

To

**The Shareholders of
Enemona AD**

**ANNUAL REPORT
OF THE AUDIT COMMITTEE
OF ENEMONA AD
FOR THE YEAR 2013**

Introduction

This report is issued on the ground of Article 2 (2) of the Audit Committee Charter of Enemona AD (“the Company”) and Article 40L of the Law on Independent Financial Audit and is purposed to inform the shareholders of Company on the activities of the Audit Committee of Enemona AD (“the Audit Committee”, “the Committee”).

Composition of the Audit Committee

The Committee was elected by the General Meeting of the Shareholders of Enemona AD on June 30, 2011 and became effective from July 1, 2011. By virtue of the Resolution of the General Meeting of the Shareholders of the Company of July 23, 2012, the Committee members were reappointed for a three year period. It consists of three independent members with combined expertise and experience in accounting, external and internal audit and law. By virtue of the Resolution of the General Meeting of the Shareholders of the Company of July 25, 2013 Mr. Valentin Bozhilov, was relieved from his obligations as member of the Committee, and no other replacing member was elected.

Members of the Audit Committee are:

1. Dimitar Bazlyankov, Chairman
2. Prof. Dr. Stoyan Durin

Role and responsibilities

According to its Charter, the Audit Committee is an independent body, which is responsible for oversight over application of corporate governance principles in the Company with respect to financial reporting, internal audit and risk management. In particular, the Audit Committee assists the Board of Directors in observing its responsibilities in relation to the integrity of the financial statements and related disclosures, the adequacy of internal control and risk management systems and the appointment and work of the internal and external auditors. However, the Audit Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for, any matters within its remit.

Activities of the Audit Committee

Meetings and attendance

The Committee held **seven meetings** in 2013, including four ordinary meetings, all fully attended by the Committee members, and three non-present, "on-sign" meetings.

Additionally, members of the Committee, collectively or individually, held separate meetings with the **management of the Company** to discuss broad scope of matters related to the areas of Committee's responsibilities and related Company's activities.

During the period the Committee met on several occasions with the **external auditors** from Deloitte Audit to discuss financial reporting and external audit matters, as well as terms of engagement of external auditors.

These meetings provided the Committee with the necessary information to assess and support the independence and effectiveness of external auditors of the Company and an opportunity for the external auditors to raise matters of concern in confidence manner.

Summary of activities

Below are summarized the activities of the Committee with respect to each area of authority and responsibility, which by request of the Company's management was mainly directed to the first three of the mentioned below functions:

Functioning of the Committee

- Preparation, discussion and approval of the Annual work program of the Committee;
- Preparation, discussion and approval of the Annual meeting schedule for the meetings of the Committee.

Financial reporting

- Received information about current market and conditions in the Company's industry sectors and their affect over the operations of the Company;
- Reviewed significant accounting policies and planned by the management changes to such policies to assess consequences and effects in the reported financial information;
- Reviewed the implementation of International Financial Reporting Standards ("IFRS") and related reporting processes for ensuring compliance of financial statements with IFRS;
- Reviewed policies and methodology applied by the management for recognition and impairment of assets and other significant accounting estimates, relevant to the integrity of the financial statements;
- Reviewed interim and annual financial statements to assess the appropriateness of financial disclosure, the accounting treatment and disclosure of significant risks and exposures, clarity and completeness of disclosures and compliance with the legal and regulatory requirements.

External auditors

- Recommended to the General Meeting of the Shareholders the reappointment of the external auditors (Deloitte Audit) to perform independent financial audit of the 2013 financial statements;
- Reviewed and approved the terms of appointment of external auditors (Deloitte Audit) for the audit of the 2013 financial statements;
- Maintained permanent relationships with the external auditors from Deloitte to keep awareness on the plan for the audit, auditor's findings and recommendations, as well as proposed adjustments to the draft financial statements;
- Made the Committee open for discussing and resolving audit issues;
- Monitored and assessed independence of external auditors and other ethical issues as they arise.

