

**AUDITOR'S REPORT**  
**on the financial statements of**  
**ENEFI Energiahatékonysági**  
**Nyrt.**  
**as at 31.12.2015**





Tel: +36 1 235 3010, 235 3090  
Fax: +36 1 266 6438  
www.bdo.hu

BDO Magyarország  
Könyvvizsgáló Kft.  
1103 Budapest, Kőér utca 2/a.  
Laurus Irodaházak C épület  
1476 Budapest, Pf.138.

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

### ***Audit Report on annual financial statements***

We have audited the accompanying 2015 annual financial statements of ENEFI Energiahatékonysági Nyrt., which comprises the balance sheet as at 31 December 2015 - showing a balance sheet total of HUF 6 460 258 thousands and a loss for the year of HUF (825 532) 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***

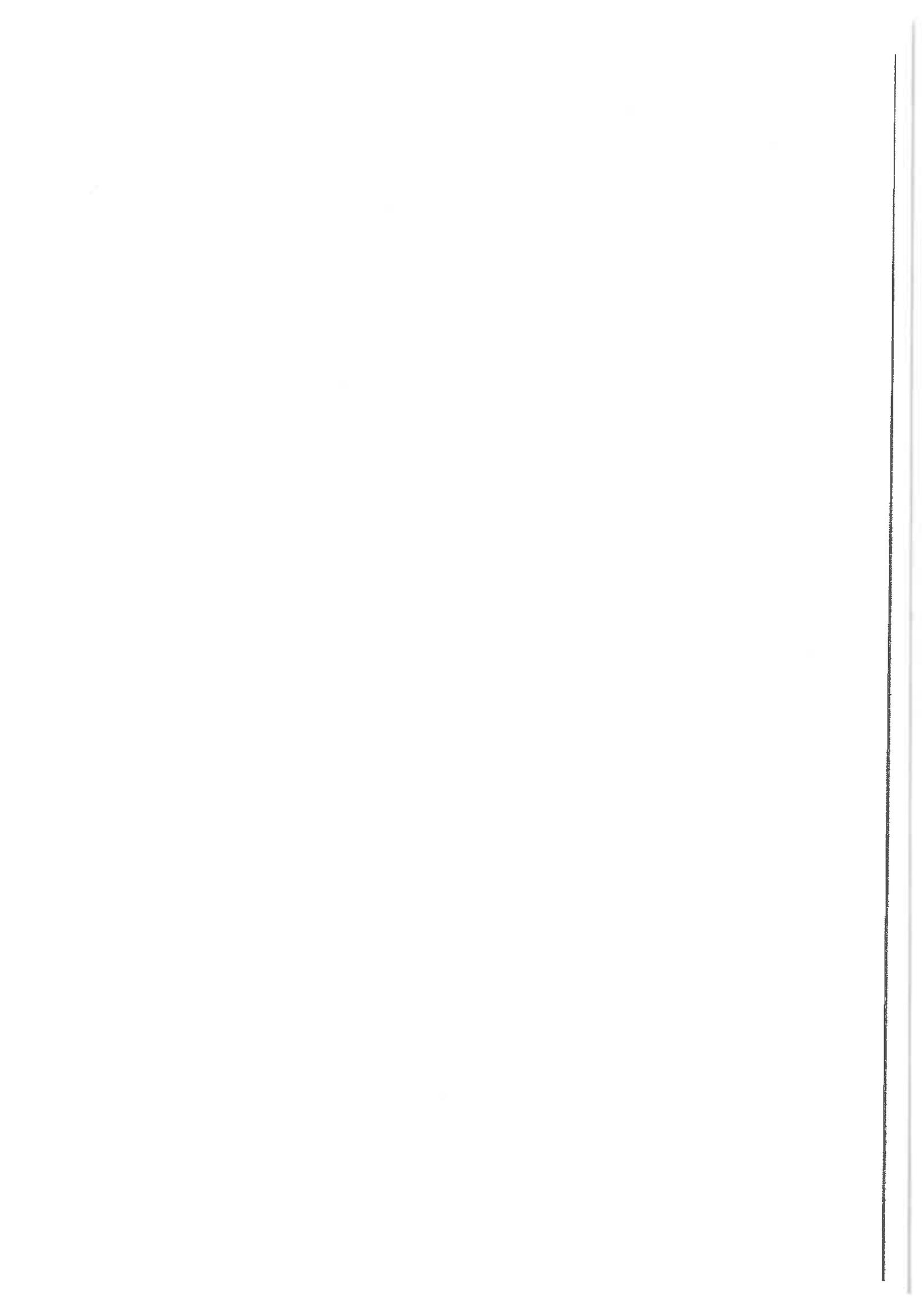
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and for maintaining internal controls which are considered necessary by the management to prepare the financial statements that are free from material misstatement, 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 qualified audit opinion.





Tel: +36 1 235 3010, 235 3090  
Fax: +36 1 266 6438  
www.bdo.hu

BDO Magyarország  
Könyvvizsgáló Kft.  
1103 Budapest, Kőér utca 2/a.  
Laurus Irodaházak C épület  
1476 Budapest, Pf. 138.

### ***Basis for qualified opinion***

1. „Shareholdings in related parties” balance sheet line represents 52% of the Company’s total assets amounting to Thousand HUF 3 363 501. Out of the 12 direct shareholdings of The Company 10 have been fully written off. Shareholdings in EETEK Limited amounts to Thousand HUF 3 309 840, which represents 51% of the balance sheet total. The Company measures its shareholdings at fair value; however the documentation of the market value basis was not available in the course of the audit. Audited financial statements regarding the shareholdings were not prepared; therefore we could not obtain assurance on the valuation of the shareholding. Information obtained about the post balance sheet events even did not provide reliable view about the actual value of the participation. Uncertainty influencing the fair view is pervasive and significantly determines our opinion.
2. The direct and indirect shareholdings of the Company, profitability of the prior year’s activities of the relating entities and the events emerging from current operations, the assessment of the relating effects on the fair value are not complete on the level of the standalone financial statements. The lack of knowledge, uncertainty of the effects on the standalone financial statements raises the question of judgment of the company group’s financial equity, financial position and profitability. Only the consolidated financial statements prepared in accordance with IFRS provide reasonable basis for the above judgment.
3. We have knowledge about the legal cases and litigation of the Company’s investment group, however we could not obtain assurance about the relating financial-economical exposure and effects on the parent company. Estimations even were not available relating to the completeness of the above information.

### ***Qualified opinion***

In our opinion, except for the possible effects of adjustments, if any, as might have been determined to be necessary had we performed all required audit procedures as detailed in the previous paragraph, the annual financial statements give a true and fair view of the equity and financial position of ENEFI Energiahatékonysági Nyrt. as at 31 December 2015 and of the result of its operation for the year then ended in accordance with the Hungarian Accounting Law.

### ***Emphasis of matter***

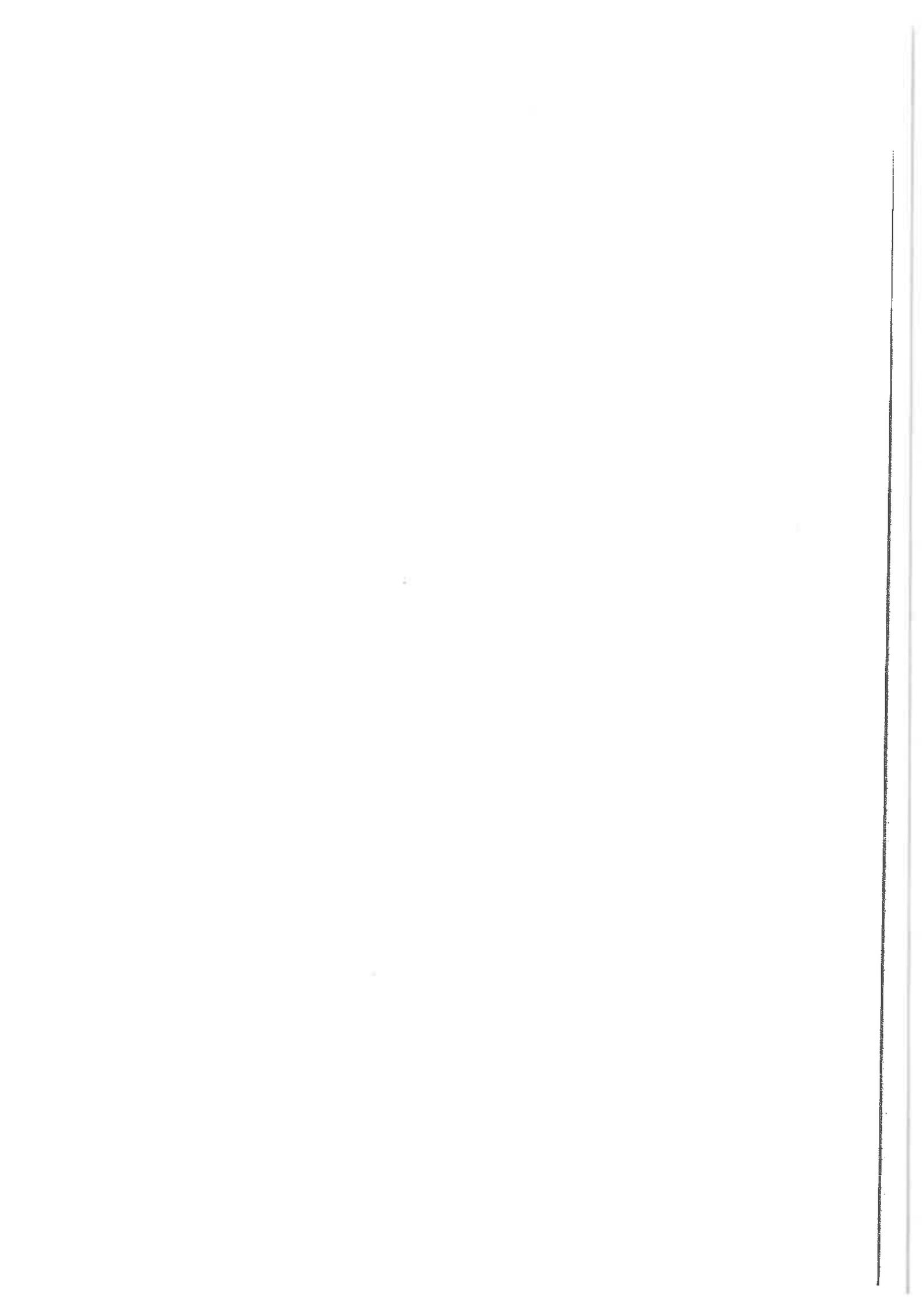
1. 100% shareholdings of the Company in E-Star ESCO Kft has been sold with Thousand HUF 61 661 loss as presented on the 22 page of the supplementary notes. The subsidiary was profit making in the previous years, except for 2015 business year.
2. Out of the subsidiaries of EETEK Limited subsidiary, ENEFI Polska Spółka Z o. o. has been sold after the balance sheet date and as an outcome of the transaction the Company’s residence in Poland is terminated as it presented on the third page of the supplementary notes. A part of the revenues generated by above sale transaction was utilized to finance the increase of the repurchased own shares of the Company. With the increase of own shares the shareholders’ structure significantly changed by the balance sheet preparation date, within the 100% share structure the share of the own shares has increased from 17.92% to 68.73% (presented on first page of the supplementary notes). According to the Act on the Civil Code No. V/2013 the level of the repurchased own shares shall not exceed 25%.
3. On 8 March 2016 the Hungarian National Bank initiated stock exchange oversight examination against the Company, due to the fact that the suspicion of market influencing and prohibited insider trading has emerged. We have not received information about the outcome of the examination until the date of the audit report.

