

# **ANNUAL REPORT**

## **ON THE ACTIVITY OF ENEMONA AD**

### **FOR 2014**

*Unofficial translation of the original in Bulgarian*

# **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**

## **I. COMPANY DEVELOPMENT, POSITION AND PERSPECTIVES**

### **1. General information**

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 scope of activity of the Company is: 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, consignment 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.

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. 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.

## **3. Strategy and Investments**

The Board of Directors of Enemona AD has undertaken activities to restructure the Company, 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 Company 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.

In pursuance of these objectives, the Management of Enemona AD took measures and carried out the following disposals companies outside the main business areas 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, earthing 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.

#### **4. Non-Consolidate Annual Financial Statement**

On June 19, 2014, Enemona AD publicly disclosed its Non-Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2013.

## **5. 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 of 11 November 2014r., 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 Angelov Kirilov 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 November 27, 2014, was published on December 02, 2014.

## **6. 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 Depository on February 28, 2014. The partial dividend payment for 2012 was paid together with the legal interest, due for the period from November 25, 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.

## **7. 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;

## **8. 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 COMPANY**

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

The risk management of the Company 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, 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 Company 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 Company 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 Company;
- cost optimization and investment program review;
- speeding up the collection of receivables as well as their categorization for risk assessment and finding effective tools 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 Company carries out its activities primarily on the domestic market, whereas the contracts abroad are in Euro. Therefore, Enemona AD 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 company 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 Company 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 Company's financial assets are concentrated in two groups: cash and receivables from customers.

The Company'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 Company has no significant concentration of credit risk. Its policy is that payments are made within the terms specified in the contracts for the execution of construction and assembly works.



The collection and concentration of receivables is monitored currently, according to the established policy of the Company. 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 Company 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 company not to be able to meet unconditionally all its obligations according to their maturity.

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

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

### **III. 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%

## IV. INFORMATION ON IMPORTANT EVENTS THAT TOOK PLACE AFTER DECEMBER 31, 2013

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.

## V. CATEGORIES OF COMMODITIES, PRODUCTS AND/OR PROVIDED SERVICES

The operating revenue of "Enemona" AD comprises mainly revenue from construction contracts, reaching 83.10% of total revenue in 2014.

	2014 ('000 BGN)	% of Total Revenue	2013 ('000 BGN)	% of Total Revenue
<b>Total Operating Revenue</b>	<b>72 523</b>	<b>97.29%</b>	<b>67 440</b>	<b>95.25%</b>
Revenue from construction contracts	61 945	83.10%	60 615	85.61%
Revenue from sale of assets	10 299	13.82%	6 606	9.33%
Revenue from Services	279	0.37%	219	0.31%
<b>Financial Revenue</b>	<b>2 020</b>	<b>2.71%</b>	<b>3 366</b>	<b>4.75%</b>
Interest revenue	1 787	2.40%	2 497	3.53%

Dividends	182	0.24%	861	1.22%
Gain from exchange rate differences	51	0.07%	8	0.01%

The Company reports financial revenues mainly from loans interest and interest on ESCO contracts, as well as from dividends from subsidiaries.

#### VI. INFORMATION ABOUT THE REVENUES ALLOCATED BY SEPARATE CATEGORIES OF ACTIVITIES

Revenue	2014		2013	
	('000 BGN)	%	('000 BGN)	%
<i>Revenues from Construction Contracts</i>	<b>61 945</b>	<b>100.00%</b>	<b>60 615</b>	<b>100.00%</b>
Engineering /design, supply, construction and assembly works/	59 130	95.46%	56 492	93.20%
Energy Efficiency	2 815	4.54%	4 123	6.80%

#### VII. INFORMATION ABOUT THE SOURCES FOR SUPPLY OF MATERIALS FOR 2014

##### TOP 5 SUPPLIERS OF MATERIALS IN TERMS OF VALUE OF SUPPLIES

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

#### VIII. INFORMATION ABOUT CONCLUDED BIG TRANSACTIONS AND SUCH OF MATERIAL IMPORTANCE FOR THE ISSUER'S 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).

#### IX. INFORMATION ABOUT THE TRANSACTIONS CONCLUDED BETWEEN THE ISSUER AND RELATED PARTIES DURING THE REPORTING PERIOD, PROPOSALS FOR CONCLUSION OF SUCH TRANSACTIONS AS WELL AS TRANSACTIONS WHICH ARE OUTSIDE ITS 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 ISSUER'S FINANCIAL STATUS**

The information about the transactions with related parties during the reporting period is disclosed in Note 27 of the Notes to the Individual Financial Statement for 2014.

