

ENEMONA AD

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

December 31, 2012

Unofficial translation of the original in Bulgarian

**ANNUAL SEPARATE REPORT
ON THE ACTIVITIES FOR 2012**

ANNUAL REPORT

ON THE ACTIVITY OF ENEMONA AD

FOR 2012

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 1A, Panayot Hitov, Kozloduy, Vratsa District, Bulgaria, tel.: 0973/80159, fax: 0973/80701, e-mail: office@enemona.com, Internet site: www.enemona.com. The Company has currently two Bulgarian branches, Enemona AD – Sofia Branch (UIC 0024) and Enemona AD – Galabovo Branch (UIC 0016).

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, CONSIGNATION TRANSACTIONS/, PRODUCTION, PURCHASE, MARKETING, MAINTENANCE OF AND TRADE WITH MACHINES, EQUIPMENT, MATERIALS, ELEMENTS AND SPARE PARTS AND COMMODITIES. PRODUCTION, TRANSMISSION, DISTRIBUTION AND TRADE WITH HEAT AND ELECTRICAL ENERGY, INCLUDING ENERGY FROM RENEWABLE SOURCES, PRODUCTION AND TRADE WITH ENERGY CARRIERS – AFTER THE OBTAINING THE RELEVANT PERMIT/LICENCE IN THE CASES PROVIDED IN THE LAW; DESIGN AND CONSTRUCTION OF ENERGY FACILITIES AND ENERGY SAVING FACILITIES; ENERGY EFFICIENCY SERVICES /INCLUDING INVESTIGATION, CONSULTING, RESEARCH, DESIGN, CONSTRUCTION, INSTALLATION, MODERNIZATION, MAINTENANCE, OPERATION AND MONITORING OF MACHINES, FACILITIES AND BUILDINGS/. PROSPECTING, INVESTIGATION, DEVELOPMENT, PRODUCTION AND USE OF DEPOSITS OF MINERAL RESOURCES WITHIN THE MEANING OF ART. 2 OF THE MINERAL RESOURCES ACT, AND OF BIOLOGICAL RESOURCES, MINERAL RESOURCES, ENERGY RESOURCES AND WATER. ACQUISITION OF CONCESSIONS FOR HYDROMELIORATIVE AND WATER SUPPLY FACILITIES AND SYSTEMS, PORT TERMINALS, REPUBLICAN ROADS, OBJECTS OF THE RAILROAD INFRASTRUCTURE. CONSULTANCY, TRANSLATION, MOTOR VEHICLE REPAIR, TRANSPORT, TAXI, TOURIST, COMMUNICATION AND HOUSEHOLD SERVICES. AGRICULTURAL ACTIVITIES /INCLUDING PRODUCTION, PURCHASE, PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS/ IN THIS COUNTRY AND ABROAD; VETERINARY SERVICES AND CONSULTATIONS; HOLDING OF SHARES AND INTEREST INCLUDING ACQUISITION OF SHARES AND INTEREST IN OTHER COMPANIES, PARTICIPATION IN JOINT VENTURES, ACQUISITION OF SHARES, INTEREST AND/OR COMPANIES BY MERGER AND BUNDLING AND THEIR SALE; TRADE WITH

SHOPS AND ANY OTHER ACTIVITIES THAT ARE NOT FORBIDDEN BY THE LAWS OF THE REPUBLIC OF BULGARIA.

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, TSVETAN KAMENOV PETRUSHKOV - Deputy Chairman of the Board of Directors and Executive Director, LYUDMIL IVANOV STOYANOV- Deputy Chairman of the Board of Directors and Executive Director, ILIAN BORISOV MARKOV – Member of the Board of Directors; PROKOPI DICHEV PROKOPIEV - Member of the Board of Directors; MARGARITA IVANOVA DINEVA – Independent Member of the Board of Directors; GEORGI ZAMFIROV GORANOV - Independent Member of the Board of Directors, and IVAN DIMITROV PETROV - Independent Member of the Board of Directors. The Company is represented by DICHKO PROKOPIEV PROKOPIEV, TSVETAN KAMENOV PETRUSHKOV, LYUDMIL IVANOV STOYANOV and the Procurator 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 in 2012, the Management of Enemona AD took measures and carried out the following disposals companies outside the main business areas of the Enemona Group. On October 19, 2012, according to the program for optimization of the activities and in order to create better opportunities for the company, when participating in tender procedures abroad, the Board of Directors of Enemona AD took the decision to sell Enemona Galabovo AD and to relocate the core business carried out by the subsidiary company in Galabovo Branch to Enemona AD.

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 March 29, 2013, Enemona AD publicly disclosed its Non-Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2011.

According to the resolution of the Board of Directors held on December 07, 2012 a decision to adopt the following documents was taken:

- Modified Separate Annual Report on the Activity for the year ended December 31,2011;
- Modified and verified Separate Financial Statements for the year ended December 31,2011 and the Independent Auditor's Report;
- Modified Consolidated Annual Report on the Activity for the year ended December 31, 2011;
- Modified and verified Consolidated Financial Statements for the year ended December 31,2011 and the Independent Auditor's Report;

The board of Directors assigned to the Executive Director Tsvetan Petrushkov to take the necessary legal and other actions to convene, organize and conduct an Extraordinary General Meeting of Shareholders no later than January 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, 2011 and new audited Consolidated Financial Statements for the year ended December 31, 2011.

5. Convening and holding of the General Meetings of Shareholders and Holders of Warrants

On 09-01-2012, the General Meeting of the holders of warrants was held. The Protocol was published on 10-01-2012.

On 23-07-2012 at 11:00 a.m., in Kozloduy, House Energy an Ordinary General Meeting of Enemona AD was held with an Agenda:1.Approval of the individual annual report on activities of the Company for 2011; Draft Resolution: GMS approves the individual annual report on activities of the Company for 2011; 2.Approval of the Report on the activities of the Investor Relations Director for 2011; Draft Resolution: GMS approves the Report on the activities of the Investor Relations Director for 2011; 3.Approval of the individual annual financial statements of the Company for 2011 and the independent auditor's report; Draft Resolution: GMS approves the individual annual financial statements of the Company for 2011 and the independent auditor's report; 4.Approval of the consolidated annual report on activities of the Company for 2011; Draft Resolution: GMS approves the consolidated annual report on activities of the Company for 2011; 5.Approval of the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; Draft Resolution: GMS approves the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; 6.Adoption of a resolution for dividend distribution to the shareholders, holding preferred shares, issued by the Company; Draft Resolution: GMS adopts a resolution for dividend distribution 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 2011; Draft Resolution: GMS adopts the proposition of the Board of Directors on the distribution of the Company's net profit for 2011; 8. Adoption of a resolution to discharge from responsibility/liability the members of the Board of Directors for their activities during 2011; Draft Resolution: GMS discharges from responsibility/liability the members of the Board of Directors for their activities in 2011; 9.Authorization of the Board of Directors and Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS); Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS); 10. Authorization of the Board of Directors and Executive Directors of the Company for transactions under Article 114 of LPOS with subject lending / credit transaction limit for a period of one year; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for transactions under Article 114 of LPOS with subject lending / credit transaction limit for a period of one year; 11. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring/securitization of current and future receivables up to BGN 30 000 000 for a period of one year and for concluding supplementary agreements to it; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring/securitization of current and future receivables up to BGN 30 000 000 for a period of one year and for concluding supplementary agreements to it. 12. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject purchase of electricity for own needs for

a period of one year and providing security for paying the price; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject purchase of electricity for own needs for a period of one year and providing security for paying the price; 13. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject surety on a promissory note issued by "EMCO" AD, representing collateral for a bank loan of "EMCO" AD; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject surety on a promissory note issued by "EMCO" AD, representing collateral for a bank loan of "EMCO" AD; 14. Approval of the Report of the audit committee for 2011; Draft Resolution: GMS approves the Report of the audit committee for 2011; 15. Adoption of a resolution for electing an audit committee of the Company, determining the number of the members, setting up its mandate and the amount of the remuneration of its members; Draft Resolution: GMS adopts a resolution for electing an audit committee of the Company, determining the number of the members, setting up its mandate and the amount of the remuneration of its members; 16. Election of a certified auditor for the year 2012 - in accordance with the proposal of the audit committee; Draft Resolution: GMS adopts a decision for election of a certified auditor for the year 2012 in accordance with the proposal of the audit committee. 17. Miscellaneous.

6. Dividend Payments

On July 20, 2012 „Enemona” AD received a letter from the Financial Supervision Commission, notifying the company for the issuance of an Individual Administrative Act for applying Compulsory Administrative Measure against Enemona, according Art. 212, para. 1, p.1 of the Law on Public Offering of Securities, with the following operative part:

“I require Enemona AD not to vote the article 3 from the Annual General Meeting of Shareholders’ agenda, scheduled for July 23, 2012, respectively for August 8, 2012, according Art. 227, Para 3 of the Commercial Act:

Approval of the individual annual financial statements of the Company for 2011 and the independent auditor’s report;

Draft Resolution: GMS approves the individual annual financial statements of the Company for 2011 and the independent auditor’s report”

Considering the imposed administrative measure of compulsion on putting item 3 to a vote, the Chairman of the session made the procedural proposal that the GMS shall not vote on the related topics of the agenda – 1, 4, 5, 6, 7 and 8.

7. Changes in the Board of Directors

There have been no such circumstances during the period under review.

8. Amendments to the Articles of Association

There have been no such circumstances during the period under review.

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

Total assets of the Company as of 31 December 2012 amount to BGN 149 643 thousand, decreasing with 0,1% compared to 31 December 2011.

The non-current assets of Enemona AD as of 31 December 2012 amount to BGN 62 834 thousand, representing 42,0% of all assets of the Company, decreasing with 18,7% compared to 31 December 2011. The reason underlying this downturn is due to a change into the accounting policy with reference to the ESCO contracts.

The current assets of Enemona AD as of 31 December 2012 amount to BGN 86 809 thousand, representing 58,0% of all Company's assets, growing by 19,8% compared to 31 December 2011, mainly due to an increase in trade 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 at 31 December 2012 amounts to BGN 52 221 thousand, or 35.1% of its liabilities. In 2012, the value of equity increased with 3,4%, compared to the data in the modified statement for 2011.

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

According decision of the Extraordinary General Meeting of Shareholders held on January 25, 2013, part of the reserves of the company were transformed to cover losses from previous periods.

Non-current liabilities at 31 December 2012 amounts to BGN 7 845 thousand and represent 5.2% of the Company's liabilities. They include mainly long-term bank loans, which increased with 8.0% compared to 31 December 2011.

The current liabilities of Enemona AD as of 31 December 2012 amount to BGN 88 810 thousand, representing 59.9% of all Company's liabilities, decreasing with 2.6% compared to the previous year.

Liquidity analysis

| Ratio | Description | 31 December 2012 |
|----------------------------|--|------------------|
| General liquidity | CA/CL | 0,97 |
| Quick liquidity | (Cash+Cash equivalents+Receivables)/CL | 0,93 |
| Immediate liquidity | (Cash+Cash equivalents)/CL | 0,02 |

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 income

Sales revenue of the Company in 2012 amount to BGN 65 452 thousand and marks a decline by 17.2% compared with 2011. The decline is due primarily to the smaller volume of construction contracts completed during the year. During the past two years the management of Enemona AD focused its efforts to conclude construction contracts abroad, mainly in Germany. As a result the CBI as of 31 December, 2012 amounts BGN 120 million. In addition the company has received calls for final negotiations for contracts amounting to BGN 40 million. By these strong measures the management aims to overcome the negative trend from declining revenues and achieve high positive results from operations.

Expences

The Company's expenses amount to BGN 61 157 thousand with 34,7% decrease compared to the end of 2011. The faster growth of cost reduction reflects positively to the financial results.

The Company's expenses for 2012 comprise of: costs of materials BGN 11 662 thousand, costs of hired services BGN 21 556 thousand, salaries and wages BGN 26 171 thousand, depreciation/amortization BGN 1 768 thousand and other expenses BGN 4 172 thousand.

Profit analysis

Enemona AD finishes 2012 with a positive net financial result amounting to BGN 1 736 thousand.

Profit (loss) analysis

| Ratio | Description | 31 December 2012 |
|---------------------------|-------------------------------------|-------------------------|
| Gross profit ratio | Pre-tax profit/Sales revenue | 10.7% |
| Return on sales | Net profit/Total revenue | 2.7% |

Profitability ratios reflect the ability of the Company to generate operating income and operating profit, respectively. For the year ending 31 December 2012 Enemona AD has reported revenue in the total amount of BGN 65 130 thousand and gross profits before taxes amounting to BGN 6 966 thousand. The above profitability ratios of the Company were calculated on the basis of these figures. Figures are below the target from operating activities, which in 2013 amounted to 15.05%. In 2013 the main purpose of Enemona AD is to achieve a gross profit ratio more than or equal to the targeted.

Equity analysis

| Ratio | Description | 31 December 2012 |
|--------------------|---------------------------|------------------|
| Equity utilization | Total equity/Total assets | 34.9% |
| Return on assets | Net profit/ Total assets | 1,2% |
| Return on equity | Net profit/Equity | 3,3% |

Enemona AD demonstrates stable profitability ratios.

Financial leverage analysis

| Ratio | Description | 31 December 2012 |
|----------|-----------------------|------------------|
| Leverage | Debt/Assets | 46.8% |
| Gearing | Long-term debt/Equity | 1,34 |

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. The values calculated as of 31 December 2012 show a decrease in the ratio of Debt/Assets, compared to the modified financial report for 2011.