A BDO Magyarország Könyvvizsgáló Kft. egy magyar korlátolt felelősségű társaság, az egyesült királyságbeli BDO International Limited garancia alapú társaság tagja és a független cégekből álló nemzetközi BDO hálózat része.

BDO Hungary Audit Ltd, a Hungarian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent firms.

Fővárosi Bíróság Cégbírósága, Cégjegyzékszám: Cg. 01 09 867 785

Csoportazonosító (Group-ID-Nr): 17780711-5-44  
Group VAT Nr.: HU 17780711



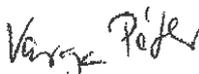
**Other reporting requirements: Reporting on the business report**

We have examined the accompanying business report of ENEFI Energiahatékonysági Nyrt. for the financial year of 2015.

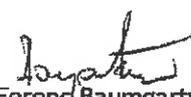
The management is responsible for the preparation and fair presentation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether or not the accounting information disclosed in the business report is consistent with the financial statements. Our work 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 2015 business report of ENEFI Energiahatékonysági Nyrt. is consistent with the disclosures in the financial statements as of 31 December 2015 on which we issued qualified opinion.

Budapest, 25 May 2016

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

  
Péter Varga  
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 2015**

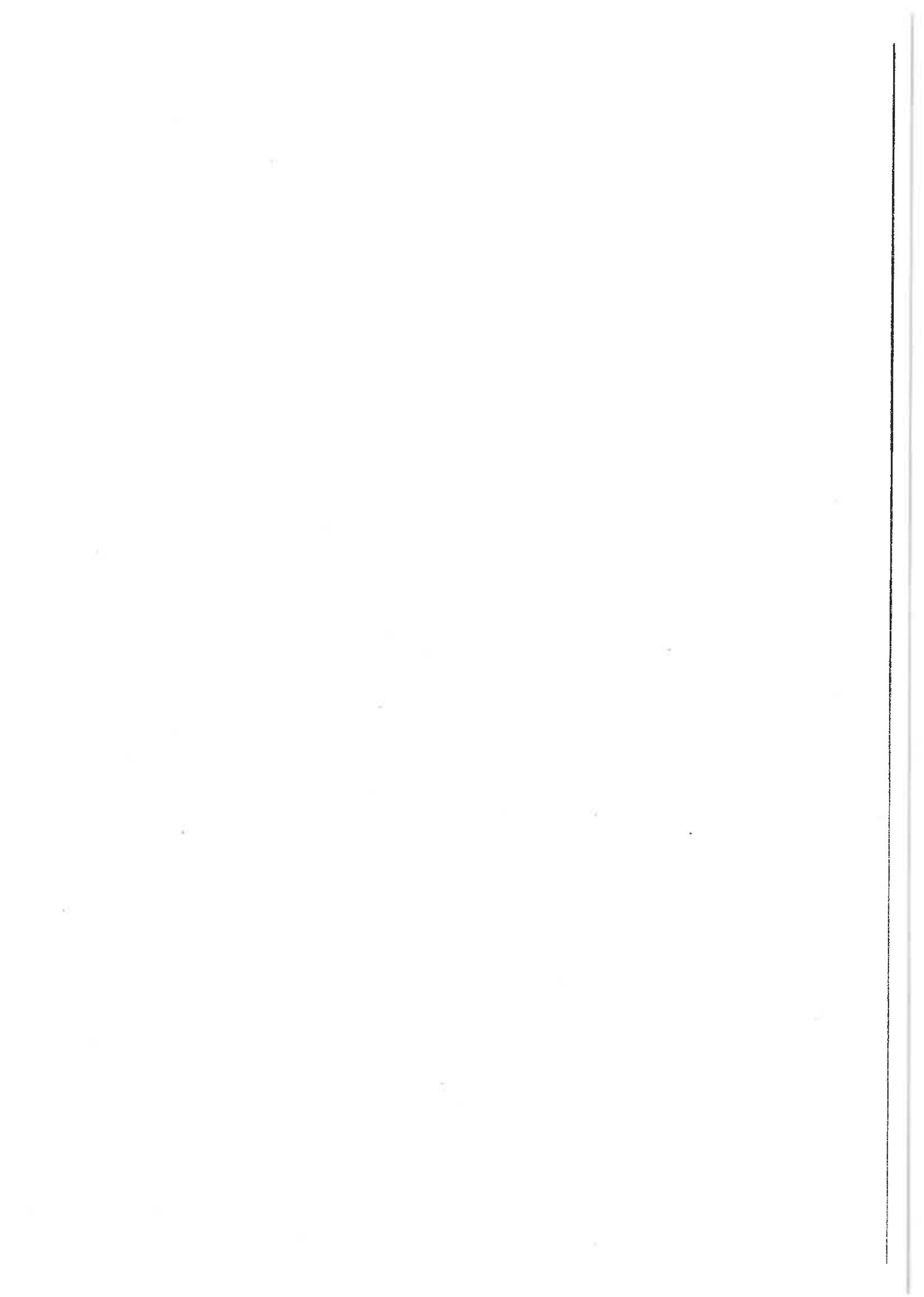
ENEFI Energlahatékonysági Nyr.  
1134 Budapest, Klapka u. 11. 2. em.  
Adószám: 13719069-4-41  
Csoportazonosító: 17781846-5-41  
Banksz.sz: 12001008-00123720-00100000

Status 25/05/2016



Chief executive (representative) of the company

SEAL



ENEFI Energiahatékonysági Nyrt.

13719069-3530-114-01

Statistical No.

01-10-045428

Company registration number

"A" BALANCE Assets

2015. december 31.

data in thousand HUF

Serial number	Name of item	2014.12.31	Modifications of previous year(s)	2015.12.31
a	b	thousand	d	e
1	A. Fixed assets	4 681 559	-	4 537 409
2	I. INTANGIBLE ASSETS	6 913	-	1 303
3	Capitalised value of establishment, reorganization	-	-	-
4	Capitalised value of experimental development	-	-	-
5	Right to assets and licences	6 913	-	1 303
6	Incorporeal products	-	-	-
7	Goodwill	-	-	-
8	Advance payments for purchase of intangible assets	-	-	-
9	Revaluation on intangible assets	-	-	-
10	II. TANGIBLE ASSETS	1 056 153	-	1 114 055
11	Real estates and related rights to assets	1 038	-	269 877
12	Technical equipment, machines, vehicles	587 517	-	827 049
13	Other equipment, supplies, vehicles	11 137	-	17 129
14	Breeding stock	-	-	-
15	Investments, renovations	456 461	-	-
16	Advances given for investments	-	-	-
17	Revaluation upwards on tangible assets	-	-	-
18	III. INVESTED FINANCIAL ASSETS	3 618 493	-	3 422 051
19	Long term profit-sharing in associated enterprise	3 330 020	-	3 363 501
20	Long-term loans due from affiliated enterprise	288 473	-	58 550
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	-	-	-

Állapot: 2016.05.25.

SEAL

ENEFI Energiahatékonysági Nyrt.  
Chief executive (representative) of the company

Address: Klapka u. 11. 2. em.  
Adószám: 13719069-3530-114-01  
Csoportazonosító: 17781846-5-41  
Banksz.sz.: 12001000-00123720-00000000

ENEFI Energiahatékonysági Nyrt.  
 13719069-3530-114-01  
 Statistical No.  
 01-10-045428  
 Company registration number

"A" BALANCE Assets

2015. december 31.

adatok E Ft-ban

Serial number	Name of item	2014.12.31	Modifications	2015.12.31
a	b	thousand	d	e
27	<b>B. Current assets</b>	2 526 369	-	1 852 348
28	<b>I. INVENTORIES</b>	-	-	-
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	<b>II. RECEIVABLES</b>	1 971 154	-	1 061 998
36	Receivables from cargo transport and services (customers)	21 206	-	37 318
37	Receivables from associated enterprise	1 819 283	-	944 761
38	Receivables from other enterprise	-	-	-
39	Bills receivables	-	-	-
40	Other receivables	130 665	-	79 919
41	Revaluation difference on receivables	-	-	-
42	Positive revaluation difference of derivative transactions	-	-	-
43	<b>III. SECURITIES</b>	526 404	-	735 242
44	Shares in affiliated enterprise	-	-	-
45	Other shares	-	-	-
46	Own shares, own partnership shares	526 404	-	735 242
47	Securities representing negotiable loan	-	-	-
48	Revaluation difference on securities	-	-	-
49	<b>IV. CASH</b>	28 811	-	55 108
50	Cash in hand, cheques	616	-	153
51	Bank deposits	28 195	-	54 955
52	<b>C. Active accruals</b>	71 493	-	70 501
53	Accruals of revenues	71 493	-	62 423
54	Active accruals of costs and expenditures	-	-	8 078
55	Deferred expenditures	-	-	-
56	<b>Total assets</b>	<b>7 279 421</b>	<b>-</b>	<b>6 460 258</b>

Állapot: 2016.05.25.

ENEFI Energiahatékonysági Nyrt.  
 1134 Budapest, Klárika u. 11. 2. em.  
 Adószám: 13719069-4-41  
 Csoportazonosító: 17781846-5-41  
 Bankr.z.sz.: 12001008-00123720-00100000

ENEFI Energiahatékonysági Nyrt.  
 13719069-3530-114-01  
 Statistical No.  
 01-10-045428  
 Company registration number

**"A" Balance Sheet Liabilities**

2015. december 31.

adatok E Ft-ban

Serial number	Name of item	2014.12.31	Modifications of previous year(s)	2015.12.31
a	b	thousand	d	e
57	<b>D. Equity</b>	3 460 799	-	2 635 267
58	<b>I. SUBSCRIBED CAPITAL</b>	271 726		271 726
59	of which: repurchased shares on par value	40 181		48 692
60	<b>II. SUBSCRIBED BUT YET UNPAID CAPITAL (-)</b>	-		-
61	<b>III. CAPITAL RESERVE</b>	21 254 954		21 254 954
62	<b>IV. ACCUMULATED PROFIT RESERVE</b>	-19 707 265		- 18 996 948
63	<b>V. RESERVED EARNINGS</b>	899 404		931 067
64	<b>VI. REVALUATION RESERVE</b>	-	-	-
65	Revaluation valuation reserve	-		-
66	Revaluation reserve of actual valuation	-		-
67	<b>VII. NET PROFIT</b>	741 980		- 825 532
68	<b>E. Provisions</b>	250 484	-	265 714
69	Provision for the expected liabilities	250 484		265 714
70	Provision for future costs	-		-
71	Other provision	-		-
72	<b>F. Liabilities</b>	3 458 777	-	3 477 785
73	<b>I. SUBORDINATED LIABILITIES</b>		-	
74	Subordinated liabilities to affiliated enterprise	-		-
75	Subordinated liabilities to other enterprise in sharing relationship	-		-
76	Subordinated liabilities to other organisation	-		-
77	<b>II. LONG-TERM LIABILITIES</b>	3 173 504	-	945 456
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	3 173 504		945 456
84	Long-term liabilities to other enterprise in sharing relationship	-		-
85	Other long-term liabilities	-		-

Állapot: 2016.05.25.

ENEFI Energiahatékonysági Nyrt.  
 Chief executive (representative) of the company

1124 Budapest, Klapka u. 11. 2. em.  
 Adószám: 13719069-3530-114-01  
 Csondrazonosító: 17781846-5-41  
 Banksz.sz: 12001008-00123726-00100000



Chief executive (representative) of the company

SEAL

ENEFI Energiahatékonysági Nyrt.

13719069-3530-114-01

Statistical No.

