

1. Organization and main activity

Enemona AD („The Company”) was initially registered as a partnership company in 1990 and in 1994 the Company was registered as a joint-stock company. According to the court registration the address of the Company is in the town of Kozloduy, 1A Panayot Hitov Str. The Company is a public entity and its shares are registered at the Financial Supervision Commission to be traded at the Bulgarian Stock Exchange. As of March 31, 2015 and December 31, 2014 the major shareholder of the Company is Dichko Prokopiev Prokopiev. During the financial year there were no changes in the Company’s legal status.

The Company is engaged in construction works, which covers all stages from design to assembly and construction activities under construction contracts. Management reviews the operating results of the Company on the basis of individual construction projects and as one operating segment.

2. Accounting policy

2.1 General financial reporting framework

These separate financial statements are prepared in all material aspects 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.

Changes in IFRS

Standards and Interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU have become effective in the current period:

- **Amendments to IFRS 7 “Financial Instruments: Disclosures”** - transfers of financial assets, adopted by the EU on November 22, 2011 (effective for the annual periods beginning on or after July 1, 2011).

The adoption of these amendments to the existing standards has not led to any changes in the Company’s accounting policy.

Standards and Interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union which have not yet become effective

The following International Financial Reporting Standards (IFRS), amendments to IFRS and interpretations have been adopted by the EU as of the date of the current financial statements, but have not yet become effective:

- **IFRS 10 “Consolidated Financial Statements”**, adopted by the EU on December 11, 2012 (effective for the annual periods beginning on or after January 1, 2014),
- **IFRS 11 “Joint Arrangements”**, adopted by the EU on December 11, 2012 (effective for the annual periods beginning on or after January 1, 2014),
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2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

Changes in IFRS (continued)

Standards and Interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union which have not yet become effective (continued)

- **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),
- **IFRS 13 “Fair Value Measurement”**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013),
- **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 1 “First-time Adoption of International Financial Reporting Standards”** – hyperinflation and removal of fixed dates for first-time adopters of IFRS, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IFRS 7 “Financial Instruments: Disclosure”** – offsetting of financial assets and financial liabilities, adopted by the EU on December 13, 2012 (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IAS 1 “Presentation of Financial Statements”** – presentation of items of other comprehensive income, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after July 1, 2012)
- **Amendments to IAS 12 “Income Taxes”** – Deferred Tax: Recovery of Underlying Assets, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IAS 19 “Employee Benefits”** – improvements in the reporting of post-employment benefits, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IAS 32 “Financial Instrument: 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)
- **IFRIC 20 — “Stripping Costs in the Production Phase of a Surface Mine”**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013)

The Company has chosen not to adopt those standards, amendments and interpretations before the date they become effective. The Company anticipates that the non-adoption of those standards,

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amendments and interpretations will not have material impact on the financial statements of the Company in the period of their first-time adoption.

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 financial statements:

- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after January 1, 2015),
- **Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards”** – Government grants (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosure”** – Mandatory Effective Date and Transition Disclosures;
- **Amendments to IFRS 10 — Consolidated Financial Statements, IFRS 11 — Joint Arrangements, IFRS 12 — Disclosure of Interests in Other Entities** (effective for annual periods beginning on or after January 1, 2013)
- **Amendments to IFRS 10 — Consolidated Financial Statements, IFRS 12 — Disclosure of Interests in Other Entities and IAS 27 — Separate Financial Statements – investment entities** (effective for annual periods beginning on or after January 1, 2014)
- **Amendments to various standards “Improvements to IFRSs (2012)”** resulting from the annual improvement project of IFRS published on May 17, 2012 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after July 1, 2013).

The Company anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Company in the period of first-time adoption.

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

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

2.2. Basis of preparation

The separate financial statements have been prepared under the historical cost convention, except for the deemed cost of buildings upon the first time adoption of IFRS.

These separate financial statements have been prepared on accrual basis, under the going concern assumption.

These separate financial statements should be considered together with the Company's consolidated financial statements for the year ended March 31, 2015. The consolidated financial statements will be issued after the date of issuance of these separate financial statements.

2.3 Functional currency and presentation currency

According to the Bulgarian accounting legislation the Company keeps its records and prepared 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 Company's functional currency is the Bulgarian national currency.