Effectiveness analysis

| Ratio | Description | 31 December 2012 |
|---------------------|--|------------------|
| Asset turnover | Sales revenue/Total assets | 43.7% |
| Net working capital | Short-term assets – Short-term liabilities | (2 768) |

The change in sales revenue affects the Company's effectiveness. As of December 31, 2012 the asset turnover has dropped to 43.7% (52.80% as of December 31, 2011). Net working capital marks negative values due to the faster growth of the short-term loans.

IV. INFORMATION ON IMPORTANT EVENTS THAT TOOK PLACE AFTER DECEMBER 31, 2012

On January 25, 2013 extraordinary general meeting of shareholders was held. A decision was taken for acceptance of financial reports for 2011 as well as part of reserves of the company to be transformed to cover losses from previous periods.

V. INFORMATION GIVEN IN VALUE OR QUANTITATIVE TERMS ABOUT THE MAIN CATEGORIES OF COMMODITIES, PRODUCTS AND/OR PROVIDED SERVICES

| | 31.12.2012 (‘000 BGN) | % from Total Operating Income | 31.12.2011 (‘000 BGN) | % from Total Operating Income |
|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Total Operating Income | 65 452 | 91.94% | 79 069 | 96.42% |
| Incomes from construction contracts | 65 130 | 91.49% | 78 862 | 96.16% |
| Incomes from Services | 322 | 0.45% | 207 | 0.25% |
| Income from financing | 5 735 | 8.06% | 2 938 | 3.58% |
| Interest | 2 567 | 3.61% | 2 206 | 2.69% |
| Dividends | 3 151 | 4.43% | 536 | 0.65% |
| Gain due to exchange rate changes | 17 | 0.02% | 27 | 0.03% |
| Other financial income | 65 451 | 91.94% | 169 | 0.21% |

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

| Revenues | 2012 | | 2011 | |
|---|---------------|--------|---------------|--------|
| | (‘000 BGN) | % | (‘000 BGN) | % |
| Revenues from Construction Contracts | 65 130 | | 78 862 | |
| Engineering /design, supply, construction and assembly works/ | 60 691 | 93.18% | 68 869 | 87.33% |
| Energy Efficiency | 4 439 | 6.82% | 9 993 | 12.67% |

VII. INFORMATION ABOUT THE SOURCES FOR SUPPLY OF MATERIALS FOR 2012

TOP 5 SUPPLIERS IN TERMS OF VALUE OF SUPPLIES

| Supplier | Type of supplies | Value (‘000BGN) |
|---------------------------------------|------------------|--------------------|
| THYSSENKRUPP FORDERTECHNIK GMBH | Materials | 1 042 |
| SIEMENS TURBOMACHINERY EQUIPMENT GMBH | Materials | 1 426 |
| VERTROREZINA BALKAN EOOD | Materials | 1 368 |
| PROSTREAM GROUP EOOD | Materials | 708 |
| OBO BETTTERMANN | Materials | 706 |

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

In 2012, Enemona AD signed new contracts in the field of Engineering, Energy efficiency, Construction and Assembly Works for a total of BGN 76.06 million (excl. VAT).



Big orders, amounting to over 10 percent of the average revenues of the company for the last three years

There have been no such circumstances during the period under review

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 2012.

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 for 2012.

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, 2012 and December 31, 2011, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

| COMPANY | Percentage (%) as of 31.12.2011 | Percentage (%) as of 31.12.2012 |
|---|---------------------------------------|---------------------------------------|
| „CHPP NIKOPOL” EAD | 100.00 | 100.00 |
| „PPP MLADENOV” EOOD | 100.00 | 100.00 |
| „ARTANES MINING GROUP” AD | 89.99 | 89.99 |
| „ENEMONA UTILITIES” AD | 99.46 | 97.32 |
| „ESCO ENGINEERING” AD | 99.00 | 99.00 |
| „Enemona-Galabovo” AD | 91.13 | 0.00 |
| „NEVROKOP-GAS” AD | 90.00 | 90.00 |
| „ENERGETICS AND ENERGY SAVINGS FUND - EESF” SPV | 88.97 | 88.97 |
| „PIRINPOWER” AD | 84.00 | 84.00 |
| „EMCO” AD | 77.36 | 77.36 |
| „REAL ESTATE INVESTMENT FUND- FINI” REIT | 69.23 | 69.23 |
| „HEMUSGAS” AD | 50.00 | 50.00 |

Enemona AD Indirect Shareholdings

| Company | Indirect Shareholding through | Percentage (%) of indirect shareholding as of 31.12.2012 |
|------------------|-------------------------------|--|
| „RegionalGas” AD | „Enemona Utilities” AD | 50.00 |
| „PirinPower” AD | „Enemona Utilities” AD | 16.00 |

Enemona’s shareholdings below 50%

| Company | Percentage (%) as of 31.12.2012 | Percentage (%) as of 31.12.2011 |
|----------------------|---------------------------------|---------------------------------|
| ALFA – ENEMONA OOD | 40.00 | 40.00 |
| ENEMONA – START AD | 4.90 | 4.90 |
| ENIDA ENGINEERING AD | 4.90 | 4.90 |
| ENERGONI AD | 2.74 | 0.00 |

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 2012.

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 2012.

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, 2012 Enemona AD has cash and cash equivalents for a total BGN 1 822 thousand. That fact in combination with the increased capital base, determines a good opportunity to raise funds for the implementation of Enemona's investment projects.

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 | | |
| Enemona AD | 36 000,01 | 29 613,61 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| CHHP Nikopol EAD | 8 380,95 | 7 542,85 |
| Total | 176 244,60 | 155 833,74 |
| Tsvetan Kamenov Petrushkov | | |
| Enemona AD | 30 000,00 | 24 213,60 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| EESF SPV | 10 140,00 | 9 126,00 |
| FINI REIT | 3 380,00 | 3 042,00 |
| EMCO AD | 20 917,00 | 18 825,30 |
| Total | 196 300,64 | 173 884,18 |
| Lyudmil Ivanov Stoyanov | | |
| Enemona AD | 30 000,00 | 24 213,60 |
| CHHP Nikopol EAD | 8 380,95 | 7 542,85 |
| EMCO AD | 16 917,00 | 15 225,30 |
| Enemona Utilities AD | 91 047,62 | 81 942,86 |
| Total | 146 345,57 | 128 924,61 |
| Prokopi Dichev Prokopiev | | |
| Enemona AD | 10 140,00 | 7 948,73 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| EESF SPV | 10 140,00 | 7 516,87 |
| CHHP Nikopol EAD | 8 380,95 | 7 542,85 |
| Artanes Mining Group AD | 6 760,00 | 6 084,00 |
| Total | 10 140,00 | 7 948,73 |
| Ilian Borisov Markov | | |
| Enemona AD | 10 140,00 | 9 126,00 |
| Enemona AD – Slovakia Branch | 48 000,00 | 35 431,64 |
| Enemona AD – Galabovo Branch | 62 280,00 | 53 235,60 |
| Total | 120 420,00 | 97 793,24 |

| | | |
|---|------------------|------------------|
| Margarita Ivanova Dineva Enemona AD | 10 140,00 | 7 948,73 |
| Ivan Dimitrov Petrov Enemona AD | 10 140,00 | 9 126,00 |
| Georgi Zamfirov Goranov Enemona AD | 10 140,00 | 9 126,00 |
| Bogdan Dichev Prokopiev Enemona AD | 21 176,10 | 16 358,28 |
| Enemona Utilities AD | 120 000,00 | 107 640,07 |
| CHHP Nikopol EAD | 11 240,00 | 10 116,00 |
| EMCO AD | 10 783,00 | 9 704,70 |
| Artanes Mining Group AD | 1 232,86 | 1 109,57 |
| Total | 21 176,10 | 16 358,28 |

XXI. PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PROCURATOR AS OF 31 DECEMBER 2012

| |
|--|
| Dichko Prokopiev Prokopiev |
| Enemona AD, Kozloduy – 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 |
| CHHP Nikopol EAD, Sofia – Chairman of the Supervisory Board |
| Izolko OOD, Kozloduy - Partner |
| Tsvetan Kamenov Petrushkov |
| Enemona AD, Kozloduy – Vice Chairman of the of Board of Directors and Executive Director |
| EMCO AD, Belene – Member of the Board of Directors |
| Enemona Utilities AD, Sofia – Member of the Supervisory Board |
| EESF SPV, Sofia – Vice Chairman of the of Board of Directors and Executive Director |
| FINI REIT, Sofia – Chairman of the of Board of Directors |
| Resource Engineering EOOD, Sofia – Manager and Sole Partner |
| Izolko OOD, Kozloduy - Partner |
| Lyudmil Ivanov Stoyanov |
| Enemona AD, Kozloduy – Vice Chairman of the of Board of Directors and Executive Director |
| EMCO AD, Belene – Member of the Board of Directors |

| |
|---|
| CHHP Nikopol EAD, Sofia – Vice Chairman of the Supervisory Board |
| Izolko OOD, Kozloduy - Partner |
| Ilian Borisov Markov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Enemona AD – Galabovo Branch – Manager |
| Enemona AD – Slovakia Branch – Manager |
| Prokopi Dichev Prokopiev |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Global Capital OOD, Kozloduy – Partner |
| Enemona Utilities AD, Sofia – Vice Chairman of the Supervisory Board |
| EESF SPV, Sofia - Chairman of the of Board of Directors |
| CHHP Nikopol EAD, Sofia – Member of the Supervisory Board |
| ESCO Engineering AD, Sofia – Chairman of the of Board of Directors |
| Nevrokop Gas AD, Gotse Delchev – Member of the of Board of Directors |
| Artanes Mining Group AD, Sofia – Chairman of the of Board of Directors and Executive Director |
| PPP Mladenovo EOOD, Sofia – Manager |
| Racio Consult OOD, Sofia – Partner |
| Margarita Ivanova Dineva |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Ivan Dimitrov Petrov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| NODIG OOD, Sofia – Manager and Partner |
| Solers Bulgaria OOD, Sofia - Partner |
| Georgi Zamfirov Goranov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| G Oil Expert EOOD, Novi Iskar – Manager and Sole Partner |
| Bogdan Dichev Prokopiev |
| Enemona AD, Kozloduy - Procurator |
| 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 |
| Nevrokop Gas AD, Gotse Delchev – Chairman of the of Board of Directors |
| PirinPower AD, Sofia – Vice Chairman of the of Board of Directors |
| HEMUSGAS AD, Sofia – Member of the Board of Directors |
| Izolko OOD, Kozloduy - Partner |
| EMCO AD, Belene – Member of the Board of Directors |
| Artanes Mining Group AD, Sofia – Chairman of the Board of Directors |
| Racio Consult OOD, Sofia – Partner |

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 2012 at a capital of 13 036 501 | Percentage of the ordinary shares as of 31 December 2012 at OS of 11 933 600 | Percentage of the preferred shares as of 31 December 2012 at PS of 1 102 901 | Percentage of warrants as of 31 December 2012 at an issue of 5 966 792 |
|--|--|---|---|---|
| Dichko Prokopiev Prokopiev - Chairman of the Board of Directors | 55.28 | 60.39 | 0.00 | 60.13 |
| Tsvetan Kamenov Petrushkov – Vice Chairman of the Board of Directors | 0.46 | 0.50 | 0.00 | 0.36 |
| Lyudmil Ivanov Stoyanov – Vice Chairman of the Board of Directors | 0.60 | 0.66 | 0.00 | 0.55 |
| Ilian Borisov Markov - Member of the Board of Directors | 0.21 | 0.23 | 0.00 | 0.17 |
| Prokopi Dichev Prokopiev - Member of the Board of Directors | 0.22 | 0.24 | 0.00 | 2.22 |
| Margarita Ivanova Dineva - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Ivan Dimitrov Petrov - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Georgi Zamfirov Goranov - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Bogdan Dichev Prokopiev – Procurator | 0.30 | 0.33 | 0.00 | 0.33 |

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

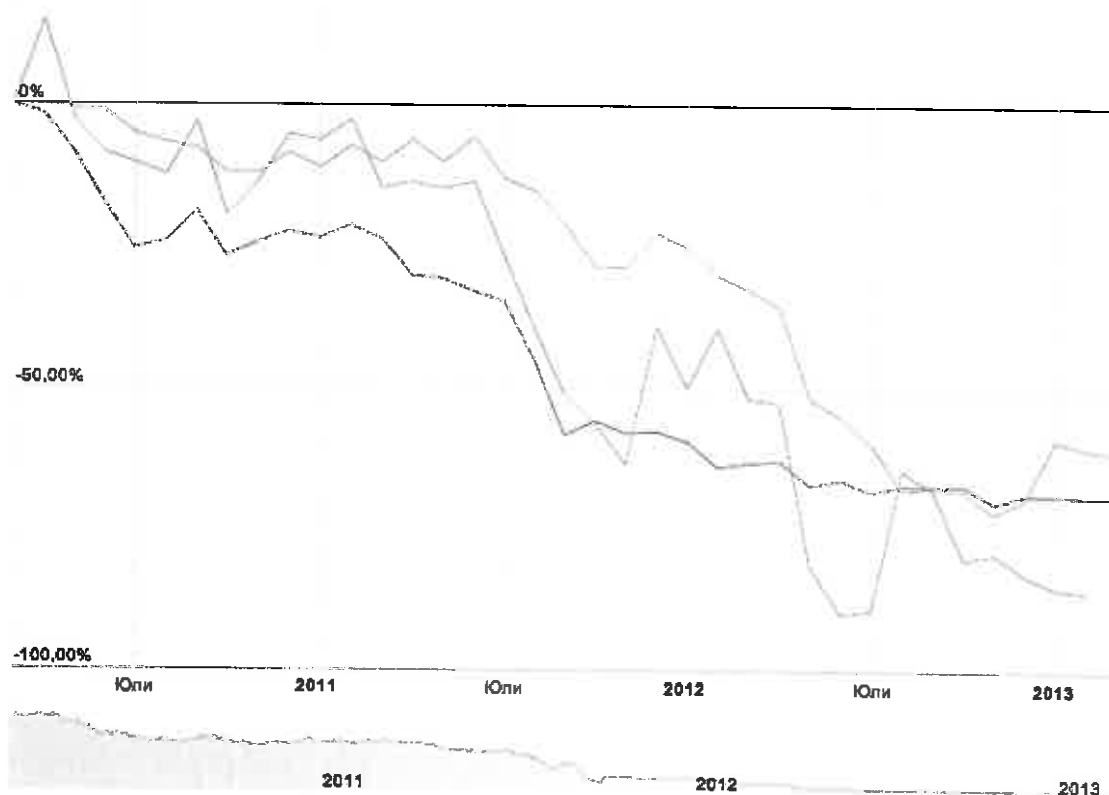
Enemona AD had no pending legal administrative or arbitration proceedings, relating to issuer’s liabilities or receivables at amount at least 10 percent of its equity.