01-10-045428

Company registration number

**"A" Balance Sheet Liabilities**

2015. december 31.

adatok H Ft-ban

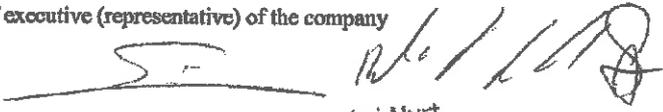
Serial number	Name of item	2014.12.31	Modifications of previous year(s)	2015.12.31
a	b	thousand	d	e
86	III. SHORT-TERM LIABILITIES	285 273	-	2 532 329
87	Short-term loans	-		-
88	of which: convertible bonds	-		-
89	Short-term credits	31		11
90	Prepayments received from customers	-		-
91	Liabilities from cargo transport and services (suppliers)	103 156		46 056
92	Bills of exchange payable	-		-
93	Short-term liabilities to affiliated enterprise	172 160		2 455 624
94	Short-term liabilities to other enterprise in sharing relationship	-		-
95	Other short-term liabilities	9 926		30 638
96	Revaluation difference on liabilities	-		-
97	Negative revaluation difference of derivative transactions	-		-
98	G. Passive accruals	109 361	-	81 492
99	Deferred incomes	-		253
100	Accruals on costs and expenditures	86 920		81 239
101	Deferred revenue	22 441		-
102	<b>Total liabilities</b>	<b>7 279 421</b>	<b>-</b>	<b>6 460 258</b>

Állapot: 2016.05.25.

0

SEAL

Chief executive (representative) of the company

  
ENEFI Energiahatékonysági Nyrt.  
1134 Budapest, Klapka u. 11. 2. em.  
Adószám: 13719069-4-41  
Csoportazonosító: 17781846-5-41  
Banksz.sz.: 12001008-00123720-00100000

SEAL

ENEFT Energiahatékonysági Nyrt.  
 13719069-3530-114-01  
 Statistical No.  
 01-10-045428  
 Company registration number

**"A" PROFIT AND LOSS STATEMENT (with total cost process)**

2015. december 31.

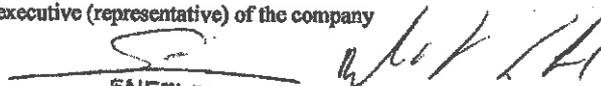
data in thousand HUF

Serial number	Name of item	2014.12.31	Modifications of previous year(s)	2015.12.31
a	b	c	d	e
1	1 Net domestic sales revenues	695 579		665 342
2	2 Net export sales revenues	-		-
3	1. Net sales revenues (01+02)	695 579	-	665 342
4	3 Change of self-manufactured inventories ±	-		-
5	4 Capitalised value of self-manufactured assets	-		-
6	II. Capitalised value of own performance (±03+04)		-	
7	III. Other revenues	1 265 790		618 232
8	of which: depreciation write-off	839 036		45 517
9	5 Cost of materials	3 757		3 327
10	6 Value of services used	114 939		138 966
11	7 Cost of other services	11 976		5 705
12	8 Cost of goods sold	209 301		201 961
13	9 Cost of services (mediated) sold	36 250		14 438
14	IV. Material costs (05+06+07+08+09)	376 223	-	364 397
15	10 Wage cost	62 418		55 505
16	11 Other payments to personnel	2 094		1 587
17	12 Payroll taxes	17 906		16 291
18	V. Payments to personnel (10+11+12)	82 418	-	73 383
19	VI. Depreciation	115 773		122 929
20	VII. Other expenditures	1 253 084		1 677 314
21	of which: depreciation	748 502		1 381 762
22	A. OPERATING PROFIT AND LOSS (I±II+III-IV-V-VI-VII)	133 871	-	954 449

Állapot: 2016.05.25.

SEAL

Chief executive (representative) of the company



ENEFT Energiahatékonysági Nyrt.  
 1134 Budapest, Klapka u. 11. 2. em.  
 Adószám: 13719069-4-41  
 Csoportazonosító: 17781846-5-41  
 Banksz.sz: 12001008-00123720-00100000

ENEFI Energiahatékonysági Nyrt.  
 13719069-3530-114-01  
 Statistical No.  
 01-10-045428  
 Company registration number

**"A" PROFIT AND LOSS STATEMENT (with total cost process)**

2015. december 31.

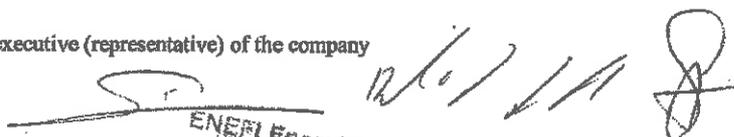
adatok B Ft-ban

Se rla l nu	Name of item	2014.12.31	Modifications of previous year(s)	2015.12.31
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 asset	-		-
28	from which: from affiliated enterprise	-		-
29	16 Other received (due) interests and similar revenues	619 655		120 645
30	from which: from affiliated enterprise	619 450		118 571
31	17 Other revenues from financial transactions	206 125		23 132
32	of which: revaluation difference	-		-
33	<b>VIII. Revenues of Financial Transactions (13+14+15+16+17)</b>	<b>899 040</b>	<b>-</b>	<b>143 777</b>
34	18 Exchange rate loss on invested financial assets	-		61 661
35	from which: given to affiliated enterprise	-		-
36	19 Payable interests, and similar expenditures	220 987		140 140
37	from which: given to affiliated enterprise	220 979		140 140
38	20 Depreciation of shares, securities, bank deposits	207 728	-	84 268
39	21 Other expenditures of financial transactions	1 380		42 575
40	of which: revaluation difference	-		-
41	<b>IX. Expenditures of financial transactions (18+19+20+21)</b>	<b>430 095</b>	<b>-</b>	<b>160 108</b>
42	<b>B. FINANCIAL PROFIT (VIII-IX)</b>	<b>468 945</b>	<b>-</b>	<b>16 331</b>
43	<b>C. PROFIT ON ORDINARY ACTIVITIES (±A±B)</b>	<b>602 816</b>	<b>-</b>	<b>970 780</b>
44	<b>X. Extraordinary revenues</b>	<b>160 178</b>		<b>147 541</b>
45	<b>XI. Extraordinary expenditures</b>	<b>15 477</b>		<b>2 293</b>
46	<b>D. EXTRAORDINARY PROFIT (X-XI)</b>	<b>144 701</b>	<b>-</b>	<b>145 248</b>
47	<b>E. PRE-TAX PROFIT (±C±D)</b>	<b>747 517</b>	<b>-</b>	<b>825 532</b>
48	<b>XII. Tax liability</b>	<b>5 537</b>		<b>-</b>
49	<b>F. AFTER-TAX PROFIT (+E-XII.)</b>	<b>741 980</b>	<b>-</b>	<b>825 532</b>
50	22 P/L brought forward for dividend	-		-
51	23 Dividend approved	-		-
52	<b>G. RETAINED EARNINGS (BALANCE SHEET NET PR</b>	<b>741 980</b>	<b>-</b>	<b>825 532</b>

Állapot: 2016.05.25.

SEAL

Chief executive (representative) of the company



ENEFI Energiahatékonysági Nyrt.  
 1134 Budapest, Klapka u. 11. 2. em.  
 Adószám: 13719069-4-41  
 Csoportazonosító: 17781846-5-41  
 Bankkz.sz.: 12001008-00123720-00100000

# ENEFI Energy Efficiency Plc.

## Supplementary Annex to the

### Annual Report on 31 December 2015

#### 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.

##### Owners of the Company on balance day:

Ownership Structure	31 December 2015	31 December 2014
	Ownership Ratio (%)	
Own shares	17,92	20,39
OTP Alapkezelő Zrt.	14,67	14,67
Csaba Soós	11,47	11,47
CRH INVEST Kft.	11,27	11,27
Allianz Alapkezelő Zrt.	9,75	9,75
Free float rate (from which: owned by affiliated companies)	34.92 (4.09)	32,45
Total	100%	100%

##### Ownership Structure on the day of the annual report:

Ownership Structure:	Ownership Ratio (%)
Own shares	64,35
PLOTINUS HOLDING Nyrt.	5,87
Free float rate (from which: owned by affiliated companies)	29.78 (4.38)
Total	100%

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

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

Representatives of the company authorised to sign:

Csaba Soós  
Attila Gagyi Pálffy  
László Bálint

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

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

Date of conversion to Public Limited Corporation: 12/03/2007, registered: 10.05.2014.

VAT number: 13719069-4-41

Company registration number: 01-10-045428

Main activity: Steam supply, air conditioning

**Description of the Enterprise:**

The Company (or its predecessor) was founded on 29 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 (thermal energy 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:

- Thermal energy supply service with heating system 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 2015:***

The following companies 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 Management Zrt.*	Hungary	5	100%	100%
3	ENEFI Projektársaság Kft.**	Hungary	3	100%	100%
4	RFV Józsefváros	Hungary	3 000 000 HUF	49%	70%
5	RFV Slovak s.r.o.	Slovakia	200 000 SKK	100%	100%
6	ENEFI Polska Spółka Z o. o.***	Poland	PLN 31 965 600	100%	100%
7	Premium Fund Sp z.o.o.***	Poland	PLN 80,005,000	99,9%	99,9%
8	E-STAR Elektrociepłownia Mielec Spółka z o. o.***	Poland	PLN 9 994 000	85,37%	85,37%

**ENEFI Energy Efficiency Plc.**  
**www.eneff.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

9	EC-Energetyka Spółka Z o.o.***	Poland	PLN 300 000	51,66%	51,66%
10	Energia Euro Park Sp. z o.o.**	Poland	PLN 16 491 000	21,65%	21,65%
11	Termoenergy SRL	Romania	6 960 RON	99,50%	99,50%
12	E-STAR Centrul de Dezvoltare Regionala SRL	Romania	525 410 RON	100%	100%
13	E-STAR ZA Distriterm SRL „under liquidation”	Romania	40 000 RON	51%	51%
14	E-STAR Energy Generation SA	Romania	90 000 RON	99,99%	99,99%
15	E-STAR Mures Energy SA “under liquidation” (previously bankruptcy proceedings)	Romania	90 000 RON	99,99%	99,99%
16	E-STAR Alternative Energy SA	Romania	90 000 RON	99,99%	99,99%
17	SC Faapritek SA	Romania	90 000 RON	99,99%	99,99%
18	E-STAR Investment Management SRL “ under liquidation process	Romania	15 000 RON	99,93%	99,93%
19	EEFEK Limited	Cyprus	1 000 000 EUR	100%	100%

\*E-Star Management Zrt. was taken under bankruptcy proceedings on 26 September 2014. The Court of Justice approved the settlement on 5 August 2015 and declared the bankruptcy proceedings to be closed. The Company shall refund 5% of the claims of the creditors; the remaining amount shall be condoned.

\*\* The Company sold its subsidiary E-Star Esco Kft. and Fejér Megyei Nonprofit Kft and Veszprém Megyei Nonprofit Kft 100% property thereof under a Business Share Sale and Purchase Agreement signed in 2015. The separation of ENEFI Projektársaság Kft. from E-Star ESCO Kft. was a prerequisite to the transfer of property.

E-Star ESCO Kft. possessed 832,339 pieces of ENEFI ordinary shares, which constitute the cover for the creditor claims originating from the previously closed settlement with the creditors of ENEFI Energy Efficiency Plc. These shares were transferred to ENEFI Projektársaság Kft. newly founded under the separation registered on 29/10/2015 by the Court of Registration which is also a member of the corporate group.

\*\*\* ENEFI Ltd. an affiliated company of the Company sold ENEFI Polska Spółka Z o. o. company following the reference period, as a consequence of which the presence of the company in Poland was terminated. Premium Fund Sp z.o.o Company was founded in 2015.