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

2. Accounting policy (continued)

2.4. 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 as financial income or expense 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.

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

The preparation of separate 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 separate 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 separate financial statements as actual results could defer from those estimates.

3.1. Revenue and expenses under construction contracts

Revenue recognition on 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, including claims 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 Company. The volume and amount of future activities depend on future factors which may defer from the management's estimations.

3.2. Impairment of non financial assets

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

3.3. Impairment of financial assets

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

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

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. For the period ending at March 31, 2015 there are no circumstances that may trigger a change in the estimated useful lives of these assets.

3.5. Economic environment

In 2015 and 2014 as a result of the global financial crisis, a decrease in the economic development of the Bulgarian economy is perceived which affects a wide range of industrial sectors. This leads to noticeable aggravation of cash flows; decline in income and as a result to substantial worsening of the economic environment in which the Company 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 Company applies all necessary procedures to control these risks.

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4. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Vehicles	Other	Assets under construction	Total
<i>Cost</i>							
JANUARY 1, 2014	5,608	16,794	5,056	4,547	2,879	5,788	40,672
Additions	-	-	87	8	61	9	165
Transfers	-	(4,612)	-	-	-	-	(4,612)
Disposals	-	(3,375)	(342)	(127)	(208)	-	(4,052)
DECEMBER 31, 2014	5,608	8,807	4,801	4,428	2,732	5,797	32,173
Additions	-	12	15	-	1	-	28
Transferred	-	-	-	-	-	-	-
Disposals	-	-	(253)	(53)	(236)	-	(542)
March 31, 2015	5,608	8,819	4,563	4,375	2,497	5,797	31,659
<i>Accumulated depreciation and impairment</i>							
JANUARY 1, 2014	-	1,885	3,764	2,559	2,016	24	10,248
Depreciation charge	-	278	477	300	239	-	1,294
Transfers	-	(604)	-	-	-	-	(604)
Disposal	-	(574)	(309)	(102)	(177)	-	(1,162)
Impairment recognized in profit or loss	-	-	-	-	-	15	15
DECEMBER 31, 2014	-	985	3,932	2,757	2,078	39	9,791
Depreciation charge	-	44	104	68	47	-	263
Disposals	-	-	(239)	(49)	(221)	-	(509)
Impairment recognized in profit or loss	-	-	-	-	-	(18)	(18)
March 31, 2015	-	1,029	3,797	2,776	1,904	21	9,527
<i>Net book value</i>							
JANUARY 1, 2014	5,608	14,909	1,292	1,988	863	5,764	30,424
DECEMBER 31, 2014	5,608	7,822	869	1,671	654	5,758	22,382
MARCH 31, 2015	5,608	7,790	766	1,599	593	5,776	22,132

4.1 Investment property

As of 31 March 2015 the Company measured its investment properties using fair value, appreciated by professional valuator.

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5. Intangible assets

<i>Cost</i>	<u>Property rights</u>	<u>Software</u>	<u>Total</u>
JANUARY 1, 2014	1,447	258	1,705
Additions		19	19
Disposals		(42)	(42)
DECEMBER 31, 2014	1,447	235	1,682
Additions			
Disposals		(43)	(43)
MARCH 31, 2015	1,447	192	1,639
<i>Accumulated amortization</i>			
JANUARY 1, 2014	952	224	1,176
Amortization charge	59	10	69
Disposals	-	(22)	(22)
DECEMBER 31, 2014	1,011	212	1,223
Amortization charge	15	2	17
Disposals		(43)	(43)
MARCH 31, 2015	1,026	171	1,197
<i>Net book value</i>			
JANUARY 1, 2014	495	34	529
DECEMBER 31, 2014	436	23	459
MARCH 31, 2015	421	21	442

6. Investments in subsidiaries and associates

As of March 31, 2015 и December 31, 2014 investments in subsidiaries and associates consist of

	<u>As of 31.03.2015</u>	<u>As of 31.12.2014</u>
Investments in subsidiaries	14,513	14,504
Impairment of investment in subsidiaries – note 6.1.1.	(1,656)	(1,656)
Investment in subsidiaries, net – note 6.1	12,857	12,848
Investments in associates – note 6.2	4	4
TOTAL INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	<u>12,861</u>	<u>12,852</u>

ENEMONA AD

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6. Investments in subsidiaries and associates (continued)

