

AUDITOR'S REPORT
on the financial statements of
ENEFI Energiahatékonyági
Nyrt.
as at 31.12.2014

Independent Auditor's Report to the Shareholders of ENEFI Energiahatékonysági Nyrt.

Audit Report on annual financial statements

We have audited the accompanying 2014 annual financial statements of **ENEFI Energiahatékonysági Nyrt.**, which comprises the balance sheet as at **31 December 2014** - showing a balance sheet total of **HUF 7 279 421 thousands** and a profit for the year of **HUF 741 980 thousands** -, the related profit and loss account for the year then ended and the summary of significant accounting policies, and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and for maintaining internal controls which are considered necessary by the management to prepare the 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 financial statements based on the audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with the applicable laws and regulations in force in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the evaluating the overall presentation of the financial statements.

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 annual financial statements give a true and fair view of the equity and financial position of ENEFI Energiahatékonysági Nyrt. as at 31 December 2014 and of the result of its operation for the year then ended in accordance with the Hungarian Accounting Law.

Emphasis of matter

Without qualifying our opinion, we draw the attention to the Section 'Provision' (page 16) and 'Subsequent events' (page 29) of the Supplementary Notes, which are referring to the Company's recognition of provision for the receivables of the Romanian Tax Authority. The future outcome of the statement of facts in the referred points carries considerable uncertainty.

Other reporting requirements: Reporting on the business report

We have examined the accompanying business report of ENEFI Energiahatékonysági Nyrt. for the financial year of 2014.


The management is responsible for the preparation and fair presentation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether or not the accounting information disclosed in the business report is consistent with the financial statements. Our work in respect of the business report was limited to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non audited financial records. In our opinion the 2014 business report of ENEFI Energiahatékonysági Nyrt. is consistent with the disclosures in the financial statements as of 31 December 2014.

Budapest, 17 March 2015

BDO Hungary Audit Ltd.
1103 Budapest, Kőér utca 2/A
Registration number: 002387


Balázs Fehér
Director




Ferenc Baumgartner
Certified Auditor
Chamber registration No.:
002955

This is the translation of the original Hungarian statutory report. In case of any discrepancies, the original Hungarian version prevails.

ENEFI Energy Efficiency Plc.
13719069-3530-114-01
Statistical No.
01-10-045428
Company registration number

ENEFI Energy Efficiency Plc.

1134 Budapest, Klapka u. 11.

Annual report

31 December 2014

Status: 17/03/2015

Chief executive (representative) of the company

ENEFI Energiahatékonyság: rft.
1134 Budapest, Klapka u. 11. 2. em.
Adószám: 13719069-2-41
Banksz.sz: 12001008-00123720-00100000



ENEFI Energy Efficiency Plc.
 13719069-3530-114-01
 Statistical No.
 01-10-045428
 Company registration number

"A" Balance Sheet Assets

31 December 2014

data in thousand HUF

Serial number	Item Description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	e	d	e
1	A. Fixed assets	8 280 251	-	4 681 559
2	I. Intangible assets	13 752	-	6 913
3	Capitalised value of foundation, reorganization	-		-
4	Capitalised value of experimental development	-		-
5	Right to assets and licences	13 752		6 913
6	Incorporeal products	-		-
7	Goodwill	-		-
8	Advance payments for purchase of intangible assets	-		-
9	Revaluation on intangible assets	-		-
10	II. TANGIBLE ASSETS	941 603	-	1 056 153
11	Real estates and related rights to assets	1 139		1 038
12	Technical equipment, machines, vehicles	595 513		587 517
13	Other equipment, supplies, vehicles	15 194		11 137
14	Breeding stock	-		-
15	Investments, renovations	329 757		456 461
16	Advances given for investments	-		-
17	Revaluation upwards on tangible assets	-		-
18	III. INVESTED FINANCIAL ASSETS	7 324 896	-	3 618 493
19	Long term profit-sharing in affiliated enterprise	5 278 860		3 330 020
20	Long-term loans due from affiliated enterprise	2 046 036		288 473
21	Other long-term profit-sharing	-		-
22	Long-term loans due from other enterprise	-		-
23	Other long-term loan	-		-
24	Securities representing long-term loans	-		-
25	Revaluation on invested financial assets	-		-
26	Revaluation difference on invested financial assets	-		-

Status: 17/03/2015

Chief executive (representative) of the company

ENEFI Energiahatékonyasági Nyrt.
 1134 Budapest, Klapka u. 11. 2. em.
 Adószám: 13719069-2-41
 Banksz.sz: 12001008-00123720-00100000

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"A" Balance Sheet Assets

31 December 2014

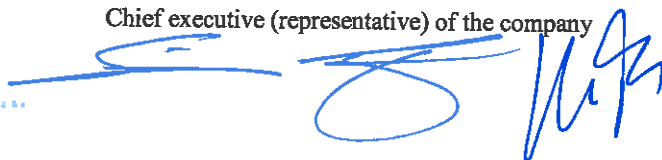
data in thousand HUF

Serial number	Item Description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	e	d	e
27	B. Current assets	5 527 969	-	2 526 369
28	I. INVENTORIES	-	-	-
29	Materials	-	-	-
30	Unfinished production and semi-finished products	-	-	-
31	Young, livestock and other animals	-	-	-
32	Finished products	-	-	-
33	Goods	-	-	-
34	Advance payments for inventories	-	-	-
35	II. RECEIVABLES	1 181 670	-	1 971 154
36	Receivables from cargo transport and services (customers)	15 737	-	21 206
37	Receivables from affiliated enterprise	957 817	-	1 819 283
38	Receivables from other enterprise	-	-	-
39	Bills receivables	-	-	-
40	Other receivables	208 116	-	130 665
41	Revaluation difference on receivables	-	-	-
42	Positive revaluation difference of derivative transactions	-	-	-
43	III. SECURITIES	4 278 892	-	526 404
44	Shares in affiliated enterprise	-	-	-
45	Other shares	-	-	-
46	Own shares, own partnership shares	4 271 692	-	526 404
47	Securities representing negotiable loan	7 200	-	-
48	Revaluation difference on securities	-	-	-
49	IV. CASH	67 407	-	28 811
50	Cash in hand, cheques	588	-	616
51	Bank deposits	66 819	-	28 195
52	C. Active accruals	102 420	-	71 493
53	Accruals of revenues	102 251	-	71 493
54	Active accruals of costs and expenditures	169	-	-
55	Deferred expenditures	-	-	-
56	Total assets	13 910 640	-	7 279 421

Status: 17/03/2015

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"A" Balance Sheet Liabilities

31 December 2014

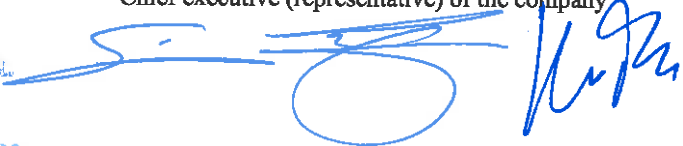
data in thousand HUF

Serial number	Item Description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	e	d	e
57	D. Equity	6 406 147	-	3 460 799
58	I. SUBSCRIBED CAPITAL	525 314		271 726
59	of which: repurchased shares on par value	293 772		40 181
60	II. SUBSCRIBED BUT YET UNPAID CAPITAL (-)	-		-
61	III. CAPITAL RESERVE	21 254 954		21 254 954
62	IV. ACCUMULATED PROFIT RESERVE	-17 151 383		- 19 707 265
63	V. RESERVED EARNINGS	4 687 034		899 404
64	VI. REVALUATION RESERVE	-	-	-
65	Revaluation valuation reserve	-		-
66	Revaluation reserve of actual valuation	-		-
67	VII. NET PROFIT	- 2 909 772		741 980
68	E. Provisions	202 017	-	250 484
69	Provision for the expected liabilities	202 017		250 484
70	Provision for future costs	-		-
71	Other provision	-		-
72	F. Liabilities	7 173 075	-	3 458 777
73	I. SUBORDINATED LIABILITIES		-	
74	Subordinated liabilities to affiliated enterprise	-		-
75	Subordinated liabilities to other enterprise	-		-
76	Subordinated liabilities to other organisation	-		-
77	II. LONG-TERM LIABILITIES	5 699 467	-	3 173 504
78	Long-term loans received	-		-
79	Convertible bonds	-		-
80	Debts from bond issue	-		-
81	Investment and development credits	-		-
82	Other long-term credits	-		-
83	Long-term liabilities to affiliated enterprise	5 699 467		3 173 504
84	Long-term liabilities to other enterprise	-		-
85	Other long-term liabilities	-		-