***Detailed basic information regarding subsidiaries on 31 December 2015:***

**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 Mielec Spółka z o. o.	Poland	PLN 9 994 000	85.37%	85.37%
2	E-STAR Management Polska Spółka z o. o.	Poland	PLN 5 250 500	100%	100%
3	Premium Fund Sp z.o.o	Poland	PLN 80 005	99,9 %	99,9 %

**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	PLN 300 000	51.66%	51.66
2	Energia Euro Park Sp. z o.o.	Poland	PLN 16 491 000	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: Ildikó Sebők  
1144 Budapest, Szentmihályi út 26/A  
(Registration number: 190246)

Balance Sheet day: 31st December 2015

Date of Balance Sheet: 20 January 2016 according to the accounting policy, but for the business year of 2015 deviating from the policy, it is 25 May 2016.

***Applied Assessment Procedures, Method of Depreciation Accounting:***

**ASSETS**

**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.
  - In case of tangible assets over HUF 100,000 the linear writing off method issued.
- 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 2015 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 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 in the previous Section.

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**

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

**ENEFI Energy Efficiency Plc.**  
**www.eneff.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**Long term profit-sharing in associated enterprise:**

*data in thousands HUF*

Designation	Book value at December 2014	Depreciation at 2014	Revaluation at 2015 (if any) (HUF)	Increase at 2015	Decrease at 2015	Book value at December 2015
RFV Józsefváros Kft	1 470	0	0	0	0	1 470
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 Management Zrt.	0	0	0	0	0	0
EETEK Limited	3 328 550	0	-18 710	0	0	3 309 840
ENEFI Projektársaság Kft.	0	0	0	52 191	0	52 191
<b>Total:</b>	<b>3 330 020</b>	<b>0</b>	<b>-18 710</b>	<b>52 191</b>	<b>0</b>	<b>3 363 501</b>

The purchase cost of the permanent share of ENEFI Projektársaság Kft. following the separation is HUF 52,191 thousand.

E-Star Esco Kft. was sold together with its subsidiaries (Fejér Megyei Nonprofit Kft., Veszprém Megyei Nonprofit Kft.) in 201.

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**Long-term loans to affiliated enterprise:**

*2014. 31 December*  
*thousand HUF*

*data in*

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 Faaprték 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
<b>Total</b>	<b>1 558 376</b>	<b>20 708</b>	<b>-1 278 000</b>	<b>-12 611</b>	<b>288 473</b>

*2015 31 December*  
*thousand HUF*

*data in*

Description	capital	interest	capital depletion	interest depletion	book value
Long-term loan E-Star Faaprték SA	20 247	4 978	-20 247	-4 978	0
Long-term loan RFV Józsefváros Kft.	54 133	4 417	0	0	58 550
Long-term loan RFV Slovak s.r.o	102 017	8 765	-102 017	-8 765	0
Long-term loan GREP Zrt.	15	2	-15	-2	0
<b>Total</b>	<b>176 412</b>	<b>18 162</b>	<b>-122 279</b>	<b>-13 745</b>	<b>58 550</b>

**Value and composition of current assets**

*data in*  
*thousands HUF*

Description	31st December 2014	31st December 2015
Receivables	1 971 154	1 061 998
Securities	526 404	735 242
Monetary assets	28 811	55 108
<b>Total</b>	<b>2 526 369</b>	<b>1 852 348</b>

**Division of receivables:**

*data in thousands HUF*

Description	31 December 2015	31 December 2014
Receivables from cargo transport and services (customers)	21 206	37 318
Receivables from associated companies	1 819 283	944 761
Other receivables	130 665	79 919
<b>RECEIVABLES</b>	<b>1 971 154</b>	<b>1 062 008</b>

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 65,339 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*

31/12/2015	Opening	Training	Resolution	Closing
Depreciation of receivables	185 903	65 339	12 272	238 970
Depreciation of foreign customer receivables (Ben-Com-Mixt)	147 285	0	0	147 285
<b>Total</b>	<b>333 188</b>	<b>65 339</b>	<b>12 272</b>	<b>386 255</b>

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

**Receivables from affiliated enterprise, 31 December 2014**

*data in*

*thousand forints*

	Capital	Income	Change YEAR	Change YEAR	Book value
<b>Description</b>					
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 Central 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
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 Central 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
<b>Total</b>	<b>6 832 373</b>	<b>2 645 303</b>	<b>-6 395 598</b>	<b>-1 262 795</b>	<b>1 819 283</b>

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**Receivables from affiliated enterprise, 31 December 2015**

data in thousands

HUF

31/12/2015	Capital	Increase	Current Year	Initial Year	Book value
<b>Description</b>					
Customer receivables RFV Józsefváros Kft.	31 322	0	0	0	31 322
Loan receivables E-Star Mures Energy SA	18 485	0	-18 485		0
Customer receivables E-Star Centrul de Dezvoltare Regionala SRL	147 469	0	0	0	147 469
Customer receivables Nordica Sklarena Kft.	51 977	0	0	0	51 977
Customer receivables E-Star Management Zrt.	38 348	31	-38 348	-31	0
Loan receivables Heat Energy S.A. / Faapríték S.A.	11 808	3 201	-11 808	-3 201	0
Loan receivables E-Star Distriterm S.R.L.	169 761	92 656	-169 761	-92 656	0
Loan receivables E-Star Alternative Energy SA	257	4 706	-257	-4 706	0
Loan receivables E-Star Energy Generation SA	25 577	122 605	-25 577	-122 605	0
Loan receivables E-Star Investment Management SRL	26 687	3 088	-26 687	-3 088	0
Loan receivables E-Star Mures Energy SA	1 646 154	345 975	-1 646 154	-345 975	0
Loan receivables E-Star Centrul de Dezvoltare Regionala SRL	4 442 247	2 141 088	-4 442 247	-1 547 893	593 195
Loan receivables Termoenergy S.R.L.	34 344	19 772	-34 344	-19 772	0
Loan receivables - Nordica	30 000	4 472	0	0	34 472
Group VAT receivables RFV Józsefváros Kft.	30 424	0	0	0	30 424
Group VAT receivables Rfv Panelrekonstrukció Kft.	1 560	0	0	0	1 560
Other receivables affiliate - E-Star CDR S.R.L.	43 886	10 456	0	0	54 342
Other receivables affiliate - E-Star Energy Generation SA	45 418	0	-45 418	0	0
Other receivables affiliate - E-Star Investment Management SRL	3 285	0	-3 285	0	0
Other receivables affiliate - E-Star CDR S.R.L default interest on expired loan	205 000	0	-205 000	0	0

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

<b>Total</b>	<b>7,004,009</b>	<b>2 748 050</b>	<b>-6 667 371</b>	<b>-2 139 927</b>	<b>944 761</b>
--------------	------------------	------------------	-------------------	-------------------	----------------

**Other receivables**

*thousand forints*

*data in*

Description	31st December 2014	31st December 2015
Position against tax authorities	40 937	41 925
Foreign VAT	63 773	2 787
Other receivables	8 694	18 802
Supplier overpayment	11 314	37
Deposit to suppliers	2 079	3 572
Bails	2 065	2 036
Member's loan interest, HUF	387	387
Receivables from employees, HUF	296	541
Short-term loan Paneirekonstrukciós Kft.	154	154
Offer collateral	25	25
VAT receivables E-Star Esco Kft.	0	8 712
CRH Invest Bail Klapka u.	941	941
<b>Total</b>	<b>100 635</b>	<b>100 635</b>

Description	Capital	Profit	Capital YEAR	Profit YEAR	Book value
Other receivables Veszprém Megyei Nonprofit Kft.	1 300	23	-1 300	-23	0
<b>Total</b>	<b>1 300</b>	<b>23</b>	<b>-1 300</b>	<b>-23</b>	<b>0</b>

**Securities**

4,869,155 pieces of ENEFI Plc ordinary shares are presented in the securities line, the amount of depletion accounted on the balance day is HUF 538,925 thousand therefore its book value is HUF 735,242 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 wrote back HUF 84,268 thousand depletion accounted in the previous years on the shares of lower purchase value to this share price value.

**Monetary assets**

**ENEFI Energy Efficiency Plc.**  
**www.eneff.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

The total amount of monetary assets is HUF 55,108 thousand, from which HUF 54,955 thousand is bank deposit and HUF 153 thousand is cash.

**Active accruals**

*data in thousands HUF*

Description	HUF December 2015	HUF December 2014
Consideration of leasing of assets	5 515	24 086
Gas fee not invoiced	33 250	38 337
Service fee not invoiced	10 328	0
Management fee	8 400	0
Costs	0	8 078
Snowmaking	14 000	0
<b>TOTAL</b>	<b>71 493</b>	<b>70 501</b>

**SOURCES**

**Change of equity (thousand HUF)**

*data in  
thousands HUF*

Description	Subscribed capital	Capital reserve	Profit reserve	Reserved earnings	Retained earnings	Capital
<b>Opening balance</b>	271 726	21 254 954	-19 707 265	899 404	741 980	3 460 799
<b>Increase</b>	0	0	919 155	208 838	0	1 127 993
<b>Impairment</b>	0	0	208 838	177 175	1 567 512	1 953 525
<b>Closing</b>	271 726	21 254 954	-18 996 948	931 067	-825 532	2 635 267

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

*data in thousand forints*

Description	Retained earnings	Reserved earnings
<b>Opening</b>	<b>-19 707 265</b>	<b>899 404</b>
Transcription of 2014 profit	741 980	0

**ENEFI Energy Efficiency Plc.**  
**www.eneff.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

Fine order	24	24
Income settlement account	4 752	6 438
Special tax	2 028	2 028
Vocational training contribution	75	108
Company car tax	43	0
Personal pension fund membership fee	1 997	1 998
Customers with negative balance	695	1 374
Health insurance fund	306	252
Employee's contribution	6	6
Other liability E-Star Geotherm Kft.	0	50
E-Star Esco Kft. liability part sale	0	18 360
<b>Total</b>	<b>9 926</b>	<b>30 638</b>

**Accruals and deferred income**

data in  
thousands HUF

Description	31st December 2014	31st December 2015
Incomes deferred	0	253
Passive accruals of costs	86 920	81 239
Deferred revenue	22 441	0
<b>Total</b>	<b>109 361</b>	<b>81 492</b>

Reason for the cancellation of deferred revenue: see Section 8. of the events after balance day.

