious damages to the company; the exception of the previous sentence shall not apply in the cases when the company must disclose information by virtue of the law

There are no significant contracts of the Company which give rise to action, have been amended or terminated due to change in the control of the Company upon carrying out of an obligatory tender offer.

XI. Agreements between the company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relations due to reasons, related to a tender offer

There are no agreements between the Company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relations due to reasons, related to a tender offer.

Date: June 04, 2015

On behalf of the Management of Enemona AD:

Dichko Prokopiev Prokopiev

Chief Executive Director

This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

Office: city of Sofia, 100 Al. Stamboliyski Blvd., office 5;
tel. 02/42 32 789
Office: town of Lom, 1 Stefan Karadzha Street, ent. B, apt. 21, fl.4;
тел. 0971/8 55 09, тел./факс 0971/7 04 54

anoditing@abv.bg; office@anodit.com; www.anodit.com

INDEPENDENT AUDITOR'S REPORT

TO the Shareholders
Of the economic group of „ENEMONA" AD – city of Sofia

Report on the Consolidated Financial Statement

I have audited the attached Consolidated Financial Statement of the economic group of "ENEMONA" AD, comprising the balance sheet (financial position report) to date December 31, 2014 and the income statement, the Statement on Equity Changes, the Cash Flow Statement for the year ending on said date, as well as a summarized publication of the main accounting policies and other explanatory annexes.

Responsibility of the Management for the financial statement

The Management is responsible for the preparation and truthful presentation of this financial statement, in accordance with the International Financial Reporting Standards, accepted by the European Union, and for such a system for internal control as the Management deems necessary for the preparation of a financial statement, which does not contain significant misstatements, regardless whether they occur due to fraud or honest mistake.

Responsibility of the Auditor

My responsibility is limited to stating my auditor's opinion on this financial statement, based on the audit performed by me. The audit was performed in accordance with the International Standards on Auditing. These standards enforce the observance of the ethical requirements, as well as planning and performing the audit in such a way as to have reasonable assurance that the financial statement does not contain significant misstatements. The audit includes following certain procedures for receiving audit proof regarding the amounts and statements presented in the financial statement. The selected procedures depend on the auditor's judgment, including assessment of the risk of significant inaccuracies, errors and discrepancies in the financial statement, regardless whether they occur due to fraud or honest mistake. Ion performing these risk assessments, the auditor takes into account the internal control system, related to the preparation and truthful presentation of the financial statement by the company, in order to design the auditing procedure suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system. The audit also includes an evaluation of the suitability of the applied accounting principles and reasonability of the estimates made by the Management, as well as evaluation the overall presentation of the financial statement.

I believe that the audit provides a reasonable and sufficient basis for my opinion.

Opinion

In my opinion the consolidated financial statement represents truthfully in all meaningful aspects the financial position of the economic group of "ENEMONA" AD to date 31 December, 2014, as well as their financial results from operations and the cash flows for the year which ends on said date, in accordance with the in accordance with the International Financial Reporting Standards, accepted by the European Union.

Emphasis of matter paragraph

I emphasize the fact, announced in item 15.3 of the statement, that to date 31 December 2014 the group has violated a financial requirement of a bank loan from EBRD with balance value 13,710 thousand BGN, which was granted for the business of securitization of receivables. According to the contract, the violation of a requirement of the loan can change the loan into immediately payable at the creditor's request, or to a one-time early claim of the whole obligation, which would complicate the group's activity to a certain extent. This possibility is to be expressed by EBRD in written form. To the date of issue of this consolidated financial statement there is no written or other opinion by EBRD regarding the consequences of the violation of the requirement. My opinion on this issue in unqualified.

Report on other legal and regulatory requirements

In relation to my imposed obligation with paragraph 4 of Article 38 of the Accountancy Act, I have examined the Annual Consolidated Activity Report, the preparation of which is a responsibility of the company. The Annual Consolidated Activity Report is not a part of the financial statement, but it is appended to it. I believe that there is correspondence between the historical financial information, which is presented in the Annual Consolidated Activity Report, and the Annual Consolidated Financial Statement of the company, prepared in accordance with the International Financial Reporting Standards, accepted by the European Union.

05.06.2015 Auditor :

Plamen Angelov

Пламен
Ангелов
0316
Регистриран одитор

Town of Lom 3600
№ 1, St. Karadzha Street

ENEMONA AD

ANNUAL CONSOLIDATED REPORT ON ACTIVITIES,
INDEPENDENT AUDITOR'S REPORT
AND ANNUAL CONSOLIDATED
FINANCIAL STATEMENTS

December 31, 2014

Unofficial translation of the original in Bulgarian

ENEMONA AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
All amounts are in thousand Bulgarian Levs, except otherwise stated

	Note	As of 31.12.2014	As of 31.12.2013
NON-CURRENT ASSETS			
Property, plant and equipment	4	23,952	32,249
Investment property	5	10,520	163
Intangible assets	6	462	536
Exploration and evaluation assets	7	1,674	1,674
Investments in associates	8	4	4
Loans and advances	9	16,006	23,283
Goodwill	10	2,113	2,113
Gross amounts due from customers on construction contracts		23,986	
Deferred tax assets, net	29	510	519
TOTAL NON-CURRENT ASSETS		79,227	60,541
CURRENT ASSETS			
Inventories	11	4,866	10,180
Trade and other receivables	12	47,351	44,213
Gross amounts due from customers on construction contracts		11,224	24,007
Loans and advances	9	24,388	24,373
Receivables on corporate income tax		164	559
Cash and cash equivalents	13	2,018	1,439
		90,011	104,771
Assets, classified as held for sale	28	886	6,606
TOTAL CURRENT ASSETS		90,897	111,377
TOTAL ASSETS		170,124	171,918

These consolidated financial statements are approved on June 04, 2015.

Prepared by
B. Borisova

Chief Executive Director
Eng. DichkoProkopiev

Auditor: 05/06/2015

0316 Пламен Ангелов Регистриран одитор

The accompanying notes are an integral part of these consolidated financial statements.

ENEMONA AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 (CONTINUED)
All amounts are in thousand Bulgarian Levs, except otherwise stated

	Note	As of 31.12.2014	As of 31.12.2013
EQUITY			
Issued share capital	14	21,776	21,776
Reserves	14	39,427	39,331
Accumulated loss		(43,709)	(39,822)
Total equity of the shareholders of the Parent company		17,494	21,285
Non-controlling interests		4,065	2,173
TOTAL EQUITY		21,559	23,458
NON-CURENT LIABILITIES			
Loans	15	10,397	6,725
Finance lease	16	31	87
Financial liabilities on preferred shares	14	1,923	2,619
Long-term employee benefits	17	480	470
TOTAL NON-CURRENT LIABILITIES		12,831	9,901
CURRENT LIABILITIES			
Trade and other payables	18	52,130	42,925
Gross amounts due to customers on construction contracts		2,130	2,494
Loans	15	78,212	86,643
Finance lease	16	60	125
Current tax liabilities		50	59
Provisions		2,622	3,819
		135,204	136,065
Liabilities associated with assets available for sale	28	530	2,494
TOTAL CURRENT ASSETS		135,734	138,559
TOTAL EQUITY AND LIABILITIES		170,124	171,918

These consolidated financial statements are approved on June 04, 2015

Prepared by
B. Borisova

ЕНЕМОНА АД СОФИЯ • ENEMONA AD SOFIA

Chief Executive Director
Eng. DichkoProkopiev

Auditor:

05/06/2015

Пламен Ангелов 0316 Регистриран одитор

The accompanying notes are an integral part of these consolidated financial statements.

ENEMONA AD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2014

All amounts are in thousand Bulgarian Levs, except otherwise stated

	Note	Year ended 31.12.2014	Year ended 31.12.2013
CONTINUING OPERATIONS			
Revenue	20	117,925	130,096
Finance income	21	5,067	6,415
Changes in finished goods and work in progress reserves		(844)	1,048
Cost of goods sold		(41,514)	(54,422)
Materials and consumables used	22	(20,926)	(34,064)
Hired services	23	(25,658)	(23,567)
Employee benefits expenses	24	(26,336)	(30,262)
Depreciation and amortization expenses	4,5	(1,567)	(2,271)
Other expenses	25	(3,485)	(3,859)
Other gains/(losses), net	26	4,800	(5,981)
Finance costs	27	(11,663)	(9,757)
Loss before tax from continuing operations		(4,201)	(26,624)
Income tax expense	29	(5)	(2,051)
Net loss from continuing operations		(4,206)	(28,675)
DISCONTINUED OPERATIONS			
Profit from discontinued operations		(1,151)	-
NET LOSS FOR THE YEAR		(5,357)	(28,675)
Other comprehensive income for the period			
Items, that will not be reclassified to profit or loss:			
Actuarial loss, incurred during the period		(11)	(244)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(5,368)	(28,919)
Share in net loss attributable to:			
- non-controlling interest		(1,774)	(201)
- Parent-company		(3,583)	(28,474)
Share in total comprehensive income attributable to:			
- non-controlling interest		(1,774)	(201)
- Parent-company		(3,583)	(28,474)
Basic and diluted loss per share from continuing and discontinued operations	30	(0.30)	(2.39)
Basic and diluted loss per share from continuing operations	30	(0.20)	(2.39)

These consolidated financial statements are approved on June 04, 2015.

Prepared by
B. Borisova

Chief Executive Director
Eng. DichkoProkopiev

Auditor: 05/06/2015

The accompanying notes are an integral part of these consolidated financial statements.