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"A" Balance Sheet Liabilities

31 December 2014

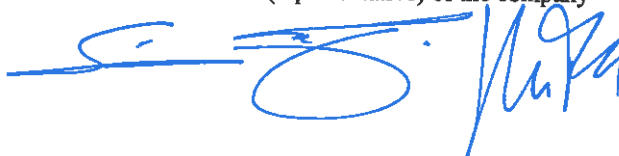
data in thousand HUF

Serial number	Item Description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	e	d	e
86	III. SHORT-TERM LIABILITIES	1 473 608	-	285 273
87	Short-term loans	35		-
88	of which: convertible bonds	-		-
89	Short-term credits	203		31
90	Prepayments received from customers	-		-
91	Liabilities from cargo transport and services (suppliers)	193 542		103 156
92	Bills of exchange payable	-		-
93	Short-term liabilities to affiliated enterprise	1 262 101		172 160
94	Short-term liabilities to other enterprise	-		-
95	Other short-term liabilities	17 727		9 926
96	Revaluation difference on liabilities	-		-
97	Negative revaluation difference of derivative transactions	-		-
98	G. Passive accruals	129 401	-	109 361
99	Deferred incomes	6 533		-
100	Accruals on costs and expenditures	95 952		86 920
101	Deferred revenue	26 916		22 441
102	Total liabilities	13 910 640	-	7 279 421

Status: 17/03/2015

Chief executive (representative) of the company

ENEFI Energiahatékonysági Nyrt.
 1134 Budapest, Klapka u. 11. 2. em.
 Adószám: 13719058-2-41
 Banksz.sz: 12001008-00123720-00100000



ENEFI Energy Efficiency Plc.
 13719069-3530-114-01
 Statistical No.
 01-10-045428
 Company registration number

"A" PROFIT AND LOSS STATEMENT (total cost procedure)

31 December 2014

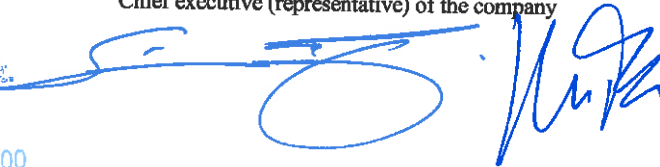
data in thousand HUF

Serial number	Item description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	c	d	e
1	1 Net domestic sales revenues	731 009		695 579
2	2 Net export sales revenues	-		-
3	I. Net sales revenues (01+02)	731 009	-	695 579
4	3 Change of self-manufactured inventories ±	-		-
5	4 Capitalised value of self-manufactured assets	-		-
6	II. Own work capitalized (±03+04)			
7	III. Other income	536 483		1 265 790
8	of which: depreciation write-off	479 539		839 036
9	5 Cost of materials	4 202		3 757
10	6 Value of services used	197 754		114 939
11	7 Value of other services	8 909		11 976
12	8 Cost of goods sold	246 607		209 301
13	9 Value of services (mediated) sold	75 645		36 250
14	IV. Material costs (05+06+07+08+09)	533 117	-	376 223
15	10 Wage cost	86 814		62 418
16	11 Other payments to personnel	1 265		2 094
17	12 Payroll taxes	24 757		17 906
18	V. Payments to personnel (10+11+12)	112 836	-	82 418
19	VI. Depreciation and amortization	95 737		115 773
20	VII. Other expenditures	2 485 124		1 253 084
21	of which: depreciation	2 277 625		748 502
22	A. OPERATING PROFIT AND LOSS (I±II+III-IV-V-VI-VII)	- 1 959 322	-	133 871

Status: 17/03/2015

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 Banksz.sz: 12001008-00123720-00100000



ENEFI Energy Efficiency Plc.
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 Statistical No.
 01-10-045428
 Company registration number

"A" PROFIT AND LOSS STATEMENT (total cost procedure)

31 December 2014

data in thousand HUF

Serial number	Item Description	2013.12.31	Modifications of previous year(s)	2014.12.31
a	b	c	d	e
23	13 Received dividends and shares	-		-
24	from which: from affiliated enterprise	-		-
25	14 Exchange rate gain on securities sold	-		73 260
26	from which: from affiliated enterprise	-		-
27	15 Interests and exchange-rate gain of invested financial assets	-		-
28	from which: from affiliated enterprise	-		-
29	16 Other received (due) interests and similar revenues	751 902		619 655
30	from which: from affiliated enterprise	751 363		619 450
31	17 Other revenues from financial transactions	2 699 683		206 125
32	of which: revaluation difference	-		-
33	VIII. Financial revenues (13+14+15+16+17)	3 451 585	-	899 040
34	18 Exchange rate loss on invested financial assets			-
35	from which: given to affiliated enterprise	-		-
36	19 Payable interests, and similar expenditures	447 286		220 987
37	from which: given to affiliated enterprise	164 338		220 979
38	20 Depreciation of shares, securities, bank deposits	3 878 052		207 728
39	21 Other expenditures of financial transactions	2 422 372		1 380
40	of which: revaluation difference	-		-
41	IX. Expenditures of financial transactions (18+19±20+21)	6 747 710	-	430 095
42	B. FINANCIAL PROFIT (VIII-IX)	- 3 296 125	-	468 945
43	C. PROFIT ON ORDINARY ACTIVITIES (±A±B)	- 5 255 447	-	602 816
44	X. Extraordinary revenues	2 463 602		160 178
45	XI. Extraordinary expenditures	117 927		15 477
46	D. EXTRAORDINARY PROFIT (X-XI)	2 345 675	-	144 701
47	E. PRE-TAX PROFIT (±C±D)	- 2 909 772	-	747 517
48	XII. Tax liability	-		5 537
49	F. AFTER-TAX PROFIT (+E-XII.)	- 2 909 772	-	741 980
50	22 P/L brought forward for dividend	-		-
51	23 Dividend approved	-		-
52	G. RETAINED EARNINGS (BALANCE SHEET NET PRO	- 2 909 772	-	741 980

Status: 17/03/2015

Chief executive (representative) of the company

ENEFI Energiahatékonyasági Nyrt.
 1134 Budapest, Klapka u. 11. 2. em.
 Adószám: 13719069-2-41
 Banksz. sz: 12001003-00123720-00100000



ENEFI Energy Efficiency Plc.
Supplementary Annex to
the
Annual Report on 31 December 2014

General Supplements

Description of the Company

Company Name: ENEFI Energy Efficiency Plc. (name changed: 9 December 2013, registered: 17 December 2013, former name E-STAR Alternative Plc, name changed: 17/02/2011, registered: 04/03/2011, former name: RFV Plc.

Subscribed capital of the company: HUF 271,725,790 in 27,172,579 pieces of HUF 10 Ft par value ordinary shares. The Company withdrew 25,358,866 pieces of its shares in 2014 on 14 November 2014.

Ownership Structure on Balance Sheet Day

Summary	Quantity (piece)	Share (%)*	Control (%)**
Total shares issued	27 172 579	100	100
Shareholders above five percent	12 813 298	47,16	59,23
Free float rate	8 818 290	32,45	40,77
Shares	4 018 348	14,79	18,58
Shares from affiliated companies	1 522 643	5,60	7,04
Voting shares	21 631 588	79,61	100,00

Shareholders above five percent	Quantity (piece)	Share (%)*	Control (%)**
Csaba Soós:	3 116 137	11,47	14,47
OTP Alapkezelő Zrt.	3 986 781	14,67	18,43
Allianz Alapkezelő Zrt.	2 649 179	9,75	12,25
CRH INVEST Kft.	3 061 201	11,27	14,15
Sum	12 813 298	47,16	59,23

Registered seat of the Company on balance sheet day: 1134 Budapest, Klapka utca 11. 11.

Company's branch offices: 8413 Eplény, Veszprémi u. 66/A.