6.1. Investments in subsidiaries

Investments in subsidiaries as of March 31, 2015 и December 31, 2014 are as follows:

COMPANY	DESCRIPTION OF ACTIVITY	SHARE		CARRYING AMOUNT	
		As of 31.03.2015	As of 31.12.2014	As of 31.03.2015	As of 31.12.2014
Enemona Utilities AD	Electricity trading	97,24%	92,25%	1,640	1,640
EESF REIT	Company with special investment purpose – securitization of receivables	37,28%	37,28%	2,331	2,331
Pirin Power AD	Designing and building of projects in energy sector	84,00%	84,00%	42	42
FINI REIT	Company with special investment purpose – real estate purchase	55,47%	55,47%	361	361
Hemusgas AD	Construction of compressor houses	50,00%	50,00%	25	25
Esco engineering AD	Heating and climatization projects	99,00%	99,00%	73	73
TFEZ Nikopol EAD	Construction of electric power plant	100,00%	100,00%	1,912	1,903
Nevrocop-gas AD	Gas trading	-	90,00%	-	-
EMKO AD	Construction contracts	77,36%	77,36%	4,613	4,613
Artanes Mining Group AD	Opencast mining of brown and lignite coal	90,00%	90,00%	1,800	1,800
FEZ Mladenovo EOOD	Prospecting, design, construction and assembly, commissioning, repairation, servicing and engineering works	100,00%	100,00%	60	60
Regionalgas AD	Gasification projects	50,00%	50,00%	-	-
TOTAL				<u>12,857</u>	<u>12,848</u>

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6. Investments in subsidiaries and associates (continued)

6.1. Investments in subsidiaries (continued)

Regionalgas AD is subsidiary of Enemona Utilities AD, which as of December 31, 2014 and December 31, 2013 owns 50% of the shares of Regionalgas AD, or the direct share of the Company in Regionalgas AD is 50%.

On January 30, 2014 a contract for selling its shares in Nevrocop-gas AD was signed by Enemona AD, the gain under the agreement is BGN 355 thousand.

The management of Enemona AD considers that the investments in Regionalgas AD and Hemusgas AD do not represent jointly control activity, as the Company controls the financial and operating policy of these companies.

6.2 Investments in associates

The investments in associated companies as of March 31, 2015 and December 31, 2014 are as follows:

COMPANY	SHARE		CARRYING AMOUNT	
	As of 31.03.2015	As of 31.12.2014	As of 31.03.2015	As of 31.12.2014
Alfa Enemona OOD	40%	40%	4	4
TOTAL			4	4

In these interim separate financial statements the investments in associated companies are presented at carrying amount (cost), as the management of the Company considers that there are no indications of impairment of investments in associated companies as of March 31, 2015 and December 31, 2014.

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7. Current and non-current loans and advances

Current and non-current loans and advances as of March 31, 2015 and December 31, 2014 are as follows:

Non-current loans and advances

	As of 31.03.2015	As of 31.12.2014
Loans granted to employees	954	956
Receivables under ESCO contracts – non-current	3,502	3,704
Cession receivables	1,708	1,708
Others	12	12
Discount of receivables under ESCO contracts – non-current portion – notes 22	(913)	(972)
TOTAL NON-CURRENT LOANS AND ADVANCES	5,263	5,408
Impairment of loans granted to employees	(597)	(597)
TOTAL NON-CURRENT LOANS AND ADVANCES, NET	4,666	4,811

Current loans and advances

	As of 31.03.2015	As of 31.12.2014
Receivables under ESCO contracts – current	1,884	1,993
Cession receivables	5,013	4,977
Loans granted to related parties	-	-
Loans granted to non related parties	10,807	9,382
Discount of receivables under ESCO contracts – current	(80)	(86)
TOTAL CURRENT LOANS AND ADVANCES	17,624	16,266
Impairment of loans granted to non related parties	(1,030)	(1,030)
TOTAL CURRENT LOANS AND ADVANCES, NET	16,594	15,236

Loans granted to related parties, non related parties and employees are not secured, with interest rate from 6% to 9%.

Receivables under ESCO contracts represent receivables under contracts for performing engineering with guaranteed result (ESCO contracts) where the Company performs construction and engineering works and deferred payment is contracted. Receivables under ESCO contracts are presented at amortized cost.