ENEMONA AD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
All amounts are in thousand Bulgarian Levs, except otherwise stated

	Year ended 31.12.2014	Year ended 31.12.2013
Cash flows from operating activities		
Receipts from customers	112,254	154,654
Payments to suppliers	(90,482)	(121,315)
Payments to employees	(19,937)	(22,426)
Profit tax paid	(10)	(67)
Proceeds from / (payments for) other taxes	(2,262)	70
Other cash flows from operating activities	(2,854)	(3,608)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES, NET	(3,291)	7,308
Cash flows from investing activities		
Purchase of property, plant and equipment	(86)	(1,404)
Proceeds from sale of property, plant and equipment	9,622	4,974
Loans granted	(5,111)	(2,997)
Proceeds from loan repayment	3,438	2,916
Purchase of ESCO receivables	(540)	(2,980)
Proceeds from ceded ESCO contracts and trade receivables	7,758	9,160
Payments for cessions	(139)	(282)
Proceeds from discontinued operations - sale of subsidiary and assets sold	2,617	400
Dividends received	113	113
CASH FLOWS FROMINVESTING ACTIVITIES, NET	17,672	9,900
Cash flows from financing activities		
Proceeds from borrowings	29,373	31,476
Repayments of borrowings	(35,671)	(42,578)
Capital increase	1,013	
Payments under lease agreements	(145)	(343)
Interest paid	(5,599)	(6,078)
Bank changes, mortgage fees and guarantees paid	(2,531)	(2,196)
Payments for dividends on ordinary shares	-	(102)
Payments for dividends on preferred shares	(643)	(1,060)
Proceeds on disposal of partial interest in a subsidiary without loss of control	442	159
Other cash flows from financing activities	(102)	(220)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES, NET	(13,863)	(20,942)
NET DECREASE IN CASH AND CASH EQUIVALENTS	518	(3,734)
CASH AT THE BEGINNING OF THE PERIOD (NOTE 13)	1,439	4,953
CASH AT THE END OF THE PERIOD (NOTE 13)	1,957	1,219
Restricted cash (note 13)	61	220
TOTAL CASH I THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOTE 13)	2,018	1,439

These consolidated financial statements are approved on June 04, 2015.

Prepared by
B. Borisova

Auditor: 05/06/2015

Chief Executive Director
Eng. DichkoProkopiev

0316 Ангелов Регистриран одитор

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
All amounts are in thousand Bulgarian Levs, except otherwise stated

	Ordinary shares	Preferred shares	Premiums from issue of shares	Legal reserves	Other reserves	Accumulated loss	Non-controlling interests	Total
BALANCE AS OF JANUARY 01, 2013	11,934	1,103	8,739	38,090	1,136	(10,749)	2,065	52,318
Allocations of profit from prior years					105	(105)	-	-
Legal provision for dividend	-	-	-	-	-	(101)	-	(101)
Loss for the year						(28,474)	(201)	(28,675)
Other comprehensive income for the year						(244)	-	(244)
Sale of investments without loss of control								
BALANCE AS OF DECEMBER 31, 2013	11,934	1,103	8,739	38,090	1,241	(39,822)	2,173	23,458
Allocations of profit from prior years				96		(96)		-
Legal provision for dividend	-	-	-	-		(117)		(117)
Loss for the year						(3,583)	(1,774)	(5,357)
Other comprehensive income for the period						(11)		(11)
Increase in the percentage shares in subsidiary						(92)	(166)	(258)
Issuance of capital							1,013	1,013
Sale of investments with loss of control							49	49
Sale of investments without loss of control						12	2,770	2,782
BALANCE AS OF DECEMBER 31, 2014	11,934	1,103	8,739	38,186	1,241	(43,709)	4,065	21,559

These consolidated financial statements are approved on June 04, 2015.

Prepared by
B. Borisova

Chief Executive Director
Eng. DichkoProkopiev

Auditor: 05/06/2015

0316 Пламен Ангелов Регистриран одитор

The accompanying notes are an integral part of these consolidated financial statements.

This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian text shall prevail.

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 Kozloduy, 1A, PanayotHitov Str. 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 December 31, 2014 and 2013 the major shareholder of Enemona AD is DichkoProkopiev. There have been no changes in the legal status of the Parent company during the financial year.

The scope of activity of the Parent Company is construction works, which includes all stages from design to assembly and construction. Management reviews the operating results of the Parent company on an individual construction projects' basis and as one operating segment.

These consolidated financial statements for the year ended December 31, 2014 include financial information about the Parent company and its subsidiaries and associates (together referred to as "the Group").

As of December 31, 2014 and 2013 the Group's employees are 894 and 1,276, respectively.

As of December 31, 2014 the following subsidiaries of the Parent company have been included in the consolidation:

		Share	
Company	Description of activities	As of 31.12.2014	As of 31.12.2013
Enemona Utilities AD	Trade in electrical power	92.25%	92.25%
FEEI ADSIP	Special investment purpose company – securitization of receivables	37.28%	88.20%
Pirin Power AD	Design and construction of energy projects	84.00%	100.00%
FINI ADSIP	Special investment purpose company – purchase of real estate	55.47%	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%
PPP Mladenovo EOOD	Photovoltaic power station projects	100.00%	100.00%
Artantes Mining Group AD	Exploration of mineral resources	90.00%	90.00%

The basis and principles for the preparation of the consolidated financial statements are disclosed in notes 2.2. and 2.3 below.

Activities abroad:

In 2013 the Group has initiated the preparations for the implementation of a construction contract in England and has registered a branch office in England. In August 2012 the Group started the execution of construction contract in Norway due to which the Group has registered a branch office in Norway. In June 2011 the Group has started the execution of construction activities in Germany through a permanent establishment. In May 2010 the Group has registered a branch office in the Republic of Slovakia, which is related to the execution of a construction contract.

1. Organisation and scope of activity (continued)

Regionalgas AD is a subsidiary of Enemona Utilities AD, which as of December 31, 2014 and 2013 holds 50% of the shares of Regionalgas or the direct interest of the Group in Regionalgas AD is 50%. In the 2014 the Group assessed that does not control the financial and operational policy of Regionalgas AD and cease to concolidated.

The Group's management considers the investments in Hemusgas AD as non-controlled jointly activity since the Group does not govern the financial and operational policy of these entities.

On January 30, 2014 a contract was concluded for the sale of the participation in "Nevrokop Gas" AD. From sale of discontinued operation the Group reported a loss of BGN 1,261 thousand.

On August 20, 2014 a contract was concluded for the sale of 1,143,000 shares of the capital of the FEEI ADSIP representing 25.66%. The group has the right to reacquire the shares in three years and agrees to repurchase them after him at a fixed price. The present annual financial statements, the transaction is presented as a sale and is reported profit amounted to 280 thousand BGN for the Group as the buyer has the right to dividend and right out loud in the general meeting of shareholders of the subsidiary FEEI ADSIP. The Group is committed to providing a fixed minimum return of shares to the investor-buyer. The Group combines its shares entitled aloud to potential rights of invesstitora aloud and believes that retains control while its commitments under the contract.

In 2014 the Group sold a total of 629,000 more shares in the capital of the FEEI ADSIP as a net loss of BGN 299 thousand.

On 5 August 2014 the Group signed a contract for the sale of 89,466 shares of FINI ADSIP, representing 13.76% of the share capital of the subsidiary. The market value of the shares is BGN 1 and the Group posted a profit from the transaction amounted to BGN 31 thousand.

Discontinued operations

On January 16, 2014 signed a preliminary agreement for the sale of assets from the gas business of the group held in the subsidiary "Enemona Utilities" AD for EUR 2,250 thousand. Assets subject to sale with a carrying value of 886 thousand and are presented in such assets available for sale in the statement of financial position. Their selling price less costs to sell exceeds their carrying value and impairment losses are not recognized. At the date of these financial statements the assets are not transferred..

On 16 January signed a preliminary contract, and January 30, 2014 the Group signed a final agreement for the sale of the participation in "Nevrokop gas" AD worth 400 thousand BGN and for the sale of the remaining assets of the gas business of the Group held by the subsidiary company "Enemona Utilities" AD. At the date of this report has been received in full the cost of the assets of 3,734 thousand BGN.

2.1 General financial reporting framework

These consolidated financial statements are prepared 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 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).

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:

- 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 - adopted by the EU on December 17, 2014 (amendments are to be applied for annual periods beginning on or after February 1, 2015);
- 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 - adopted by the EU on December 18, 2014 (amendments are to be applied for annual periods beginning on or after January 1, 2015);
- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions - adopted by the EU on December 17, 2014 (effective for annual periods beginning on or after February 1, 2015),
- IFRIC 21 Levies, adopted by the EU on June 13, 2014 (effective for annual periods beginning on or after June 17, 2014).

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

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 (effective for annual periods beginning on or after January 1, 2018);
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after January 1, 2016);
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after January 1, 2017);
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative (effective for annual periods beginning on or after January 1, 2016);

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

Changes in IFRS (continued)

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

- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after January 1, 2016);
- Amendments to various standards Improvements to IFRSs (cycle 2012-2014) resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after January 1, 2016).

- **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.

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.

2.3 Principles of consolidation

As of December 31, 2014 and 2013 the Group consists of the Parent company and its subsidiaries listed in note 1.

A subsidiary is an entity that can be controlled by the Parent company through determining its financial and operating policies or in another manner to the extent that the Parent company can obtain benefits from its activities. Most often the exercising of control is accompanied by owning more than half of the voting rights in a given company.

The financial statements of the subsidiary are subject to full consolidation from the moment in which the Parent company obtains effective control and are excluded from the consolidated financial statements, when the company is no longer controlled by the Parent company.

When necessary, adjustments and reclassifications are made in the financial data of the separate financial statements of the subsidiaries in order to unify their accounting policies with the accounting policy of the Parent company.

All significant intra-group balances and intra-group transactions, as well as intra-group profits and losses are eliminated as a result of the consolidation procedures.

2. Accounting policy (continued)

2.3 Principles of consolidation(continued)

Non-controlling interests in subsidiaries are disclosed apart from the Group's equity. Interest of non-controlling shareholders is measured at initial recognition of the business combination using one of the following methods: (1) at fair value and (2) as the proportional share in non-controlling interests in the fair value of the identifiable net assets of the acquired company. The method for initial accounting of non-controlling interests is chosen separately for each business combination. Upon subsequent measurement the balance of the non-controlling interests is determined as a sum of initially recognized balance and the share of non-controlling shareholders in the equity changes of the subsidiary. Comprehensive income is distributed to non-controlling interests even when this results in negative balance of the non-controlling interests.