Internal audit

- As the Company has not established Internal Audit Unit the Audit Committee has recommended to the management of the Company to consider the necessity of set up of such unit;

Internal controls and compliance

- Received information about the functioning the internal controls in certain areas of the Company and discussions related to the improvement of the functioning of the internal control systems;

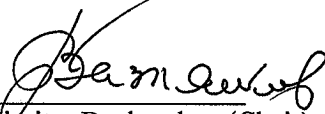
Additionally the Committee performed other activities within areas of its competencies.

Follow Up and Results

Recommendations made by the Audit Committee to the management of the Company were reviewed and implemented accordingly. Observations and informal advice provided to the management and heads of units were paid with appropriate attention and in most cases were promptly taken into consideration.

This report has been approved by the Audit Committee at its meeting held on October 3, 2014.

On behalf of the Audit Committee:


Dumitar Bazlyankov (Chair)

Sofia,
October 3, 2014



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Имя / signature

СНН: Personal ID No

ИНСТИТУТ НА ДИПЛОМИРАНИТЕ ЕКСПЕРТ-СЧЕТОВОДИТЕЛИ
INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ДИПЛОМА DIPLOMA

№ 0316

за правоспособност
на дипломиран
експерт-счетоводител /
дипломиран одитор

for the qualification
of a Certified Public
Accountant /
Certified Auditor

Т. Л. Мех
Кириллов
Ангелов

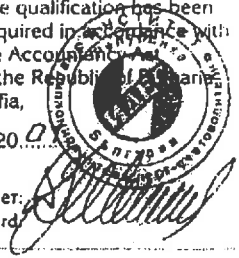
Plamen
Kirilov
Angelov

Правоспособността е
придобита по реда
на Закона за счетоводството
на Република България,
София,

The qualification has been
acquired in accordance with
the Accountancy Act
in the Republic of Bulgaria,
Sofia,

22.01.2008

Председател на Управителния съвет:
Chairman of the Managing Board



№ 0-0-08-2005 г. ДЕТЕЛИНА МЛАДЕНОВА
 НОТАРИУС в район РАЙОНЕН СЪД - ЛОМ
 рег. № 393 на НОТАРИАЛНАТА КАМАРА, удостоверявам верността на този
 препис снет от оригинала
 на официален (частен) документ, представен ми от
Мех Кирил Ангелов
 с местожителство гр. Лом
 като е партиципално нямаме зачерквания, прибавки, поправки и други особености.
 Рег. № 993 Събрана такса 3 лв.
 Нотариус: *[Signature]*

ПОМОЩНИК-НОТАРИУС
Ясен ЙОРДАНОВ





Настоящият сертификат
се издава на регистрирания одитор
The present certificate
is awarded to the registered auditor

*Пламен Кириллов
Ангелов*

диплома / diploma № 316

*Plamen Kirilov
Angelov*

на основание параграф 5
от Преходните и заключителните разпоредби
на Закона за независимия финансов одит
за участие в курсовете за повишаване
на професионалната квалификация
по Международните счетоводни стандарти
и Международните одиторски стандарти,
даващ право
за извършване на независим финансов одит
след 1 януари 2003 година.

According to paragraph 5
of the Transitional and Concluding Provisions
of the Independent Financial Audit Law
for attending courses for improvement
of the professional qualification
on the International Accounting Standards
and the International Standards on Auditing
giving a right
for the performance of an independent financial audit
after 1 January 2003.

Регистр. № / Reg. № 316

Доц. д-р Симеон Милев:
Assoc. Prof. Simeon Milev
Председател на Управителния съвет
на Института на дипломираните
експерт-счетоводители в България
Chairman of the Managing Board
of the Institute of Certified
Public Accountants in Bulgaria



Пламен Кириллов Ангелов



ВЯРНО С ОРИГИНАЛА
Свършил

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REPORT FOR THE ACTIVITY OF THE INVESTORS RELATIONS DIRECTOR OF ENEMONA AD FOR 2013

Dear Shareholders,

The report for the activity of the Investor Relations Director of Enemona AD for 2013, aims to reflect the implementation of the regulatory requirements stipulating the obligations of Enemona AD as a public company and to meet the requirements of the shareholders - natural persons and legal entities.