Representatives of the company authorised to sign:

Csaba Soós 1038 Budapest Hanga köz 1/E.

Dr. Gergely Sárkány 8000 Székesfehérvár Vereckei u. 34.

Tamás Vágány 1021 Budapest, Budakeszi út 71/A 1ép. 2a.

Date of conversion to Private Limited Corporation: 01/03/2006, registered: 12 June 2006

Date of conversion to Public Limited Corporation: 12/03/2007, registered: 10/05/2007

VAT number: 13719069-2-41

Company registration number: 01-10-045428

Main activity: Steam supply, air conditioning

Description of the Enterprise:

The Company (or its predecessor) was founded on 29th June 2000 for purposes to implement - primarily energetic - developments returning from savings for its customers, and with the long term operation of these it shall supply power for its customers effectively. The Company operates in the energy sector equivalent of PPP (public-private-partnership) structures, the so called ESCO (energy service company) services. It implements energy interventions from its own investments typically returning from saving energy costs, which it maintains and operates in the long duration following the investment. During these investments, the Company provides energy services (heat supply, street lighting service, electric energy efficiency service, etc.) with the equipment developed by the Company, typically in a 8-15-year contract period depending on return. The Company typically financed the investments from bank loans. In addition to taking loans to finance projects and the EETEK Limited transaction, Its subsidiaries also issued shares and bonds.

The most important services (branches) of ENEFI Energy Efficiency Plc. are the following:

- Cost effective electric energy supply service,
- Luminous flux regulation of street lighting,
- Heat supply service with heating system modernisation,
- Electric energy supply service with indoor lighting modernisation,
- Energy reconstruction of buildings prepared with industrial technologies and long term heat supply service.

Long term profit-sharing in associated enterprise on 31 December 2014:

The following subsidiaries belong to the sphere of consolidation of ENEFI Energy Efficiency Plc:

	Name of the company	Country	Registered Capital	Direct and indirect business share (%)	Voting ratio (%)
1	ENEFI Energy Efficiency Plc.	Hungary	271.725.790,- HUF	-	-
2	E-Star ESCO Kft.	Hungary	3 000 000 HUF	100%	100%
3	E-Star Management Zrt. "under bankruptcy proceedings"	Hungary	5	100%	100%
4	Veszprém Megyei Fűtés- és Melegvíz-szolgáltató Non-Profit Kft.	Hungary	3.000 000 HUF	100%	100%
5	RFV Józsefváros	Hungary	3 000 000 HUF	49%	70%
6	Fejér Megyei Energiaszolgáltató Nonprofit Kft.	Hungary	3.000. 000 HUF	100%	100%
7	RFV Slovak s.r.o.	Slovakia	200 000 SKK	100%	100%
8	ENEFI Polska Spółka Z o. o.	Poland	31 965 600 PLN	100%	100%
9	E-STAR Management Polska Spółka z o. o. "under liquidation"	Poland	5 250 500 PLN	100%	100%
10	E-Star Elektrociepłownia Gorlice Spółka z o. o.	Poland	9 994 000 PLN	85.37%	85.37%
11	EC-Energetyka Spółka Z o. o.	Poland	300 000 PLN	51.66%	51.66%
12	Energia Euro Park Sp. z o.o.	Poland	16.491.000 PLN	21,65 %	21,65 %
13	Termoenergy SRL	Romania	6 960 RON	99,50%	99,50%
14	E-Star Centrul de Dezvoltare Regionala SRL	Romania	525 410 RON	100%	100%
15	E-STAR ZA Distrierm SRL „under liquidation"	Romania	40 000 RON	51%	51%
16	E-Star Energy Generation SA	Romania	90 000 RON	99,99%	99,99%
17	E-STAR Mures Energy SA „under bankruptcy proceedings"	Romania	90 000 RON	99,99%	99,99%
18	E-STAR Alternative Energy SA	Romania	90 000 RON	99,99%	99,99%
19	SC Faapritek SA	Romania	90 000 RON	99,99%	99,99%

ENEFI Energy Efficiency Plc.
www.eneffi.hu
Supplementary Annex to the Annual Report on 31 December 2014

20	E-STAR CL Distriterm SRL ¹	Romania	200 RON	100%	100%
21	E-STAR Investment Management SRL „under liquidation”	Romania	15 000 RON	99,93%	99,93%
22	EETEK Limited	Cyprus	1 000 000 EUR	100%	100%

E-Star Management Zrt. Under bankruptcy proceedings since 26 September 2014
E-Star Polska Z-o.o. Transferred to the property of EETEK Limited by 4 June 2014. A Fejér Megyei Nonprofit Kft, and Veszprém Megyei Nonprofit Kft. 100%- shares were transferred to E-Star ESCO Kft. from the Hungarian Government), than their subscribed capital was increased to HUF 3 million.

Detailed basic information regarding subsidiaries on 31 December 2014:

Detailed basic information regarding the subsidiaries of E-Star ESCO Kft.:

	Name of the company	Country	Share capital (subscribed)	Ownership Ratio (%)	Voting ratio (%)
1	Veszprém Megyei Non-profit Kft.	Hungary	3 000 000 HUF	100%	100%
2	Fejér Megyei Nonprofit Kft.	Hungary	3 000 000 HUF	100%	100%

Detailed basic information of the subsidiaries of E-Star Alternative Energy S.A.:

	Name of the company	Country	Registered Capital	Ownership Ratio (%)	Voting ratio (%)
1	E-STAR CL Distriterm SRL	Romania	200 RON	100%	100%
2	E-Star Investment Management SRL	Romania	15 000 RON	99,93%	99,93%

Detailed information of the companies owned by E-STAR Polska Spółka Z o. o.:

	Name of the company	Country	Registered Capital	Ownership Ratio (%)	Voting ratio (%)
1	E-Star Elektrociepłownia	Poland	9 994 000 PLN	85.37%	85.37%

¹the decision has been made on liquidation but the court has not ordered the liquidation yet

	Mielec Spółka z o. o.				
2	E-STAR Management Polska Spółka z o. o.	Poland	5 250 500 PLN	100%	100%

Information of the companies / subsidiaries of EC Mielec:

	Name of the company	Country	Registered Capital	Ownership Ratio (%)	Voting ratio (%)
1	EC-Energetyka Spółka z o.o.	Poland	300 000 PLN	51.66%	51.66
2	Energia Euro Park Sp. z o.o.	Poland	16 491 000 PLN	21,65%	21,65%

Main characteristics of the accounting policy

The Company keeps its books and records in accordance with the principles set forth in Act C. of 2000 on Accounting (hereinafter referred to as: Act on Accounting) amended from time to time. The Company declared its assessment procedures and methods in its accounting policy.

The annual report includes:

- "A" type balance sheet
- „A" type (total cost procedure) profit and loss statement
- supplementary annex

Name of audit service provider: BDO Magyarország Könyvvizsgáló Kft.

Name of audit service provider: Ferenc Baumgartner (reg. no: 002955)

Name of accounting service provider: Róbert Heim
 2027 Dömös Kőrössy u. 10.
 (Registration number: 136858)

Balance Sheet day: 31 December 2014

Date of Balance Sheet: 20 January 2015

Applied Assessment Procedures, Method of Depreciation Accounting:

ASSTETS

Fixed assets

- The intangible assets and intellectual property in the group of intangible assets are written off in three years.
- Tangible assets The Company evaluates tangible assets individually in accordance with the Act on Accounting.
- In case of procurement, the gross price is the procurement value.
- Accounting depreciation:

- Tangible assets below HUF 100,000 procurement value are accounted in one amount at the time of commencement of use for intended purpose.
- In case of tangible assets over HUF 100,000 the linear writing off method is used.
- Applied depreciation write off keys:

<u>Description</u>	<u>Applied key</u>
Intangible assets	20-33%
Real estates and related rights to assets	6%
Technical equipment, machines, vehicles	6-33%
Other equipment, supplies, vehicles	20-33%

- Depreciation is accounted prorated, monthly.
- No depreciation is accounted for plots and pieces of fine art.
- The Company does not apply value adjustment.
- If the assets do not permanently serve the operations of the Company, those are qualified as current assets.