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

Енемона АД (ENM)

ENM -69,04% E4AP -61,40% ZNOA -85,98%

Март 2010 - Март 2013



XXVI. DATA ABOUT THE INVESTOR RELATIONS DIRECTOR, INCLUDING TELEPHONE AND ADDRESS FOR CORRESPONDENCE

The Board of Directors of Enemona AD, on a meeting, held on July 31, 2012, took a decision to release Teodora Plamenova Petrova from the position of Investor Relations Director of Enemona AD, as of July 31, 2012 on the same position is appointed Svetla Svetlozarova Zaharieva.

Contact Data of the Investor Relations Director:

1113 Sofia

Geo Milev District

20, Kosta Lulchev Str.

tel: +359 2 80 54 893

fax: +359 80 54 837

Mobile: +359 885 721 108

E-mail: s.zaharieva@enemona.com

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

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.

The Board of Directors of Enemona AD believes that through its activity in 2012, it has created conditions for sufficient transparency of its relationships with investors, financial media and analysts in the capital market.

For the reporting year 2012, the Company has disclosed any regulated information on time and in accordance with the procedure provided for in LPOS and the regulations on its application.

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

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

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

In conclusion it can be summarized that the activity of the Board of Directors of the Company in 2012 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.

ENEMONA AD

SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Note | As of 31.12.2012 | As of 31.12.2011 |
|---|------|---------------------|---------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 35,753 | 35,382 |
| Intangible assets | 5 | 611 | 687 |
| Investments in subsidiaries and associates | 6 | 14,810 | 17,022 |
| Loans and advances | 7 | 9,081 | 21,647 |
| Deferred tax assets, net | 25 | 2,579 | 2,561 |
| TOTAL NON-CURRENT ASSETS | | 62,834 | 77,299 |
| CURRENT ASSETS | | | |
| Inventories | 8 | 6,240 | 3,996 |
| Trade and other receivables | 9 | 39,258 | 32,930 |
| Receivables on corporate income tax | 25 | 405 | - |
| Gross amounts due from customers on construction contracts | 17 | 27,428 | 21,588 |
| Loans and advances | 7 | 11,656 | 8,974 |
| Cash and cash equivalents | 10 | 1,822 | 4,957 |
| TOTAL CURRENT ASSETS | | 86,809 | 72,445 |
| TOTAL ASSETS | | 149,643 | 149,744 |
| EQUITY | | | |
| Issued share capital | 11 | 21,776 | 49,299 |
| Reserves | 11.4 | 28,709 | 28,709 |
| Retained earnings / (Accumulated loss) | | 1,736 | (27,523) |
| TOTAL EQUITY | | 52,221 | 50,485 |
| NON-CURRENT LIABILITIES | | | |
| Loans | 12 | 4,332 | 2,781 |
| Finance lease | 13 | 228 | 672 |
| Finance liability on preferred shares | 11.2 | 3,223 | 3,747 |
| Long-term employee benefits | 15 | 62 | 62 |
| TOTAL NON-CURRENT LIABILITIES | | 7,845 | 7,262 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | 17,237 | 17,765 |
| Gross amounts due to customers under construction contracts | 17 | 5,743 | 4,946 |
| Loans | 12 | 65,683 | 68,516 |
| Finance lease | 13 | 444 | 498 |
| Current tax liabilities | 25 | - | 52 |
| Provisions | 14 | 470 | 220 |
| TOTAL CURRENT LIABILITIES | | 89,577 | 91,997 |
| TOTAL EQUITY AND LIABILITIES | | 149,643 | 149,744 |

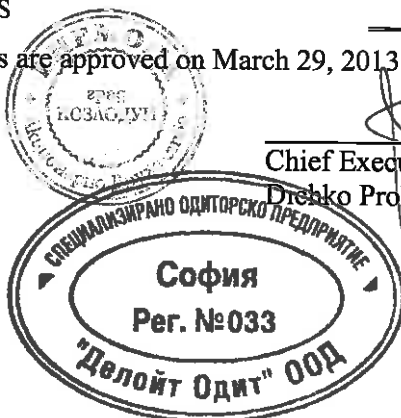
These separate financial statements are approved on March 29, 2013.

Preparer
Zdravka Kostadinova

Chief Executive Officer
Dimitro Prokopiev

Registered Auditor

Data: 29.03.2013




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

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

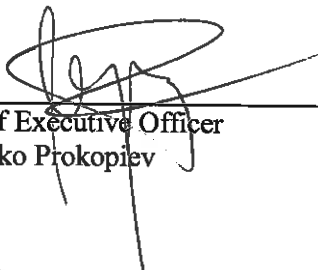
All amounts are in thousand Bulgarian Levs, except otherwise stated


| | Note | Year ended 31.12.2012 | Year ended 31.12.2011 |
|---|------|--------------------------|--------------------------|
| Revenue | 17 | 65,452 | 79,069 |
| Investment revenue | 18 | 5,735 | 2,769 |
| Changes in inventories of finished goods and work in progress | 8 | 167 | 290 |
| Materials and consumables used | 19 | (11,662) | (31,218) |
| Hired services | 20 | (21,556) | (30,069) |
| Employee benefits expenses | 21 | (26,171) | (19,292) |
| Depreciation and amortization expenses | 4,5 | (1,768) | (1,794) |
| Other expenses | 22 | (4,172) | (3,059) |
| Other gains / (losses), net | 23 | 696 | (5,024) |
| Finance costs | 24 | (4,878) | (5,252) |
| Profit / (loss) before tax | | 1,843 | (13,580) |
| Income tax benefit / (expense) | 25 | (107) | 995 |
| Net profit / (loss) for the year | | 1,736 | (12,585) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 1,736 | (12,585) |
| Basic earnings / (loss) per share | 26 | 0.15 | (1.05) |
| Diluted earnings / (loss) per share | 26 | 0.15 | (1.05) |

These separate financial statements are approved on March 29, 2013.


Preparer
Zdravka Kostadinova




Chief Executive Officer
Dichko Prokopiev


Registered Auditor -
Data: 29.03.2013



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

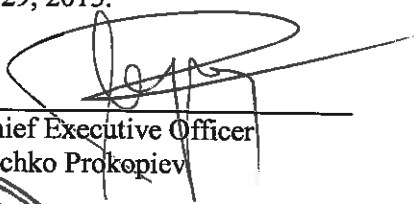
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012


All amounts are in thousand Bulgarian Levs, except otherwise stated

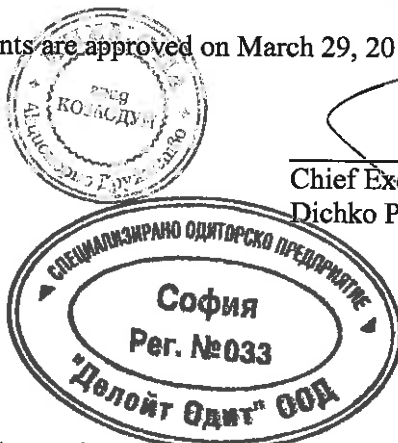
| | Year ended 31.12.2012 | Year ended 31.12.2011 |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 71,657 | 89,770 |
| Receipts from cession of ESCO contracts | 17,959 | 1,810 |
| Payments to suppliers | (61,302) | (81,321) |
| Payments to employees | (25,419) | (21,454) |
| Profit tax paid | (145) | (789) |
| Payments for other taxes | (2,098) | (476) |
| Other cash flows from operating activities | (1,644) | (2,651) |
| CASH FLOWS USED IN OPERATING ACTIVITIES, NET | (992) | (15,111) |
| CASH FLOWS FROM INVESTING ACITIVIES | | |
| Purchase for property, plant and equipment | (228) | (615) |
| Proceeds from sale of property, plant and equipment | 386 | 2,185 |
| Proceeds from ceded receivables | 1,553 | - |
| Payment of cession obligations | (46) | - |
| Loans granted | (11,775) | (6,539) |
| Proceeds from loan repayment | 7,996 | 8,445 |
| Purchase of investments | (88) | (5,597) |
| Proceeds from sales of investments | - | 10,483 |
| Dividends received | 2,299 | 1,572 |
| CASH FLOWS FROM INVESTING ACTIVITIES, NET | 97 | 9,934 |
| CASH FLOWS FROM FINANCING ACITIVIES | | |
| Proceeds from borrowings | 83,647 | 48,726 |
| Repayments of borrowings | (82,218) | (37,641) |
| Payments under lease agreements | (478) | (595) |
| Interest paid | (3,531) | (3,712) |
| Proceeds from disposal of investment without loss of control | 50 | - |
| Payments for dividends on ordinary shares | - | (60) |
| Payments for dividends on preferred shares | - | (876) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES, NET | (2,530) | 5,842 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,425) | 665 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (NOTE 10) | 4,957 | 3,818 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 10) | 1,532 | 4,483 |
| Restricted cash (Note 10) | 290 | 474 |
| TOTAL CASH AND CASH EQUIVALENTS IN THE SEPARATE STATEMENT OF FINANCIAL POSITION (NOTE 10) | 1,822 | 4,957 |

These separate financial statements are approved on March 29, 2013.


Preparer
Zdravka Kostadinova


Chief Executive Officer
Dichko Prokopiev


Registered Auditor
Data: 29.03.2013



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

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Ordinary shares | Preferred shares | Premiums from issue of shares | Total issued capital and premium reserves | Legal reserves | Retained earnings/ (accumulated loss) | Total |
|---|-----------------|------------------|-------------------------------|---|----------------|---------------------------------------|----------|
| BALANCE AS OF JANUARY 1, 2011 | 11,934 | 1,103 | 36,262 | 49,299 | 28,709 | (14,937) | 63,071 |
| Total comprehensive income for the period | - | - | - | - | - | (12,586) | (12,586) |
| BALANCE AS OF DECEMBER 31, 2011 | 11,934 | 1,103 | 36,262 | 49,299 | 28,709 | (27,523) | 50,485 |
| Total comprehensive income for the period | - | - | - | - | - | 1,736 | 1,736 |
| Prior period loss coverage | - | - | (27,523) | (27,523) | - | 27,523 | - |
| BALANCE AS OF DECEMBER 31, 2012 | 11,934 | 1,103 | 8,739 | 21,776 | 28,709 | 1,736 | 52,221 |

These separate financial statements are approved on March 29, 2013.

Preparer
Zdravka Kostadinova



Chief Executive Officer
Dichko Prokopiev

Registered Auditor

Data: 29.03.2013



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

**INDEPENDENT AUDITOR'S REPORT AND
ANNUAL SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Enemona AD

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Enemona AD (the Company), which comprise the separate statement of financial position as of December 31, 2012, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

Делоїт се отнася към едно или повече дружества - членове на Делоїт Туш Томацу Лимитид, частно дружество с ограничена отговорност (private company limited by guarantee), регистрирано в Обединеното кралство, както и към мрежата от дружества - членове, всяко от които е юридически самостоятелно и независимо лице. За детайлна информация относно правната структура на Делоїт Туш Томацу Лимитид и дружествата - членове, моля посетете www.deloitte.com/bg/za_nas.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/bg/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with IFRS, as adopted by the European Union.

Reports on Other Legal and Regulatory Requirements - Annual separate report on the activities of the Company, according to article 33 of the Accountancy Act

Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4 we have read the accompanying Annual separate report on the activities of the Company. The Annual separate report on the activities of the Company, prepared by the Company's management, is not a part of the separate financial statements. The historical financial information presented in the Annual separate report on the activities of the Company, prepared by the Company's management is consistent, in all material respects, with the annual financial information disclosed in the separate financial statements of the Company as of December 31, 2012, prepared in accordance with IFRS, as adopted by the European Union. Management is responsible for the preparation of the Annual separate report on the activity of the Company, dated March 29, 2013.