**Passive accruals of costs in details**

data in thousand  
forints

Description	31st December 2014	31st December 2015
Car leasing fee	4 724	0
Consulting, auditing	4 620	5 920
Management fee	2 717	0
Gas fee	33 250	38 307
Electricity fee	1 787	0
Other	39 822	37 012
<b>Total</b>	<b>86 920</b>	<b>81 239</b>

**Items related to the profit and loss statement:**

**Division of domestic sales revenue**

data in thousands  
HUF

Description	2014	2015
-------------	------	------

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

Sales revenue of service fee	302 074	293 570
Street lighting	49 753	12 593
Mediated service RFV Józsefváros Kft	128 718	124 625
Revenues of energy fee	89 664	82 497
Revenues of rentals	33 812	93 198
Other revenue	91 558	58 859
<b>Total</b>	<b>695 579</b>	<b>665 342</b>

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

Division of revenues within the corporate group from sales revenues:

*data in thousand forints*

Description	2015	2014
RFV Józsefváros Kft.	320 027	319 706
E-Star ESCO Kft.	40 990	6 967
E-Star Mielec Sp.z o.o.	36 438	38 064
<b>Total</b>	<b>397 455</b>	<b>364 737</b>

*Other revenues*

*data in  
thousands HUF*

Description	2015	2014
Reversed impairment loss	839 036	45 517
Intangible assets, tangible assets sold	232 112	490
Use of provisions	150 617	199 084
Other incomes	8 528	167 001
Unplanned depreciation write-back	0	0
Penalties, default interest charged	33 574	205 791
Collection costs lump, revenues	148	132
Revenues related to previous years	1 775	217
<b>Total</b>	<b>1 365 790</b>	<b>618 232</b>

*Material type expenditures*

*data in  
thousands HUF*

Description	2015	2014
Cost of materials	3 757	3 327
Value of services used	114 939	138 966
Cost of other services	11 976	5 705
Cost of goods sold	209 301	201 961
Cost of services (mediated) sold	36 250	14 438
<b>Total</b>	<b>376 223</b>	<b>364 407</b>

**Composition of cost of materials**

*data in thousands*

Description	HUF	
	2014	2015
Energy cost	1 317	1 435
Fuel purchased	1 571	1 340
Office supplies, printed forms	562	371
Water fee	96	24
Other cost of materials	93	43
Material assets used up within one year	97	89
Cleaning agents	21	25
<b>Total</b>	<b>3 467</b>	<b>3 572</b>

**Composition of services used**

*data in thousands*

*HUF*

Description	2014	2015
Management fee	2 947	9 224
Legal costs	24 325	18 317
Rentals	14 575	9 823
Accounting, tax consulting	1 589	255
Operation cost	24 611	58 329
Maintenance costs	17 347	18 775
Business consulting, expert commission	599	908
Audit Fee	11 450	9 400
Other	5 206	5 931
Service fee (stock exchange, financing)	5 694	3 189
Post, telephone, internet costs	5 063	4 085
Advertising, training	387	32
Travelling cost	935	570
Costs of transportation	211	128
<b>Total:</b>	<b>114 939</b>	<b>138 966</b>

**Cost of other services**

*data in  
thousands HUF*

Description	2014	2015
Official fees, charges	2 479	891
Bank charges	6 350	3 811
Insurance fee	3 147	1 003

Costs	2014	2013
-------	------	------

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**Cost of goods sold**

Description	<i>data in thousands HUF</i>	
	2014	2015
Mediated service - gas fee	209 301	201 961
<b>Total</b>	<b>209 301</b>	<b>201 961</b>

**Cost of services (mediated) sold**

Description	<i>data in thousands HUF</i>	
	2014	2015
Mediated service - other	6 333	7 730
Mediated service - public lighting	26 543	5 478
Mediated service - development	334	0
Mediated service - invoiced electricity	912	425
Street lighting - ESCO	2 128	806
<b>Total</b>	<b>36 250</b>	<b>17 439</b>

**Payments to personnel**

Description	<i>data in thousands HUF</i>	
	2014	2015
Wages	62 418	55 505
Other payments to personnel	2 094	1 587
Payroll taxes	17 906	16 291
<b>Total</b>	<b>82 418</b>	<b>73 383</b>

**Other expenditures**

Description	<i>data in thousands HUF</i>	
	2014	2015
Depletion of loan given	684 630	1 151 506
Depreciation of customer receivables	12 847	65 339
Affiliated customer receivables (Mures)	0	18 485
Provisions	199 084	214 314
Fines, penalties, housages, default interests	30 530	5 057
Book value of sold tangible assets	230 226	1 953
Miscellaneous other expenditures	8 537	62 906
Taxes, fees	10 396	11 308
Depreciation of other receivables	51 025	146 435
Expenditures related to previous years	25 809	11
<b>Total</b>	<b>1 253 084</b>	<b>1 677 314</b>

**ENEFI Energy Efficiency Plc.**  
**www.eneffi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

*Incomes of financial operations*

data in thousands HUF

Description	2015	2014
Exchange rate gain on securities sold	73 119	0
Received interest	619 655	120 645
out of this Interests received from affiliated enterprise	619 451	118 571
<i>Out of this</i>		
E-Star Central de Dezvoltare Regionala SRL	505 697	94 018
E-Star Mures Energy S.A.	0	57
E-Star ESCO Kft.	15 641	6 356
E-Star Management Zrt.	43 970	31
E-Star Energy Generation SA	28 987	1 590
RFV Józsefváros Kft.	2 553	2,421
RFV Slovak s.r.o.	5 180	4 735
E-Star Távhőfejlesztési Kft.	2 100	0
E-STAR Alternative Energy SA	277	32
Termoenergy SRL	4 049	4 115
E-Star Polska Sp. z.o.o.	15	0
EETEK Limited	3	0
Veszprém Megyei Nonprofit Kft.	11,731	1 470
E-Star Geotherm Kft.	20	0
E-Star Faapríték SA	3 667	3 746
Fejér Megyei Nonprofit kft.	16	0
E-Star Capital-Share-04 Kft.	5 991	0
E-Star Kockázati Tőkealap Kft	2	0
E-Star Reorganizáció-01 Kft.	2	0
E-Star Debt Equity-03 Kft.	2	0
E-Star Transzfer-02 Kft.	2	0
Exchange rate gains on securities	141	0
Other incomes from financial operations	206 125	23 132
<b>Total:</b>	<b>899 040</b>	<b>143 777</b>

***Expenditures of financial transactions***

Description	data in thousands HUF	
	2015	2014
Negative foreign exchange rates of investments	0	61 661
Payable interests	220 987	140 140
out of this Payable interests to affiliated enterprise	220 979	140 140
<i>Out of this</i>		
EETEK Limited	89 413	41 752
E-Star ESCO Kft.	17 116	0
E-Star Management Zrt.	114	0
E-STAR Polska	113 408	98 371
RFV Józsefváros Kft.	191	0
Veszprém Megyei Non-Profit Kft.	553	0
Fejér Megyei Non-Profit Kft.	17	17
E-Star Kockázati Tőkealapkezelő Zrt.	167	0
Other expenditures of financial transactions	1 380	42 575
Depreciation of shares, securities, bank deposits	207 728	-84 268
<b>Total:</b>	<b>430 095</b>	<b>160 108</b>

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

Exchange rate loss on invested financial assets originates from the sale of the business shares of E-Star Esco Kft.

**ENEFI Energy Efficiency Plc.**  
**www.enefi.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**Extraordinary revenue**

data in  
thousands HUF

Description	2014	2015
Not affiliated receivables condoned in bankruptcy	4 049	0
Other extraordinary revenues	1 890	0
Subsidies received for development purposes	4 475	22 440
Value of share after merger of 31/08/2014	149 764	0
Expromission - Veszprém Megyei Nonprofit Kft.	0	72 910
Share created by separation ENEFI Projektársaság Kft.	0	52 191
<b>Total:</b>	<b>160 178</b>	<b>127 541</b>

**Extraordinary expenditures**

data in  
thousands HUF

Description	2014	2015
Sponsorship of spectator sports	5 385	0
Affiliated receivables condoned in bankruptcy	2 585	0
Other extraordinary expenditure	7 507	2 293
<b>Total:</b>	<b>15 477</b>	<b>2 293</b>

**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 2014	Wage and payroll taxes (thousand Forint)	Other payments to personnel (thousand Forint)
7	80 324	2 094

Average number of employees in 2015	Wage and payroll taxes (thousand Forint)	Other payments to personnel (thousand Forint)
6	71 796	1 587

**Remuneration of Chief Executives:**

Gross honorarium and commission fee: HUF 31,469 thousand

**Taxes on profit**

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

We shall dispense with the minimum based wage calculation, undertaking the liability of making a statement.

## **Other information**

### **Events after balance sheet date**

1. The transaction of the sale of ENEFI Polska Spółka z.o.o. was closed after the balance day which had been announced and publicised by ENEFI Energy Efficiency Plc.

In the transaction, EETEK Ltd. sold ENEFI Polska Spółka Z.o.o. above book value, for PLN 48.51 million cash plus the consideration of all its claims against ENEFI Polska ENEFI Plc. (approx. PLN 28 million). In the scheme, ENEFI founded a company with majority ownership named Polska Premium Fund Spółka Z.o.o. to which it brought its shares owned in E-STAR Elektrociepłownia Mielec Spółka z o. o. company.

By the sale of ENEFI Polska, the liability of ENEFI Polska to BZ WBK was also sold, which the creditor undertook to pay off in advance to the Bank, and the guarantee of ENEFI Energy Efficiency Plc for the liabilities of ENEFI Polska Sp. z o.o. was also terminated, the amount of which 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.

2. The Company sold its entire ownership in affiliated company RFV Slovak s.r.o (Registered seat: Hnústa, Francisciho nám 373., Republic of Slovakia, 98101, Company registration number: 972) for a symbolic amount of EUR 1.

RFV Slovak s.r.o has not conducted actual operations for years, it does not have assets, however the maintenance thereof has costs, therefore the Company decided to sell it in order to simplify the corporate group and reduce costs.

3. The Company informed its investors, that significant non-planned depreciation is expected in its annual report of 2015 in relation with its project in Gheorgheni in its consolidated report through the IFRIC 12 calculation. Since under the IAS rules the intangible assets model must be followed in case of the project in Gheorgheni, the write-off will affect the intangible assets at the consolidated level (IFRS does not require the presentation of the investment under a concession agreement in the project in Gheorgheni and in similar projects as tangible assets but as intangible assets in the consolidated report, which in certain cases may be misleading for less expert persons, therefore the Company hereby calls particular attention of its Honourable Investors to this).

4. The Company informed its Investors that in relation with the termination of its project in Gheorgheni the Romanian Court of Justice decided that its affiliated company in Gheorgheni shall be obliged to provide service until the lawsuit on the lawfulness of the termination is closed.

The Company informed its investors that on the basis of the information of the operations in Gheorgheni, the tribunal made a favourable decision for E-Star CDR in the lawsuit filed by the Town of Gheorgheni (the subject of which was the request to determine that the Town Council had voted for the modification of the price of district heating, therefore the termination by the affiliated company of the Company in Gheorgheni (E-Star CDR) was unlawful, which shall be made void). The tribunal accepted the objection raised by

~~E-Star CDR and rejected the action filed by the Town to determine the approval of the draft decision of the Town Council on the price of district heating together with the other subsequently submitted actions. The decision is not final.~~

5. Among its first tasks the newly elected Board of Directors of the Company have found it important to determine and communicate its short and medium term objectives about the Company to the Shareholders particularly considering the fact that the previous owners and members of the Board of Directors did not reach an agreement in terms of establishing the strategy of the Company.

Having surveyed the ownership structure of the Company, the Board of Directors found that the ownership structure of the Company has been significantly changed recently due to the ENEFI share purchases by EETEK Ltd. and then the sale of these shares to the Company. As a result of the successfully closed bankruptcy proceedings of the Company the Company which had been mostly owned by shareholders who were former creditors since 2013 has become the majority property of shareholders acquiring shares with real and genuine share purchase intention again. In terms of figures, the number of former creditor shareholders has decreased below 250 persons among the approximately 2000 owners. The number of shares held by former creditor shareholders was 50 million pieces as a result of the settlement with the creditors. Following the acquisition and withdrawal of the shares transferred to affiliated company, this number has decreased to approximately 20 million. Currently, excluding the own shares of the Company and its affiliated companies, the number of shares owned by shareholders is approx. 7.2 million pieces, less than half of which are shares issued under the settlement with the creditors.

The change in the ownership structure may have facilitated the growth of the Company; however the initiatives aiming to start new projects and develop new business have all failed within the Company in the past three years. During this time the Company have been continuously losing its capabilities of vital importance to gather pace for growth. The eventually implemented projects meant the purchase of already operating street lighting projects associated to one corporate group, which however were not as successful as expected and their revenue has not or hardly been received by the Company. The recent hostile takeover corrupted the situation of the Company even further, resulting in employees continuously quitting, which has been threatening the going concern status of the Company especially in the audit period.

The management of the Company sees that the shares of the Company traded at the Budapest Stock Exchange and the Warsaw Stock Exchange are far below the book value per share, reflecting the lack of trust from investors.

The Company had previously communicated several times that the asset elements were conservatively evaluated in its report. The recently closed Polish asset sale transaction partially proved this, since the asset was sold at a price over the double of the book value.