- Depreciation above planned shall be accounted in intangible assets and tangible assets, if the book value of the intangible asset, or the tangible asset (not including investment) is permanently significantly higher than the market value of the given asset.
- If the book value of the assets is lower than the original procurement value of these assets and the reasons of the evaluation at the lower value no longer or only partly exist, then the write-off shall be cancelled for reliable and realistic picture, and the asset shall be valued back to its market value (write-back).

Non-current financial assets:

- In case of investments constituting shares, depreciation between the book value and the market value of the investment shall be accounted in the amount of the loss type difference if such difference is permanent and of significant amount.

Current assets

Stocks:

- In inventories, the Company accounts subcontractor deliveries related to the maintenance of potential secondary systems, which are invoiced at the appropriate time. Furthermore the services related to the Romanian projects are accounted here, which will be invoiced by the implementation of the projects.
- If the items in the inventory are not invoiced, the Company shall account for depletion.

Receivables:

The receivables in the records on 31 December 2014 shall be individually qualified as follows:

- total value
- expired
- doubtful
- uncollectable receivables

The receivables are individually assessed on the basis of the ageing list, considering the financial deliveries following the balance sheet day and depletion is generated to the necessary extent.

SOURCES

Capital

- Subscribed capital: The par value determined in the Articles of Association and the value registered at the Company Registration Court in accordance with the provisions of the Act on Accounting.
- Capital reserve: Reserves available for the Company, accounting share premium account in case of issuing shares.
- Accumulated profit reserve: as per records.
- Reserved earnings: The items determined by the Act on Accounting shall be transferred from accumulated profit reserve.
- Development reserve: The Company shall generate it individually in accordance with the extent set forth in the Act on Corporate Tax, it shall be written-back upon the capitalisation of new developments. Amounts employed from the accumulated profit reserve due to the repurchase of own shares are here.
- Retained earnings: contribution to stock equity in accordance with the amount of the profit and loss statement.

Provisions

Resource generated on pre-tax profit for expected liabilities and future costs.

Revenue

The Company accounts the value of the sold, purchased and produced stocks and delivered services of the reference period as sales revenue. (Energy fee, street lighting, service fee, other revenue).

Costs:

Costs of purchased materials, used services, costs of other services, wages and payroll taxes, other personal payments and depreciation shall be accounted as costs.

Error of significant amount

An error is of significant amount, if in the year of exploring the error during different revisions the total amount of the value of errors and error effects affecting one year (separately year by year) increasing or decreasing the profit or equity (irrespectively of sign) exceeds the value limit determined in the accounting policy. Each case is an error of significant amount if in the year of exploring the error during different revisions, affecting the same year, the total amount of the value of errors and error effects increasing or decreasing the profit or equity (irrespectively of sign) exceeds 2 percent of the total assets of the revised year, or if 2 percent of the total assets does not exceed HUF 1 million, then HUF 1 million.

Error of not significant amount

An error is of not significant amount, if in the year of exploring the error during different revisions the the total amount of the value of errors and error effects affecting one year (separately year by year) increasing or decreasing the profit or equity (irrespectively of sign) does not exceed the value limit of the error of significant value determined is Section 3.

Errors and error effects qualified as ones of significant amount are presented in a separate column of the balance sheet and profit and loss statement of the reference year on the basis of the Act on Accounting. Errors and error effects qualified as ones of significant amount on the basis of the above, be accounted on a separate book account after exploration within the given account group, separated by year.

Intangible Assets and Tangible Assets

The Company procured assets amounting to HUF 456,585 thousand in the financial year. Several Hungarian street lighting projects also constituted parts of these procurements.

The Company records HUF 456,461 thousand incomplete investments on the balance sheet day.

Annex No: 1 presents the development of intangible assets and fixed assets.

Long term profit-sharing in associated enterprise:

data in thousands HUF

Description	Book value 31 December 2013	Depletion in 2014	Revaluatio n in 2014 (+ profit/ - loss)	Increase in 2014	Decrease in 2014	Book value 31 December 2014
E-Star ESCO Kft.	0	149 764	0	149 764	0	0
RFV Józsefváros Kft	11,731	0	0	0	0	11,731
E-Star Geotherm Kft.	0	0	0	0	0	0
Termoenergy SRL	0	0	0	0	0	0
RFV SRL / CDR SRL	0	0	0	0	0	0
RFV Slovakia s.r.o.	0	0	0	0	0	0
E-Star ZA Distriterm S.R.L.	0	0	0	0	0	0
E-Star Mures Energy SA	0	0	0	0	0	0
E-Star Energy Generation SA	0	0	0	0	0	0
E-Star Heat Energy SA	0	0	0	0	0	0
E-Star Alt. Energy SA	0	0	0	0	0	0
E-Star Távhőfejlesztési Kft.	0	0	0	0	0	0
E-Star Management Zrt.	0	0	0	0	0	0
EETEK Limited	3 138 491	0	190 059	0	0	3 328 550
E-Star Polska z.o.o.	2 138 899	0	0	0	2 138 899	0
E-Star Kockázati Tőkealap- kezelő Zrt.	0	0	0	0	0	0
Total:	5 278 860	149 764	190 059	149 764	2 138 899	3 330 020

The following affiliated companies merged into E-Star ESCO Kft on 31/08/2014:

E-Star Geotherm Kft.

E-Star Kockázati Tőkealap-kezelő Zrt.

E-Star Debt-Equity-03 Kft.

E-Star Reorganizáció-01 Kft.

E-Star Transzfer-02 Kft.

E-Star Capital- Share- 04 Kft.

E-Star Távhőfejlesztési Kft.

Following the merger, the procurement value of the permanent shares of the Company in E-Star ESCO Kft. increased to HUF 149,764 thousand.

Shares of EUR 7,203,861 in E-Star Polska z.o.o. (book value: HUF 2,138,899 thousand) was sold to EETEK Limited on 04/06/2014.

Long-term loans to affiliated enterprise:

31 December 2013

in thousand HUF

Description	Capital	Interest	Capital depletion	Interest depletion	Book value
Long-term loan E-STAR Alternative Energy SA	12 733	2 913	-12 733	-2 913	0
Long-term loan E-Star Centrul de Dezvoltare Regionala SRL	4 420 806	1 541 371	-4 097 190	-509 974	1 355 013
Long-term loan E-Star Energy Generation SA	210 944	51 597	-210 944	-51 597	0
Long-term loan E-Star Esco Kft.	600 262	201 299	-180 409	0	621 152
Long-term loan E-Star Faapriték SA	31 994	780	0	0	32 773
Long-term loan E-Star Geotherm Kft.	0	1	-1	0	0
Long-term loan E-Star Investment Management SRL under liquidation proceedings	8 464	11,731	-8 464	-1 033	0
Long-term loan E-Star Management Zrt.	899 869	201 284	-899 869	-166 552	34 733
Long-term loan E-Star Mures Energy SA	1 557 627	198 043	-1 557 627	-198 043	0
Long-term loan E-Star Távhőfejlesztési Kft.	50 662	6 675	-50 662	-6 675	0
Long-term loan E-Star ZA Distriterm SRL under liquidation proceedings	166 599	38 350	-166 599	-38 350	0
Long-term loan GREP Zrt.	15	2	-15	-2	0
Long-term loan RFV Józsefváros Kft.	10 011	22 527	-10 011	-22 527	0
Long-term loan RFV Slovak s.r.o	73 842	13 469	-73 842	-13 469	0
Long-term loan Termoenergy S.R.L	30 842	6 199	-30 842	-6 199	0
Long-term loan Veszprém Megyei Nonprofit Kft.	2 000	365	0	0	2 365
Total	8 076 668	2 285 906	-7 299 207	-1 017 332	2 046 036

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2014. 31 December

in thousand HUF

Description	Capital	Interest	Capital depletion	Interest depletion	Book value
Long-term loan E-Star Esco Kft.	229 243	6 102	0	0	235 345
Long-term loan E-Star Faapriték SA	20 247	2 584	-20 247	-2 584	0
Long-term loan E-Star Management Zrt.	1 085 540	4 800	-1 085 540	-4 800	0
Long-term loan RFV Józsefváros Kft.	51 133	1 995	0	0	53 128
Long-term loan RFV Slovak s.r.o	102 017	4 031	-102 017	-4 031	0
Long-term loan Veszprém Megyei Nonprofit Kft.	70 196	1 196	-70 196	-1 196	0
Total	1 558 376	20 708	-1 278 000	-12 611	288 473

The Company significantly restructured its loan positions with its affiliates.