When acquiring investments in subsidiaries they are reported by applying the acquisition method, which includes identifying the acquirer, determining the consideration for the acquisition and allocating the consideration for the acquisition among the acquired assets, assumed liabilities and contingent liabilities. The consideration for the acquisition cost is an aggregate of the fair values, as of the date of exchange, of the assets granted, liabilities incurred or assumed and equity instruments, issued by the acquirer in exchange of control over the acquiree, as well as costs directly attributable to the transaction. The excess of acquisition price over the interest of the acquirer in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree is reported as goodwill. In cases when the acquisition price is lower than the interest of the investor in the fair value of the net assets of the acquired company, then the difference is recognized directly in the statement of comprehensive income.

Goodwill arising in business combinations is reviewed for impairment annually, or more often, if there are events or changes in circumstances, which indicate that it may be impaired.

Companies in which the Group has significant influence, but no control, are accounted for in the consolidated financial statements as associates (see note 2.13). Significant influence is the right of participation in the financial and operational decisions of the associates, but no control over these decisions.

2. Accounting policy (continued)

2.4 Business combinations

According to the requirements of IFRS 3 Business combinations, business combination is alliance of companies or businesses into a single accounting entity. In case a company obtains control over another company which does not represent separate business the alliance of these companies is not recognized as business combination. A business combination is accounted for under the purchase method according to the requirements of the applicable standards.

When changes in Parent company's interests in subsidiaries occur in reporting periods after the control was obtained and do not result in a loss of control, they are accounted for as equity transactions (i.e. transactions with shareholders in their capacity of shareholders). In such circumstances the carrying amounts of the interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and their fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent company.

When the Group loses control of a subsidiary the profit or loss on disposal is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the carrying amount of the assets (incl. goodwill), liabilities and any non-controlling interests of the sold company.

2.5 Functional currency and presentation currency

According to the Bulgarian accounting legislation the Group keeps its records and prepares its financial statements in the national currency of the Republic of Bulgaria – Bulgarian lev, which effective January 1, 1999 is fixed to the euro at 1.95583 BGN for 1 EUR. The Group's functional currency is the Bulgarian national currency.

These consolidated financial statements are presented in thousand of BGN (BGN'000).

2.6 Foreign currency transactions

Transactions in foreign currency are initially recorded at the official rate of exchange of the Bulgarian National Bank (BNB) as of the date of the transaction. The foreign exchange rate differences, arising upon the settlement of these monetary positions or at restatement of these positions at rates, different from those when initially recorded, are reported in the statement of comprehensive income for the period in which they arise. The monetary positions denominated in foreign currency as of December 31, 2014 are stated in these financial statements at the closing exchange rate of BNB.

2.7 Accounting estimates and accounting assumptions

The preparation of thefinancial statements in accordance with IFRS requires management to make certain accounting estimates and reasonable assumptions that affect some of the reported amounts of assets and liabilities as of the date of the financial statements and the revenues and expenses during the reporting period. Although these estimates and assumptions are based on the best estimate of management, taking into account historical experience the actual results could differ from those estimates.

The critical accounting estimates and main sources of uncertainty in making these reasonable assumptions are disclosed in note 3 below.

2. Accounting policy (continued)

2.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost being purchase price and directly attributable costs, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and any accumulated impairment loss.

Expenses incurred after the assets were put into operation, such as repairs and maintenance, are reported in the statement of comprehensive income in the period in which they arise, except for when they increase the useful life of the assets.

Acquisition costs for property, plant and equipment comprise of non-current assets under construction and are recorded at cost. Such costs include expenses for construction of the property and equipment and other direct expenses. Acquisition costs are not subject to depreciation until the completion and placing the respective assets into operation.

The Group's assets are depreciated using the straight-line method. The useful life of the main categories of assets as of December 31, 2014 and 2013 is as follows:

Assets	Useful life (years)
Buildings	From 45 years to 51 years
Machinery	From 5 years to 7 years
Equipment	From 5 years to 7 years
Fixture and fittings	From 5 years to 10 years

Assets acquired under finance lease are depreciated over their expected useful life on the same base as the own assets, or when the term of the lease agreement is less than the asset's useful life – over the term of the respective lease agreement, if there are no reasonable grounds to believe that the ownership will be acquired at the end of the lease term.

Gains or losses arising from sales of property, plant or equipment are calculated as a difference between the proceeds and the net book value of the assets sold, and are recorded in the statement of comprehensive income.

2.9 Investment property

Investment property of the Group consist of land and buildings owned by a special investment purpose company, which are held for generating income from rent or for selling at higher prices.

Investment property is measured initially at cost, which includes the purchase price, as well as direct costs attributable to the acquisition of the properties. Subsequent expenses, related to the investment property, which have already been recognized, are added to the net book value of the investment property, when it is probable that future economic benefits will flow to the company that exceed the initially estimated efficiency of the existing investment property. All other subsequent expenses are recognized as expenses in the period when they arise.

Subsequent measurement of investment property is performed by using the fair value, which measures an investment property after the initial recognition at cost. The changes in fair value are recognized in the statement of comprehensive income.

2. Accounting policy (continued)

2.10 Intangible assets

Software and licenses are the major components comprising the intangible assets. Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that economic benefits will flow to the entity as a result of owning the asset and if the value of the asset can be measured reliably. After initial recognition intangible assets are measured at cost less accumulated amortization and impairment losses. Intangible assets are amortized during the useful life by using the straight line method.

The useful life of the main categories of intangible assets as of December 31, 2014 and 2013 is as follows:

Intangible assets	Useful life (years)
Software	7
Licenses, patents, trademarks and rights	17

2.11 Exploration and evaluation assets

Exploration and evaluation assets comprise of expenditures on exploration for and evaluation of mineral resources and are accounted in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. These assets are measured at cost less accumulated amortization and impairment loss.

The Group capitalizes the expenditures for exploration and evaluation assets from the date of receiving the right for exploration until it is possible to prove the technical feasibility and commercial viability of the mineral resource. Subsequently, the Group reclassifies exploration and evaluation assets as intangible assets and depreciates them based on their expected useful life.

Exploration and evaluation assets are assessed for impairment when facts and circumstances show that the carrying amount of the exploration and evaluation assets may exceed their recoverable amount.

2.12 Impairment of property, plant and equipment and intangible assets

As of each date of the consolidated statement of financial position, the Group reviews whether there is any indication for impairment of property, plant and equipment and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit, to which the asset belongs.

Intangible assets with unidentified useful life and intangible assets that are not available for use are tested for impairment on an annual basis and also when there are any indications for impairment of the asset.

The recoverable amount is the higher of the asset's fair value less costs to sell the asset and its value in use. Upon measuring the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a decrease in the revaluation reserve.

2. Accounting policy (continued)

2.12 Impairment of property, plant and equipment and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as an increase in the revaluation reserve.

2.13 Investments in associates

An associate is an entity over which Enemona AD, directly or indirectly through one or more subsidiaries, has significant influence, but is neither a subsidiary nor an interest in a joint venture. Significant influence is the right of participation in, but not control over the financial and operating policy decisions of the investee.

In these consolidated financial statements Enemona AD reports investments in associates using the equity method; i.e. reports the interest in the profit and losses of the associates.

2.14 Segment reporting

Information on operating segments in these consolidated financial statements has been presented in a manner that is similar to the operational reports submitted to the management of the Group, on the basis of which decisions are taken regarding the resources, which should be allocated in segments and should measure the operating results.

2.15 Inventory

Inventory consists of materials, work in progress and finished work.

Inventories are stated at lower of cost and net realizable value. Cost comprises purchase price, manufacturing expenses and any other costs directly attributable to bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less the completion costs and all estimated costs to be incurred in marketing, selling and distribution. Upon consumption, the cost of inventories is calculated using the First in – first out method.

When materials are imported the exchange rate at the date of the invoice is used.

2.16 Employee benefits

In accordance with IAS 19 Employee Benefits the Group recognizes liabilities for retirement compensations, which are calculated by licensed actuary by using the Projected Unit Credit Method (see note 17). The amount reported in the statement of financial position, represents the current amount of the non-current liabilities of the Group for retirement compensations.

2.17 Lease

A given lease contract is classified as finance lease, if it transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are classified as operating lease.

Finance lease

In the inception a lease contract is recognized as an asset of the Group at the amount which at the inception of the lease term is equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments.

2. Accounting policy (continued)

2.17 Lease(continued)

Finance lease (continued)

The respective liability to the lessor is reported in the statement of financial position as a finance lease liability.

Lease payments are apportioned between the finance cost and the decreased unpaid liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized directly in the statement of comprehensive income.

Operating lease

Lease payments under operating lease are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term, except when another system basis is representative of the time when the lessee uses the rewards of the leased asset. Contingent costs for lease are recognized as an expense in the period when they arise.

When incentives are received in negotiating operating lease, they are recognized as a liability. The total reward of the incentives is recognized as a decrease of the costs for lease on a straight line basis over the lease term, except when another system basis represents the allocation of the rewards for the lessor for the use of the leased asset over time.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as provision is the best estimate of expenses, needed for repayment of current liability as of the date of the statement of financial position as liability risks and uncertainties are taken into consideration. When a provision is measured by the cash flows, set for settling the current liability, the carrying amount of the provision represents the present amount of the cash flows.

When certain or all economic benefits, related to settling a liability, are expected to be repaid by third party, the receivables are recognized as an asset, if it is sure that the repaid amount will be received and the receivables could be measured reliably.

2.19 Taxes

Taxes due are calculated in accordance with the Bulgarian legislation. Income tax is calculated on the basis of taxable profit, whereby the financial result is transformed for certain income and expense items (as depreciation, provisions, shortages and penalties) in accordance with the Bulgarian tax legislation.

Deferred tax liability is recognized for all taxable temporary differences, unless it arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affected neither the accounting profit nor taxable profit (loss).

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. However, this principle does not apply when such differences arise from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affected neither the accounting profit nor taxable profit (loss).

Current and deferred taxes are recognized as income or expense and are included in the net profit for the period except to the extent that the tax arises from a transaction or event that is recognized in the same or different period, directly in equity. Current and deferred taxes are charged or credited directly to equity when the tax relates to items that are credited or charged directly to equity.

2. Accounting policy (continued)

2.20 Financial instruments

The Group's financial instruments include cash on hand and in banks, trade and other receivables, loans granted and received, trade and other payables. The Group's management considers that the fair value of financial instruments approximates their carrying amount. Fair value is the value for which an asset can be exchanged or a liability can be settled between informed and independent parties in fair arm's length transaction.