Cession receivables as of March 31, 2015 and December 31, 2014 represent the present value of a receivable under cession agreement with a local company.

The movement of the impairment is presented below:

	As of 31.03.2015	As of 31.12.2014
Balance at the beginning of the year	1,627	4,379
Reversals of impairment losses on current loans and receivables	-	(2,752)
Balance at the end of the year	1,627	1,627

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8. Inventories

	As of 31.03.2015	As of 31.12.2014
Materials	3,537	3,377
Finished work	-	-
Work in progress	123	123
TOTAL	3,660	3,500

9. Trade and other receivables

	As of 31.03.2015	As of 31.12.2014
Receivables from customers	12,038	16,140
Retentions	2,429	5,354
Receivables from related parties	246	594
Advance payments to suppliers	17,031	17,336
Advances to employees	287	223
Other receivables	5,806	3,657
TOTAL TRADE AND OTHER RECEIVABLES	37,837	43,304
Impairment of receivables from customers	(3,765)	(3,765)
TOTAL TRADE AND OTHER RECEIVABLES, NET	34,072	39,539

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

	As of 31.03.2015	As of 31.12.2014
Balance at the beginning of the year	3,765	5,870
Recognized loss from impairment of receivables	-	4
Recovered during the period	-	(2,109)
Balance at the end of the year	3,765	3,765

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

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10. Cash and cash equivalents

	As of 31.03.2015	As of 31.12.2014
Cash at banks	1,918	1,879
Restricted cash at bank	61	61
Cash in hand	22	12
TOTAL CASH AND CASH EQUIVALENTS	2,001	1,952

As of March 31, 2015 and December 31, 2014 restricted cash at BGN 61 thousand (BGN 61 thousand) represents cash in bank account restricted as a collateral under issued guarantees.

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

11. Issued capital and reserves

The issued capital includes:

	As of 31.03.2015	As of 31.12.2014
Ordinary shares – note 11.1	11,934	11,934
Preferred shares – note 11.2	1,103	1,103
TOTAL ISSUED CAPITAL	13,037	13,037
Premium from share issuance – note 11.3	8,739	8,739
TOTAL ISSUED CAPITAL AND RESERVES	21,776	21,776

11.1. Ordinary shares

	As of 31.03.2015	As of 31.12.2014
Number of shares	11,933,600	11,933,600
Nominal value per share in BGN	1	1
SHARE CAPITAL – ORDINARY SHARES	11,934	11,934

The share capital is fully paid in as of March 31, 2015 and December 31, 2014. The Company's share capital includes in-kind contribution in the form of title of property over three combined trademarks with fair value at the amount of BGN 1,400 thousand, obtained through independent appraiser's report. Titles of property are presented as intangible assets (see note 5, above).

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

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11. Issued capital and reserves (continued)**11.2. Preferred shares**

On April 2, 2010 Financial Supervision Commission registered an emission of 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.

The Company recognized initially 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 the received cash is accounted as follows:

	At initial recognition	As of 31.03.2015	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	1,923	1,923
Dividend payables from preferred shares	-	2,946	2,672
TOTAL CASH RECEIVED	<u>10,940</u>	11,197	11,123

11.3. Premium from share issuance

	As of 31.03.2015	As of 31.12.2014
Balance as of January 1	8,739	8,739
Premium from preferred share issuance	-	-
Balance as of December 31	<u>8,739</u>	<u>8,739</u>

11.4. Reserves

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

In 2009 the Company issued 5,966,800 warrants with issue value BGN 0.17 each and total issue value BGN 1,014 thousand. The total emission value is accounted for in the Company's reserves.

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

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12. Loans**12.1 Loans repayment terms**

The loans received from the Company based on their contractual term of payment are as follows:

	As of 31.03.2015	As of 31.12.2014
Up to one year	67,607	66,744
Over one year	9,787	10,397
TOTAL LOANS	77,394	77,141

Credit lines and overdrafts are presented as due up to one year. The Company usually renegotiates its credit lines and overdrafts.