Value and composition of current assets

data in thousands HUF

Description	31st December 2013	31 December 2014
Receivables	1 181 670	1 971 154
Securities	4 278 892	526 404
Monetary assets	67 407	28 811
Total:	5 527 969	2 526 369

Division of receivables:

data in thousands HUF

Description	31st December 2013	31 December 2014
Receivables from cargo transport and services (customers)	15 737	21 206
Receivables from related customers	957 817	1 819 283
Other receivables	208 116	130 665
RECEIVABLES	1 181 670	1 971 154

The receivables are evaluated on the basis of the ageing list as well as individually considering the financial fulfilments following the balance sheet day and the necessary depletion is generated.

Depreciation of customer receivables

HUF 12,847 thousand was accounted on the basis of individual assessment in the reference year. The depletion was generated for receivables against independent parties.

data in thousand forints

31/12/2014	Opening	Training	Resolution	Closing
Depreciation of domestic customer receivables	189 495	12 847	16 439	185 903
Depreciation of foreign customer receivables	147 285	0	0	147 285
Total	336 780	12 847	16 439	333 188

Receivables from affiliated enterprise, 31 December 2013

data in thousand forints

31/12/2013	Capital	Interest	Capital YEAR	Interest YEAR	Book value
Customer receivables E-Star Esco Kft.	110 342	0	0	0	110 342
Customer receivables RFV Józsefváros Kft.	100 837	0	-87 430	0	13 407
Customer receivables E-Star Geotherm Kft.	5	0	-5	0	0
Customer receivables E-Star Centrul de Dezvoltare Regionala SRL	112 099	0	0	0	112 099
Customer receivables E-Star Management Zrt.	235 382	0	0	0	235 382
Customer receivables E-Star Management Polska z.o.o.	3 932	0	0	0	3 932
Loan receivables EETEK Limited	0	16	0	0	16
Loan receivables E-Star Alternative Energy SA	62	11,731	-62	-1 484	0
Loan receivables E-Star Capital-Share-04 Kft.	160 945	2 532	-160 945	-2 532	0
Loan receivables E-Star Debt-Equity-03 Kft.	50	3	0	0	53
Loan receivables E-Star Energy Generation SA	33 089	40 432	-33 089	-40 432	0
Loan receivables E-Star Geotherm Kft.	57	136	-57	-136	0
Loan receivables E-Star Investment Management SRL under liquidation proceedings	17 503	2 049	-17 503	-2 049	0
Loan receivables E-Star Kockázati Tőkealap-kezelő Zrt.	0	2	-5	0	-4
Loan receivables E-Star Management Polska under final settlement	20 332	2 820	-20 332	-2 820	0

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Loan receivables E-Star Mures Energy SA under bankruptcy proceedings	71 785	147 813	-71 785	-147 813	0
Loan receivables E-Star Polska Sp. z.o.o.	0	1 588	0	0	1 588
Loan receivables E-Star Reorganizáció-01 Kft.	50	3	0	0	53
Loan receivables E-Star Transzfer-02 Kft.	50	3	0	0	53
Loan receivables E-Star ZA Distriterm SRL under liquidation proceedings	2 097	56 889	-2 097	-56 889	0
Loan receivables Fejér Megyei Energia Nonprofit Kft.	403	40	-403	-40	0
Loan receivables RFV Józsefváros Kft.	25 868	4 568	-25 868	-4 568	0
Loan receivables RFV Slovak s.r.o.	0	13 558	0	-13 558	0
Loan receivables Termoenergy S.R.L.	3 502	5 410	-3 502	-5 410	0
Loan receivables Veszprém Megyei Nonprofit Kft.	29	166	0	0	194
Group VAT receivables E-Star Esco Kft.	2 102	0	0	0	2 102
Group VAT receivables RFV Józsefváros Kft.	16 704	0	-16 704	0	0
Group VAT receivables Patakhó Kft.	33	0	-33	0	0
Other receivables affiliate - E-Star ESCO Kft.	391 156	0	0	0	391 156
Other receivables affiliate - E-Star Centrul de Dezvoltare Regionala SRL	77 399	10 014	0	0	87 413
Other receivables affiliate - E-Star Energy Generation SA	45 418	0	-45 418	0	0
Other receivables affiliate - E-Star Távhőfejlesztési Kft.	3 577	0	-3 546	0	31
Total	1 434 809	289 525	-488 785	-277 732	957 817

Receivables from affiliated enterprise, 31 December 2014

data in thousands HUF

31/12/2014	Capital	Interest	Capital YEAR	Interest YEAR	Book value
Description					
Customer receivables RFV Józsefváros Kft.	79 873	0	0	0	79 873
Customer receivables E-Star ESCO Kft.	118 381	0	0	0	118 381
Customer receivables E-Star Centrul de Dezvoltare Regionala SRL	112 099	0	0	0	112 099
Customer receivables Nordica Skiarena Kft.	25 386	0	0	0	25 386
Customer receivables E-Star Management Polska Sp. z o.o.	3 932	0	-3 932	0	0
Customer receivables E-Star Management Polska Sp. z o.o.	43 986	2 820	-43 986	-2 820	0
Loan receivables Heat Energy S.A. / Faapriték S.A.	11 808	1 863	-11 808	-1 863	0

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Loan receivables E-Star CL Distriterm S.R.L	168 961	92 655	-168 961	-92 655	0
Loan receivables E-Star Alternative Energy SA	257	4 674	-257	-4 674	0
Loan receivables E-Star Energy Generation SA	10 778	121 016	-10 778	-121 016	0
Loan receivables E-Star Investment Management SRL	25 967	3 082	-25 967	-3 082	0
Loan receivables E-Star Mures Energy SA	1 629 774	345 857	-1 629 774	-345 857	0
Loan receivables E-Star Centrul de Dezvoltare Regionala SRL	4 420 373	2 047 069	-4 420 373	-675 170	1 371 899
Loan receivables Termoenergy S.R.L	34 344	15 658	-34 344	-15 658	0
Group VAT receivables RFV Józsefváros Kft.	16 704	0	0	0	16 704
Group VAT receivables Rfv Panelrekonstrukciós Kft.	1 560	0	0	0	1 560
Other receivables affiliate - E-Star ESCO Kft.	2 875	0	0	0	2 875
Other receivables affiliate - E-Star CDR S.R.L	79 897	0	0	0	79 897
Other receivables affiliate - E-Star Energy Generation SA	45 418	10 609	-45 418	0	10 609
Total	6 832 373	2 645 303	-6 395 598	-1 262 795	1 819 283

Other receivables

data in thousand forints

Description	31st December 2013	31 December 2014
Position against tax authorities	137 588	40 937
Corporate tax of Romanian branch office	460	0
Foreign VAT	0	63 773
Other receivables	246	8 694
Supplier overpayment	23 707	11 314
Deposit to suppliers	40 738	2 079
Bails	2 120	2 065
Member's loan interest, HUF	387	387
Receivables from employees, HUF	191	296
Short-term loan Panelrekonstrukciós Kft.	154	154
Group VAT payment liability Panelrekonstrukciós Kft.	1 560	0
Offer collateral	25	25
CRH Invest Bail Klapka u.	941	941
Total	208 116	130 665

Securities

There are 4,018,348 pieces of ordinary shares of Enefi Plc, remaining after the withdrawal of own shares on the securities line. Book value: HUF 526,404 thousand. The evaluation of the shares on the balance sheet day was based on the closing value of the share price valid at the time of preparing the balance sheet. The Company accounted HUF 54,964 thousand depletion on the shares of higher purchase value to this share price value.

Monetary assets

The total amount of monetary assets is HUF 28,811 thousand, from which HUF 28,195 thousand is bank deposit and HUF 616 thousand is cash.