Deloitte Audit
Deloitte Audit OOD

S. Peneva
Sylvia Peneva
Registered Auditor
Statutory Manager



March 29, 2013
Sofia

ENEMONA AD

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

December 31, 2012

Unofficial translation of the original in Bulgarian

**ANNUAL CONSOLIDATED REPORT
ON THE ACTIVITIES FOR 2012**

ANNUAL CONSOLIDATED REPORT ON THE ACTIVITY OF ENEMONA AD FOR 2012

Unofficial translation of the original in Bulgarian

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

1. General information

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

Enemona AD is a publically traded joint stock company, with seat and registered office: at 1A, Panayot Hitov, Kozloduy, Vratsa District, Bulgaria, tel.: 0973/80159, fax: 0973/80701, e-mail: office@enemona.com, Internet site: www.enemona.com. The Company has currently two Bulgarian branches, Enemona AD – Sofia Branch (UIC 0024).

In May 2010 the Group registered a Branch in the republic of Slovakia for carrying out a significant construction contract. In June 2011 the Group started carrying out construction and assembly activities in Germany by a place for business activities.

*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, TSVETAN KAMENOV PETRUSHKOV - Deputy Chairman of the Board of Directors and Executive Director, LYUDMIL IVANOV STOYANOV- Deputy Chairman of the Board of Directors and Executive Director, ILIAN BORISOV MARKOV – Member of the Board of Directors; PROKOPI DICHEV PROKOPIEV - Member of the Board of Directors; MARGARITA IVANOVA DINEVA – Independent Member of the Board of Directors; GEORGI ZAMFIROV GORANOV - Independent Member of the Board of Directors, and IVAN DIMITROV PETROV - Independent Member of the Board of Directors. The Company is represented by DICHKO PROKOPIEV PROKOPIEV, TSVETAN KAMENOV PETRUSHKOV, LYUDMIL IVANOV STOYANOV and the Procurator BOGDAN DICHEV PROKOPIEV – both together and independently.*

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

2. Enemona Group of Companies

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

The companies which Enemona AD controls and manages as of December 31, 2011 and December 31, 2012, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

| COMPANY | Percentage (%) | Percentage (%) |
|---|------------------|------------------|
| | as of 31.12.2011 | as of 31.12.2012 |
| „CHPP NIKOPOL“ EAD | 100.00 | 100.00 |
| „PPP MLADENOVO“ EOOD | 100.00 | 100.00 |
| „ARTANES MINING GROUP“ AD | 99.99 | 89.99 |
| „ENEMONA UTILITIES“ AD | 99.46 | 97.23 |
| „ESCO ENGINEERING“ AD | 99.00 | 99.00 |
| „Enemona-Galabovo“ AD | 91.13 | 0.00 |
| „NEVROKOP-GAS“ AD | 90.00 | 90.00 |
| „ENERGETICS AND ENERGY SAVINGS FUND - EESF“ SPV | 88.97 | 88.97 |
| „PIRINPOWER“ AD | 84.00 | 84.00 |
| „EMCO“ AD | 77.36 | 77.36 |
| „REAL ESTATE INVESTMENT FUND- FINI“ REIT | 69.23 | 69.23 |
| „HEMUSGAS“ AD | 50.00 | 50.00 |

Enemona AD Indirect Shareholdings

| Company | Indirect Shareholding through | Percentage (%) of indirect shareholding as of 31.12.2011 |
|------------------|-------------------------------|--|
| „RegionalGas“ AD | „Enemona Utilities“ AD | 50.00 |
| „PirinPower“ AD | „Enemona Utilities“ AD | 16.00 |

Enemona's shareholdings below 50%

| Company | Percentage (%) | Percentage (%) |
|------------------------|------------------|------------------|
| | as of 31.12.2011 | as of 31.12.2012 |
| „ALFA - ENEMONA“ OOD | 40.00 | 40.00 |
| „ENEMONA - START“ AD | 4.90 | 4.90 |
| „ENIDA ENGINEERING“ AD | 4.90 | 4.90 |

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

On October 19, 2012, according to the program for optimization of the activities and in order to create better opportunities for the company, when participating in tender procedures abroad, the Board of Directors of Enemona AD took the decision to sell Enemona Galabovo AD and to relocate the core business carried out by the subsidiary company in Galabovo Branch to Enemona AD.

4. Brief history

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

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

5. Strategy and investments

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

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

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

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

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

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

In pursuance of these objectives in 2012, the Management of Enemona AD took measures and carried out the following disposals companies outside the main business areas of the Enemona Group. On October 19, 2012, according to the program for optimization of the activities and in order to create better opportunities for the company, when participating in tender procedures abroad, the Board of Directors of Enemona AD took the decision to sell Enemona Galabovo AD and to relocate the core business carried out by the subsidiary company in Galabovo Branch to Enemona AD.

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.

6. Annual Financial Statements

On March 30, 2012, Enemona AD publicly disclosed its Non-Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2011.

On April 27, 2012, Enemona AD publicly disclosed its Consolidate Annual Financial Statement of a public company and issuer of securities as of 31-12-2011.

According to the resolution of the Board of Directors held on December 07, 2012 a decision to adopt the following documents was taken:

- Modified Separate Annual Report on the Activity for the year ended December 31,2011;
- Modified and verified Separate Financial Statements for the year ended December 31,2011 and the Independent Auditor's Report;
- Modified Consolidated Annual Report on the Activity for the year ended December 31, 2011;
- Modified and verified Consolidated Financial Statements for the year ended December 31,2011 and the Independent Auditor's Report;

The board of Directors assigned to the Executive Director Tsvetan Petrushkov to take the necessary legal and other actions to convene, organize and conduct an Extraordinary General Meeting of Shareholders no later than January 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, 2011 and new audited Consolidated Financial Statements for the year ended December 31, 2011

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

On 09-01-2012, the General Meeting of the holders of warrants was held. The Protocol was published on 10-01-2011.

On 23-07-2012 at 11:00 a.m., in Kozloduy, House Energy an Ordinary General Meeting of Enemona AD was held with an Agenda:1.Approval of the individual annual report on activities of the Company for 2011; Draft Resolution: GMS approves the individual annual report on activities of the Company for 2011; 2.Approval of the Report on the activities of the Investor Relations Director for 2011; Draft Resolution: GMS approves the Report on the activities of the Investor Relations Director for 2011; 3.Approval of the individual annual financial statements of the Company for 2011 and the independent auditor's report; Draft Resolution: GMS approves the individual annual financial statements of the Company for 2011 and the independent auditor's report; 4.Approval of the consolidated annual report on activities of the Company for 2011; Draft Resolution: GMS approves the consolidated annual report on activities of the Company for 2011; 5.Approval of the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; Draft Resolution: GMS approves the consolidated annual financial statements of the Company for 2011 and the independent auditor's report; 6.Adoption of a resolution for dividend distribution to the shareholders, holding preferred shares, issued by the Company; Draft Resolution: GMS adopts a resolution for dividend distribution 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 2011; Draft Resolution: GMS adopts the proposition of the Board of Directors on the distribution of the Company's net profit for 2011; 8. Adoption of a resolution to discharge from responsibility/liability the members of the Board of Directors for their activities during 2011; Draft Resolution: GMS discharges from responsibility/liability the members of the Board of Directors for their activities in 2011; 9.Authorization of the Board of Directors and Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS); Draft Resolution: GMS authorizes the Board

of Directors and Executive Directors of the Company to extend for one year the period of transactions under Article 114 of the Law on Public Offering of Securities (LPOS); 10. Authorization of the Board of Directors and Executive Directors of the Company for transactions under Article 114 of LPOS with subject lending / credit transaction limit for a period of one year; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for transactions under Article 114 of LPOS with subject lending / credit transaction limit for a period of one year; 11. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring/securitization of current and future receivables up to BGN 30 000 000 for a period of one year and for concluding supplementary agreements to it; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject transferring/securitization of current and future receivables up to BGN 30 000 000 for a period of one year and for concluding supplementary agreements to it. 12. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject purchase of electricity for own needs for a period of one year and providing security for paying the price; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject purchase of electricity for own needs for a period of one year and providing security for paying the price; 13. Authorization of the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject surety on a promissory note issued by "EMCO" AD, representing collateral for a bank loan of "EMCO" AD; Draft Resolution: GMS authorizes the Board of Directors and Executive Directors of the Company for a transaction under Article 114 of LPOS with subject surety on a promissory note issued by "EMCO" AD, representing collateral for a bank loan of "EMCO" AD; 14. Approval of the Report of the audit committee for 2011; Draft Resolution: GMS approves the Report of the audit committee for 2011; 15. Adoption of a resolution for electing an audit committee of the Company, determining the number of the members, setting up its mandate and the amount of the remuneration of its members; Draft Resolution: GMS adopts a resolution for electing an audit committee of the Company, determining the number of the members, setting up its mandate and the amount of the remuneration of its members; 16. Election of a certified auditor for the year 2012 - in accordance with the proposal of the audit committee; Draft Resolution: GMS adopts a decision for election of a certified auditor for the year 2012 in accordance with the proposal of the audit committee. 17. Miscellaneous.

8. Dividend payments

On July 20, 2012 „Enemona” AD received a letter from the Financial Supervision Commission, notifying the company for the issuance of an Individual Administrative Act for applying Compulsory Administrative Measure against Enemona, according Art. 212, para. 1, p.1 of the Law on Public Offering of Securities, with the following operative part:

“I require Enemona AD not to vote the article 3 from the Annual General Meeting of Shareholders’ agenda, scheduled for July 23, 2012, respectively for August 8, 2012, according Art. 227, Para 3 of the Commercial Act:

Approval of the individual annual financial statements of the Company for 2011 and the independent auditor’s report;

Draft Resolution: GMS approves the individual annual financial statements of the Company for 2011 and the independent auditor’s report”

Considering the imposed administrative measure of compulsion on putting item 3 to a vote, the Chairman of the session made the procedural proposal that the GMS shall not vote on the related topics of the agenda – 1, 4, 5, 6, 7 and 8.

9. Changes in the board of directors

There have been no such circumstances during the period under review.

10. Amendments to the Articles of Association

There have been no such circumstances during the period under review.

II. PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

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

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

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

1. 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.

2. Sector Risk

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

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

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

- strict compliance with the contracts concluded with financial institutions to exclude the possibility to early payment requests;
- limited investments in projects outside the main focus of the Group;

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

3. Currency Risk

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

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

4. Credit Risk

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

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

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

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

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

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

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

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

- Every week, in some cases even more frequently, meetings are held by the Financial Committee to the Board of Directors, to discuss problems with uncollected receivables. A person responsible for each overdue receivable is determined, who is responsible for communicating with the company, sending notifications, if necessary bringing legal proceedings and making a plan to influence the payers. The meetings are attended by the Chief Executive Officer of Enemona AD;
- A model is developed that tracks receivables and cash flows. It is available to all offices and subsidiaries of the company and is constantly updated;
- When negotiating for a business deal with a new contractor, investigations are made for the financial reliability according to a procedure (assessment of the financial risk by Coface Group (a leading company in the field of financial management) and the Bulgarian Export Insurance Agency (BAEZ);
- Certain receivables are insured - "Financial Risk Insurance";
- The contracts with partners include provisions that ensure the collectability of receivables (indisputability, irrevocability, default interest, valid date, etc.)
- An age analysis of receivables is prepared and when unacceptable delay occurs, measures for their collecting are taken (reminders, calls for repayment notary and legal action).

5. Liquidity Risk

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

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

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

III. INFORMATION ON IMPORTANT EVENTS THAT TOOK PLACE AFTER DECEMBER 31, 2012

On January 25, 2013 extraordinary general meeting of shareholders was held. A decision was taken for acceptance of financial reports for 2011 as well as part of reserves of the company to be transformed to cover losses from previous periods.

IV. MAIN BUSINESS LINES IN THE GROUP

ENGINEERING, CONSTRUCTION AND ASSEMBLY WORKS, INCLUDING ENERGY EFFICIENCY

The business line Engineering, construction and assembly works in the field of energy, industry, environment and energy efficiency renders the following engineering, construction and assembly services, comprising the complete project value-added chain: design and engineering – expert appraisals, design, consultations, analyses, technical-economic designs, project planning and management, supervision during project execution, preparation of hand-over documentation, control over resources and project implementation; construction and assembly works as well as steel structures manufacturing within the following areas: architecture and construction, water supply and sewerage, heating, ventilation and air conditioning, plant and technology, installation of

fire alarm systems; electrical installations, instrumentation and control – electrical installation works, installation of measuring and control instruments and devices, lightning protection systems, 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.

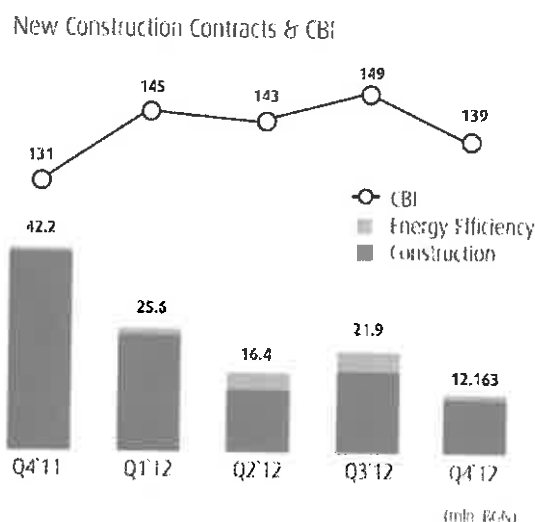
Enemona also provides a full scope of customized solutions for energy saving measures and implements them in private and public buildings, industrial and power generation facilities with the aim to reduce energy losses in the power and heat supply infrastructure as well as to increase the efficiency 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.