As of March 31, 2015 and December 31, 2014 loans received by the Company are as follows:

	As of 31.03.2015	As of 31.12.2014
Borrowings from financial institutions – note 12.2	60,528	63,052
Loans from related parties – Note 25	15,604	12,576
Loans from non related parties – note 12.4	1,262	1,513
TOTAL LOANS	77,394	77,141

12.2 Borrowings from financial institutions

Borrowings from financial institutions, received by the Company as of March 31, 2015 and December 31, 2014 are as follows:

	Note	As of 31.03.2015	As of 31.12.2014
Credit line – SG Expressbank AD	(a)	17,452	17,566
Credit lines – Unicredit Bulbank AD	(b)	19,020	19,020
Investment loans – DSK Bank AD	(c)	9,238	9,528
Investment loan – Unicredit Bulbank AD	(d)	1,460	1,580
Credit line – ING Bank AD	(e)	355	450
Credit lines– International Asset Bank AD	(f)	2,374	3,805
Overdraft – Investbank AD	(g)	9,878	10,355
Corporate credit cards – Unicredit Bulbank AD	(h)	1	1
Credit cards – ING Bank AD	(j)	58	55
TOTAL LOANS FROM FINANCIAL INSTITUTIONS		59,836	62,360

As of March 31, 2015 the Company has received the amount of BGN 692 thousand (692 thousand as of December 31, 2014) on short-term borrowings from non-financial institutions.

12. Loans (continued)

12.2 Borrowings from financial institutions (continued)

The main parameters of loans received from financial institutions are as follows:

- (a) In May 2010 the Company has received a revolving loan from SG Expressbank at the amount of EUR 15,325 thousand to finance a project for cabling and installing of monitoring and measurement equipment and automation in Units 3 and 4 of Mochovce Nuclear Power Plant, Slovak Republic. The loan is collateralized by a pledge of receivables under the contract, pledge of materials and equipment. As of March 31, 2015 BGN 13,212 thousand have been utilized.

In July 2011 the Company has signed a contract for financing of construction and assembly activities, with a total limit of EUR 5,000 thousand. As of March 31, 2015 the amount of BGN 4,240 thousand have been utilized.

- (b) As of March 31, 2015 the Company has utilized BGN 15,706 thousand under a combined credit line, contracted with Unicredit Bulbank. The credit line limit is EUR 8,500 thousand. In order to secure the loans from Unicredit Bulbank the Company has established a mortgage of land and buildings and pledge of present and future receivables from a customer.

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

- Total amount of EUR 297 thousand of which EUR 250 thousand - for working capital. The amount is fully repaid as of March 31, 2015
 - Total amount of EUR 600 thousand, of which EUR 500 thousand - for working capital. The amount utilised as of March 31, 2015 is BGN 731 thousand.
 - Total amount of BGN 2,910 thousand Levs, of which BGN 2,500 thousand – for working capital. The amount utilised as of March 31, 2015 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 March 31, 2015 is BGN 696 thousand.
- (c) Loans from DSK Bank are granted for financing of Company's energy efficiency projects. Limits of the loans are EUR 7,750 thousand and as of March 31, 2015 the Company has utilized BGN 9,238 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.
- (d) The Company has received an investment loan from Unicredit Bulbank for the purchase of the office building of the Company in Sofia. As of March 31, 2015 the utilized amount is BGN 1,460 thousand. The loan has been secured by a mortgage on the building and its surrounding land.

12. Loans (continued)

12.2 Borrowings from financial institutions (continued)

- (e) The Company has received a credit limit for working capital financing and bank guarantees issue by ING Bank N.V. - Sofia branch at the amount of BGN 17,800 thousand, from which as of March 31, 2015 the utilized amount is BGN 355 thousand as overdraft. The two credit lines, securing working capital needs for the execution of specific contracts are fully repaid. As a security the Company has established collateral of present and future receivables from a customer, owned by the Company and a promissory note in favour of the bank has been issued.
- (f) As of March 31, 2015 the Company has signed four credit lines from International Asset Bank that are to finance working capital needs for business and needs to perform a specific contract. On April 28, 2014. The Company signed a credit line to finance ESCO contract with a limit of 3,050 thousand, of which BGN 2,900 thousand are for working capital. The total amount of the four credit lines is 8,786 thousand and utilized amount to March 31, 2015 is 2,374 thousand. Credit obligations are secured by a pledge of receivables under contracts and invoices.
- (g) The Company has received a credit facility for working capital financing and bank guarantee issue from Investbank AD at the amount of BGN 25,079 thousand as an overdraft and credit line. As of March 31, 2015 the Company has utilized BGN 9,878 thousand, securing working capital needs for the execution of a certain contracts. The loan 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.
- (h) The Company has signed an agreement with UniCredit Bulbank AD for issuing corporate credit cards with a limit of BGN 100 thousand. The outstanding amount as of March 31, 2015 is BGN 1 thousand.
- (j) The Company has signed an agreement with ING Bank AD for issuing corporate credit cards with a limit of BGN 195 thousand. The outstanding amount as of March 31, 2015 is BGN 58 thousand.