Active accruals

data in thousands HUF

Description	Amount of active accruals 31 December 2013	Amount of active accruals 31 December 2014
Consideration of leasing of assets	24 000	5 515
Gas fee not invoiced	69 851	33 250
Service fee not invoiced	0	10 328
Management fee	8 400	8 400
Costs (gas fee)	169	0
Other	0	14 000
Total	102 420	71 493

SOURCES

Change of equity (thousand HUF)

data in thousands HUF

Description	Subscribed capital	Capital reserve	Profit reserve	Reserved earnings	Retained earnings	Capital
Opening account	525 314	21 254 954	-17 151 383	4 687 034	-2 909 772	6 406 147
Increase	0	0	11 293 750	3 939 560	3 651 752	18 885 062
Impairment	253 588	0	13 849 632	7 727 190	0	21 830 410
Closing	271 726	21 254 954	-19 707 265	899 404	741 980	3 460 799

The Company withdrew its own shares amounting to HUF 253,588 thousand par value. This transaction reduced the equity by HUF 3,687,325 thousand.

Change of accumulated profit reserve and put to the reserved earnings:

data in thousand forints

Description	Retained earnings	Reserved earnings
Opening	-17 151 383	4 687 034
Transcription of 2013 profit	-2 909 774	0
Delisting of depletion for withdrawn shares (25,358,866 pieces)	3 566 560	0
Release of reserved earnings for withdrawn shares	7 000 298	-7 000 298
Delisting of withdrawn shares (25,358,866 pieces)	-7 000 298	0
Release of reserved earnings generated for the depletion of withdrawn shares (25,358,866 pieces)	-3 566 560	3 566 560
Use of development provisions for investment	415 340	-415 340
Equity revaluation	311 552	-311 552
Generation of development provisions for investment	-373 000	373 000
Closing	-19 707 265	899 404

Provisions

Provisions of HUF 199,084 thousand were generated and HUF 150,617 were released in the reference year.

The entire reuse of the provision generated for the potentially remaining liabilities from the successfully closed bankruptcy proceedings in 2013 constituted part of the release.

The Company informed its Reputable Investors, that according to the information sent by the National Tax and Customs Administration on 23 January 2015 to the Company, on the basis of the requisition of the inland revenue of Romania, member state it has initiated proceedings against the Company for over HUF 687 million and the contributions thereof.

The Company stated that the claim constituting the subject of the execution proceedings is equivalent with the former claim of the tax authority of Târgu Mures which was not enforced within the bankruptcy proceedings and therefore was lost.

The Company applied legal remedy towards the Romanian as well as the Hungarian tax authority.

According to the viewpoint of the Company the legal conditions of execution do not exist considering the previously successfully closed bankruptcy proceedings. The Company emphasizes that it considers the application of the tax authority of Târgu Mures for legal remedy sent through the Romanian centre as one against international law irrespectively of the bankruptcy proceedings, since the prerequisite thereof is that it had tried to execute its claim in Romania but that had no result. On the basis of the application of the Company for legal remedy, the Hungarian tax authority decided in its order about the suspension of the execution proceedings that had been previously ordered upon the requisition of the Romanian tax authority.

The Company verified to the Hungarian tax authority with documents that the Romanian tax authority cannot enforce its claims set forth in its requisition against the Company, therefore the execution proceedings against the Company have no legal basis either. On the basis of the documents presented by the Company, the Hungarian tax authority stated in its order that the Company has significant assets in Romania. Considering however that the Romanian tax authority did not initiate execution in relation with the claims on these assets in Romania, the Hungarian tax authority initiated agreement proceedings with the Romanian tax authority in order to determine whether the legal conditions of the requisition exist.

The Court of Appeal of Târgu Mures accepted the appeal filed against the rejecting decision made by the Court of Justice at first instance in the lawsuit filed against the Municipality of Târgu Mures for compensation, it terminated the decision of the first instance court of justice and instructed it to completely retrial the case.

The Group generated 25% provisions considering the event detailed above on the basis of the decision of the management, the amount of which is: HUF 171 960 thousand.

The Company has no liabilities related to the protection of the environment.

Liabilities:

Long-term liabilities:

The Company has over one year liabilities exclusively to its affiliates (in the following division in comparison with the base year).

Long-term liabilities to affiliated enterprise

data in thousands HUF

31st December 2013	Capital	Interest	Book value
Long-term loan liability EETEK Limited	3 048 600	17 866	3 066 466
Long-term loan liability E-Star Esco Kft.	732 273	95 328	827 602
Long-term loan liability E-Star Faapríték SA	40		40
Long-term loan liability E-Star Kockázati Tőkealap-kezelő Zrt.	4 749	39	4 789
Long-term loan liability E-Star Management Zrt.	7 886	1 910	9 796
Long-term loan liability E-Star Polska Sp. z.o.o.	1 738 064	24 972	1 763 036
Long-term loan liability RFV Józsefváros Kft.	13 199	208	13 407
Long-term loan liability Veszprém Megyei Non-profit Kft.	13 787	545	14 331
Total	5 558 599	140 868	5 699 467

data in thousands HUF

31 December 2014	Capital	Interest	Book value
Long-term loan liability EETEK Limited	914 131	27 124	941 255
Long-term loan liability E-Star Polska Sp. z.o.o.	2 146 729	84 675	2 231 404
Long-term loan liability Fejér Megyei Non-Profit Kft.	831	14	845
Total	3 061 691	111 813	3 173 504

Short-term liabilities

The summarised figures of short-term liabilities are presented in the following table.

data in thousands HUF

Description	31st December 2013	31 December 2014
Short-Term Loans	35	-
Short-term credits	203	31
Liabilities from cargo transport and services (suppliers)	193 542	103 156
Short-term liabilities to affiliated enterprise	1 262 101	172 160
Other short-term liabilities	17 727	9 926
Total	1 473 608	285 273

Short-term credits

data in thousand forints

Description	31st December 2013	31 December 2014
Short-term credit, Takarékbank	105	0
Bank accounts with negative balance	98	31
Total	203	31

Balance of supplier liabilities on balance sheet day: HUF 103,156 thousand compared to HUF 193,542 thousand in 2013.

Short-term liabilities to affiliated enterprise

data in thousands HUF

Description	31st December 2013	31 December 2014
Group VAT payment liability	0	4 244
Suppliers liability E-Star ESCO Kft.	297 153	583
Suppliers liability E-Star Elektrociepłownia Mielec Sp.z.o.o	1 098	1 132
Suppliers liability E-Star Capital-Share-04 Kft.	11,731	0
Suppliers liability E-Star Debt-Equity-03 Kft.	452	0
Suppliers liability E-Star Reorganizáció-01 Kft.	403	0
Suppliers liability E-Star Transzfer-02 Kft.	1 218	0
Supplier liability E-Star Energy Generation SA	0	63 207
Affiliated other short-term liability E-Star Management Zrt.	260 145	8 527
Other liabilities - E-STAR Geotherm Kft.	0	0
Other liabilities - EETEK Limited	89 072	94 467
Other liabilities - E-Star Polska z.o.o.	611 522	0
Total	1 262 101	172 160

Other short-term liabilities

data in thousand forints

Description	31st December 2013	31 December 2014
Fine order	6	24
Income settlement account	4 628	4 752
Special tax	2 028	2 028
Vocational training contribution	70	75
Company car tax	0	43
Personal pension fund membership fee	1 997	1 997
Customers with negative balance	4 688	695
Other	66	0
Health insurance fund	0	306
Employee's contribution	0	6
Different short-term liabilities	4 244	0
Total	17 727	9 926

Accruals and deferred income

data in thousands HUF

Description	31st December 2013	31 December 2014
Incomes deferred	6 533	0
Passive accruals of costs	95 952	86 920
Deferred revenue	26 916	22 441
Total:	129 401	109 361

Passive accruals of costs in details

data in thousand HUF

Description	31st December 2013	31st December 2014
Car leasing fee	3 711	4 724
Consulting, auditing	38 315	4 620
Management fee	6 424	2 717
Gas fee	38 288	33 250
Electricity fee	7 586	1 787
Other	1 628	39 822
Total:	95 952	86 920

The remaining part of the subsidy received by the Company for the procurement of tangible assets in 2010, not compensated by depletion is accounted among deferred revenue.