### **X. INFORMATION ABOUT EVENTS AND INDICATORS OF UNUSUAL FOR THE ISSUER 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 issuer nature, having substantial influence over its operation.

### **XI. 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 ISSUER'S FINANCIAL STATUS**

Enemona AD prepares its 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 30 of the Notes to the Individual Financial Statement.

### **XII. 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, 2014 and December 31, 2013, 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 MLADENOV0” 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

### XIII. 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 issuer, in its capacity of borrower, loan contracts, is disclosed in Note 12 of the Notes to the Individual Financial Statement for 2014.

### XIV. 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 issuer, in its capacity of lender, loan contracts, is disclosed in Note 7 of the Notes to the Individual Financial Statement for 2014.

**XV. 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.

**XVI. 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.

**XVII. 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 ISSUER 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 Enemona AD is ensured by the systematic application of accounting policies based on current accounting, which is checked by an internal control system.

**XVIII. 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, 2014 Enemona AD has cash and cash equivalents for a total of BGN 1 952 thousand.

**XIX. 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.

**XX. 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
<b>Total</b>	<b>123 240.61</b>	<b>107 595.54</b>
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
<b>Total</b>	<b>132305.71</b>	<b>115 754.68</b>
Emil Kirilov Manchev		
Enemona AD	12 099.02	10 770.70
Nikolay Filipov Filchev		
Enemona AD	11 550.00	8 984.41

**XXI. PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PROCURATOR AS OF 31 DECEMBER 2014**

<b>Dichko Prokopiev Prokopiev</b>	
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	
<b>Bogdan Dichev Prokopiev</b>	
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	
<b>Nikolay Filipov Filchev</b>	
Enemona AD – Member of the of Board of Directors	

**XXII. 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 of Directors	1.84	2.01	0.00	0.33
Nikolay Filipov Filchev - Member of the Board of Directors	0.00	0.00	0.00	0.00

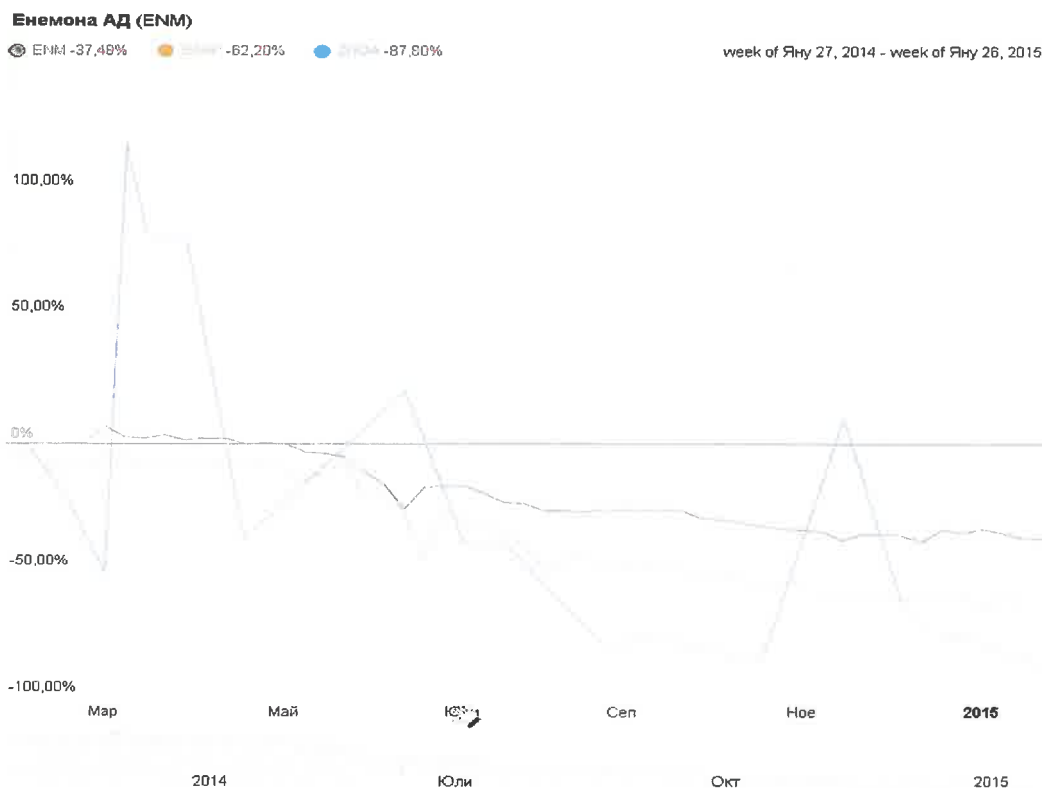
**XXIII. INFORMATION ABOUT THE KNOWN TO THE COMPANY AGREEMENTS (INCLUDING ALSO AFTER THE FISCAL YEAR CLOSING) AS A RESULT OF WHICH CHANGES MAY OCCUR AT A FUTURE TIME IN THE OWNED PERCENT OF SHARES OR BONDS BY CURRENT SHAREHOLDERS AND BONDHOLDER**

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.