The Company has signed loan agreements for issuance of bank guarantee with First Investment Bank AD at the amount of EUR 3,000 thousand. The loan is secured by a pledge on future receivables from customers for which the bank guarantees have been issued. As of March 31, 2015 the Company has no liabilities on loans related to the credit facility.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

AS OF March 31, 2015

All amounts are in thousand Bulgarian Levs, except otherwise stated

12.3 Loans from non related parties

As of March 31, 2015 the loans from non-related parties consist from unsecured loans from Enida Engineering AD, Izolko OOD, SIP OOD and DZZD Consortium Emis at the amount of BGN 14 thousand, BGN 287 thousand, BGN 12 thousand and 949 thousand, respectively. . The loans have interest rates between 8% and 9% and maturity in 2015, which could be extended by one month.

As of December 31, 2014 the loans from non-related parties consist from unsecured loans from Enida Engineering AD, Izolko OOD, SIP OOD and DZZD Consortium Emis at the amount of BGN 14 thousand, BGN 287 thousand, BGN 12 thousand and 1,199 thousand, respectively. . The loans have interest rates between 8% and 9% and maturity in 2014, which could be extended by one month.

13. 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 31.03.2015	As of 31.12.2014	As of 31.03.2015	As of 31.12.2014
Liabilities under finance lease with maturity:				
Up to 1 year	61	61	60	60
Between 2 and 5 years	35	35	31	31
TOTAL LIABILITIES	96	96	91	91
Less: future finance charges	(5)	(5)	-	-
PRESENT VALUE OF LIABILITIES	91	91	91	91

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AS OF March 31, 2015
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14. Trade and other payables

	As of 31.03.2015	As of 31.12.2014
Payables to suppliers	6,615	13,615
Payables to related parties	5,052	3,774
Payables for dividends on preferred shares	2,946	2,672
Payables to staff	5,286	4,694
Payables to social insurance organizations	6,995	6,654
Payables for VAT liabilities	3,439	2,525
Payables under tax liabilities on individuals	4,268	3,873
Other payables	5,757	3,234
TOTAL TRADE AND OTHER PAYABLES	40,358	41,041

15. Revenue

	Period ended 31.03.2015	Period ended 31.03.2014
Revenue from construction contracts	10,155	11,835
Revenue from sales of assets	24	104
Revenue from services	41	39
TOTAL REVENUE	10,220	11,978

The information on construction contracts in progress as of the end of the reporting period is presented below:

	As of 31.03.2015	As of 31.12.2014
Construction costs incurred plus recognized profits less recognized losses to date	304,767	294,611
Less: Progress billings	(268,787)	(262,010)
	<u>35,980</u>	<u>32,601</u>
Gross amounts presented in the statement of financial position comprise:		
Gross amount due from customers under construction contracts	37,862	34,731
Gross amount due to customers under construction contracts	(1,882)	(2,130)
	<u>35,980</u>	<u>32,601</u>

Retentions held by customers for contract work amounted to BGN 2,409 thousand and BGN 5,354 thousand as of March 31, 2015 and December 31, 2014, respectively. Advances received from customers for contract work amounted to BGN 5,986 thousand and BGN 5,854 thousand as of March 31, 2015 and December 31, 2014, respectively.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

AS OF March 31, 2015

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16. Investment revenue

	Period ended 31.03.2015	Period ended 31.03.2014
Interest income	336	265
Foreign exchange gains	31	-
TOTAL INVESTMENT REVENUE	367	265

17. Materials and consumables used

	Period ended 31.03.2015	Period ended 31.12.2014
Materials for main activities	1,281	2,509
Book value of assets sold	16	7
Expenses for instruments	27	26
Electric power	59	55
Fuels	3	27
Spare parts	10	7
Stationery	44	74
TOTAL MATERIALS AND CONSUMABLES USED	1,440	2,705