Items related to the profit and loss statement:

Division of domestic sales revenue

data in thousands HUF

Description	2013	2014
Sales revenue of service fee	332 661	302074
Street lighting	107 452	49 753
Mediated service RFV Józsefváros Kft	146 286	128718
Revenues of energy fee	109 686	89 664
Revenues of rentals	8 429	33 812
Other revenue	26 495	91 558
Total:	731 009	695 579

Division of revenues within the corporate group from sales revenues:

data in thousands HUF

Description	2013	2014
RFV Józsefváros Kft.	337 965	320 027
E-Star ESCO Kft.	11 940	40 990
Veszprém Megyei Non-Profit Kft.	200	0
Fejér Megyei Energia Nonprofit Kft.	200	0
E-Star Kockázati Tőkealap-kezelő Zrt.	20	0
E-Star Geotherm Kft.	20	0
E-Star Távhőfejlesztési Kft.	20	0
E-Star Mielec Sp.z o.o.	0	36 438
Total:	350 365	397 455

Other revenues

data in thousands HUF

Description	2013	2014
Reversed impairment loss	479 539	839 036
Intangible assets, tangible assets sold	26 641	232 112
Use of provisions	7 583	150 617
Other incomes	42	8 528
Unplanned depreciation write-back	22 678	0
Penalties, default interest charged	0	33 574
Collection costs lump, revenues	0	148
Revenues related to previous years	0	1 775
Total:	536 483	1 265 790

Material type expenditures

data in thousands HUF

Description	2013	2014
Cost of materials	4 202	3 757
Value of services used	197 754	114 939
Other services	8 909	11 976
Cost of goods sold	246 607	209 301
Value of services (mediated) sold	75 645	36 250
Total:	533 117	376 223

Composition of cost of materials

data in thousands HUF

Description	2013	2014
Energy cost	11,731	1 317
Fuel purchased	1 552	1 571
Office supplies, printed forms	991	562
Water fee	55	96
Other cost of materials	173	93
Material assets used up within one year	6	97
Cleaning agents	0	21
Total:	4 202	3 757

Composition of services used:

Description	2013	2014
Management fee	9 953	2 947
Legal costs	24 933	24 325
Rentals	13 434	14 575
Accounting, tax consulting	9 335	1 589
Operation cost	22 515	24 611
Maintenance costs	24 543	17 347
Business consulting, expert commission	6 280	599
Auditor and accounting services fee	13 271	11 450
Other	9 292	5 206
Service fee (stock exchange, financing)	6 013	5 694
Post, telephone cost	4 638	5 063
Advertising, training	1 068	387
Travelling cost	163	935
Costs of transportation	620	211
Administrator's fee	51 696	0
Total:	197 754	114 939

Payments to personnel

data in thousands HUF

Description	2013	2014
Salaries	86 814	62 418
Other payments to personnel	11,731	2 094
Payroll taxes	24 757	17 906
Total	112 836	82 418

Other expenditures

data in thousands HUF

Description	2013	2014
Depletion of long-term loan given	1 989 588	684 630
Unplanned depreciation	1 500	0
Depreciation of customer receivables	212 106	12 847
Depreciation of VAT receivables	16 737	0
Provisions	124 533	199 084
Fines, penalties, housages, default interests	1 697	30 530
Book value of sold tangible assets	22 348	230 226
Miscellaneous other expenditures	555	8 537
Taxes, fees	9 304	10 396
Depreciation of other receivables	59 193	51 025
Expenditures related to previous years	47 563	25 809
Total	2 485 124	1 253 084

Incomes of financial operations

data in thousands HUF

Description	2013	2014
Received interest	751 902	619 655
out of this Interests received from affiliated enterprise	751 363	619 451
<i>Out of this</i>		
E-Star Centrul de Dezvoltare Regionala SRL	507 338	505 697
E-Star Mures Energy S.A.	23 097	0
E-Star ESCO Kft.	114 289	15 641
E-Star Management Zrt.	49 724	43 970
E-Star Distriterm SRL	0	0
E-Star Energy Generation SA	27 092	28 987

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RFV Józsefváros Kft.	10 606	2 553
RFV Slovak s.r.o.	5 807	5 180
E-Star Távhőfejlesztési Kft.	2 894	2 100
E-Star Investment Management SRL	171	0
E-STAR Alternative Energy SA	11,731	277
Termoenergy SRL	1 965	4 049
E-Star Polska Sp. z.o.o.	1 691	15
EETEK Limited	1 881	3
E-Star Management Polska Sp. z.o.o.	760	0
NRG Finance Kft.	0	0
Veszprém Megyei Nonprofit Kft.	159	11,731
E-Star Geotherm Kft.	25	20
E-Star Faapriték SA	528	3 667
Fejér Megyei Nonprofit kft.	32	16
E-Star Capital-Share-04 Kft.	1 832	5 991
E-Star Kockázati Tőkealap Kft	0	2
E-Star Reorganizáció-01 Kft.	0	2
E-Star Debt Equity-03 Kft.	0	2
E-Star Transzfer-02 Kft.	0	2
Exchange rate profit on the sale of shares	0	73 119
Exchange rate gains on securities		141
Other incomes from financial operations	2 699 683	206 125
Total:	3 451 585	899 040

Financial operation expenditures

data in thousands HUF

Description	2013	2014
Payable interests	447 286	220 987
out of this Payable interests to affiliated enterprise	164 338	220 979
<i>Out of this</i>		
EETEK Limited	69 389	89 413
E-Star ESCO Kft.	40 523	17 116
Interest to owners	0	0
E-Star Management Polska Sp. z.o.o.	813	0
E-Star EC Mielec	0	0
E-Star Management Zrt.	1 901	114
E-Star Management Polska Sp. z.o.o.	0	0
E-STAR Polska	46 963	113 408
RFV Józsefváros Kft.	3 401	191
Veszprém Megyei Non-Profit Kft.	904	553
Fejér Megyei Non-Profit Kft.	0	17
E-Star Heat Energy SA	97	0
E-Star Kockázati Tőkealapkezelő Zrt.	169	167
E-Star Geotherm Kft.	64	0
E-Star Mures Energy SA	84	0
E-Star Távhőfejlesztő Kft.	30	0
Other expenses of financial operations	2 422 373	11,731
Depreciation of shares, securities, bank deposits	3 878 052	207 728
Total:	6 747 710	430 095

The Company did not conduct forward transactions in the reference year.

Extraordinary income

data in thousands HUF

Description	2013	2014
Not affiliated receivables condoned in bankruptcy	1 575 777	4 049
Affiliated receivables condoned in bankruptcy	857 075	0
Other extraordinary revenues	30 750	1 890
Subsidies received for development purposes	0	4 475
Value of share after merger of 31/08/2014	0	149 764
Total:	2 463 602	160 178

Extraordinary expenses

data in thousands HUF

Description	2013	2014
Written-off book value of Fondelec terminated by final settlement	117 927	0
Spectator sports sponsorship	0	5 385
Affiliated receivables condoned in bankruptcy	0	2 585
Other extraordinary expenditure	0	7 507
Total:	117 927	15 477

General additional information

The number of employees of the Company, their wage costs and other personal costs are presented in the following table.

Average number of employees in 2013	Wage and payroll taxes (thousand Forint)	Other payments to personnel (thousand Forint)
10	111 571	11,731

Average number of employees in 2014	Wage and payroll taxes (thousand Forint)	Other payments to personnel (thousand Forint)
7	80 324	2 094

Remuneration of Chief Executives:

Gross honorarium and commission fee: HUF 26,912 thousand

Taxes on profit

The modifying items of corporate tax are presented in Annex No: 2.

Other information

Events after balance sheet date

The Company informed its Reputable Investors, that according to the information sent by the National Tax and Customs Administration on 23 January 2015 to the Company, on the basis of the requisition of the inland revenue of Romania, member state it has initiated proceedings against the Company for over HUF 687 million and the contributions thereof.

The Company stated that the claim constituting the subject of the execution proceedings is equivalent with the former claim of the tax authority of Târgu Mures which was not enforced within the bankruptcy proceedings and therefore was lost.