Construction Backlog Indicator – CBI

Enemona AD is the first public construction company in Bulgaria to publish the indicator Construction Backlog Indicator – CBI on a consolidated basis.

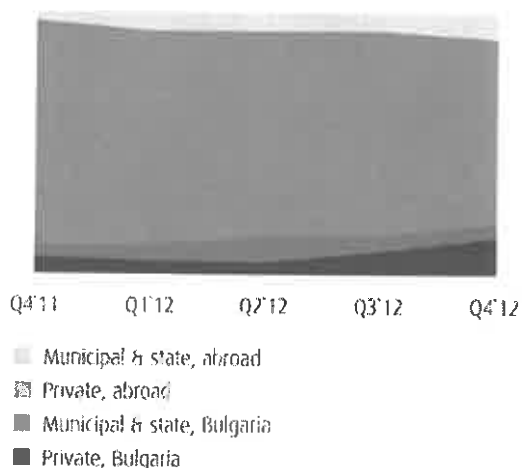
As of December 31, 2012, the Construction Backlog Indicator – CBI of Enemona on a consolidated basis totals BGN 139 million¹, a 6.11% increase as compared to December 31, 2011.

The Construction Backlog of contracts already signed is estimated as a difference between the total value of all construction contracts signed as at a certain moment (both currently under execution, and for future execution) and the amount of the revenue already recognized under IAS 11. The indicator is sector orientated and shows the revenue from construction contracts, which the Group of Companies can expect in the future if no more contracts are signed.



¹The remaining values from contracts with contractors, which receivables have been impaired, are not included in the value of the Construction Backlog Indicator as of December 31, 2011.

CBI by Type of Contractors



1. ENEMONA AD

Enemona AD is a joint-stock company with *ascope of activity: design, investment, construction and assembly, commissioning works, repair, maintenance, engineering, marketing, tourist, public catering, hotel management, camping, agency, advertising, business activities /including import, export, purchase and sale of real property including agricultural lands, purchase and sale of receivables, exchange, compensation, leasing, rental, barter, 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.*

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

Assets

Total assets of the Company as of 31 December 2012 amount to BGN 149 643 thousand, decreasing with 0,1% compared to 31 December 2011.

The non-current assets of Enemona AD as of 31 December 2012 amount to BGN 62 834 thousand, representing 42,0% of all assets of the Company, decreasing with 18,7% compared to 31 December 2011. The reason underlying this downturn is due to a change into the accounting policy with reference to the ESCO contracts.

The current assets of Enemona AD as of 31 December 2012 amount to BGN 86 809 thousand, representing 58,0% of all Company's assets, growing by 19,8% compared to 31 December 2011, mainly due to an increase in trade 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 at 31 December 2012 amounts to BGN 52 221 thousand, or 34.9% of its liabilities. In 2012, the value of equity increased with 3,4%, compared to the data in the modified statement for 2011.

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

According decision of the Extraordinary General Meeting of Shareholders held on January 25, 2013, part of the reserves of the company were transformed to cover losses from previous periods.

Non-current liabilities at 31 December 2012 amount to BGN 7 845 thousand and represent 5.2% of the Company's liabilities. They include mainly long-term bank loans, which increased with 8.0% compared to 31 December 2011.

The current liabilities of Enemona AD as of 31 December 2012 amount to BGN 89 577 thousand, representing 59.9% of all Company's liabilities, decreasing with 2.6% compared to the previous year.

Liquidity analysis

| Ratio | Description | 31 December 2012 |
|----------------------------|--|------------------|
| General liquidity | CA/CL | 0,97 |
| Quick liquidity | (Cash+Cash equivalents+Receivables)/CL | 0,93 |
| Immediate liquidity | (Cash+Cash equivalents)/CL | 0,02 |

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 income

Sales revenue of the Company in 2012 amount to BGN 65 452 thousand and marks a decline by 17.2% compared with 2011. The decline is due primarily to the smaller volume of construction contracts completed during the year. During the past two years the management of Enemona AD focused its efforts to conclude construction contracts abroad, mainly in Germany. As a result the CBI as of 31 December, 2012 amounts BGN 120 million. In addition the company has received calls for final negotiations for contracts amounting to BGN 40 million. By these strong measures the management aims to overcome the negative trend from declining revenues and achieve high positive results from operations.

Expences

The Company's expenses amount to BGN 61 157 thousand with 25,76% decrease compared to the end of 2011. The faster growth of cost reduction reflects positively to the financial results.

The Company's expenses for 2012 comprise of: costs of materials BGN 11 662 thousand, costs of hired services BGN 21 556 thousand, salaries and wages BGN 26 171 thousand, depreciation/amortization BGN 1 768 thousand and other expenses BGN 4 172 thousand.

Profit analysis

Enemona AD finishes 2012 with a positive net financial result amounting to BGN 1 736 thousand.

Profit (loss) analysis

| Ratio | Description | 31 December 2012 |
|--------------------|------------------------------|------------------|
| Gross profit ratio | Pre-tax profit/Sales revenue | 10.5% |
| Return on sales | Net profit/Total revenue | 2.7% |

Profitability ratios reflect the ability of the Company to generate operating income and operating profit, respectively. For the year ending 31 December 2012 Enemona AD has reported revenue in the total amount of BGN 65 130 thousand and gross profits before taxes amounting to BGN 6 966 thousand. The above profitability ratios of the Company were calculated on the basis of these figures. Figures are below the target from operating activities, which in 2013 amounted to 15.05%. In 2013 the main purpose of Enemona AD is to achieve a gross profit ratio more than or equal to the targeted.

Equity analysis

| Ratio | Description | 31 December 2012 |
|--------------------|---------------------------|------------------|
| Equity utilization | Total equity/Total assets | 34.9% |
| Return on assets | Net profit/ Total assets | 1,2% |
| Return on equity | Net profit/Equity | 3,3% |

Enemona AD demonstrates stable profitability ratios.

Financial leverage analysis

| Ratio | Description | 31 December 2012 |
|-------|-------------|------------------|
|-------|-------------|------------------|

| | | |
|-----------------|-----------------------|-------|
| Leverage | Debt/Assets | 46.8% |
| Gearing | Long-term debt/Equity | 1,34 |

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. The values calculated as of 31 December 2012 show a decrease in the ratio of Debt/Assets, compared to the modified financial report for 2011.

Effectiveness analysis

| Ratio | Description | 31 December 2012 |
|---------------------|--|------------------|
| Asset turnover | Sales revenue/Total assets | 43.7% |
| Net working capital | Short-term assets – Short-term liabilities | (2 768) |

The change in sales revenue affects the Company's effectiveness. As of December 31, 2012 the asset turnover has dropped to 43.7% (52.80% as of December 31, 2011). Net working capital marks negative values due to the faster growth of the short-term loans.

INFORMATION GIVEN IN VALUE OR QUANTITATIVE TERMS ABOUT THE MAIN CATEGORIES OF COMMODITIES, PRODUCTS AND/OR PROVIDED SERVICES

| | 31.12.2012 (‘000 BGN) | % from Total Operating Income | 31.12.2011 (‘000 BGN) | % from Total Operating Income |
|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Total Operating Income | 65 452 | 91.94% | 79 069 | 96.42% |
| Incomes from construction contracts | 65 130 | 91.49% | 78 862 | 96.16% |
| Incomes from Services | 322 | 0.45% | 207 | 0.25% |
| Income from financing | 5 735 | 8.06% | 2 938 | 3.58% |
| Interest | 2 567 | 3.61% | 2 206 | 2.69% |
| Dividends | 3 151 | 4.43% | 536 | 0.65% |
| Gain due to exchange rate changes | 17 | 0.02% | 27 | 0.03% |
| TOTAL | 65 451 | 91.94% | 169 | 0.21% |

INFORMATION ABOUT THE REVENUES ALLOCATED BY SEPARATE CATEGORIES OF ACTIVITIES

| Revenues | 2012 | | 2011 | |
|---|---------------|--------|---------------|--------|
| | (‘000 BGN) | % | (‘000 BGN) | % |
| Revenues from Construction Contracts | 65 130 | | 78 862 | |
| Engineering /design, supply, construction and assembly works/ | 60 691 | 93.18% | 68 869 | 87.33% |
| Energy Efficiency | 4 439 | 6.82% | 9 993 | 12.67% |

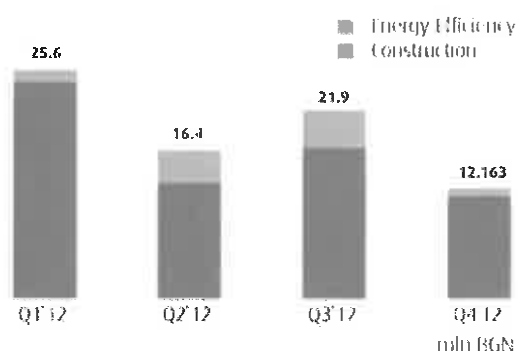
INFORMATION ABOUT THE SOURCES FOR SUPPLY OF MATERIALS FOR 2012

| Supplier | Type of supplies | Value ('000BGN) |
|---------------------------------------|------------------|-----------------|
| THYSSENKRUPP FORDERTECHNIK GMBH | Materials | 1 042 |
| SIEMENS TURBOMACHINERY EQUIPMENT GMBH | Materials | 1 426 |
| VERTROREZINA BALKAN EOOD | Materials | 1 368 |
| PROSTREAM GROUP EOOD | Materials | 708 |
| OBO BETTTERMANN | Materials | 706 |

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

In 2012, Enemona AD signed new contracts in the field of Engineering, Energy efficiency, Construction and Assembly Works for a total of BGN 76.06 million (excl. VAT).

Value of New Contracts Signed in 2012



BIG ORDERS, AMOUNTING TO OVER 10 PERCENT OF THE AVERAGE REVENUES OF THE COMPANY FOR THE LAST THREE YEARS

There have been no such circumstances during the period under review.

2. ENEMONA-GALABOVO AD

On October 19, 2012, according to the program for optimization of the activities and in order to create better opportunities for the company, when participating in tender procedures abroad, the Board of Directors of Enemona AD took the decision to sell Enemona Galabovo AD and to relocate the core business carried out by the subsidiary company in Galabovo Branch to Enemona AD.

3. EMCO AD

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

basins, appurtenances, electrical equipment for Bulgaria and abroad, foreign and home trade, services.

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

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

The Total Revenue of EMCO AD for 2011 amounts to BGN 5 181 thousand and the net profit for the period decreased to BGN 33 thousand. The main reasons for these results are the global financial and economic crisis, increased competition and lower profitability margins of the contracts.

Revenues from main operations

| Revenues from main operations (in thousand BGN) | 2012 | 2011 |
|---|--------------|--------------|
| Products | 8 504 | 5 022 |
| Services | 0 | |
| Materials | 167 | 111 |
| Others | 0 | 48 |
| TOTAL | 8 671 | 5 181 |

Liquidity analysis

| Ratio | 31 December 2012 | 31 December 2011 |
|----------------------------|------------------|------------------|
| General liquidity | 1.467 | 1.749 |
| Quick liquidity | 1.256 | 1.642 |
| Immediate liquidity | 0.039 | 0.175 |

Profitability analysis

| Ratio | 31 December 2011 | 31 December 2010 |
|-------------------------|------------------|------------------|
| Return on sales | 0.83% | 0.72% |
| Return on equity | 1.73% | 0.89% |

INFORMATION ON THE ACTIVITY

The physical volume of production for 2012 is 2 413 tons. The main Contactors during the reporting period are: Alstom Sweden, Alstom India, Alstom Middle East and Enemona.

Structural changes in the physical volume of production in 2012 were not made, because the production program of the Company in recent years includes mainly production of components for electrical precipitators, fundamental parts for gas and steam turbines, tanks for petroleum products

and pressure vessels. During the period 2011 - 2012, the structural volume of business was expanded with the following activities: prefabrication and installation of structures for belt conveyors and components and production of cable support structures. As of December 31, 2012 EMCO AD employs 196 people.

TRADE IN ELECTRICITY

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

The Business line includes the Companies: Enemona Utilities AD, along with Nevrokop-Gas AD, Hemusgas AD, Regionalgas AD and Pirin Power AD².

4. ENEMONA UTILITIES AD

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

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

The Company's shareholders as of December 31, 2012 are Enemona AD and two natural person. The capital of Enemona Utilities AD is BGN 2.25 million, divided into 1,710,000 ordinary shares and 540,000 ordinary bearer shares with a nominal value of BGN 1.00 each.

Enemona Utilities AD has a two-tier management system.

²The leading company in the Business line is Enemona Utilities AD, which activities will be discussed in detail in the report. The activities of Nevrokop-gas AD, Hemusgas AD, Regionalgaz AD and Pirin Power AD are either at an early stage of development, or do not differ from the information revealed so far.

ANALYSIS OF THE FINANCIAL RESULTS OF THE COMPANY

In 2012 Enemona Utilities AD focused on minimizing the negative impact of the ongoing financial and economic crisis in Bulgaria.