Therefore in the current situation the new management of the Company does not see the realistic opportunity to put the Company on the track of growth by implementing new projects or developing new energy business(es) in short terms. The previously made traditional businesses will however end (expire) in the following 3-8 years.

**Supplementary Annex to the Annual Report on 31 December 2015**

~~The Board of Directors of the Company has determined its short and medium term objectives as follows:~~

1. The management of the company is currently focusing on sizing up the damages and repairing them as soon as possible, which will presumably require the following 2-3 months.
2. Further reducing central costs by determining the salary of the operative executive as half the amount than it previously was.
3. Issuing employee shares and converting / replacing them to ENEFI ordinary shares HUF 300 target price in order to implement the program of the Company. Instead of issuing approx. 4 million pieces of employee shares previously accepted by the general meeting, the Board of Directors plans to issue 2.5 million pieces of employee shares.
4. The Board of Directors shall put its proposal to withdraw the own shares of the Company on the agenda in year 2016.
5. The Company shall focus on the following in the next 3-5 years:
  - Sale of the existing Hungarian project before the end of duration taking into account that operation costs shall always be sufficiently covered.
  - Sale of the last still operable project in Gheorgheni, Romania in a manner arranged with the local town council. In the event that this fails to achieve success, then the Company shall enforce its right in front of court.
  - Closing lawsuits in Romania via out of court agreements.
  - Protection and legal enforcement of the interests of the corporate group to the furthest extent in all Romanian lawsuits where out of court agreements are not viable (e.g. disputes arising from the unlawful attacks of the Romanian Financial Authority).
  - Spending the amounts incoming from the above described reduction of the operation of the Company on the acquisition of own shares.

6. The Company informed its investors that according to the information from the Romanian operations, the second instance court decision (the lawsuit was closed in favour of the Company at first instance) has been made in the lawsuit related to the attachment exercised by the Romanian Financial Authority on the land of the Company in Zalău with the following explanation:

The Court concluded in the explanation that the Financial Authority initiated collection legally on the basis of only the amount of RON 265,977 from its total claim of RON 8,967,172. The Court concluded about the other claims that the Financial Authority lost its right of collection (considering the failure of registration in the previous bankruptcy proceedings of the Company). The Company also disputed the claim of RON 265,977. The objection was rejected by the Court irrespectively of the fact that the Court itself did not find the collection lawful apart from the interest.

The claim of RON 265,977 is the interest of the above RON 8,967,172 (RON 8,701,195 + RON 265,977 interest), which was established by the Financial Authority in spite of the fact that the Court had declared earlier that it had lost its claim of RON 8,701,195. The Company challenged the decision

**Supplementary Annex to the Annual Report on 31 December 2015**

determining the interest which lawsuit was closed in favour of the Company at first instance, however the Court approved the claim of the Financial Authority at second instance.

The Court based its decision on that decision in the present lawsuit.

The Company challenged the previous final in review proceedings because it is unintelligible for the Company how interest can be determined for a capital claim which the Company is not obliged to pay therefore it obviously cannot fall into delay. The request for review was rejected, which decision is being appealed. The Company reminds stakeholders that the capital claims were not due to its previous creditors regularly registered in the bankruptcy proceedings, since they waived those in the settlement with the creditors.

The Company hereby highlights that the Financial Authority initiated collection for the total amount of the claim being aware on the basis of the previous Court decision that it had lost its right to enforce such collection. In addition to the above, the Authority did not pay the Company the amount of VAT legally reclaimed by the Company because it was compensated its claim.

The Company will exercise revision against the present second instance decision.

7. The Company hereby informs its Honourable Investors that according to the information received from the Romanian operations, the Court of Appeal of Târgu Mures rejected the appeal submitted against the rejection of the application for legal remedy against the final decision rejecting the appeal against the decision ordering the liquidation of E-Star Mures Energy SA "under liquidation". As a consequence of the above the Company cannot exercise any further legal remedy in Romania, therefore it shall enforce its claim at an international forum.

8. MAG Zrt. informed the Company that it filed irregularity proceedings against it in relation with a project with tender subsidy previously announced for SMBs.

According to the explanation, in accordance with the consolidating annual reports of the Company for 2011 and 2012, the average number of employees was 504 and 449 respectively and *"on the basis of these, it may be concluded that your Company fails to meet the tender conditions set forth in the Tender Announcement and Guidelines, and the qualification of SMBs. According to the explanation, it is considered as a breach of contract if "the Beneficiary no longer meets the tender conditions due to the changes of the ownership structure thereof."*

The Company explained in its remarks that according to its standpoint, the conditions of commencing irregularity proceedings do not exist against it on the basis of the above reasons; the Company did not violate the support agreement; the explanation is unfounded and contradicting and is based on false assumptions. The Tender Announcement clearly states that the SMB status is a condition of application. The Company met the tender conditions at the time of submitting and winning the tender. The support agreement and the Tender Announcement and Guidelines do not contain any condition that the tenderer must meet the qualification for SMBs until the end of the maintenance period. This would be against the objective and the principle of the support. The reason for the breach of contract referred to in the explanation cannot be interpreted by the Company, especially that on the date of submitting the application and today it was and it is operating in the form of public limited corporation; there is no correlation between the ownership structure and the SMB status; the Tender Announcement and Guidelines or the Agreement do not contain any provision that the ownership structure of the applicants may not be changed.

Irrespective of the above, MAG Zrt. stated that irregularity took place, following which the Company exercised its right to appeal.

The Ministry for National Economy approved the decision for stating the irregularity and informed that it shall take measures to rescind from the agreement.

Following the above, the Ministry for National Economy notified the Company that it shall rescind from the agreement and take measures to collect the amount of the subsidy as taxes.

The Company disputes the claim and shall enforce its claim in front of the Court of Justice.

### **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.

Lawsuit proceeding in front of the Court of Justice in Hungary:

<b>Claimant</b>	<b>Defendant</b>	<b>Matter in dispute</b>
dr. Tibor Botos	ENEFI Energy Efficiency Plc.	Court review of Company decisions 04/11/2014. The Company won the proceedings at first instance and the case was taken to second instance due to the appeal of the Claimant.
Csaba Soós	ENEFI Energy Efficiency Plc.	Court review of Company decisions 08/01/2016.
ENEFI Energy Efficiency Plc.	Municipality of Nagydobos	Contractual fee and charges thereof
ENEFI Energy Efficiency Plc.	Municipality of Szamosszeg	Contractual fee and charges thereof

Judicial review proceedings are in progress against the Company in front of the competent Court of Registration, the main subject of which is the chief executive mandates terminated on 31/12/2015. Meanwhile the general meeting of the Company decided on the election of executives.

FLEETCONCEPT Magyarország Flottakezelő és Autókölcshöz Kft. filed liquidation proceedings against the Company, which action has been finally rejected by the court at second instance.

**ENEFI Energy Efficiency Plc.**  
**www.eneff.hu**  
**Supplementary Annex to the Annual Report on 31 December 2015**

**International lawsuit proceedings of the Company**

<b>Claimant</b>	<b>Defendant</b>	<b>Matter in dispute</b>
ENEFI Plc. SP –	Mures County Financial Authority	Objection in order to cancel executive order of RON 7,602,338
ENEFI Energy Efficiency Plc.	Mures County Financial Authority	Objection against the refusal of the complaint against the second minutes taken in order to state the condition of tax law insolvency against the tax law premise of the Company by the Financial Authority. Claim of Financial Authority: RON 7,602,324 tax liability
ENEFI Energy Efficiency Plc.	Supreme Court	Challenge against tax order, claim of Financial Office: Duties of RON 265,977 tax liability.
ENEFI Energy Efficiency Plc.	Mures County Financial Authority	Objection against the executory order titled: RO 1263929/14.01.2015 UIPE_1 Végrehajtást engedélyező, egységes okirat (1263929/14.01.2015 UIPE_1 Consolidated Instrument Permitting Execution) Financial execution commenced for the claim of RON 9,867,217
Zalău City with County Authority	-E-Star ZA Distriterm SRL -ENEFI Energy Efficiency Plc. (former E-STAR Alternative Plc.)	termination of concession agreement, declaration of invalidity of sale and purchase agreement of backbone line.
-ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-Star ZA Distriterm SRL	Sălaj County Financial Authority	contesting administrative order
ENEFI Energy Efficiency Plc.	- Zalău Financial Authority - Mures County Financial Authority	Objection against execution of minutes on the attachment of immovable properties.
- I&O, liquidator of E-Star ZA Distriterm SRL -ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-STAR Energy Generation SA	- Zalău Financial Authority	- the liquidator contested the result of the financial audit, by which the Financial Authority stated that the finally lost claim is current and the court decisions declaring the contrary are not effective against the Financial Authority. - the creditors whose interests are injured by the proceedings of the Financial Authority have filed an application for intervention.
Zalău Financial Authority	- I&O, liquidator of E-Star ZA Distriterm SRL -ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-STAR Energy	The Zalău Financial Authority contested the decision of the creditor board made on 29/02/2016 about hiring an attorney.

Generation SA		
---------------	--	--

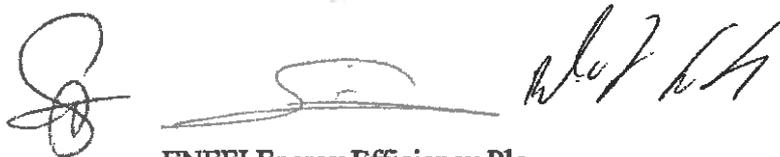
**Indexes analysing the wealth, financial and profitability situation of the Company**

Index		2014	2015
<b>Liquidity</b>			
Liquidity ratio	Current assets	8,86	0,73
	Short-term liabilities		
Quick liquidity ratio	Current assets - Stocks	8,86	0,73
	Short-term liabilities		
<b>Debt service</b>		<b>2014</b>	<b>2015</b>
Interest coverage	Business operation results	0,61	6,81
	Payment Interests and interest type liabilities		
<b>Capital Structure</b>		<b>2014</b>	<b>2015</b>
Rate of indebtedness	Liabilities	0,48	0,54
	Total assets		
Net indebtedness	Liabilities - Receivables	0,43	0,92
	Capital		

The company has no hazardous wastes.

No research and development cost occurred in the reference year.

Status 2016. 25 May



ENEFI Energy Efficiency Plc.