18. Hired services

	Period ended 31.03.2015	Period ended 31.12.2014
Under agreements with subcontractors	921	2,456
Services with mechanization	114	228
Transportation	143	297
Legal, consulting and mediatory services	265	569
Insurances	136	246
Advertising	6	1
Telecommunications	26	39
Rents	354	734
Design	32	28
Heating	13	11
Labor permissions and tender documentation	4	1
Start-up and commissioning works and control	22	258
Software licenses and maintenance of hardware	61	45
Security	10	23
Translations	7	64
Courier services	24	18
Other services	32	32
TOTAL HIRED SERVICES	2,170	5,050

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

AS OF March 31, 2015

All amounts are in thousand Bulgarian Levs, except otherwise stated

19. Employee benefits expenses

	Period ended 31.03.2015	Period ended 31.03.2014
Remunerations under labor contracts	3,619	6,075
Remunerations under management contracts	42	48
Civil contracts	42	54
Social and health securities	516	859
Benefits under labor law	235	-
Food	172	236
Other expenses	103	333
TOTAL EMPLOYEE BENEFITS EXPENSES	4,729	7,605

20. Other expenses

	Period ended 31.03.2015	Period ended 30.03.2014
Business trips	156	856
Expenses for one-off taxes and fees	8	21
Waste on non-current assets	5	4
Entertainment expenses	1	3
Donations	6	-
Other	1	33
TOTAL OTHER EXPENSES	177	917

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

AS OF March 31, 2015

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21. Other gains, net

	Period ended 31.03.2015	Period ended 31.12.2014
Proceeds from sale of investments	-	400
Carrying amount of the investments disposed	-	(45)
Gains from sale of investments	-	355
Accrued provision for impairment of receivables	-	(4)
Restored provision for impairment of receivables	-	1,250
Restored provision for impairment of loans	-	2,752
Reversal of construction contracts provision	244	-
Provision for construction contracts obligations	-	26
Discount from the assignment of receivables from customers	(104)	-
Written-off receivables	(29)	-
Loss on sale of receivables	-	(19)
Penalties under construction contracts (net)	(356)	-
Rentals income	53	60
Revenue from consulting services	175	-
Expenditure on disputes	(9)	-
Penalties under ESCO	15	-
Other	19	(1)
TOTAL OTHER GAINS, NET	8	4,419

Remission of assigning receivables represents discount on initial recognition of ESCO receivables. The discount factor is approximately equal to the discount on the sale of these receivables.

22. Finance cost

	Period ended 31.03.2015	Period ended 31.12.2014
Interest expense	1,028	563
Finance costs on construction contracts	584	879
Fees, mortgage and guarantee	111	146
Expenses on financial liability on preferred shares	73	122
Foreign exchange losses	53	4
TOTAL FINANCE COST	1,849	1,714

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

AS OF March 31, 2015

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Taxation

Deferred taxes are as follows:

	As of 31.03.2015	As of 31.12.2014
Deferred tax assets		
Impairment of receivables	529	529
Deductible tax loss	873	873
Impairment of investments in subsidiaries	166	166
Impairment of other assets	12	12
Provisions	272	272
TOTAL DEFERRED TAX ASSETS	1,852	1,852
Deferred tax liabilities		
Investment properties	633	633
Non-current assets	649	649
TOTAL DEFERRED TAX LIABILITIES	1,282	1,282
DEFERRED TAX ASSETS/(LIABILITIES), NET	570	570

Deferred tax assets and liabilities as of March 31, 2015 and December 31, 2014 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.

Deferred tax liabilities recognized in equity as of March 31, 2015 and December 31, 2014 amount to BGN 173 thousand.

Income tax expenses for the period ended March 31, 2015 and 2014 are as follows:

	Period ended 31.03.2015	Period ended 31.03.2014
Current income tax expense	-	-
Deferred tax in relation to occurrence and reversal of temporary differences	-	-
TOTAL TAX (REVENUE) / EXPENSE	-	-

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AS OF March 31, 2015

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24. Basic and diluted earnings per share

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

	Period ended 31.03.2015	Period ended 31.12.2014
Profit / (Loss) for allocation between the shareholders in BGN	(50,046)	140,567
Weighted-average number of ordinary shares	11,933,600	11,933,600
Basic earnings per share (in BGN)	(0.00)	0.01

As disclosed in note 11 as of March 31, 2015 and December 31, 2014 the Company has issued warrants and preferred shares, which in 2014 and 2013 do not affect diluted earnings per share as their conversion to ordinary shares would not have dilutive effect on basic earnings per share.