The Company's revenues in 2012 are segmented, as follows:

| Revenue | Value in thousand BGN |
|---------------------------|--------------------------|
| Revenue, including | 62766 |
| Sales of Goods: | 62 705 |
| Electricity | 58 685 |
| Compressed gas | 4 020 |
| Sales of Services: | 61 |
| Other Revenues: | - |
| Income from Financing: | 106 |
| Financial Income: | 496 |

ANALYSIS OF THE RESULTS FROM THE ACTIVITIES OF THE COMPANY

| Ratios | 31.12.2011 | 31.12.2012 |
|---|------------|------------|
| 1. Non-Currents Assets (thousand BGN) | 7 594 | 8 229 |
| 2. Current Assets (thousand BGN) | 25 930 | 11 628 |
| 3. Total Assets (thousand BGN) | 33 524 | 19 857 |
| 4. Equity (thousand BGN) | 7 073 | 5 303 |
| 5. Non-Current Liabilities (thousand BGN) | 3 245 | 2 488 |
| 6. Current Liabilities (thousand BGN) | 23 206 | 12 066 |
| 7. Revenue (thousand BGN) | 91 163 | 63 368 |
| 8. Expenses (thousand BGN) | 89 002 | 63 173 |
| 9. Net Profit (thousand BGN) | 1 945 | 175 |
| 10. General Liquidity (CA/CL) | 1.12 | 0.96 |
| 11. Return on Sales (Net Profit/Revenue) | 0.02 | 0.003 |
| 12. Return on Assets (Net Profit/Total Assets) | 0.06 | 0.01 |
| 13. Leverage (Liabilities/Total Assets) | 0.79 | 0.73 |

Assets, Liabilities, Equity

In 2012, there is an decrease in the current assets as compared to 2011. That fact is due to the decrease in the gross amounts due from customers, other current receivables and cash of the Company as of December 31, 2012.

The equity of the Company as of December 31, 2012 amounts to BGN 5 303 thousand, representing 26.70% of the total assets.

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

Revenue, Expenses, Profit

Company's revenues decreased in 2012 as compared to 2011, at about 30%. That is due to an decrease in the electricity and natural gas traded. The expenses also show decrease of about 30%. The Financial result for 2012 is a profit of BGN 175 thousand.

COMPANY'S FUTURE DEVELOPMENT

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

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

ASSETS MANAGEMENT AND OTHER ACTIVITIES

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

5. ENERGETICS AND ENERGY SAVINGS FUND – EESF SPV

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

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

The Company is a publicly traded company and discloses in accordance with legal requirements all the necessary information to the Financial Supervision Commission, BSE-Sofia AD and the public,

along with publication on the Internet site of the Company - www.eesf.biz and the selected news media Investor.BG AD, a public company having a large number of web information portal - www.bull.investor.bg.

6. REAL ESTATE INVESTMENT FUND- FINIREIT

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

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

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

7. ARTANES MINING GROUP AD

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

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

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

8. CHPP NIKOPOL EAD

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

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

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

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

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

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

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

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

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

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

Licenses in the Enemona Group of Companies

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

2. Enemona AD - License for trade in electricity for a 10 years period - № L275-15/08.09.2008;
3. Nevrokop-Gas AD - license for distribution of natural gas for 35 years period - № L289-08/22.12.2008; license for supply with natural gas on the territory of Gotse Delchev Municipality - № L289-12/22.12.2008;
4. EESF SPV – By a decision issued on May 17, Decision № 333 – SPV, the Financial Supervision Commission issued a License to the Energy and Energetic Savings Fund –EESF SPV;
5. FINI REIT - By Decision № 1138 of the Financial Supervision Commission (FSC) as of 16.08.2007 FINI has a license for carrying on its activity.

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

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

Assets

The Total Assets of the Group as of December 31, 2012 reach BGN 196 539 thousand, which is a 3,2% increase as compared to December 31, 2011, mainly due to the decrease in Property, plant and equipment, Inventories and Current Loans and Advances.

The Non-Current Assets as of December 31, 2012 amount to BGN 84 495 thousands or 37.33% of the Total Assets, and as compared to December 31, 2011 decrease by 5.6%. The most significant decrease is in the value of Property, plant and equipment.

The Current Assets as of December 31, 2012 amount to BGN 112 080 thousands and represent 37.33% of the Total Assets, and as compared to December 31, 2011 increase by 11.0%. The most significant increase is in the Gross amount due from clients on construction contracts.

Equity and Liabilities

Enemona AD finances its principal activity with equity or borrowings.

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

The Group's Equity at December 31, 2012 amounts to BGN 57 239 thousand, or 29.1% of its assets – close to value as of the end of 2011.

The value of Non - Current liabilities at December 31, 2012 amounts BGN 9 744 thousand and represents 5.0% of the Group's Assets. It decreases as compared to December 31, 2011 by 48.6%. The most significant decrease is in Long term loans.

The Current liabilities at December 31, 2012 amounts BGN 129 556 thousand represent 65.9% of the Group's Assets and as compared to December 31, 2011 increase by 14.1%. The most significant decrease is in Short term loans.

Liquidity analysis

| Ratio | Description | 31 December 2012 |
|----------------------------|--|------------------|
| General liquidity | CA/CL | 0,87 |
| Quick liquidity | (Cash+Cash equivalents+Receivables)/CL | 0,81 |
| Immediate liquidity | (Cash+Cash equivalents)/CL | 0,04 |

Funds available to the Group 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 Group are mainly revenue from sales of products and external/debt financing in the form of bank loans.

Revenues and costs

Enemona Group ended the reporting period with a loss of BGN 981 thousand loss before tax from continuing operations and a net loss for the year from continuing operations amounting to BGN 1 111 thousand.

The Revenue of the Group reach BGN 134 681 thousand and marks an decrease of 21.4% compared to 2011.

The Group's expenses amount to BGN 141 624 thousand and decrease compare to 2011 with 29.0% mostly by effect of Cost of goods sold and Materials and consumables used.

Financial leverage analysis

| Ratio | Description | 31 December 2012 |
|-----------------|-----------------------|------------------|
| Leverage | Debt/Assets | 70,9% |
| Gearing | Long-term debt/Equity | 17,0% |

For the purpose of financial leverage analysis of the Group, we calculate two ratios by dividing the issuer's debt by its assets and equity, respectively. The values calculated at December 31, 2012 are almost the same as the previous year. The Company covers over 3 times its long-term liabilities with its equity. The accumulation of capital through the stock exchange significantly changes the equity structure of Enemona Group by increasing the opportunities for quick development and consolidation of its activity.

Effectiveness analysis

| Ratio | Description | 31 December 2012 |
|---------------------|--|-----------------------|
| Asset turnover | Sales revenue/Total assets | 68.5% |
| Net working capital | Short-term assets – Short-term liabilities | BGN (17 476) thousand |

The change in sales revenue affects the Group's effectiveness.

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

| | Year ended 31.12.2012 Thousand BGN | Year ended 31.12.2011 Thousand BGN |
|---|--|--|
| Revenue from construction contracts | 71 534 | 80 206 |
| Revenue from sale of electricity | 58 685 | 87 781 |
| Revenue from sale of compressed natural gas | 4 068 | 2 949 |
| Revenue from services | 387 | 328 |
| Other revenue | 7 | 4 |
| TOTAL REVENUE | 134 681 | 171 268 |

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

Segment revenue (in thousand BGN)

| | Year ended 31.12.2012 | Year ended 31.12.2011 |
|--|--------------------------|--------------------------|
| Engineering, construction and assembly works | 71 534 | 98 630 |
| Electricity trading | 58 685 | 87 781 |
| Other segments | 4 462 | 3 281 |
| TOTAL | 134 681 | 189 692 |

Geographical distribution (in thousand BGN)

| | Year ended | Year ended |
|--|------------|------------|
| | | |

| | 31.12.2012 | 31.12.2011 |
|--------------|----------------|----------------|
| Bulgaria | 88 159 | 143 239 |
| Serbia | - | 14 289 |
| Slovakia | 18501 | 13 591 |
| Germany | 17 492 | 1 877 |
| Norway | 491 | |
| Other | 10 038 | 3259 |
| TOTAL | 134 681 | 176 255 |

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

TOP 5 SUPPLIERS OF MATERIALS IN TERMS OF VALUE OF SUPPLIES

| Supplier | Type of supplies |
|---------------------------------------|------------------|
| THYSSENKRUPP FORDERTECHNIK GMBH | Materials |
| ENERGY MARKET AD | Electricity |
| SIEMENS TURBOMACHINERY EQUIPMENT GMBH | Materials |
| VETROREZINA BALCAN | Materials |
| PROSTREAMGROUP | Materials |

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

The information about the transactions concluded with related parties during the reporting period is disclosed in Note 31 of the Notes to the Consolidated Financial Statement for 2012.

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

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

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

The Group prepares its Consolidated Financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations, issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union (the "EU") and applicable in the Republic of Bulgaria. The information about contingent liabilities is disclosed in Note 33 of the Notes to the Consolidated Financial Statement for 2012.

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

The companies which Enemona AD controls and manages as of December 31, 2011 and December 31, 2012, are listed in the following table:

ORGANIZATIONAL STRUCTURE OF ENEMONA GROUP OF COMPANIES

| COMPANY | Percentage (%) | Percentage (%) |
|---|------------------|------------------|
| | as of 31.12.2011 | as of 31.12.2012 |
| „CHPP NIKOPOL“ EAD | 100.00 | 100.00 |
| „PPP MLADENOVŌ“ EOOD | 100.00 | 100.00 |
| „ARTANES MINING GROUP“ AD | 99.99 | 89.99 |
| „ENEMONA UTILITIES“ AD | 99.46 | 97.23 |
| „ESCO ENGINEERING“ AD | 99.00 | 99.00 |
| „Enemona-Galabovo“ AD | 91.13 | 0.00 |
| „NEVROKOP-GAS“ AD | 90.00 | 90.00 |
| „ENERGETICS AND ENERGY SAVINGS FUND - EESF“ SPV | 88.97 | 88.97 |
| „PIRINPOWER“ AD | 84.00 | 84.00 |
| „EMCO“ AD | 77.36 | 77.36 |
| „REAL ESTATE INVESTMENT FUND- FINI“ REIT | 69.23 | 69.23 |
| „HEMUSGAS“ AD | 50.00 | 50.00 |

Enemona AD Indirect Shareholdings

| Company | Indirect Shareholding through | Percentage (%) of indirect shareholding as of 31.12.2012 |
|------------------|-------------------------------|--|
| „RegionalGas” AD | „Enemona Utilities” AD | 50.00 |
| „PirinPower” AD | „Enemona Utilities” AD | 16.00 |

Enemona's shareholdings below 50%

| Company | Percentage (%) | Percentage (%) |
|------------------------|------------------|------------------|
| | as of 31.12.2011 | as of 31.12.2012 |
| „ALFA - ENEMONA”OOD | 40.00 | 40.00 |
| “ENEMONA - START” AD | 4.90 | 4.90 |
| “ENIDA ENGINEERING” AD | 4.90 | 4.90 |
| „ENERGONI” AD | 2.74 | 0.00 |

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

The information about the concluded by the Companies from the Group, in their capacity of borrower, loan contracts, is disclosed in Note 15 of the Notes to the Consolidated Financial Statement for 2012.

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

The information about the concluded by the Companies from the Group, in their capacity of lender, loan contracts, is disclosed in Note 9 of the Notes to the Consolidated Financial Statement for 2012.

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

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

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

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

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

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

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

As of December 31, 2012 the Group has cash and cash equivalents for a total BGN 4 953 thousand. That fact in combination with the increased capital base, determines a good opportunity to raise funds for the implementation of the Group's investment projects.

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

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

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

| Name | Gross Remuneration (BGN) | Net Remuneration (BGN) |
|-----------------------------------|--------------------------|------------------------|
| Dichko Prokopiev Prokopiev | | |
| Enemona AD | 36 000,01 | 29 613,61 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| CHHP Nikopof EAD | 8 380,95 | 7 542,85 |
| Total | 176 244,60 | 155 833,74 |
| Tsvetan Kamenov Petrushkov | | |
| Enemona AD | 30 000,00 | 24 213,60 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| Enemona Utilities AD | 10 140,00 | 9 126,00 |
| EESF SPV | 3 380,00 | 3 042,00 |
| FINI REIT | 20 917,00 | 18 825,30 |
| EMCO AD | 196 300,64 | 173 884,18 |
| Total | | |

| | | |
|---|-------------------|-------------------|
| Lyudmil Ivanov Stoyanov | 30 000,00 | 24 213,60 |
| Enemona AD | 8 380,95 | 7 542,85 |
| CHHP Nikopol EAD | 16 917,00 | 15 225,30 |
| EMCO AD | 91 047,62 | 81 942,86 |
| Enemona Utilities AD | 146 345,57 | 128 924,61 |
| Total | | |
| Prokopi Dichev Prokopiev | | |
| Enemona AD | 10 140,00 | 7 948,73 |
| Enemona Utilities AD | 131 863,64 | 118 677,28 |
| EESF SPV | 10 140,00 | 7 516,87 |
| CHHP Nikopol EAD | 8 380,95 | 7 542,85 |
| Artanes Mining Group AD | 6 760,00 | 6 084,00 |
| Total | 167 284,59 | 147 769,73 |
| Ilian Borisov Markov³ | | |
| Enemona AD | 10 140,00 | 9 126,00 |
| Enemona AD – Slovakia Branch | 48 000,00 | 35 431,64 |
| Enemona AD – Galabovo Branch | 62 280,00 | 53 235,60 |
| Total | 120 420,00 | 97 793,24 |
| Margarita Ivanova Dineva | | |
| Enemona AD | 10 140,00 | 7 948,73 |
| Ivan Dimitrov Petrov | | |
| Enemona AD | 10 140,00 | 9 126,00 |
| Georgi Zamfirov Goranov | | |
| Enemona AD | 10 140,00 | 9 126,00 |
| Bogdan Dichev Prokopiev | | |
| Enemona AD | 20 850,00 | 18 564,72 |
| Enemona Utilities AD | 111 800,00 | 98 033,87 |
| CHHP Nikopol EAD | 2 095,24 | 1 885,72 |
| EMCO AD | 20 917,00 | 18 825,30 |
| Artanes Mining Group AD | 3 380,00 | 3 042,00 |
| Total | 159 042,24 | 140 351,61 |

³Enemona Galabovo AD has a liability for paying a dividend for 2010 to Ilian Borisov Markov for a total of BGN 16 684.18, which is not paid as of December 31, 2011.