**1. Annex No**

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

data in thousands HUF

<b>Intangible assets</b>	<b>Foundation - reorganisation</b>	<b>Experimental development</b>	<b>Right to assets and licences</b>	<b>Incorporeal products</b>	<b>Goodwill</b>	<b>Total intangible assets</b>
<b>Gross value</b>						
<b>Opening value</b>	0	0	61 601	0	20 668	82 269
<b>Increase</b>	0	0	2 515	0	0	2 515
<b>Impairment</b>	0	0	330	0	0	330
<b>Reclassification</b>	0	0	0	0	0	0
<b>Closing value</b>	0	0	63 786	0	20 668	84 454
<b>Depreciation</b>						
<b>Opening value</b>	0	0	50 287	0	0	50 287
<b>Increase</b>	0	0	8 125	0	0	8 125
<b>Impairment</b>	0	0	330	0	0	330
<b>Reclassification</b>	0	0	0	0	0	0
<b>Closing value</b>	0	0	58 082	0	0	58 082
<b>Depreciation beyond the Schedule</b>						
<b>Opening value</b>	0	0	4 401	0	20 668	25 069
<b>Increase</b>	0	0	0	0	0	0
<b>Impairment</b>	0	0	0	0	0	0
<b>Reclassification</b>	0	0	0	0	0	0
<b>Closing value</b>	0	0	4 401	0	20 668	25 069
<b>Value</b>						0
<b>Opening net value</b>	0	0	6 913	0	0	6 913
<b>Closing net value</b>	0	0	1 303	0	0	1 303

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

data in thousands HUF

<b>Tangible assets</b>	<b>Real estates and rights to assets</b>	<b>Technical Equipment</b>	<b>Other equipment</b>	<b>Breeding stock</b>	<b>Investments, renovations</b>	<b>Total tangible assets</b>
<b>Gross value</b>						
<b>Opening value</b>	<b>20 313</b>	<b>1 396 088</b>	<b>72 258</b>	<b>0</b>	<b>456 461</b>	<b>1 945 120</b>
Date of capitalisation					0	0
Increase	268 907	350 803	11 409	0	177 176	808 295
Impairment	0	21 473	4 570		633 637	659 680
Date of capitalisation	0	0	0	0	0	0
<b>Closing value</b>	<b>289 220</b>	<b>1 725 418</b>	<b>79 097</b>	<b>0</b>	<b>0</b>	<b>2 093 735</b>
<b>Depreciation</b>						
<b>Opening value</b>	<b>2 909</b>	<b>577 859</b>	<b>61 121</b>	<b>0</b>	<b>0</b>	<b>641 949</b>
Increase	68	109 341	5 395	0	0	114 804
Impairment	0	19 543	4 547	0	0	24 090
Reclassification	0	-60	0	0	0	-60
<b>Closing value</b>	<b>2 977</b>	<b>667 597</b>	<b>61 968</b>	<b>0</b>	<b>0</b>	<b>732 603</b>
<b>Depreciation beyond the Schedule</b>						
<b>Opening value</b>	<b>16 366</b>	<b>230 652</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>247 018</b>
Increase	0	0		0	0	0
Impairment	0	0	0	0	0	0
Reclassification	0	60	0	0	0	60
<b>Closing value</b>	<b>16 366</b>	<b>230 712</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>247 077</b>
<b>Value</b>						
<b>Opening net value</b>	<b>11,731</b>	<b>587 517</b>	<b>11 137</b>	<b>0</b>	<b>456 461</b>	<b>1 056 153</b>
<b>Closing net value</b>	<b>269 877</b>	<b>827 049</b>	<b>17 129</b>	<b>0</b>	<b>0</b>	<b>1 114 055</b>

2. Annex No

Corporate tax calculation

*data in thousands HUF*

<b>PRE-TAX PROFIT</b>	<b>-825 532</b>
<b><u>Current tax base increasing items</u></b>	<b>1 744 736</b>
Depreciation accounted in accordance with the Act on Accounting.	122 929
Book value of written-off tangible assets	1 953
Depreciation of receivables	1 381 762
Depreciation of participations	0
Expenditures of previous years	11
Receivables condoned against affiliated enterprise	0
Penalty	5 057
Provisions generated in the reference year	214 314
Not realised exchange rate loss	18 710
<b><u>Current tax base decreasing items</u></b>	<b>1 315 846</b>
Depreciation accounted in accordance with the Tax Law	36 245
Book value of written-off tangible assets according to Act on Corporate tax	0
Write-back of depreciation of receivables	1 080 517
Written-back provisions	199 084
Not realised exchange rate gain	0
Generation of development provisions	0
<b><u>Loss from previous year</u></b>	<b>0</b>
<b>Tax base</b>	<b>-396 642</b>
	0
<b>Corporate tax liability of reference year</b>	<b>0</b>
<b>Tax allowance</b>	<b>0</b>
<b>Final Corporate Tax and Dividend</b>	<b>0</b>
<b>NET INCOME</b>	<b>-825 532</b>

**3. Annex No**

**STATEMENT OF CASH FLOWS IN 2015 31 December**

	<b>31/12/2014</b>	<b>31/12/2015</b>
<b>Change of monetary assets from ordinary operations</b>	<b>2 173 411</b>	<b>2 296 248</b>
Pre-tax profit	747 517	-825 532
Revaluation correction accounted on shares		
Accounted depreciation	115 773	122 929
Accounted write-off of depreciation	109 373	1 251 978
Balance of accumulated provisions and their use	48 467	15 230
Profit from selling of Fixed Assets	-70 368	63 124
Change of supplier liabilities	-90 386	-57 100
Change of other short-term liabilities	-1 097 949	2 304 156
Change of passive accruals	-20 040	-27 869
Change of Trade Accounts Receivable	70 797	-87 663
Change of Current Assets (w/o customer and monetary assets)	2 484 601	-463 997
Change of active accruals	30 927	992
Paid and payable tax (taxes on profit)	-5 537	0
Paid and payable dividend, share	0	0
New share value due to merger	(149 764)	
<b>Change of monetary assets from investment operations</b>	<b>1 803 545</b>	<b>-271 826</b>
Purchase of Fixed Assets	-448 640	-210 655
Selling of Fixed Assets	2 252 185	-61 171
Received dividend	0	0
<b>Change of monetary assets from financial operations</b>	<b>(4 015 552)</b>	<b>(1 998 125)</b>
Income from Equity Issue and Capital Raise	0	0
Revenues from the issue of bonds, securities representing loans	0	0
Received credit and loan	0	0
Instalments of Long-Term Loans Given and Bank Deposits	1 757 563	229 923
Monetary Asset Received Permanently	0	0
Withdrawal of shares, capital (capital decrease)	(3 687 328)	0
Repayment of Bonds and Securities Representing Long-Term Loans	0	0
Instalment and repayment of credit and loan	(2 525 963)	(2 228 048)
Long-Term Loans Given and Bank Deposits	440 176	0
Monetary Asset Given Permanently	0	0
Change of long-term liabilities against founders and others	0	0
<b>Change of Monetary Assets</b>	<b>(38 596)</b>	<b>26 297</b>





**ENEFI Energy Efficiency Plc.**

**BUSINESS REPORT of THE BOARD OF DIRECTORS**

**on the Management of the Company, the Financial Situation and  
Business Policy of the Company**

**and**

**to the Annual Individual Report of the Company of 31 December  
2015.**

**Status: 25.05.2016.**

**Objective of the Report:**

This report aims to present the property, financial and revenue circumstances, and the course of business of ENEFI Energy Efficiency Plc. (hereinafter: "Company", or "Enterprise", or "ENEFI", or "Issuer") together with the major risks and uncertainties arising in its operations so that it provides a reliable and realistic picture of these, meeting the actual circumstances on the basis of past factual and expected future data.

I.

**Information on the Parent Company, ENEFI Energy Efficiency Plc.:**

**1. Basic Details of the Company, Composition of Subscribed Capital:**

**Basic Information of the Company**

Company name:	ENEFI Energy Efficiency Plc.
The company's name in English:	ENEFI Energy Efficiency Plc.
Registered seat:	1134 Budapest, Klapka utca 11.
Branch office:	8413 Eplény, Veszprémi u. 66 Building A.
Country of registered seat:	Hungary
Telephone:	06-1- 279-3550
Facsimile:	06-1- 279-3551
Governing law:	(Hungarian)
Initial Public Offering:	Budapest Stock Exchange Warsaw Stock Exchange
Corporate form:	Public Limited Corporation

**Predecessors of the Company and Changes in Corporate Form**

The Company was founded as a limited liability company then it was converted into a private limited corporation and subsequently into a public limited corporation as follows:

*Regionális Fejlesztési Vállalat Korlátolt Felelősségű Társaság (Regional Development Company Limited Liability Company)*

Date of foundation:	17/05/2000
Date of registration:	29/06/2000
Date of termination:	12/06/2006

*Regionális Fejlesztési Vállalat zártkörűen működő Részvénytársaság (Regional Development Company Private Limited Corporation)*

Date of registration:	12/06/2006
-----------------------	------------

*RFV Regionális Fejlesztési, Beruházó, Termelő és Szolgáltató Nyilvánosan Működő Részvénytársaság (RFV Regional Development, Investment, Production and Service Public Limited Corporation)*

Date of change:	12/03/2007
-----------------	------------

The Initial Public Offer of the shares took place at the Budapest Stock Exchange on 29th May 2007.

*E-STAR Alternative Energy Service Plc.*

Date of change: 17/02/2011  
Date of registration: 04/03/2011

*ENEFI Energy Efficiency Plc.*  
Date of change: 09/12/2013  
Date of registration: 17/12/2013

#### Term of the Operation of the Company

The Company was founded for an indefinite period of time.

#### Registered Capital of the Company

The registered capital of the Company: HUF 271,725,790, i.e. two hundred and seventy-one million, seven hundred and twenty-five thousand, seven hundred and ninety Forints.

#### Shares of the Company

The registered capital consists of 27,172,579 pieces of registered, dematerialised, regulated, publicly offered ordinary shares, the par value of which is HUF 10, each.

Owners of the Company on balance day:

Ownership Structure	31 December 2015	31 December 2014
	Ownership Ratio (%)	
Own shares	17.92	20.39
OTP Alapkezelő Zrt.	14.67	14.67
Csaba Soós	11.47	11.47
CRH INVEST Kft.	11.27	11.27
Allianz Alapkezelő Zrt.	9.75	9.75
Free float rate (from which: owned by associated enterprises)	34.92 (4.09)	32.45
<b>Total</b>	<b>100%</b>	<b>100%</b>

Ownership Structure on the day of the annual report:

Ownership Structure	Ownership Ratio (%)	
	Own shares	64.35
PLOTINUS HOLDING Nyrt.	5.87	
Free float rate (from which: owned by associated enterprises)	29.78 (4.38)	
<b>Total</b>	<b>100%</b>	

The rights and liabilities set forth in legal regulations and the Articles of Association of the Company shall be associated to the shares, particularly but not exclusively including the relevant provisions of the Articles of Association:

„1. The responsibility of the shareholders for the Company covers the provision of the par value, or the issuing value, except for the employee shares, which may be issued free of charge too. The shareholder shall not be obliged to undertake the liabilities of the Company, if legal regulations do not provide otherwise. The shareholder shall be entitled to exercise its rights following the registration in the share register.

2. Shareholders have the proprietary rights related to shares, especially the right of dividend, interim dividend and the right of liquidation margin. Employee shareholders also have the preferential right determined in the Civil Code if they have this type of employee shares. The right of ordinary share owners to dividend may be restricted in practice by the potentially issued preferential employer shares and other rights related to dividend shall be interpreted with the consideration of this.

The shareholder shall be entitled to acquire dividend who is registered into the share register on the basis of the owner identification issued by KELER Zrt. on the dividend payment day determined by the decision of the General Meeting deciding on the dividend payment. The dividend payment shall be due after at least 20 days after the decision of the General Meeting on the day determined by the General Meeting.

3. On the basis of the membership rights of shareholders in accordance with the provisions of Section VIII. 4. of the Articles of Association, each shareholder has the right to take part at the General Meeting, request information within the legally determined frames, make remarks and proposals and vote in the possession of shares providing voting rights.

4. In addition to the above, shareholders have the legally determined minority rights and the right to transfer the shares but in the case of employer shares the restrictions of transfer set forth in Section 1., Chapter VI. of the Articles of Association shall be observed.

5. Upon the notice of the Board of Directors, the shareholder registered in the share register (custodian, shareholder trustee, and in case of shared property shares the representative) shall declare without delay that as an actual owner what extent of control it has in the Company. In the event that the shareholder fails to meet the notification within the deadline determined, then its right to vote shall be suspended until it fulfils its information liability.

### **2. Transfer of Issued Shares Constituting Registered Capital:**

The rules of the transfer of shares are set forth in the Civil Code, the Capital Market Act and the Articles of Association of the Company. The Articles of Association of the Company do not include any provisions or does not require any restrictions differing from the law.

### **3. Issued Shares Providing Special Control Rights:**

The Company did not issue such shares.

### **4. Control mechanism set forth by the employee shareholder system, in which control rights are not directly exercised by employees:**

The Company does not have such a shareholder system.