The Company applied legal remedy towards the Romanian as well as the Hungarian tax authority. According to the viewpoint of the Company the legal conditions of execution do not exist considering the previously successfully closed bankruptcy proceedings. The Company emphasizes that it considers the application of the tax authority of Târgu Mures for legal remedy sent through the Romanian centre as one against international law irrespectively of the bankruptcy proceedings, since the prerequisite thereof is that it had tried to execute its claim in Romania but that had no result. On the basis of the application of the Company for legal remedy, the Hungarian tax authority decided in its order about the suspension of the execution proceedings that had been previously ordered upon the requisition of the Romanian tax authority.

The Company verified to the Hungarian tax authority with documents that the Romanian tax authority cannot enforce its claims set forth in its requisition against the Company, therefore the execution proceedings against the Company have no legal basis either. On the basis of the documents presented by the Company, the Hungarian tax authority stated in its order that the Company has significant assets in Romania. Considering however that the Romanian tax authority did not initiate execution in relation with the claims on these assets in Romania, the Hungarian tax authority initiated agreement proceedings with the Romanian tax authority in order to determine whether the legal conditions of the requisition exist.

The Court of Appeal of Târgu Mures accepted the appeal filed against the rejecting decision made by the Court of Justice at first instance in the lawsuit filed against the Municipality of Târgu Mures for compensation, it terminated the decision of the first instance court of justice and instructed it to completely retrial the case.

The Group generated 25% provisions considering the event detailed above on the basis of the decision of the management.

Off-Balance Sheet Items

Guarantee

A guarantee agreement was concluded between ENEFI Energy Efficiency Plc. and E-Star Elektrociepłownia Mielec Spółka z o.o. (ul. Wojska Polskiego 3, 39-300 Mielec, Polska) on 17 August 2012, according to which ENEFI Energy Efficiency Plc. guaranteed the delivery of the agreement between E-Star Polska Sp. z o.o., E-Star Elektrociepłownia Mielec Spółka z o.o. and the Municipality of Mielec by E-Star Polska Sp. z o.o.

The agreement between three parties was conducted in relation with the development loan taken by E-Star Polska Sp. z o.o., the amount of which was PLN 36,000 thousand (paying bank: Bank Zachodni WBK S.A.). The amount of the guarantee is maximum PLN 54,000 thousand + PLN 20,000 thousand penalty, payable in case of the breach of contract by E-Star Polska Sp. z o.o., the duration of the agreement is 15 years.



Indexes analysing the wealth, financial and profitability situation of the Company

LIQUIDITY		2013	2014
LIQUIDITY	Current assets	3,75	8,86
	Short-term liabilities		
Quick liquidity ratio =	Current assets - Stocks	3,75	8,86
	Short-term liabilities		
DEBT SERVICE		2013	2014
Interest coverage =	OPERATING PROFIT and LOSS	-4,38	0,61
	Interests paid and interest type liabilities		
CAPITAL STRUCTURE		2013	2014
Rate of indebtedness =	Liabilities	0,52	0,48
	Total assets		
Net indebtedness =	Liabilities - Receivables	0,94	0,43
	Capital		

The company has no hazardous wastes.

No research and development cost occurred in the reference year.

State: 17 March 2015



 ENEFI Energy Efficiency Plc.

1. Annex No

Intangible assets, Tangible assets, table of move for reference year

data in thousands HUF

Intangible assets	Foundation - reorganisation	Experimental development	Right to assets and licences	Incorporeal products	Goodwill	Total intangible assets
Gross value						
Opening value	0	0	61 601	0	20 668	82 269
Increase	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Closing value	0	0	61 601	0	20 668	82 269
Depreciation						
Opening value	0	0	43 448	0	0	43 448
Increase	0	0	6 839	0	0	6 839
Impairment	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Closing value	0	0	50 287	0	0	50 287
Depreciation beyond the Schedule						
Opening value	0	0	4 401	0	20 668	25 069
Increase	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Closing value	0	0	4 401	0	20 668	25 069
Value						
Opening net value	0	0	13 752	0	0	13 752
Closing net value	0	0	6 913	0	0	6 913

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data in thousands HUF

Tangible assets	Real estates and rights to assets	Technical Equipment	Other equipment	Breeding stock	Investments, renovations	Total tangible assets
Gross value						
Opening value	20 313	1 394 869	72 134	0	329 757	1 817 073
Date of capitalisation					0	0
Increase	0	326 882	124	0	453 710	780 716
Impairment	0	325 663	0		327 006	652 669
Date of capitalisation	0		0	0		0
Closing value	20 313	1 396 088	72 258	0	456 461	1 945 120
Depreciation						
Opening value	2 808	560 763	56 940	0	0	620 511
Increase	101	104 652	4 181	0	0	108 934
Impairment	0	87 496	0	0	0	87 496
Reclassification	0	0	0	0	0	0
Closing value	2 909	577 859	61 121	0	0	641 949
Depreciation beyond the Schedule					-	
Opening value	16 366	238 592	0	0	0	254 958
Increase	0	0	0	0	0	0
Impairment	0	7 940	0	0	0	7 940
Reclassification	0	0	0	0	0	0
Closing value	16 366	230 652	0	0	0	247 018
Value						
Opening net value	1 139	595 513	15 194	0	329 757	941 603
Closing net value	11,731	587 517	11 137	0	456 461	1 056 153

2. Annex No

Corporate tax calculation

data in thousands HUF

PRE-TAX PROFIT	747 517
<i>Current tax base increasing items</i>	<i>1 511 092</i>
Depreciation accounted in accordance with the Act on Accounting.	115 773
Book value of written-off tangible assets	230 226
Depreciation of receivables	748 502
Depreciation of shares	149 764
Expenditures related to previous years	25 809
Receivables condoned against affiliated enterprise	10 092
Penalties	30 530
Provisions generated in the reference year	199 084
Sports sponsorship	385
Not realised exchange rate loss	927
<i>Current tax base decreasing items</i>	<i>2 047 872</i>
Depreciation accounted in accordance with the Tax Law	145 858
Book value of written-off tangible assets according to Act on Corporate tax	193 301
Write-back of depreciation of receivables	839 036
Written-back provisions	150 617
Value increase of share by merger	149 764
Not realised exchange rate gain	196 296
Generation of development provisions	373 000
<i>Loss from previous year</i>	<i>105 369</i>
Tax base	105 369
	0
Corporate tax liability of reference year	10 537
Tax allowance	5 000
Corporate tax liability decreased by tax discount	5 537
NET INCOME	741 980

3. Annex No

STATEMENT OF CASH FLOWS

data in thousands HUF

STATEMENT OF CASH FLOWS IN 2014 31 December	31/12/2013	31/12/2014
Change of monetary assets from ordinary operations	-23 777 708	2 173 411
Pre-tax profit	-2 909 772	747 517
Revaluation correction accounted on shares		
Accounted depreciation	74 618	115 773
Accounted write-off of depreciation	5 676 138	109 373
Balance of accumulated provisions and their use	116 950	48 467
Profit from selling of Fixed Assets	-4 289	-70 368
Change of supplier liabilities	-165 354	-90 386
Change of other short-term liabilities	-17 513 962	-1 097 949
Change of passive accruals	-900 968	-20 040
Change of Trade Accounts Receivable	93 159	70 797
Change of Current Assets (w/o customer and monetary assets)	-8 160 740	2 484 601
Change of active accruals	-83 488	30 927
Paid and payable tax (on profit)	0	-5 537
Paid and payable dividend, share	0	0
New share value due to merger	0	(149 764)
Change of monetary assets from investment operations	-345 541	1 803 545
Purchase of Fixed Assets	-372 182	-448 640
Selling of Fixed Assets	26 641	2 252 185
Received dividend	0	0
Change of monetary assets from financial operations	24 116 136	(4 015 552)
Income from Equity Issue and Capital Raise	18 260 268	0
Revenues from the issue of bonds, securities representing loans	0	0
Received credit and loan	5 699 467	0
Instalments of Long-Term Loans Given and Bank Deposits	0	1 757 563
Monetary Asset Received Permanently	0	0
Withdrawal of shares, capital (capital decrease)	0	(3 687 328)
Repayment of Bonds and Securities Representing Long-Term Loans	0	0
Instalment and repayment of credit and loan	0	(2 525 963)
Long-Term Loans Given and Bank Deposits	156 401	440 176
Monetary Asset Given Permanently	0	0
Change of long-term liabilities against founders and others	0	0
Change of Monetary Assets	(7 113)	(38 596)