Investments are recognized and disposed on the trading date where the sale or purchase of investment is performed by a contract which demands the delivery of the investment within the terms of the respective market and are initially measured at fair value, net of transaction costs, except for those financial assets classified by fair value in profit or loss, which are initially measured at fair value.

2.20.1 Financial assets

Financial assets are classified in the following specific categories: financial assets reported at fair value through profit or loss, held to maturity investments, available for sale financial assets and loans and receivables. The classification depends on the type and purpose of financial assets and is defined upon their initial recognition.

Trade receivables, loans and other receivables, which have fixed or determinable payments, which are not trade on active market, are classified as loans and receivables.

As of December 31, 2014 and 2013 the Group owns financial assets reported at "loans and receivables" category.

Cash and cash equivalents

Cash comprises cash on hand and in banks. The Group considers all highly liquid financial instruments with maturity 3 months or less for cash equivalents. For the purpose of the cash flow statement cash and equivalents include cash and cash equivalents as described above.

Financial assets at fair value through profit or loss

A financial asset is classified as financial asset at fair value through profit or loss when the asset is held for trading or is designated as an instrument for accounting through profit or loss.

A financial asset is classified as held for trading when the asset is acquired mainly for the purpose of short-term sale or is part of a trading portfolio or is a derivative contract which is not used for hedging.

Loans and receivables

Loans and receivables are measured at amortized cost through the effective interest rate method except for current receivables where the recognition of the interest would be insignificant. Loans granted by the Group and receivables on financing of activities for energy efficiency are reported in the statement of financial position as „Loans and advances", and other trade receivables – in "Trade and other receivables".

Trade and other receivables are presented at nominal value less impairment loss, if any. An estimate for impairment and uncollectibility loss is performed as of the end of each year based on review of receivables.

2. Accounting policy (continued)

2.20 Financial instruments (continued)

2.20.1 Financial assets (continued)

Impairment

As of the date of preparation of the financial statements financial assets with the exception of financial assets carried at fair value through profit or loss, are reviewed for indications of impairment. A financial asset is considered to be impaired only if objective evidence exists that as a result of one or more events, which have occurred after its initial recognition, the expected cash flows have been reduced.

For certain categories of financial assets, such as trade receivables and assets, which are considered not to be impaired separately, are subsequently reviewed for impairment on a collective basis. Objective evidence for impairment of a portfolio of receivables can include the past experience of the Company regarding the collection of payments, increase of the number of the overdue payments in the portfolio for more than the average loan period of 180 days, as well as observed changes in the national and local economic conditions, which are related to the overdue receivables.

For financial assets, measured at amortized cost, the amount of the impairment loss is the difference between the carrying amount of the assets and the present amount of the expected future cash flows, discounted by the initial effective interest rate.

With the exception of the financial assets available for sale, if in a subsequent period the amount of the impairment loss is reduced or the decrease can be objectively attributed to an event after the recognition of the impairment, the prior impairment loss is recognized in the statement of comprehensive income to the extent that the carrying amount of the investment at the date on which the impairment is reported, does not exceed the amount which the amortized cost would have if no impairment had been recognized.

2.20.2 Issued financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or equity depending on the nature of the contract agreement.

Equity instruments

Equity instrument is every contract, evidencing residual interest in Group's assets after deduction of all its liabilities. Equity instruments are reported by receipts, net of expenses for their issuance.

Financial liabilities

Financial liabilities include received loans (bank loans, debenture loans and other borrowed funds), trade and other payables and a financial liability on preferred shares.

Loans are initially measured at fair value, net of transaction costs. Subsequently loans are measured at amortized cost and the difference between due payments (net of transaction costs) and the amortized cost is recognized in the statement of comprehensive income over the period of the loan by using the effective interest method.

2. Accounting policy (continued)

2.20 Financial instruments (continued)

2.20.2 Issued financial liabilities and equity instruments (continued)

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating income/expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments (including all received fees and other margins or discounts) through the expected life of the financial instrument or, when appropriate for a shorter period, to its carrying amount.

Loans are recognized as short-term, except when the Group has the unconditional right to reschedule the payment of the liability for at least 12 months after the date of the consolidated statement of financial position.

Trade and other payables are valued at the amount they are expected to be settled in the future.

2.21 Income 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.

2.22 Other income and expenses

Income from sales of finished goods is recognized when risks and benefits from ownership of the finished goods are transferred to the buyer and the transaction related costs can be measured reliably.

Income from sales of goods and services is recognized when it arises, independently of the cash receipts and payments, when the Group complies with the terms of sales and the significant risks and benefits, related to ownership of goods are transferred to the buyer.

2. Accounting policy (continued)

2.22 Other income and expenses (continued)

Expenses are recognized in the statement of comprehensive income when decrease in future economic benefits related to a decrease in an asset or increase in a liability has arisen and can be measured reliably. Expenses are recognized on the basis of a current association between the costs incurred and the earnings of specific items of income. When economic benefits are expected to arise over several accounting periods and the association with the income can only be broadly or indirectly determined, expenses are recognized in the statement of comprehensive income on the basis of systematic and rational allocation procedures.

Interest income and expense are accrued on a time basis based on the principal due and the applicable/effective interest rate.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of this asset. Qualifying asset is the asset, which necessarily takes substantial period of time to get ready for its intended use or sale. Investment income earned on the temporary investment of specific borrowings granted explicitly for a qualifying asset decrease the borrowing costs eligible for capitalization.

Commercial activities are analysed by the Group in order to identify presence or absence of agency relationship. The process includes the circumstances related with the risk and rewards for the Group, when goods are sold and services are rendered. When there is no agency relationship income and expenses (or cost) for the commercial activities of the Group are presented as gross amounts in the statement for comprehensive income.

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

The preparation of financial statements in accordance with IFRS requires management to make certain accounting estimates and assumptions that affect some of the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the statement of financial position and the reported revenues and expenses during the reporting period. These estimates and assumptions are based on the available information as of the date of preparation of the consolidated financial statements as actual results could defer from those estimates.

3.1. Revenue and expenses under construction contracts

As disclosed in note 2.21 recognition of revenue from construction contracts requires the determination of a stage of completion for each construction contract. This stage is defined on the basis of available information for the total amount of the revenue receivable and total costs for the respective contract. The total amount of expenses under construction contracts depends on the volume and amount of construction activities to be performed to meet the obligations of the Group. The volume and amount of future activities depend on future factors which may defer from the management's estimations.

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

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.

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 analyses 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

Other key sources of estimation uncertainty include estimation of useful lives of property, plant and equipment and intangible assets. In 2013 there are no circumstances that may trigger a change in the estimated useful lives of these assets.

3.5. Economic environment

In 2014 and 2013 as a result of the global financial and economic 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 manage 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	-	-	1,203	3	237	112	1,556
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	8	63	9	192
Disposals	(12)	(3,376)	(377)	(126)	(211)	(30)	(4,091)
Reclassified to held for investment property	-	(4,612)	-	-	-	-	(4,612)
DECEMBER 31, 2014	5,788	8,781	5,538	5,534	3,160	6,586	35,428
Accumulated depreciation and impairment							
JANUARY 1, 2013	-	3,040	4,265	4,249	2,025	168	13,747
Depreciation charge	-	539	714	640	292	-	2,185
Disposals	-	(1,004)	(153)	(490)	(14)	-	(1,660)
Impairment			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	-	259	560	412	266	-	1,497
Disposals	-	(574)	(333)	(102)	(176)	-	(1,185)
Impairment	-	-	-	-	-	15	15
Reclassified to held for investment property	-	(582)	-	-	-	-	(582)
DECEMBER 31, 2014	-	999	4,379	3,482	2,392	183	11,435
Net book value							
DECEMBER 31, 2013	5,800	14,873	1,651	2,480	1,006	6,439	32,249
DECEMBER 31, 2014	5,788	7,782	1,159	2,052	768	6,403	23,952

As of December 31, 2014 and 2013 property, plant and equipment with carrying amount of BGN 101 thousand and BGN 1,092 thousand, respectively are leased under financial lease contract (see note 16).

As of December 31, 2014 and 2013 property, plant and equipment with carrying amount of BGN 13,996 thousand and BGN 21,951 thousand, respectively, are pledged as collateral under bank loan agreements (see note 15).

In 2014, the Group establishes that a minor use in their own business buildings with a carrying value of BGN 4,030 thousand reclassified them in investment property with the intention to realize a capital gain from them or rent them. At the date of transfer is not reported result in the statement of comprehensive income.

All amounts are in thousand Bulgarian Levs, except otherwise stated

5. Investment property

	As of 31.12.2014	As of 31.12.2013
Balance at the beginning of the year	163	168
Reclassified from fixed assets	10,361	-
Sales	-	-
Impairment	(4)	(5)
Balance at the end of the year	10,520	163

As of December 31, 2014 the Group measures its investment properties at fair value using an independent evaluation by a licensed appraiser. The change in fair value of investment property is presented in bel.23 in the statement of comprehensive income

As of December 31, 2014 and 2013 the Group made revaluation of investment property to fair value, resulting in the year ended December 31, 2014 and 2013 was recorded impairment in the amount of BGN 4 thousand and BGN 5 thousand recpectively. In 2014 not acquired investment properties.

As of December 31, 2014 investment properties with a market value of BGN 10.361 thousand respectively. Lev are pledged as collateral for bank loan agreements (see note. 15).

Investment properties of the Group are intended for rental and for the realization of capital gains. In 2014 and 2013 are not realized rental income in the consolidated statement of comprehensive income.

6. Intangible assets

Cost	Rights	Software	Total
JANUARY 1, 2013	1,491	287	1,778
Additions	-	-	-
Disposals	-	-	-
Reclassified to held for sale	(30)		(30)
DECEMBER 31, 2013	1,461	287	1,748
Additions	-	19	19
Disposals	-	(53)	(53)
DECEMEBR 31, 2014	1,461	253	1,714
Accumulated amortization			
JANUARY 1, 2013	899	232	1,131
Amortization charge	64	21	85
Disposals	-	-	-
Reclassified to held for sale	(4)		(4)
DECEMBER 31, 2013	959	253	1,212
Amortization charge	60	10	70
Disposals	-	(30)	(30)
DECEMBER 31, 2014	1,019	233	1,252
Net book value			
DECEMBER 31, 2013	502	34	536
DECEMEBR 31, 2014	442	20	462

All amounts are in thousand Bulgarian Levs, except otherwise stated

7. 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.