The activity, of The Investor Relations Director is strictly subjected to the compliance of regulatory framework, as well as the general management of Enemona AD. My primary role as a person in charge for the Investor Relations is to contribute for the good relationships between the Company, its shareholders, the regulatory authorities, potential investors, media and financial analysts, as well as to ensure the correct implementation of the obligations arising from the Law on Public Offering of Securities, Commercial Law and the Law on Measures Against Market Abuse with Financial Instruments and the acts on their implementation.

To ensure the effective communication between the Board and shareholders and investors

As an Investor Relations Director of Enemona AD, my main commitment is to meet all the requirements of the shareholders, investors and stakeholders, thus contributing to strengthen the reputation of the Enemona AD as a public company.

During my work activities I seek to provide to the shareholders and potential investors equal and timely access to information that influences their decision to acquire, hold or transfer securities issued by the Company.

The Management of Enemona AD and me, as a person in charge for the relations with the investors, strictly follows the principle of maximum transparency towards the shareholders, investors and stakeholders. The periodical, internal and other regulated information released by the Company is accurately, reliable, accessible and objective.

During the past year I maintained effective communication with the shareholders, potential investors, regulatory authorities, media and stakeholders. All my efforts were focused to ensure the efficient communication between the Board of Directors of Enemona AD and the shareholders or individuals interested in investing in the securities issued by the Company.

During the past year the main subjects discussed with present and potential investors in securities issued by the Company, were related to the financial statements, the company's activity, the

development prospects, the strategy for entering into international markets and information regarding dividend payment.

Providing and releasing information during the fiscal year

The timely disclosures of regulated information, as well as the precise definition which other information could be useful in taking an investment decision are essential for shareholders and investors. For this reason, Enemona AD strives to comply strictly with legally defined deadlines for the publication of all reports and notices of the Company.

Any information that might have an impact on the price of the securities issued by Enemona AD, must be disclosed through the selected media and be simultaneously accessible for all the investors and at the same time to be disclosed to the regulatory authority - the Financial Supervision Commission to perform its functions and to the regulated market - Bulgarian Stock Exchange – Sofia AD.

In 2013 Enemona AD disclosed to the Financial Supervision Commission, Bulgarian Stock Exchange – Sofia AD and to the public, within the legally established deadlines, periodic, internal and other regulated information regarding the Company's activities, as the Law on Public Offering of Securities requires. The information was publicly disclosed via the unified system for disclosure of information E-Register of the Financial Supervision Commission and the media Investor.BG. The information was also released through the Bulgarian Stock Exchange Sofia via X3, Extri.bg and published to the company's web page – www.enemona.bg

In order to ensure the effective communication with the investors and the investment community as a whole, the Company updates the information in Bulgarian and English on its website in accordance with the National Code of Corporate Governance. The website has been developed by following the best national and the international practices.

On the webpage of Enemona AD has been created section "Investors". The purpose of this section is to facilitate the investors on order to find relevant and accurate information from the Company. There the investors can find financial information about the Company, as well as materials for past and upcoming corporate events. The company's contact detail and the contact information of the Investor Relations Director are published on the company's webpage; through this the shareholders can find and ask for all the information which they need.

Corporate Governance Code

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.

The activity of the Board of Directors of the Company in 2012 was in accordance with the National Code of Corporate Governance and International Standards.

Activities for 2014

For 2014 my activity as an Investor Relations Director of Enemona will be focused on the improvement of the relations with the investment community and to maintain all the activities in accordance with the established national and international standards.

As of March 1, 2012 the ordinary shares of Enemona are traded on the Premium Equities Segment on the main market of the Bulgarian Stock Exchange. In this regard, Enemona will continue to prepare and disclose periodic, internal and other regulated information, as is stated in the Law on Public Offering of Securities, regarding the company simultaneously in Bulgarian and English language.

In conclusion, I would like to thank the members of the Board of Directors and to my colleagues for their cooperation and support in the performance of my duties, which contribute to the realization of good and effective relation with the shareholders, investors and all interested parties.

Petya Tomova
Investor Relations Director



29 May 2014

Sofia