25. Related parties transactions

The Company's related parties with which it has performed transactions in 2015 and 2014 are as follows:

RELATED PARTY	TYPE OF RELATION
"Enemona Utilities" AD	Subsidiary
"Esco engineering" AD	Subsidiary
"EESF" SPV	Subsidiary
"Pirin Power" AD	Subsidiary
"Hemusgas" AD	Subsidiary
"FINI" REIT	Subsidiary
"TFEZ Nikopol" EAD	Subsidiary
"Nevrokop gas" AD	Subsidiary until January 30, 2014
"Enemona Galabovo" AD	Subsidiary until October 19, 2012
"EMKO" AD	Subsidiary
"Regionalgas" AD	Subsidiary
"Artanes Mining Group" AD	Subsidiary
"PPP Mladenovo" EOOD	Subsidiary
"Alfa Enemona" 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

ENEMONA AD

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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25. Related parties transactions (continued)

The table below discloses the transactions performed with related parties:

Related Party	Period ended 31.03.2015	Period ended 31.03.2014
"Enemona Utilities" AD	18	15
"EMKO" AD	5	-
"FINI" REIT	-	1
"TFEZ Nikopol" EAD	-	1
"EESF" SPV	2	3
TOTAL INCOME FROM RELATED PARTIES	25	20

The table below discloses the expenses for related parties transactions:

	Period ended 31.03.2015	Period ended 31.03.2014
"Enemona Utilities" AD	303	133
"EMKO" AD	14	496
TOTAL EXPENSES TO RELATED PARTIES	317	629

The related party expenses in 2015 and 2014 represent expenses for electricity, interest expenses under loan agreements with Enemona Utilities AD and expenses under construction contracts with EMKO AD as a subcontractor.

The table below discloses the balances of receivables from related parties:

	As of 31.03.2015	As of 31.12.2014
"Enemona Utilities" AD	(918)	(641)
"Esco engineering" AD	38	38
"Pirin Power" AD	4	4
"EESF" SPV	998	998
"Hemusgas" AD	13	13
"EMKO" AD	4	71
"FINI" AD	1	2
"TFEZ Nikopol" EAD	106	106
"G Oil Expert" EOOD	-	1
TOTAL RECEIVABLES FROM RELATED PARTIES	246	594

Receivables from related parties comprise loans to related parties and trade receivables. The Company presents in Trade and other liabilities the interest liabilities netted off, respectively the receivables of Enemona Utilities AD are at the amount of BGN 133 thousand and the interest liabilities are at the amount of BGN 1,051 thousand, or net receivable of BGN (918) thousand.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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25. Related parties transactions (continued)

The table below discloses the balances of liabilities to related parties as of March 31, 2015 and December 31, 2014:

	As of 31.03.2015	As of 31.12.2014
"Enemona Utilities" AD	15,962	12,888
"Esco engineering" AD	3	4
"G Oil Expert" EOOD	-	20
"EESF" SPV	2,388	814
"EMKO" AD	2,471	2,624
TOTAL PAYABLES TO RELATED PARTIES	20,824	16,350

The payables to related parties as of March 31, 2015 consist of trade payables at the amount of BGN 5,052 thousand (note 14), received loans of BGN 15,604 thousand (note 12) and gross amount due to clients of BGN 168 thousand.

Receivables and payables with related parties are unsecured and will be settled in cash. No guarantees have been given or received with respect to these balances. No impairment has been accrued to receivables from related parties.

26. Geographical information

The Company operates in five principal geographical areas – Bulgaria, Germany, Slovakia, Norway and Great Britain.

The Company'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		Non-current assets	
	Period ended 31.03.2015	Period ended 31.03.2014	As of 31.03.2015	As of 31.12.2014
Bulgaria	9,200	5,996	21,430	20,767
Slovakia	121	4,727	415	962
Germany	167	1,181	234	595
Norway	406	74	16	11
Great Britain	309	-	37	47
Other	17	-	-	-
	10,220	11,978	22,132	22,382