Lom Lignites project been launched in October 2007 with a contract for prospecting and exploration signed between the Parent company and the Ministry of Economy and Energy. As of December 31, 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 December 31, 2014 and 2013 the Group estimated that there are no indications for impairment of the exploration and evaluation assets and no impairment has been recorded on them.

8. Investments in associates

As of December 31, 2014 and 2013 the Group has an investment in an associate AlfaEnemona at the amount of BGN 4 thousand, and the share in the company's equity is 40%.

Investment in associates are reported at cost (acquisition cost) in these consolidated financial statement as the Group's management has concluded that there are no indications of impairment of investments in associates as of December 31, 2014 and December 31, 2013.

The summarized information about the associate as of December 31, 2014 and 2013 is as follows:

AlfaEnemonaOOD	As of 31.12.2014	As of 31.12.2013
Total assets	312	359
Total liabilities	(46)	(50)
Net assets	266	309
Group's share of the net assets of the associate	106	124

AlfaEnemona OOD	Year ended 31.12.2014	Year ended 31.12.2013
Total income	720	814
Profit for the period	266	282
Company's share in the profit of the associate	96	113

All amounts are in thousand Bulgarian Levs, except otherwise stated

9. Current and non-current loans and receivables

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

Non-current loans and receivables

	As of 31.12.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group, net of impairment	14,307	19,410
Receivables related to securitization with counterparties outside the Group	592	1,211
Cession receivables	1,708	3,268
Loans granted to employees	956	1,082
Other asset	12	10
Discounted receivables under ESCO contracts – non-current	(972)	(1,101)
TOTAL NON-CURRENT LOANS AND RECEIVABLES	16,603	23,880
Impairment of loans granted to employees	(597)	(597)
TOTAL NON-CURRENT LOANS AND RECEIVABLES, NET	16,006	23,283

Current loans and receivables	As of 31.12.2014	As of 31.12.2013
Receivables on ESCO contracts of the Group, net of impairment	4,234	7,846
Receivables related to securitization with counterparties outside the Group	2,661	2,088
Cession receivables	4,977	3,135
Loans granted to non-related parties	13,546	15,086
TOTAL CURRENT LOANS AND RECEIVABLES	25,418	28,155
Impairment of loans granted to non-related parties	(1,030)	(3,782)
TOTAL CURRENT LOANS AND RECEIVABLES, NET	24,388	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 under ESCO contracts are stated at amortized cost, net of impairment.

Receivables related to securitization represent receivables, acquired under cession contracts with counterparties outside the Group.

As of 31 December 2014 and 2013 cession receivables comprise present value of the receivable ceded to a local company.

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

All amounts are in thousand Bulgarian Levs, except otherwise stated

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

As of December 31, 2014 and 2013 non-current loans and receivables to the amount of BGN 14,759 thousand and BGN 20,056 thousand, respectively, are pledged as collateral under loan from the European Bank for Reconstruction and Development (EBRD) –see note 15.

The movement of the impairment allowance on loans granted is presented below:

	As of 31.12.2014	As of 31.12.2013
Balance at the beginning of the year	4,379	4,379
Reversal of impairment loss of non-current loans	-	-
Reversal of impairment loss of current loans	(2,752)	-
BALANCE AT THE END OF THE YEAR	1,627	4,379

The movement of the impairment allowance on ESCO receivables is presented in the table below:

	As of 31.12.2014	As of 31.12.2013
Balance at the beginning of the year	1,401	460
Recognized loss from impairment of receivables	4,129	1,035
Reversal of impairment loss during the year	(550)	(94)
BALANCE AT THE END OF THE YEAR	4,980	1,401

10. Goodwill

	As of 31.12.2014	As of 31.12.2013
Cost of goodwill	2,113	3,413
Impairment of goodwill	-	(1,300)
CARRYING AMOUNT	2,113	2,113

Goodwill amounting to BGN 3,413 thousand is formed by acquiring the subsidiary EMKO AD in 2008. The amount of goodwill is determined as a difference between the acquisition cost and the acquired share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquired company.

As of December 31, 2014 the Group has carried out an impairment review of the recoverable amount of the goodwill and has not identified indicators for impairment. For the valuation of the goodwill the Group used the method of the free cash flows to the firm and the expected future cash flows which will be generated by the entity during the next five years are discounted to their present value as of the reporting date with the weighted-average cost of capital. Due to the absence of comparative transactions in the field of operations of the entity, as well as market deals at the Bulgarian Stock Exchange, the fair value valuation technique is not applicable for valuation of the company. For the purposes of the impairment analysis, goodwill is determined to the construction unit, generating cash flows - subsidiary EMCO.

All amounts are in thousand Bulgarian Levs, except otherwise stated

11. Inventories

	As of 31.12.2014	As of 31.12.2013
Materials	4,102	8,561
Finished goods	641	1,452
Goods	-	11
Work on progress	123	156
TOTAL INVENTORIES	4,866	10,180

As of December 31, 2014 and 2013 the Group has recognized impairment of inventory at the amount of BGN 84 thousand and BGN 118 thousand, respectively presented in the consolidated statement of comprehensive income.

As of December 31, 2014 and 2013 inventories at cost to the amount of BGN 3,137 thousand and BGN 8,488 thousand are pledged as collateral under loans (see also note 15).

12. Trade and other receivables

	As of 31.12.2014	As of 31.12.2013
Receivables from customers	23,175	29,917
Advances to suppliers	17,867	9,034
Retentions	5,518	6,116
Advances to employees	223	328
Receivables from related parties	3	1
Other receivables	4,330	4,688
TOTAL TRADE AND OTHER RECEIVABLES	51,116	50,083
impairment of receivables from customers	(3,765)	(5,870)
TOTAL TRADE AND OTHER RECEIVABLES, NET	47,351	44,213

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

	As of 31.12.2014	As of 31.12.2013
Balance at the beginning of the year	5,870	5,936
Derecognized impairment upon sale of subsidiaries	4	57
Reversal of impairment during the year	(2,109)	(123)
BALANCE AT THE END OF THE YEAR	3,765	5,870

All amounts are in thousand Bulgarian Levs, except otherwise stated

12. Trade and other receivables (continued)

Following the requirements of IAS 39, the Group has developed qualitative and quantitative measures for assessment of risks, related to its expositions to clients and to determine the allowance for impairment for accounting purposes on individual basis.

These qualitative and quantitative measures for assessment of risks include overdue receivables, credit status, deterioration of the market position of the client and change of the legal environment in which the Group operates.

Every exposition is assessed individually and if any risks are identified, based on the description above, allowance for impairment is accrued. Determining the allowance for impairment includes and the expected cash flows, taking into account the specific circumstances.

Receivables which are overdue less than 1 year are not considered impaired due to the nature of the operating cycle of the Group. Trade and other receivables include receivables which are overdue more than 1 year, but management believes that they are recoverable because there is no deterioration in the customers' credit status. Receivables from customers which are overdue, but not impaired are as follows:

	As of 31.12.2014	As of 31.12.2013
1 – 1,5 years	1,062	818
1,5 – 2 years	940	1,357
Over 2 years	3,807	4,329
TOTAL	5,809	6,504

Receivables from customers, which are overdue but not impaired, are not collateralized and the Group has no legal rights to off-set these receivables against its own receivables to respective counterparties.

The ageing analysis of the impaired receivables from customers as of December 31, 2014 and 2013 is as follows:

	As of 31.12.2014	As of 31.12.2013
Up to 1 year	-	-
1 - 1.5 years	295	2
1.5 – 2 years	1,215	420
Over 2 years	4,716	7,434
Total	6,226	7,856

All amounts are in thousand Bulgarian Levs, except otherwise stated

13. Cash and cash equivalents

	As of 31.12.2014	As of 31.12.2013
Cash at banks	1,939	767
Restricted cash at banks	61	220
Cash in hand	18	452
TOTAL CASH AND CASH EQUIVALENTS	2,018	1,439

Restricted cash as of December 31, 2014 includes cash at bank account, restricted as collateral under guarantees issued.

For the purpose of the consolidated statement of cash flows, restricted cash is not included in cash.

14. Issued share capital and reserves

Issued share capital includes:

	As of 31.12.2014	As of 31.12.2013
Ordinary shares – note14.1	11,934	11,934
Preferred shares – note14.2	1,103	1,103
TOTAL REGISTERED SHARES	13,037	13,037
Premiums from share issuance – note14.3	8,739	8,739
TOTAL SHARE CAPITAL ISSUED	21,776	21,776

14.1. Ordinary shares

	As of 31.12.2014	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

As of December 31, 2014 and 2013 ownership of ordinary shares is as follows:

	As of 31.12.2014	%	As of 31.12.2013	%
DichkoProkopievProkopiev	5,916,518	49.58	5,916,518	49.58
Other shareholders	6,017,082	50.42	6,017,082	50.42
TOTAL ORDINARY SHARES	11,933,600	100.00	11,933,600	100.00

The share capital of ordinary shares is fully paid in as of December 31, 2014 and 2013. Group's share capital includes contribution in-kind 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 6 above).

All amounts are in thousand Bulgarian Levs, except otherwise stated

14. Issued share capital and reserves(continued)

14.1. Ordinary shares(continued)

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

14.2. Preferred shares

On April 2, 2010 Financial Supervision Commission registered an emission of Parent company's preferred shares for regulated market trade. The emission amounts to BGN 1,103 thousand distributed in 1,102,901 preferred shares with no voting rights, guaranteed dividend, guaranteed liquidity share, convertible in ordinary shares in March 2017 with nominal value BGN 1 each. Preferred shares bear guaranteed cumulative dividend at the amount of BGN 0.992 per share in the next 7 years.