17. Participation of the members of the Board of Directors and the Procurator as of 31 December 2012

| Dichko Prokopiev Prokopiev |
|---|
| Enemona AD, Kozloduy – 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 |
| CHHP Nikopol EAD, Sofia – Chairman of the Supervisory Board |
| Izolko OOD, Kozloduy - Partner |
| Tsvetan Kamenov Petrushkov |
| Enemona AD, Kozloduy – Vice Chairman of the of Board of Directors and Executive Director |
| EMCO AD, Belene – Member of the Board of Directors |
| Enemona Utilities AD, Sofia – Member of the Supervisory Board |
| EESF SPV, Sofia – Vice Chairman of the of Board of Directors and Executive Director |
| FINI REIT, Sofia – Chairman of the of Board of Directors |
| Resource Engineering EOOD, Sofia – Manager and Sole Partner |
| Izolko OOD, Kozloduy - Partner |
| Lyudmil Ivanov Stoyanov |
| Enemona AD, Kozloduy – Vice Chairman of the of Board of Directors and Executive Director |
| Enemona Utilities AD, Sofia – Member of the Supervisory Board |
| CHHP Nikopol EAD, Sofia – Vice Chairman of the Supervisory Board |
| Izolko OOD, Kozloduy - Partner |
| Ilian Borisov Markov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Enemona AD – Galabovo Branch – Manager |
| Enemona AD – Slovakia Branch – Manager |
| Prokopi Dichev Prokopiev |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Global Capital OOD, Kozloduy – Partner |
| Enemona Utilities AD, Sofia – Vice Chairman of the Supervisory Board |
| EESF SPV, Sofia - Chairman of the of Board of Directors |
| CHHP Nikopol EAD, Sofia – Member of the Supervisory Board |
| ESCO Engineering AD, Sofia – Chairman of the of Board of Directors |
| Nevrokop Gas AD, Gotse Delchev – Member of the of Board of Directors |
| Artanes Mining Group AD, Sofia – Chairman of the of Board of Directors and Executive Director |
| PPP Mladenovo EOOD, Sofia – Manager |
| Racio Consult OOD, Sofia – Partner |
| Interalt OOD, Sofia - Partner |

| |
|--|
| Margarita Ivanova Dineva |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| Ivan Dimitrov Petrov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| NODIG OOD, Sofia – Manager and Partner |
| Solers Bulgaria OOD, Sofia - Partner |
| Georgi Zamfirov Goranov |
| Enemona AD, Kozloduy – Member of the of Board of Directors |
| G Oil Expert EOOD, Novi Iskar – Manager and Sole Partner |
| Bogdan Dichev Prokopiev |
| Enemona AD, Kozloduy - Procurator |
| 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 |
| Nevrokop Gas AD, Gotse Delchev – Chairman of the of Board of Directors |
| PirinPower AD, Sofia – Vice Chairman of the of Board of Directors |
| HEMUSGAS AD, Sofia – Member of the Board of Directors |
| Izolko OOD, Kozloduy - Partner |
| EMCO AD, Belene – Member of the Board of Directors |
| Artanes Mining Group AD, Sofia – Chairman of the Board of Directors |
| Racio Consult OOD, Sofia – Partner |
| Interalt OOD, Sofia - Partner |

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

| Shares in Enemona AD | Percentage of the capital as of 31 December 2012 at a capital of 13 036 501 | Percentage of the ordinary shares as of 31 December 2012 at OS of 11 933 600 | Percentage of the preferred shares as of 31 December 2012 at PS of 1 102 901 | Percentage of warrants as of 31 December 2012 at an issue of 5 966 792 |
|--|--|---|---|---|
| Dichko Prokopiev Prokopiev - Chairman of the Board of Directors | 55.28 | 60.39 | 0.00 | 60.13 |
| Tsvetan Kamenov Petrushkov – Vice Chairman of the Board of Directors | 0.46 | 0.50 | 0.00 | 0.36 |
| Lyudmil Ivanov Stoyanov – Vice Chairman of the Board of Directors | 0.60 | 0.66 | 0.00 | 0.55 |
| Ilian Borisov Markov - Member of the Board of Directors | 0.21 | 0.23 | 0.00 | 0.17 |
| Prokopi Dichev Prokopiev - Member of the Board of Directors | 0.22 | 0.24 | 0.00 | 2.22 |
| Margarita Ivanova Dineva - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Ivan Dimitrov Petrov - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Georgi Zamfirov Goranov - Member of the Board of Directors | 0.00 | 0.00 | 0.00 | 0.00 |
| Bogdan Dichev Prokopiev – Procurator | 0.30 | 0.33 | 0.00 | 0.33 |

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

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

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

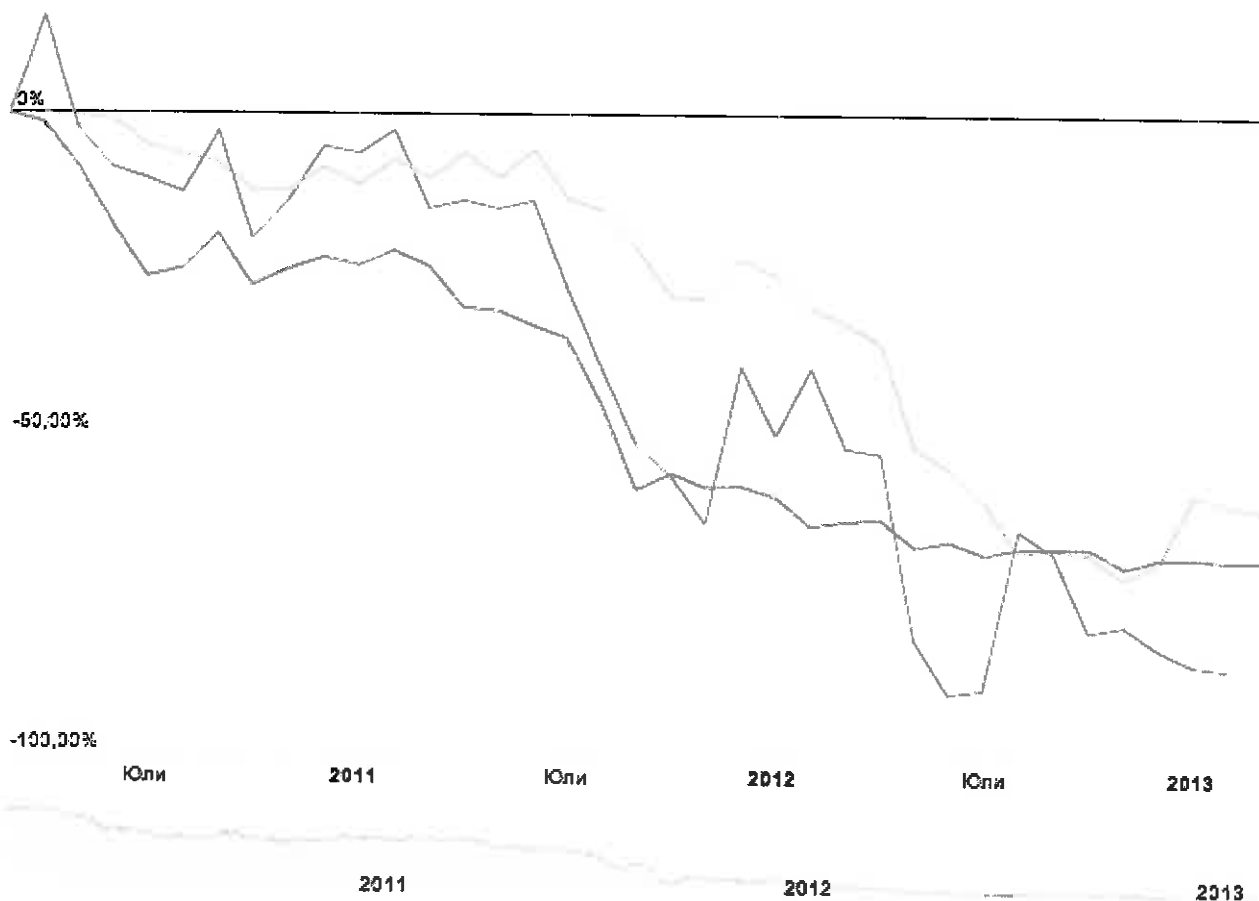
Enemona AD had no pending legal administrative or arbitration proceedings, relating to issuer's liabilities or receivables at amount at least 10 percent of its equity.

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

Енемона АД (ENM)

● ENM -69,04% ● E44F -61,40% ● ZNOA -95,98%

Март 2010 - Март 2013



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

The Board of Directors of Enemona AD, on a meeting, held on July 31, 2012, took a decision to release Teodora Plamenova Petrova from the position of Investor Relations Director of Enemona AD, as of July 31, 2012 on the same position is appointed Svetla Svetlozarova Zaharieva.

Contact Data of the Investor Relations Director:

1113 Sofia

Geo Milev District

20, Kosta Lulchev Str.

tel: +359 2 80 54 893

fax: +359 80 54 837

Mobile: +359 885 721 108

E-mail: s.zaharieva@enemona.com

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

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

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

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

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

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

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

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

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

The Board of Directors of Enemona AD believes that through its activity in 2012, it has created conditions for sufficient transparency of its relationships with investors, financial media and analysts in the capital market.

For the reporting year 2012, the Company has disclosed any regulated information on time and in accordance with the procedure provided for in LPOS and the regulations on its application.

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

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

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

In conclusion it can be summarized that the activity of the Board of Directors of the Company in 2012 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.

**INDEPENDENT AUDITOR'S REPORT AND
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of
Enemona AD**

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Enemona AD (the “Parent company”) and its subsidiaries (together „the Group“), which comprise the consolidated statement of financial position as of December 31, 2012 and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Делоит се отнася към едно или повече дружества - членове на Делоит Туш Томацу Лимитид, частно дружество с ограничена отговорност (private company limited by guarantee), регистрирано в Обединеното Кралство, както и към мрежата от дружества - членове, всяко от които е юридически самостоятелно и независимо лице. За детайлна информация относно правната структура на Делоит Туш Томацу Лимитид и дружествата - членове, моля посетете www.deloitte.com/bg/za_nas.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/bg/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with IFRS, as adopted by the European Union.

Emphasis of Matter

As disclosed in note 15.2. to the accompanying consolidated financial statements as of December 31, 2012 the Group does not comply with the requirements of the agreements for bank loans with carrying amount of BGN 23,187 thousand. As a result of this breach part of the liability or the whole liability may become due, and therefore the Group reports the liability as a current liability. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements – Annual consolidated report on the activities of the Group, according to article 33 of the Accountancy Act

Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4 we have read the accompanying Annual consolidated report of the activities of the Group. The Annual consolidated report on the activities of the Group, prepared by the management, is not a part of the consolidated financial statements. The historical financial information presented in the Annual consolidated report on the activities of the Group, prepared by the management is consistent, in all material respects, with the financial information disclosed in the consolidated financial statements of the Group as of December 31, 2012, prepared in accordance with IFRS, as adopted by the European Union. Management is responsible for the preparation of the Annual consolidated report on the activities of the Group dated April 25, 2013.

Deloitte Audit

Deloitte Audit OOD



Sylvia Peneva
Statutory Manager
Registered Auditor



Sofia

April 25, 2013

ENEMONA AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Note | As of 31.12.2012 | As of 31.12.2011 |
|--|------|---------------------|---------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 45,800 | 51,049 |
| Investment property | 5 | 168 | 534 |
| Intangible assets | 6 | 647 | 731 |
| Exploration and evaluation assets | 7 | 1,639 | 1,579 |
| Investments in associates | 8 | 4 | 4 |
| Loans and advances | 9 | 31,557 | 30,761 |
| Goodwill | 10 | 2,113 | 2,113 |
| Other non-current assets | | - | 5 |
| Deferred tax assets, net | 29 | 2,531 | 2,667 |
| TOTAL NON-CURRENT ASSETS | | 84,459 | 89,443 |
| CURRENT ASSETS | | | |
| Inventories | 11 | 7,690 | 4,674 |
| Trade and other receivables | 12 | 46,899 | 41,214 |
| Gross amounts due from customers on construction contracts | 20 | 30,146 | 22,153 |
| Loans and advances | 9 | 21,534 | 21,156 |
| Receivables on corporate income tax | | 858 | - |
| Cash and cash equivalents | 13 | 4,953 | 11,738 |
| TOTAL CURRENT ASSETS | | 112,080 | 100,935 |
| TOTAL ASSETS | | 196,539 | 190,378 |
| EQUITY | | | |
| Issued share capital | 14 | 21,776 | 49,299 |
| Reserves | 14 | 39,226 | 39,190 |
| Accumulated loss | | (5,828) | (32,682) |
| Total equity of the shareholders of the Parent company | | 55,174 | 55,807 |
| Non-controlling interests | | 2,065 | 2,110 |
| TOTAL EQUITY | | 57,239 | 57,917 |
| NON-CURRENT LIABILITIES | | | |
| Loans | 15 | 6,165 | 13,633 |
| Finance lease | 16 | 275 | 1,400 |
| Financial liabilities on preferred shares | 14.2 | 3,223 | 3,747 |
| Long-term employee benefits | 17 | 81 | 108 |
| Deferred tax liabilities, net | 29 | - | 69 |
| TOTAL NON-CURRENT LIABILITIES | | 9,744 | 18,957 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 18 | 20,568 | 35,623 |
| Gross amounts due to customers on construction contracts | 20 | 5,743 | 5,204 |
| Loans | 15 | 102,054 | 71,114 |
| Finance lease | 16 | 562 | 1,011 |
| Current tax liabilities | 29 | 7 | 174 |
| Provisions | 19 | 622 | 378 |
| TOTAL CURRENT LIABILITIES | | 129,556 | 113,504 |
| TOTAL EQUITY AND LIABILITIES | | 196,539 | 190,378 |

These consolidated financial statements are approved on April 25, 2013.