**XXIV. 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 PERCENT 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.

**XXV. INFORMATION ABOUT THE PRICE OF THE FINANCIAL INSTRUMENTS, ISSUED BY THE COMPANY**



**XXVI. 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 Petya Tomova Tomova.

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](mailto:p.tomova@enemona.com)

**XXVII. 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](http://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](http://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 №. 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<sup>1</sup>:**

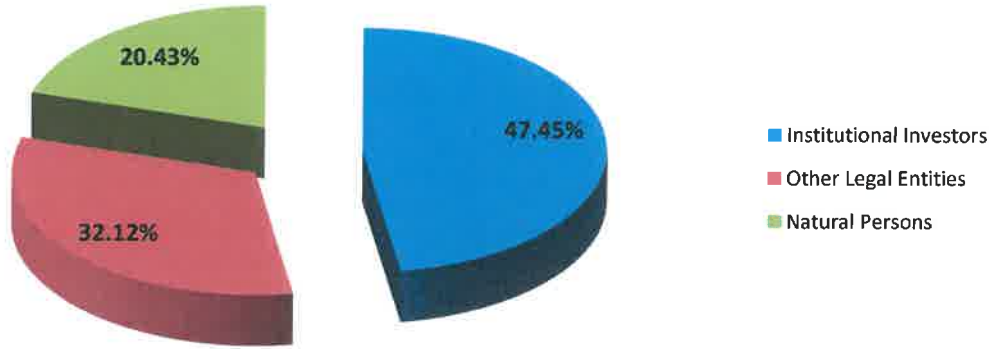
The structure of the issue of ordinary dematerialized shares, with voting rights, with a nominal value of BGN 1.00 and ISIN code BG1100042073 is shown below:

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

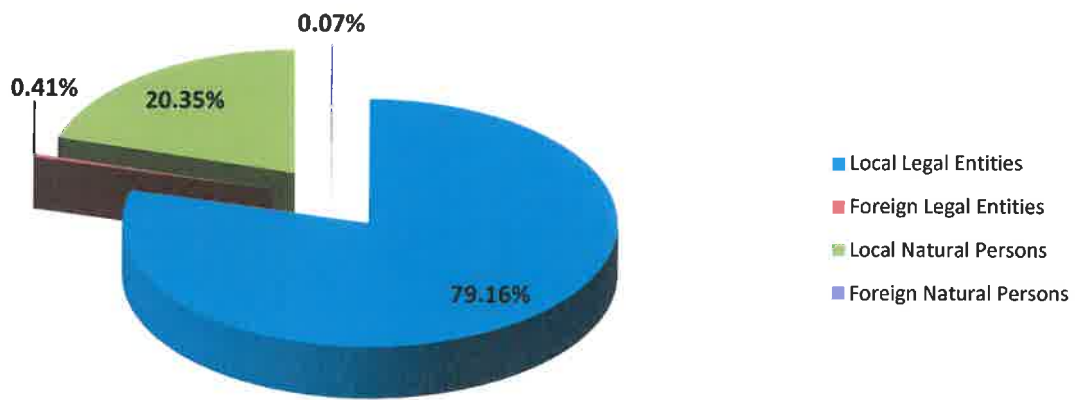
<sup>1</sup> The shares pledged under repo-transactions, owned by Dichko Prokopiev and Global Capital OOD, are included in their percentage of holding.