Upon initial recognition, the Company has reported the issued preferred shares as a compound financial instrument and determined financial liability related to dividend payables and reported the residual amount as increase in share capital. The total amount of cash received is allocated as follows:

	Upon initial recognition	As of 31.12.2013	As of 31.12.2014
Preferred shares – nominal value	1,103	1,103	1,103
Premium from share issuance	5,425	5,425	5,425
Financial liability on preferred shares	4,412	2,619	1,923
Dividend payables on preferred shares	-	2,199	2,672
TOTAL CASH RECEIVED	10,940	11,346	11,123

14.3. Premium from share issuance

	As of 31.12.2014	As of 31.12.2013
Balance as of January 1	8,739	8,739
(Prior period loss coverage)	-	-
Balance as of December 31	8,739	8,739

14.4. 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.

In 2009 the Parent company has issued 5,966,800 warrants with an issue value of BGN 0.17, each and total issue value of BGN 1,014 thousand. The total emission value is reported in the Group's reserves.

Each warrant of the issuance gives its owner a right to subscribe a share in case of future capital increase of the Enemona AD against payment of issue value of the new shares at the amount of BGN 18.50, each. That right can be exercised within 6 years.

All amounts are in thousand Bulgarian Levs, except otherwise stated

14. Issued share capital and reserves (continued)

14.5. Revaluation reservs

31 December 2014 the Group recognized in retained earnings in equity capital sum of 1,553 hil.lv.predstavlyavashta revaluation reserve of property recognized in 2007. and classified to retained earnings in 2008. The revaluation reserve is not subject to distribution

15. Loans

Loans, received by the Group as of December 31, 2014 and December 31, 2013 areas follows:

	As of 31.12.2014	As of 31.12.2013
Loans from financial institution	87,008	91,222
Loans from non-related parties	1,581	2,146
Loans from related parties	20	-
TOTAL LOANS	88,609	93,368

15.1 Loans repayment term

Loans received by the Group according to their contractual repayment term are, as follows:

	As of 31.12.2014	As of 31.12.2013
Up to 1 year	78,212	86,643
Over one year	10,397	6,725
TOTAL LOANS	88,609	93,368

15.2 Loans from financial institutions

Loans from financial institutions received by the Group as of December 31, 2013 and 2012 are as follows:

		As of 31.12.2014	As of 31.12.2013
Credit line – SG Expressbank	(a)	17,566	18,296
Investment credits – DSK Bank	(b)	9,528	10,227
Credit lines – UniCreditBulbank	(c)	19,020	19,199
Investment credits – UniCreditBulbank	(d)	1,580	2,087
Overdraft – UniCreditBulbank	(e)	1,956	1,955
Credit line – ING Bank	(f)	6,054	7,507
Credit line – MKB Unionbank	(g)	-	1,181
Overdraft – Investbank	(h)	11,061	4,409
Investment credit from European Bank for Reconstruction and Development (EBRD)	(i)	13,710	17,502
Credit lines – Eurobank EFG	(j)	1,980	2,275
Credit lines – International Asset Bank AD	(k)	3,805	2,772
Credit line – Alfa Bank	(l)	-	1,196
Credit line – D Bank	(m	-	1,412
Corporate credit cards – UniCreditBulbank	(n)	1	2
Corporate credit cards – ING Bank	(0)	55	-
Nonbank financial institutions		692	1,202
TOTAL LOANS FROM FINANCIAL INSTITUTIONS		87,008	91,222

15. Loans (continued)

15.2 Loans from financial institutions (continued)

The main parameters of borrowings received 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 December 31, 2014 BGN 13,327 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 December 31, 2014 the amount of BGN 4,239 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 December 31, 2014 the Company has utilized BGN 9,528 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 December 31, 2014 the Group has utilized BGN 15,706 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.

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 December 31, 2014
- Total amount of EUR 600 thousand, of which EUR 500 thousand - for working capital. The amount utilised as of December 31, 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 December 31, 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 December 31, 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 December 31, 2014 the utilized amount is BGN 1,580 thousand. 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 December 31, 2014 BGN1,956 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 December 31,2014 BGN 6,054 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.

15. Loans (continued)

15.2 Loans from financial institutions (continued)

(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. The amount is fully repaid as of December 31, 2014. 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 December 31, 2014 the Group has utilized BGN 11,061 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 December 31, 2014 the carrying value of the obligations under this loan 1,329 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 December 31 2014 interest payments have been made under contract at the amount of BGN 124 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 December 31, 2014 part of the principal has been repaid at the amount of EUR 1,925 thousand (2013:EUR 1,925 thousand).

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 December 31, 2014 the utilized principal amount is EUR 9,220 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 651 thousand (2013: 796 thousand) and payment of principal at the amount of BGN 2,130 (2013: 3,340) were made.

As of December 31,2014 the utilized amount of those loans is BGN 12,381 thousand.

(j) The Group has received from Eurobank EFG a credit line with limit of EUR 1,500 thousand. The utilized amount as of December 31, 2014 is BGN 1,980 thousand. The credit is secured from client receivables and goods.

15. Loans (continued)

15.2 Loans from financial institutions (continued)

(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 December 31, 2014 is BGN 3,805 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 December 31, 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 December 31, 2014.

(n) The Group signed a contract with UniCreditBulbank for corporate credit cards with total limit of BGN 100 thousand. As of 31 December 2014 are utilized BGN 1 thousand.

(o) The Group signed a contract with ING Bank for corporate credit cards with total limit of BGN 195 thousand. As of December 31, 2014 are utilized BGN 55 thousand.
The interest rates on bank loans are floating and are based on the EURIBOR and SOFIBOR with margin.
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 December 31, 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 December 31, 2014 and December 31, 2013 the Company has no liabilities on loans related to the credit facility.

15.3. Requirements for loans from financial institutions

In accordance with the loan agreements, the Group should comply with certain operative and financial requirements.
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 December 31, 2014 and 2013 the loan is presented as a current liability.
As of December 31, 2014 and 2013 the Group has complied with the requirements of the remaining bank loans.

All amounts are in thousand Bulgarian Levs, except otherwise stated

15. Loans (continued)

15.4 Loans from non-related parties

Loans from non-related parties as of December 31, 2014 comprise non-secured loans from Izolko OOD , SIP OOD, Enida Ingenering AD and DZZD Consortium Emis 2012 at the amount of BGN 353 thousand, BGN 12 thousand, BGN 17 thousand and BGN 1.199 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 and at the amount of BGN 1,169 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 by 1 month.

16. Finance lease

Part of the tangible fixed assets owned by the Company has been leased under finance lease contracts. 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 Company is close to their carrying amount.

	Minimum lease liabilities		Present value of minimum lease liabilities	
	As of 31.12.2014	As of 31.12.2013	As of 31.12.2014	As of 31.12.2013
Liabilities under finance lease with maturity:				
Up to 1 year	61	127	60	125
Between 2 and 5 years	35	95	31	87
TOTAL LIABILITIES	96	222	91	212
Less: future finance charges	(5)	(10)	-	-
PRESENT VALUE OF LIABILITIES	91	212	91	212

17. Long-term employee benefits

In accordance with the Bulgarian Labour Code, upon termination of labour contracts, when the employee is entitled to retirement benefits, the Company owes severance payments of 2 gross monthly salaries. In case the employee has worked for more than 10 years with the Company, the severance payment is 6 gross monthly salaries. As of December 31, 2014 and 2013 the Group has accrued BGN 10 thousand and BGN 338 thousand for provision of long-term employee benefits as the provision is calculated by a licensed actuary.

The basic assumptions, used by the licensed actuary for calculation of the present value of liabilities are based on:

- Demographic assumptions
- Mortality chart
- Invalidation chart
- Retirement probability
- Financial assumptions
- Salary growth
- Discount rate – due to the long-term nature of the liability, a 4% discount rate has been applied.

All amounts are in thousand Bulgarian Levs, except otherwise stated

17. Long-term employee benefits (continued)

Change in the present value of defined income payable is as follows:

	Year ended 31.12.2014	Year ended 31.12.2013
PAYABLE AS OF JANUARY 1	470	132
Interest expense	18	19
Expenses for current length of service	88	146
Remuneration paid	(120)	(80)
Past service costs for income-contingent	13	9
Actuarial loss on obligation	11	244
PAYABLE AS OF DECEMBER 31	480	470

18. Trade and other payables

	As of 31.12.2014	As of 31.12.2013
Payables to suppliers	29,245	23,369
Payables for dividends on preferred shares	2,672	2,199
Payables to employees	4,980	2,386
Payables to social insurance organizations	6,914	4,803
VAT payables in Bulgaria and abroad	2,574	4,479
Personal income tax payable in Bulgaria andabroad	3,876	2,302
Other payables	1,869	3,387
TOTAL	52,130	42,925

19. Provisions

Provisions represent accruals for unused paid leave and compensation at the amount of BGN 305 thousand and BGN 490 thousand, respectively as of December 31, 2014 and 2013 and provision at the amount of BGN 1,875 thousand and BGN 3,305 thousand for the execution of a contractual obligation, respectively as of December 31, 2014 and 2013.

20. Revenue

	Year ended 31.12.2014	Year ended 31.12.2013
Revenue from construction contracts	64,882	65,793
Revenue from sale of electricity	41,145	52,717
Revenue from sale of compressed natural gas	1,211	4,949
Revenue from sale of assets	10,267	6,311
Revenue from services	418	326
Others	2	-
TOTAL REVENUE	117,925	130,096

20. Revenue (continued)

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

All amounts are in thousand Bulgarian Levs, except otherwise stated

	As of 31.12.2014	As of 31.12.2013
Construction costs incurred plus recognized profits (less recognized losses) to date	304,281	256,064
Less: Progress billings	(271,201)	(234,551)
	33,080	21,513
Gross amounts stated in the statement of financial position comprise:		
Gross amount receivable from customers under construction contracts	35,210	24,007
Gross amount payable to customers under construction contracts	(2,130)	(2,494)
	33,080	21,513

Retentions held by customers under construction contracts amount to BGN 5,518 thousand and BGN 6,116 thousand as of December 31, 2014 and 2013, respectively. Advances received from customers under construction contracts amount to BGN 6,432 thousand and BGN 12,065 thousand as of December 31, 2014 and 2013, respectively.

As of December 31, 2014 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.