Prepared by
Zdravka Kostadinova



Chief Executive Director
Dichko Prokopiev

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Note | Year ended 31.12.2012 | Year ended31.12.201 1 |
|--|------|--------------------------|-----------------------------|
| CONTINUING OPERATIONS | | | |
| Revenue | 20 | 134,681 | 171,268 |
| Finance income | 21 | 5,796 | 3,980 |
| Changes in finished goods and work in progress reserves | 11 | 166 | 296 |
| Cost of goods sold | 22 | (60,043) | (85,408) |
| Materials and consumables used | 22 | (16,595) | (35,323) |
| Hired services | 23 | (21,109) | (22,483) |
| Employee benefits expenses | 24 | (30,230) | (26,732) |
| Depreciation and amortization expenses | 4, 6 | (2,386) | (2,541) |
| Other expenses | 25 | (4,324) | (3,463) |
| Other gains/(losses), net | 26 | 292 | (16,654) |
| Finance costs | 27 | (7,229) | (6,757) |
| Loss before tax from continuing operations | | (981) | (23,817) |
| Income tax benefit/ (expense) | 29 | (130) | 725 |
| Net loss for the year from continuing operations | | (1,111) | (23,092) |
| DISCONTINUED OPERATIONS | | | |
| Profit/ (loss)/ from discontinued operations | 28 | 281 | (7,684) |
| NETLOSS FOR THE YEAR | | (830) | (30,776) |
| Other comprehensive income | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (830) | (30,776) |
| Share in net loss attributable to: | | | |
| - non-controlling interest | | (64) | (430) |
| - Parent-company | | (766) | (30,346) |
| Share in total comprehensive income attributable to: | | | |
| - non-controlling interest | | (64) | (430) |
| - Parent-company | | (766) | (30,346) |
| Basic and diluted loss per share from continuing and discontinued operations | 30 | (0.06) | (2.54) |
| Basic and diluted loss per share from continuing operations | | (0.09) | (1.90) |

These consolidated financial statements are approved on April 25, 2013.

Prepared by
Zdravka Kostadinova



Chief Executive Director
Dichko Prokopiev

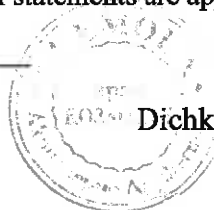
The accompanying notes are an integral part of these consolidated financial statements.

ENEMONA AD
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Year ended 31.12.2012 | Year ended 31.12.2011 |
|--|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 151,970 | 204,940 |
| Payments to suppliers | (155,799) | (167,762) |
| Payments to employees | (32,092) | (32,361) |
| Profit tax paid | (267) | (784) |
| Payments for other taxes | (1,891) | (117) |
| Other cash flows from operating activities | (2,058) | (3,462) |
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES, NET | (40,137) | 454 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (388) | (536) |
| Proceeds from sale of property, plant and equipment | 386 | 50 |
| Loans granted | (7,423) | (15,466) |
| Proceeds from loan repayment | 10,869 | 12,316 |
| Purchase of loans and receivables | (682) | (594) |
| Proceeds from ESCO contracts | 6,919 | 5,941 |
| Proceeds from ceded trade receivables | 1,553 | - |
| Payments for cessions | (46) | - |
| Net cash inflow on disposal of subsidiaries | (26) | 10,338 |
| Dividends received | 72 | 125 |
| CASH FLOWS FROM INVESTING ACTIVITIES, NET | 11,234 | 12,174 |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 117,095 | 57,243 |
| Repayments of borrowings | (89,152) | (58,110) |
| Proceeds from issue of shares | - | 23 |
| Payments under lease agreements | (967) | (1,226) |
| Interest paid | (5,258) | (5,135) |
| Dividends | (45) | (885) |
| Proceeds on disposal of partial interest in a subsidiary without loss of control | 50 | 12 |
| Other cash flows (used in) financing activities | - | (17) |
| CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES, NET | 21,723 | (8,095) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (7,180) | 4,533 |
| CASH AT THE BEGINNING OF THE PERIOD (NOTE 13) | 11,738 | 6,628 |
| CASH AT THE END OF THE PERIOD (NOTE 13) | 4,558 | 11,161 |
| Restricted cash (note 13) | 395 | 577 |
| TOTAL CASH ON HAND AND AT BANKS (NOTE 13) | 4,953 | 11,738 |

These consolidated financial statements are approved on April 25, 2013.

Prepared by
Zdravka Kostadinova



Chief executive director
Dichko Prokopiev

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

ENEMONA AD
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

All amounts are in thousand Bulgarian Levs, except otherwise stated

| | Ordinary shares | Preferred shares | Premiums from issue of shares | Legal reserves | Other reserves | Retained earnings | Non-controlling interests | Total |
|---|-----------------|------------------|-------------------------------|----------------|----------------|-------------------|---------------------------|----------|
| BALANCE AT JANUARY 1,2011 (restated) | 11,934 | 1,103 | 36,262 | 38,090 | 993 | (1,712) | 6,237 | 92,907 |
| Allocations of profit from prior years | - | - | - | - | 107 | (107) | - | - |
| Sale of investments without loss of control | - | - | - | - | - | (22) | 34 | 12 |
| Disposal of discontinued operations | - | - | - | - | - | (167) | (3,773) | (3,940) |
| Allocation of dividends | - | - | - | - | - | (328) | (22) | (350) |
| (Loss) for the year | - | - | - | - | - | (30,346) | (430) | (30,776) |
| Change in non-controlling interest from increase in the capital of subsidiaries | - | - | - | - | - | - | 62 | 62 |
| Other movements | - | - | - | - | - | - | 2 | 2 |
| BALANCE AT DECEMBER 31, 2011 | 11,934 | 1,103 | 36,262 | 38,090 | 1,100 | (32,682) | 2,110 | 57,917 |
| Allocations of profit from prior years | - | - | - | - | 36 | (36) | - | - |
| Cover of loss from prior years | - | - | (27,523) | - | - | 27,523 | - | - |
| Sale of investments without loss of control | - | - | - | - | - | (52) | 302 | 250 |
| Disposal of discontinued operations | - | - | - | - | - | - | (283) | (283) |
| Legal provision for dividend | - | - | - | - | - | 289 | - | 289 |
| Allocation of dividends | - | - | - | - | - | (104) | - | (104) |
| (Loss) for the year | - | - | - | - | - | (766) | (64) | (830) |
| BALANCE AT DECEMBER 31, 2012 | 11,934 | 1,103 | 8,739 | 38,090 | 1,136 | (5,828) | 2,065 | 57,239 |

These consolidated financial statements are approved on April 25, 2013.

Prepared by

Zdravka Kostadinova



Chief executive director

Dichko Prokopiev

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

REPORT FOR THE ACTIVITY OF THE INVESTORS RELATIONS DIRECTOR OF ENEMONA AD FOR 2012

Dear Shareholders,

The report for the activity of the Investor Relations Director of Enemona AD for 2012, 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.

My activity, as an 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 2012 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 2013

For 2013 my activity as an Investor Relations Director of Enemona will be focused on the improvement 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 order to provide all investors and interested parties with comprehensive and timely information, Enemona AD will continue to publish its Investors' Bulletin. The Bulletin will be disclosed both in Bulgarian and English to the Financial Supervision Commission, BSE-Sofia AD and the public by means of the chosen media – Investor.BG and the company's web-site – www.enemona.com, within 15 days after the beginning of each month.

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.

Svetla Zaharieva

Investor Relations Director

20 May 2013

Sofia

To

**The Shareholders of
Enemona AD**

**ANNUAL REPORT
OF THE AUDIT COMMITTEE
OF ENEMONA AD
FOR THE YEAR 2012**

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, 2013, 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.

Members of the Audit Committee are:

1. Dimitar Bazlyankov, Chairman
2. Prof. Dr. Stoyan Durin
3. Valentin Bozhilov

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 **six meetings** in 2012, including four ordinary meetings, all fully attended by the Committee members, and two 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 2012 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

- Received information and discussed the existing structure and the activity of the Internal Audit 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;

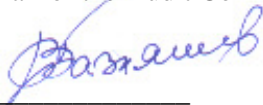
Additionally the Committee performed other activities within areas of its competencies.

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 May 17, 2013.

On behalf of the Audit Committee:



Dimitar Bazlyankov (Chair)

Sofia,
May 17, 2013

REMUNERATION POLICY OF ENEMONA AD

I. GENERAL PROVISIONS

1 This Remuneration Policy was developed with the aim to provide clear and objective principles for the formation of the remuneration of the members of the management and supervisory bodies of "Enemona" AD and in accordance with the requirements of Ordinance № 48 of the FSC to the remunerations for the members of the management and supervisory bodies of the public companies.

2 The Remuneration policy aims to ensure the effective management of the company, avoiding conflicts of interest and to ensure the compliance of the activities of the members of the management and supervisory bodies of Enemona, with the long-term goals and interests of the company.

3 The General Meeting of Shareholders, during its Regular Annual Meeting, adopts this Policy proposed by the Board of Directors which is responsible to adequately apply this Remuneration Policy.

4 The Board of Directors, reviews the current policy and evaluates its implementation, at least once per year. When the Board finds that the implementation of the Policy is inadequate and this leads to adverse effects, or identifies the need of its amendment, the Board of Directors submits its proposals for consideration, discussion and approval from the General Meeting of Shareholders.

5 (1) The Board of Directors is obligated to disclose to the shareholders how the remuneration policy is applied, by preparing a separate report in addition to the annual financial statements of the company.

(2) This Report comprises the remunerations policy implementation program for the next financial year, or for a longer period, a review of how the remuneration policy was implemented during the year, focusing on significant amendments adopted in It, compared to the previous financial year.

(3) The Remuneration Policy, adopted by the General Meeting of Shareholders and the Report under p.1 shall be publicly disclosed on the company's webpage www.enemona.bg

II. BASIC PRINCIPLES

6 The principles of the remuneration policy are in accordance with the nature, scale and the range of the activities of "Enemona" AD, as well as in accordance with the structure of the

internal organization of the company and the range of the activities carried out by the company.

7 (1) When formulating the remuneration of the members of the management and the supervisory bodies of Enemona AD, the following basic principles are applied:

(2) The remunerations are formed in accordance with the reliable, reasonable and effective management of the company.

(3) Incorporating the values - the objective is to achieve long-term correlation between the personal goals of the members of the management and supervisory bodies and those of the company as a whole. This includes the business strategies as well as other values of company as the compliance with the rules ethical principles, policy towards the counterparties avoiding conflicts of interest, etc.

8 (1) When determining the remuneration of the members of the Board of Directors, the following principles are applied::

1. The remuneration of the Board of Directors shall be determined mandatory by the General Meeting of Shareholders.

2. The members of the Board of Directors should deposit a management warrantee within 7 days from the date of the election.

2.1 The warrantee is in BGN. The amount of the is determined by general meeting of shareholders and cannot be less than the amount of 3 gross monthly salaries.

2.2 The warrantee shall be blocked in favor of "Enemona" AD in a banc account selected by the persons under item 2.

2.3 In the event of non-payment of the warrantee within the prescribed period, the person shall not be paid until the full amount of the guarantee is deposited.

2.4 The guarantee can be released:

- In favor of the person who have paid the warranty - after the decision of the General Meeting of Shareholders for release him from liability and after his release.

- In favor of the company – if the General Meeting of Shareholders decides on this case, upon ascertainment of damages to the company.

3. The General Meeting of Shareholders can release from liability a member of the Board of Directors on its regular meeting when there are audited financial statements for the previous fiscal year and interim financial statements for the period from the beginning of the current fiscal year until the end of the month, preceding the month in which it is announced the call for a General Meeting of Shareholders.

9 (1) This Policy defines the maximum amount of any termination contract benefits agreements with the members of the Board of Directors.

(2) In case of earlier termination of the contract, the company does not owe any damages.

(3) In case of earlier termination of the contract the notice period is 3 months. Failure to comply the notice period, the company compensation equals with payment due for a period of notice compensation (3 months) of the member of the Board of Directors.

(4) Compensation under par. 3 are not due if the termination of the contract is due to unsatisfactory results and / or guilty behavior of the respective member of the Board of Directors.

III. Structure of the remuneration.

10 The remuneration of the members of the management and supervisory bodies are formed only by main (permanent) remuneration. It is based on the role and position of each of the members of the management and supervisory bodies, incl. its responsibilities and complexity of duties.

This Policy is proposed to the vote at the annual General Meeting of Shareholders of Enemona scheduled for 07/25/2013.