**Shareholder Structure of Ordinary Shares, issued by Enemona AD as of 31.12.2014**

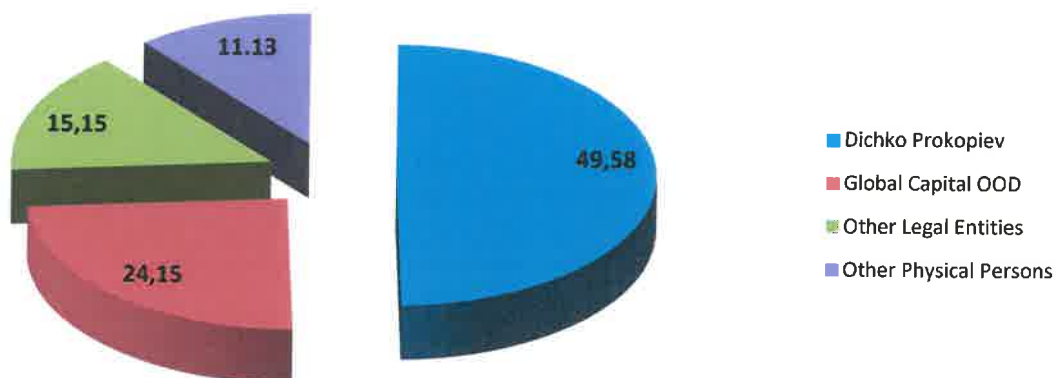


**Shareholder Structure of Ordinary Shares, issued by Enemona AD as of 31.12.2014**





## Shareholder Structure of Ordinary Shares, issued by Enemona AD as of 31.12.2014

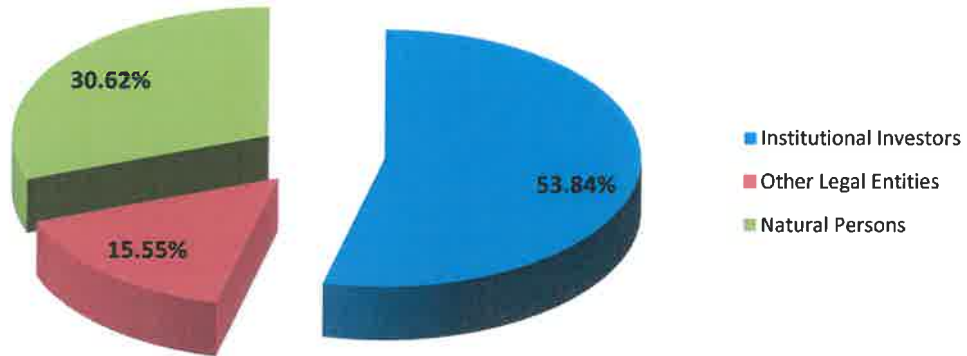


## PREFERRED SHARES

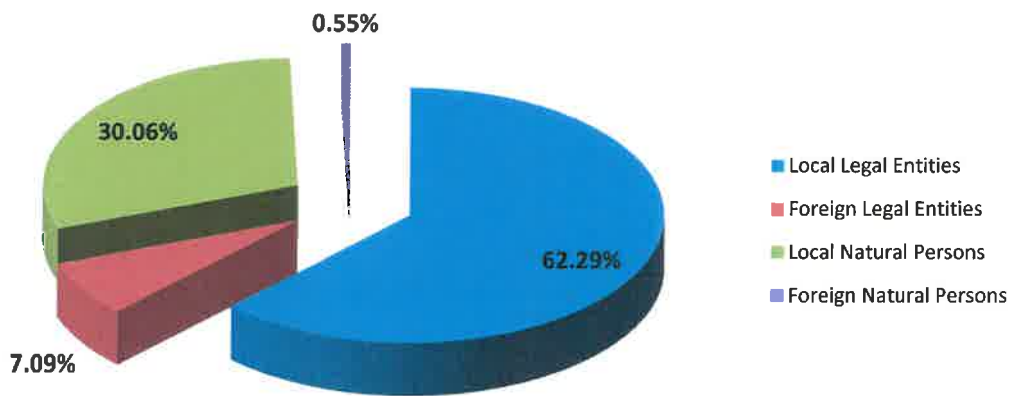
The structure of the issue of preferred, dematerialized shares, without voting rights, with a nominal value of BGN 1.00 and ISIN code BG1200001102 is shown below:

No	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	297	337 679
2.	Legal entities	42	765 222
<b>Total:</b>		<b>339</b>	<b>1 102 901</b>

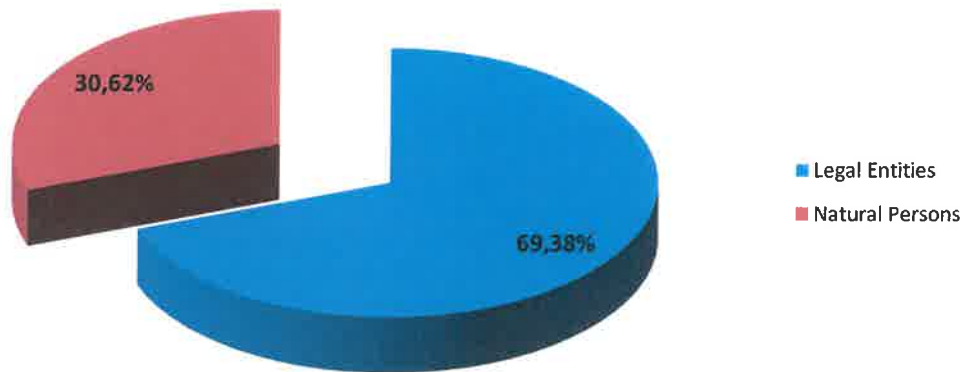
**Shareholder Structure of Preferred Shares, issued by  
Enemona AD as of 31.12.2014**