21. Financial income

	Year ended 31.12.2014	Year ended 31.12.2013
Interest income	4,904	6,302
Dividend income	112	104
Foreign exchange gains	51	9
TOTAL FINANCIAL INCOME	5,067	6,415

22. Materials and consumables

	Year ended 31.12.2014	Year ended 31.12.2013
Cost of goods sold	41,514	54,422
Materials:		
Construction materials	17,351	27,512
Book value assets sold	2,962	5,315
Expenses for instruments	64	372
Electric power	170	305
Fuels	144	300
Spare parts	28	49
Stationery	207	211
TOTAL MATERIALS	20,926	34,064

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Hired services

	Year ended 31.12.2014	Year ended 31.12.2013
Under construction agreements with subcontractors	15,011	11,014
Services with mechanization	1,122	1,508
Transportation	1,346	1,939
Legal and consulting services	2,869	2,414
Insurances	1,401	776
Advertising services	25	7
Telecommunications	186	200
Rents	2,259	2,954
Design services	194	842
Heating	24	51
Working permissions and tender documents	44	63
Starting work and control	520	1,086
Office maintenance cost	227	250
Security	66	59
Translation services	124	124
Courier services	76	129
Other services	164	151
TOTAL HIRED SERVICES	25,658	23,567

24. Employee benefit expenses

	Year ended 31.12.2014	Year ended 31.12.2013
Remunerations	21,553	24,639
Social security and health insurance	3,108	3,794
Food vouchers	179	814
Compensations	1,496	1,015
TOTAL EMPLOYEE BENEFITS EXPENSES	26,336	30,262

25. Other expenses

	Year ended 31.12.2014	Year ended 31.12.2013
Business trips	2,685	3,158
Expenses for one-off taxes and fees	273	390
Entertainment expenses	19	15
Waste on non-current assets	338	155
Donations	91	60
Other	79	81
TOTAL OTHER EXPENSES	3,485	3,859

All amounts are in thousand Bulgarian Levs, except otherwise stated

26. Other gains, net

	Year ended 31.12.2014	Year ended 31.12.2013
Rent income	217	252
Income from financing	6	105
Income from consulting services	-	304
Effect from sale of receivables under ESCO contracts, net of interes income on an effective interest rate	(5)	-
Loss of discounting receivables ESCO contracts	(165)	-
Discount from ceded receivables	(1,146)	(247)
Subsequent premiums from sale of investments	-	120
Impairment expenses for ESCO receivables	(4,129)	(1,035)
Reversal of provision of impairedreceivables ESCO	550	-
Expenses for impairment of receivables	(96)	(114)
Revenue from reversed impairment of receivables	2,211	213
Revaluation of investment properties	6,326	(5)
Reversal of provision of impaired loans	2,752	-
Impairment of assets classified in declared for sale to the net realizable value	-	(1,089)
Provisions		
Provision for contractual obligation	(1,875)	(3,035)
Reversal of a provision on a construction contract	2,887	-
Loss recognized for written off gross amount on construction contracts – note 20	(2,157)	(2)
Gains/(losses) from penalties, net and other	(576)	(1,448)
TOTAL OTHER GAINS, NET	4,800	(5,981)

The rebate from discounting of receivables represents discount at additional recognition of ESCO receivables. He used discount factor approximates the discount for the sale of these receivables.

All amounts are in thousand Bulgarian Levs, except otherwise stated

26. Other gains, net (continued)

Impairment and disposal of assets

Complying with the requirements of IAS 39, the Group developed qualitative and quantitative indicators for the valuation of the risks related to its exposures to clients and for determining the amount of impairment for accounting purposes on an individual basis.

Qualitative and quantitative indicators for valuation of risks include overdue payments, credit rating, deterioration of the market positions of the client and change of the legal environment in which the Group operates.

Each exposition is separately valued and if the risks described above are identified, an impairment loss is recognized. Determining the amount of impairment includes consideration of the expected future cash flows under the identified circumstances.

As of December 31, 2014 the Group analysed total contract revenue and total estimated costs for construction contracts which are not completed as of the end of the reporting period and recognized impairment losses in the statement of comprehensive income for those construction contracts for which the total estimated profit is lower than the profit already recognized in prior reporting periods.

As of December 31, 2014 the Group reviewed for objective evidences for impairment of the current and non-current loans and receivables and investments in subsidiaries and recognized impairment losses at the amount with which the carrying amounts of the assets exceed their recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

27. Finance costs

	Year ended 31.12.2014	Year ended 31.12.2013
Interest expense	5,700	5,014
Costs for financial liability for preferred shares	420	490
Foreign exchange losses	119	92
Finance costs on construction contracts	4,238	3,297
Fees, mortgages, guarantees	1,186	864
Other finance costs	-	-
TOTAL FINANCE COST	11,663	9,757

All amounts are in thousand Bulgarian Levs, except otherwise stated

28. Assets classified as held for sale and discontinued operations

On January 16, 2014 signed a preliminary agreement for the sale of assets from the gas business of the group held in the subsidiary "Enemona Utilities" AD for the amount of BGN 2,250 thousand. Assets object of sale with a carrying value of BGN 886 thousand and are presented in such assets available for sale in the statement of financial position. Their selling price less costs to sell exceeds their carrying value and impairment losses are not recognized. At the date of these financial statements the assets are not transferred.

On 16 January signed a preliminary contract, and January 30, 2014 the Group signed a final agreement for the sale of the participation in "Nevrokop gas" AD worth 400 thousand and for the sale of the remaining assets of the gas business of the Group held by the subsidiary company "Enemona Utilities" AD. At the date of this report has been received in full the cost of the assets of BGN 3,734 thousand. Assets are transferred book value of BGN 5,814 thousand.

In connection with the transaction, a sale of the gas business group, in the statement of comprehensive income for the year ended December 31, 2013. It has recorded an adjustment of BGN 1,089 thousand the carrying amount of assets available for sale to their net realizable value. During the period ending on 31 December 2014. for assets sold is reversed impairment of BGN 1,089 thousand.

The combined results from discontinued operations for the periods ending December 31, 2014and 2013, are presented below:

	Period ended 31.12.2014	Period ended 31.12.2013
Revenue from assets sold	3,112	-
Book value of assets sold	(5,814)	-
Receivable written off	(438)	
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	(2,051)	-
Income from financing	106	-
Profit from sale of subsidiary, representing the gaz business	794	-
Loss after taxes from discontinued operations	(1,151)	-

The profit from sale of investment is as follow:

	Period ended 31.12.2014	Period ended 31.12.2013
Consideration received	400	-
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.

All amounts are in thousand Bulgarian Levs, except otherwise stated

28. Assets classified as held for sale and discontinued operations (continued)

In 2014 the Group considers that does not control the financial and operational policies of its subsidiary Regionalgas AD therefore ceased to consolidate and report the result of loss of control as follows:

	Period ended 31.12.2014	Period ended 31.12.2013
Net value of assets	10	-
Non-controlling paricipation	(6)	-
Profit/Gain from sale of investment	4	-

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 31.12.2014	Period ended 31.12.2013
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	(17)	-
Net cash flows from discontinued operations	2,617	-

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.

Assets classified as held for sale are as follows:

	As of 31.12.2014	As of 31.12.2013
Property, plant and equipment	886	7,669
Impairment of property, plant and equipment	-	(1,089)
Net realizable value	886	6,580
Intangible assets	-	26
	886	6,606
Liabilities related to assets for sale (note 15.2)	530	2,494

The assets transferred in 2014 with a carrying value of BGN 5,814 thousand

In connection with the transaction, a sale of the gas business group, in the statement of comprehensive income for the year ended December 31, 2013. It has recorded an adjustment of BGN 1,089 thousand the carrying amount of assets available for sale to their net realizable value. During the period ending on 31 December 2014. for assets sold is reversed impairment of BGN 1,089 thousand

All amounts are in thousand Bulgarian Levs, except otherwise stated

29. Taxation

Deferred taxes are as follows:

	As of 31.12.2014	As of 31.12.2013
Deferred tax assets		
Impairment of receivables	529	1,025
Impairment of investments	178	166
Deductible tax loss	873	-
Provisions	281	211
Other	-	15
TOTAL DEFERRED TAX ASSETS	1,861	1,417
Deffered tax liabilities		
Investment property	(633)	-
Fixed assets	(718)	(898)
TOTAL DEFERRED TAX LIABILITIES	(1,351)	(898)
TOTAL DEFERRED TAX ASSETS, NET	510	519

Deferred tax assets and liabilities as of December 31, 2014 and 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 year ended December 31, 2014 and 2013 are as follows:

	Year ended 31.12.2014	Year ended 31.12.2013
Current income tax expense	-	(39)
Deferred tax in relation to occurrence and reversal of temporary differences	(9)	(2012)
TOTAL TAX EXPENSE	(9)	(2,051)

The calculations for the effective interest rate are as follows:

	Year ended 31.12.2014	Year ended 31.12.2013
Loss before taxation	(4,201)	(26,624)
Applicable tax rate	10%	10%
Tax by applicable tax rate	(420)	(2,662)
Tax effect of the non-deductible and non-taxable positions	425	4,713
Effect of different tax rates in other tax jurisdictions	-	-
TAX EXPENSE	5	2,051
EFFECTIVE TAX RATE	0%	8%

All amounts are in thousand Bulgarian Levs, except otherwise stated

30. Earnings per

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.

	Year ended 31.12.2014	Year ended 31.12.2013
Continuing and discontinued operations		
Share of net profit / (loss) from continuing and discontinued operations for the shareholders of the Parent company in BGN	(3,583,000)	(28,474,000)
Weighted-average number of ordinary shares	11,933,600	11,933,600
Loss per share (in BGN) – basic and diluted	(0.30)	(2.39)

	Year ended 31.12.2014	Year ended 31.12.2013
Continuing operations		
Share of net profit from continuing and discontinued operations for Parent Company shareholders	(3,583,000)	(28,474,000)
Loss from discontinued operations	(1,151,000)	-
Share of net profit from continuing operations for Parent Company shareholders	(2,432,000)	(28,474,000)
Weighted-average number of ordinary shares	11,933,600	11,933,600
(Earnings per share (in BGN) – basic and diluted from continuing operations	(0.20)	(2.39)

The diluted earnings per share are equal to the basic earnings per share, due to the fact that, there are no ordinary shares with diluted value.

As disclosed in note 14 as of December 31, 2014 and 2013 the Parent company has issued warrants and preferred shares, which do not influence diluted earnings per share for the years ended December 31, 2014 and 2013 as their conversion to ordinary shares would not have dilutive effect on basic earnings per share.

31. Related parties transactions

The Group's related parties with which it has performed transactions in 2014 and 2013 are as follows:

RELATED PARTY	ОПИСАНИЕ НА ВИДА НА ВЗАИМООТНОШЕНИЕТО
"AlfaEnemona" OOD	Associated company
"Global Capital" OOD	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

All amounts are in thousand Bulgarian Levs, except otherwise stated

31. Related parties transactions (continued)

The table below discloses income received from related parties:

	Year ended 31.12.2014	Year ended 31.12.2013
"ALfaEnemona" OOD	115	104
"Eco Invest Holding" AD	1	1
"G Oil Expert" EOOD	5	5
TOTAL	121	110

For the years ended December 31, 2014 and 2013 the group has no costs for related party transactions.

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

	As of 31.12.2014	As of 31.12.2013
"ALfaEnemona" OOD	2	-
"G Oil Expert" EOOD	1	1
TOTAL	3	1

Receivables from related parties consist of trade receivables.

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

	As of 31.12.2014	As of 31.12.2013
"G Oil Expert" EOOD	20	-
TOTAL	20	-

Payables to related parties consist of a gross amount due to customers under construction contracts.

32. Financial instruments, financial risk and capital management

32.1 Categories of financial instruments

	As of 31.12.2014	As of 31.12.2013
Financial assets		
Loans and receivables	122,955	115,876
Cash and cash equivalents	2,018	1,439
Financial liabilities		
Financial liabilities at amortized cost	142,813	139,124

Loans and receivables include granted by the Group, including trade and other receivables and gross amounts due from customers under construction contracts.

Financial liabilities at amortized cost include loans received by the Group, lease liabilities, as well as trade and other liabilities for preferred shares dividends.

All amounts are in thousand Bulgarian Levs, except otherwise stated

32. Fair value estimation of financial instruments, measured at fair value (continued)

32.2 Fair value estimation of financial instruments, measured at fair value

IFRS 7 „Financial instruments: Disclosure" requires additional the disclosures to the financial statements to include information for fair value measurement of financial assets and liabilities which are not presented at fair value in the statement of financial position.

The following table presents information for the carrying amount and fair value of financial assets and liabilities:

	Carrying amount		Fair value	
	As of 31.12.2014	As of 31.12.2013	As of 31.12.2014	As of 31.12.2013
Financial assets				
Loans and borrowings	122,955	115,876	122,955	115,876
Cash and cash equivalents	2,018	1,439	2,018	1,439
Financial liabilities				
Financial liabilities at amortized cost	142,813	139,124	142,813	139,124

The management's estimate is that the fair value of financial instruments is approximate to their carrying amount as most of them are current.

32.3 Management of risks related to financial instruments

Credit risk

The Group is exposed to credit risk in case the customers fail to meet their obligations.

Transactions with the main contractors of the Group are as follows:

Name	Type	Carrying amount of receivable as of 31.12.2014	Carrying amount of receivable as of 31.12.2013
Contractor 1	Abroad	5,253	6,916
Contractor 2	In the country	2,108	1,339
Contractor 3	In the country	1,964	786
Contractor 4	In the country	1,685	684
Contractor 5	In the country	1,305	1,386

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The trade and other receivables and the gross amount due from customers on construction contracts are not collateralized.

Liquidity risk

Liquidity risk is the risk that the Group may have difficulties in meeting its obligations related to settling financial liabilities, which require payment of cash, cash equivalents or other financial asset. Liquidity risk arises from the time difference between the agreed maturity of monetary assets and liabilities and the possibility that debtors may not be able to settle their obligations to the Group in terms due.

All amounts are in thousand Bulgarian Levs, except otherwise stated

32. Financial instruments, financial risk and capital management (continued)

32.3 Management of risks related to financial instruments (continued)

As of December 31, 2014 and 2013 the undiscounted cash flows on financial liabilities of the Group, analysed by residual term as of the date of the consolidated statement of financial position until the date of subsequent negotiating or maturity, are as follows:

As of December 31, 2014	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years.	Total
Financial liabilities				
Trade and other payable	39,570	12,560	-	52,130
Loans	10,736	75,115	12,459	98,310
Finance lease liabilities	16	44	36	96
Finance liability on preferred shares	-	-	2,416	2,416
Total financial liabilities	50,322	87,719	14,911	152,952

As of December 31, 2013	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years.	Total
Financial liabilities				
Trade and other payables	22,616	22,981	-	45,597
Loans	5,613	85,968	14,451	106,032
Finance lease liabilities	19	110	95	224
Finance liability on preferred shares	-	-	3,510	3,510
Total financial liabilities	28,248	109,059	18,056	155,363

Current loans of the Group include credit lines and overdraft with maturity in 2014. The Group usually renegotiates part of the credit lines and overdrafts.

The Group has obtained credit lines from Societe General Expressbank, UniCreditBulbank, MKB Unionbank and International Asset Bank for the purpose of carrying out specific construction contracts (see note 15). The payment of these loans is dependent on fulfilling the obligations of the Group under the respective contract and the cash flows generated by the specific construction contract.

Foreign currency risk

As the Group operates in the country and in the EU it is exposed to insignificant foreign currency risk. A small percentage of income/expenses are generated in foreign currency different from the Bulgarian lev and Euro. Therefore, the management of the Group considers that the effect from possible change in exchange rates would not have significant effect on profit or loss.

Interest rate risk

The Group is exposed to interest rate risk fluctuation mainly from received bank loans with floating interest rate which are at the amount of BGN 29,662 thousand and BGN 84,974 thousand as of December 31, 2014 and 2013 and the interest payments are based on EURIBOR and SOFIBOR plus margin. . As of December 31, 2014 and 2013 the Group has not used instruments for compensating the potential changes of the EURIBOR levels.

If the interest rates for these loans with floating interest rate increased by 0.5% in 2014 and 2013, the interest expense for the year would increase, and profit after taxation would decrease by BGN 148 thousand and BGN 425 thousand, respectively, and vice versa, if the interest rate decreases by 0.5%.

All amounts are in thousand Bulgarian Levs, except otherwise stated

32. Financial instruments, financial risk and capital management (continued)

32.4 Capital management

The Group manages its capital to operate as a going concern and optimize return by improving the debt/equity ratio. The capital structure of the Group comprises cash and cash equivalents, received loans and share capital.

Gearing ratio as of December 31, 2014 and 2013 is as follows:

	As of 31.12.2014	As of 31.12.2013
Loans	88,609	93,368
Cash and cash equivalents	(2,018)	(1,439)
Loans net of cash and cash equivalents	86,591	91,929
Equity	21,599	23,458
Gearing ratio (loans net of cash and cash equivalents to equity)	4.02	3.92

33. Contingent liabilities

As of December 31, 2014 and 2013 bank guarantees on behalf of companies within the Group have been issued at the amount of BGN 34,766 thousand and BGN 41,313 thousand that are mainly related to the construction of sites, energy and other equipment.

34. Segment reporting

Information regarding operating segments in these consolidated financial statements has been presented in a manner which is similar to the reports intended for the management of the Group, based on which decisions are taken for the resources, which should be allocated to the segment and on which assessments are made for its operating results.

The operating segments in the Group are as follows:

- Engineering, construction and assembly works (including energy-efficiency activities);
- Trade with electricity;
- Other segments, which include – trade in compressed natural gas, asset management and others.

The table below includes revenue, expenses and results of the Group from continuing operations based on identified segments:

All amounts are in thousand Bulgarian Levs, except otherwise stated

34. Segment reporting (continued)

	Segment revenue		Segment expenses		Segment profit /(loss) from segment	
	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2014	Year ended 31.12.2013
Engineering, construction and assembly work	75,538	72,291	(75,722)	(88,252)	(184)	(15,961)
Electricity trading	42,376	52,748	(42,439)	(52,030)	(63)	718
Other segments	11	5,057	(602)	(4,844)	(591)	213
Total	117,925	130,096	(118,763)	(145,126)	(838)	(15,030)
Other gains /(loss), net					4,800	(5,981)
Depreciation					(1,567)	(2,271)
Financial income					5,067	6,415
Finance cost					(11,663)	(9,757)
Loss before tax					(4,201)	(26,624)
Corporate tax income/(expenses)					(5)	(2,051)
Net loss for the year					(4,206)	(28,675)

	Financial income		Finance cost		Depreciation	
	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2014	Year ended 31.12.2013
Engineering, construction and assembly work	2,123	3,535	(9,423)	(7,762)	(1,547)	(1,854)
Electricity trading	185	146	(1,109)	(525)	(13)	(7)
Other segments	2,759	2,734	(1,131)	(1,470)	(7)	(410)
Total	5,067	6,415	(11,663)	(9,757)	(1,567)	(2,271)

All amounts are in thousand Bulgarian Levs, except otherwise stated

34. Segment reporting (continued)

Income and expenses presented above include revenue from and expenses for outside clients and do not include sales between segments.

Allocation of assets and liabilities by segments is as follows:

	Segment Assets		Segment Liabilities	
	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2014	Year ended 31.12.2013
Engineering, construction and assembly work	140,798	125,192	113,759	115,267
Electricity trading	8,304	10,426	20,215	11,324
Other	20,135	29,694	14,061	19,375
Total	169,238	165,312	148,035	145,966

Geographical distribution

The Group operates in five main countries – Bulgaria, Germany, Slovakia, Great Britain and Norway. The Group has revenues from sales in Turkey, Macedonia, Slovenia, Estonia and other countries.

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	
	Year ended 31.12.2014	Year ended 31.12.2013	As of 31.12.2014	As of 31.12.2013
Bulgaria	87,662	80,656	22,3378	31,456
Slovakia	15,542	19,809	962	452
Germany	4,958	15,938	595	330
Norway	319	743	11	5
Great Britain	4,520	272	47	6
Other	4,924	12,678	-	-
	117,925	130,096	23,952	32,249

In 2013 the Group started operations in Great Britain by establishing a branch.

In 2012 the Group started operations in Norway by establishing a branch.

In 2011 the Group started activity in Germany through place of activity there.

In 2010 the Group opened a branch in the Slovak Republic.