**Shareholder Structure of Preferred Shares, issued by  
Enemona AD as of 31.12.2014**



## Shareholder Structure of Preferred Shares, issued by Enemona AD as of 31.12.2014

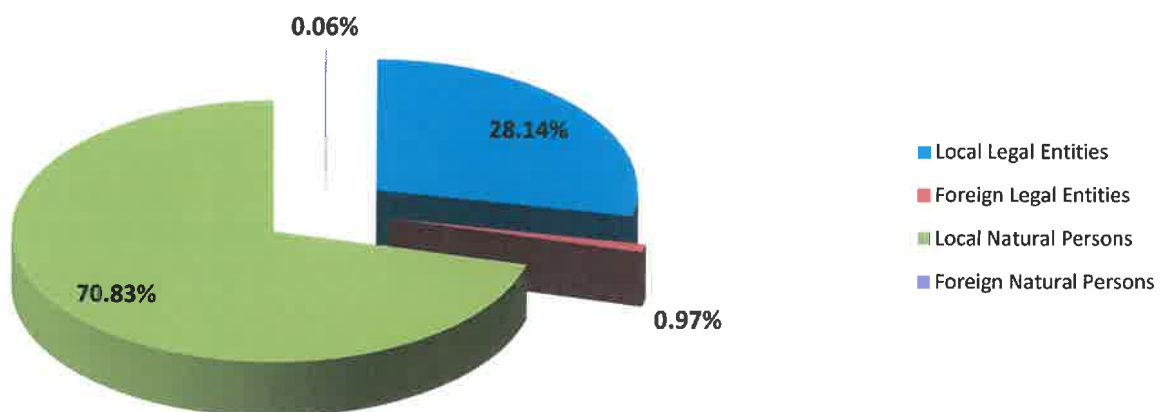


## WARRANTS

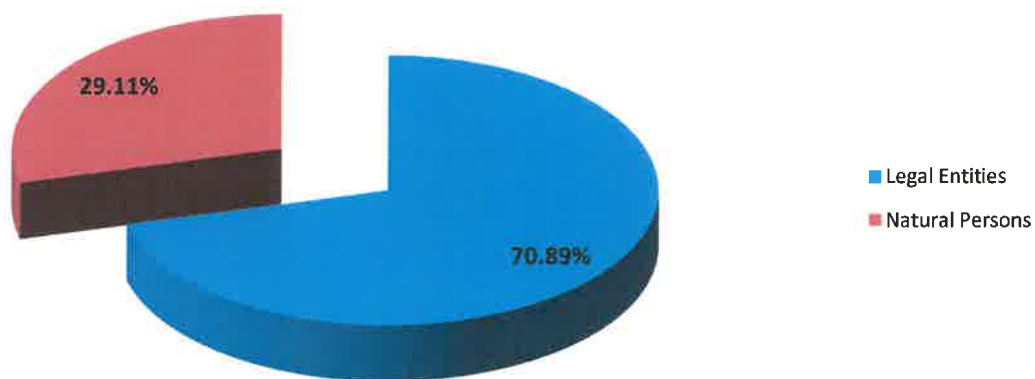
The structure of the issue of warrants, with an underlying asset – a future issue of ordinary shares, ISIN code BG9200001105 is shown below:

No	Shareholders	Number of shareholders	Number of shares
1.	Natural persons	244	4 229 807
2.	Legal entities	28	1 736 985
<b>Total:</b>		<b>277</b>	<b>5 966 792</b>

**Structure of the Holders of Warrants, issued by Enemona AD as of 31.12.2014**



**Structure 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<sup>2</sup>

<b>Ownerships as of 31 December 2014</b>	<b>Ordinary Shares</b>	<b>Preferred Shares</b>	<b>Issued Share Capital</b>
	<b>11 933 600</b>	<b>1 102 901</b>	<b>13 036 501</b>
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 1 306 000 ordinary 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**

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

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.

**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 LABOR 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:**

**On behalf of the Management of Enemona AD:**



The stamp is circular with a blue border. Inside the border, the text "СОФИЯ" is at the top and "ЕНЕМОНА АД" is at the bottom. In the center, there is a stylized logo consisting of a cube-like shape. A blue ink signature is written across the stamp.

**Bogdan Dichev Prokopiev**  
**Executive Director**