### **5. Restriction of Rights to Vote**

Upon the notice of the Board of Directors, the shareholder registered in the share register (custodian, shareholder trustee, and in case of shared property shares the representative) shall declare without delay that as an actual owner what extent of control it has in the Company. In the event that the shareholder fails to meet the notification within the deadline determined, then its right to vote shall be suspended until it fulfils its information liability.

The Articles of Association and other rules of the Company do not include further provisions differing from the law in terms of the restriction of the rights to vote.

**6. Agreement between Owners:**

The Company has no information about any agreement between owners, which may result in the restriction of the transfer of the issued shares or the rights to vote.

**7. Rules of the assignment and withdrawal of chief executives and modification of the Articles of Association:**

The major body of the Company, General Meeting shall make decisions by the simple majority of the votes except if the legal regulation or the Articles of Association on basis of the authorisation thereof, or the rules of the stock exchange compulsorily applicable for the operation of the Company make a higher rate of votes compulsory.

**8. Authority of chief executives, especially the rights to issue and repurchase shares:**

The Articles of Association of the Company do not include provisions differing from law in terms of the authority of the chief executive apart from the following authorisation based on a legal regulation:

*„7. The Board of Directors shall be entitled to make decisions on modifying the name, registered seat (premises, branch offices), activities (except for the main activity) of the Company and to modify the Articles of Association accordingly.”*

The general meeting may authorise the Board of Directors to increase the registered capital of the Company and to make the related decisions.

**9. Agreement for the case of public purchase offer:**

There is no significant agreement concluded with the participation of the Company which shall enter into effect, be modified or terminated following the change in the control of the Company after a public purchase offer.

**10. Agreement between the Company and its employee:**

There is no agreement concluded between the Company and any chief executive or employee thereof, which sets forth compensation for damages in the event that the chief executive resigns or the employee quits, if the legal relationship of the chief executive or the employee is unlawfully terminated or the legal relationship is terminated due to public purchase offer.

**11. Board of Directors of the Company:**

Name of Board Member	Position
Csaba Soós	Chairman of the Board of Directors
Attila Gagyí Pálffy	Member of the Board of Directors
László Bálint	Member of the Board of Directors

The managing body of the Company is the Board of Directors exercising its rights and liabilities as a body in accordance with the provisions of the Act on Business Associations and other relevant legal regulations. The Board of Directors is mandated and authorised to make all decisions which do not belong to the authority of the Annual General Meeting or any other body on the basis of authorisation by any legal regulation or the Rules of the Company. The operation, mandate and authority of the Board of Directors are regulated by the Act on Business Associations and the rules of procedure of the Board of Directors.

The members of the Board of Directors are elected by the Annual General Meeting for a definite or indefinite period of time. On the basis of the authorisation of the Annual General Meeting, the Board of Directors is entitled to permit the operation of committees, consulting and other bodies in order to prepare decisions.

#### **12. The Company' Supervisory Board**

The Supervisory Board of the Company regularly gets informed about the significant events in the Company, participates in the process of preparing and supervising reports, then accepts them and prepares a report on that. Members of the Supervisory Board:

Name of the SB member	Position
Dr. Miklós László Siska	Chairman of the Supervisory Board
Gyula Bakacsi	Member of the Supervisory Board
Viktor Benke-Szabó	Member of the Supervisory Board
Attila Fekete	Member of the Supervisory Board
Zoltán Poják	Member of the Supervisory Board

The Supervisory Board supervises the management of the Company for the main body of the business association. During this it may require information from the managing officers, examine the books and documents of the Company. The Supervisory Board elects its chairman from the members.

The mandate, authority, organisation and operation of the Supervisory Board are governed by the provisions of the Act on Business Associations and the rules of procedure of the supervisory Board. The assignment of the members of the Supervisory Board shall be valid for an indefinite period of time.

#### **13. Audit Committee of the Company**

An Audit Committee at the public limited company.

Name of Audit Committee Member	Position
Dr. Miklós László Siska	Chairman of the Audit Committee
Gyula Bakacsi	Member of the Audit Committee
Viktor Benke-Szabó	Member of the Audit Committee
Attila Fekete	Member of the Audit Committee
Zoltán Poják	Member of the Audit Committee

The mandate and authority of the Audit Committee shall cover anything assigned to it by law or the Articles of Foundation on the basis of the authorisation thereof. The chairman of the Audit Committee shall be elected by the members from the members and makes decisions by simple majority.

**14. The Auditor of the Company:**

The responsibility of the selected auditor of the Company is to take care of conducting the audition determined in the Act on Accounting and especially determining whether the balance sheet of the business association in accordance with the Act on Accounting meets the legal regulations, furthermore whether it provides a reliable and real picture of the proprietary and financial situation of the Company as well as the results of its operations.

Name: BDO Magyarország Könyvvizsgáló Kft.  
Registered seat: 1103 Budapest, Kőér utca 2/A.,  
Company registration number: Company reg. nr. 01-09-867785  
Chamber registration number: 002387

**Person personally responsible for audition:**

Name: Ferenc Baumgartner auditor  
Home address: 1037 Budapest, Kunigunda útja 22.,  
Mother's name: Margit Szajki,  
Auditor licence number: 002955

## II.

### **1. Business Environment and Development of Operations and Comprehensive Analysis of the Performance and the Circumstances of the Company:**

#### **Brief Story of the Issuer**

The predecessor of the Company named Regionális Fejlesztési Kft. was founded by two private people in 2000. The founders intended to establish an ESCO (Energy Service Co., i.e. dealing with energy saving) type of company. Initially one of the main activities of the Company was cost-effective electrical energy supply which still provides significant revenues today. The Company provided continuous consultancy for its customers to assist them to choose the most favourable tariff package from the regionally competent energy supplier. In the framework of the service, the electrical energy was purchased by the Company and sold to its customers at a more favourable price than earlier. The customer and the Company shared the saved costs on the basis of a long term agreement concluded between them. Since 1st January 2008 however the free energy market was opened, which means that economic organisations may freely choose their energy suppliers and individually determine the conditions of the service. The Company also adapted to the changed circumstances and negotiated with several traders of the energy market, took steps together with its partners to achieve the best possible conditions. The other main activity of the Company has been luminous flux regulation of street lighting since its foundation. Then in 2004 the Company took heating modernisation and thermal energy supply to its product range. A significant part of the customers of the Company are municipalities and municipal institutions. The Company was transformed into a private limited corporation on 12th June 2006, then on 12th March 2007 the Court of Registration registered the change of "private limited corporation" form into "public limited corporation". The Initial Public Offering of the shares of the Company took place at the Budapest Stock Exchange on 29th May 2007. The Initial Public Offering of the shares of the Company took place at the Warsaw Stock Exchange on 22/03/2011.

#### **Business Environment of the Company**

The Corporate group with its registered seat in Budapest operates in Hungary and Romania, the subsidiaries of which deal with heat production and supply as their main activity and electric energy production and trading as related activity in certain, well-established areas of the three countries mentioned above. Additionally certain companies of the Group deal with the modernisation and operation of street lighting systems in Hungarian projects.

#### **Introduction of Business Activity by Spheres of Activity**

The sales revenue of the Company comes from the following major activities:

- Street lighting service;
- Heat supply service

#### **The Offered Service**

After a free survey the Company offers an agreement to its customers in which it implements the luminous flux regulation of street lighting as its own development without involving the resources of the customer. The Company installs voltage regulators with the capacity meeting the local requirements, which regulate the voltage required for the street lighting. The voltage regulators are usually installed by local subcontractors and the installed devices remain the property of the Company. By the conclusion of the Agreement, the Company purchases the previously provided service - electric power, maintenance of consumers - and sells its own service to the customer. The

Company performs the maintenance of the equipment installed by the Company with the involvement of subcontractors too. The customer periodically (monthly) pays a basic, or service fee and a consumption fee. The customer and the Company share the part of the achieved cost saving exceeding the amount spent on the funding of the development. The Company shall be entitled to correct the price of electric energy sold to the customer by the electric energy price rises at all times.

#### **Heat supply service with heating system modernisation**

Municipalities and public institutions often solve the heating of their institutions with obsolete, wasteful heating systems. Moreover the maintenance of the obsolete systems can only be solved with greater difficulties and higher maintenance costs; the potential failure of the equipment may cause significant, unplanned investment. The investment may potentially be only implemented by loan and the further worsening credit rating due to the poor municipality management. Following the individual survey of the buildings of the customers and the preliminary survey of needs, the Company prepares an offer package in this business branch, which includes a proposal for the long term solution of heat supply at higher standards. Following the conclusion of the agreement the Company implements the energetic modernisation prepared during the survey and undertaken in the impact study without involving the resources of the customer, then it provides long term (10-25 years) heat supply service on the modern system, including operating and maintenance tasks. Depending on individual needs, the modernisation may include the replacement of the boiler, the conversion of the heat consumption into a controllable and measurable system (converting the heating systems into multiple circles, installing thermostatic controls, building in heat pump, etc.). The Company acquires the further factors required for providing the heat supply (e.g. leasing boiler-house, electric energy, water, etc.) partly from the customers. The Company purchases the equipment from the Hungarian representatives of worldwide companies (e.g. in case of boilers, these companies are typically Viessmann, Buderus, Hoval, etc.), who usually perform installation too. The Company also concludes long term agreements for the maintenance of the equipment with a local subcontractor. The modernisation results in significant, even 40-50% energy cost saving among the same conditions. In order to ensure heat supply, the Company usually uses gas-fired equipment. Instead of the direct "gas supplier - municipality" relationship, the Company purchases gas and supplies heat to the customers in a "gas supplier (gas trader) - Company" relationship. The customer uses the heat supply at lower costs while the heating system is modernised. The customer periodically (monthly) pays a basic, or service fee and a consumption fee according to a previously determined formula. The Company adjusts the unit price of the heat supply service to the gas price invoiced by the utility gas supplier.

#### **Major Markets**

##### **Geographical Penetration of ENEFI**

- Initially the Company implemented successful heating supply, public lighting and kitchen technology developments in Hungary, primarily in the municipality sector.
- Due to the changing economic and social requirement in our region, the demand for the solutions offered by the Company increased, which allowed the regional expansion of the Company becoming stronger and obtaining references in Hungary.
- Since the municipalities are rather under-financed in our region, the heating technology of public institutions is also obsolete, significant savings may be achieved, therefore the attention of the Company / corporate group has turned towards the surrounding countries, especially Romania and Poland since the beginning of 2011's business year.

The geographical distribution of the operations of the entire ENEFI corporate group covered the territory of Hungary, Romania and Poland in accordance with the situation in the beginning of 2015.

The Company sold its operations in Poland, thus the area of operation has been limited to the territory of Hungary and Romania.

**The most important services (branches) of the entire group are the following**

The most important services (branches) of the entire group are the following:

- efficient thermal energy and district heating supply based on sustainable primary energy sources
- modernisation and exploitation of efficiency in energy supply and transformation equipment

**Management of the Company, Objectives and Strategy**

Among its first tasks the newly elected Board of Directors of the Company have found it important to determine and communicate its short and medium term objectives about the Company to the Shareholders particularly considering the fact that the previous owners and members of the Board of Directors did not reach an agreement in terms of establishing the strategy of the Company.

Having surveyed the ownership structure of the Company, the Board of Directors found that the ownership structure of the Company has been significantly changed recently due to the ENEFI share purchases by EETEK Ltd. and then the sale of these shares to the Company. As a result of the successfully closed bankruptcy proceedings of the Company the Company which had been mostly owned by shareholders who were former creditors since 2013 has become the majority property of shareholders acquiring shares with real and genuine share purchase intention again. In terms of figures, the number of former creditor shareholders has decreased below 250 persons among the approximately 2000 owners. The number of shares held by former creditor shareholders was 50 million pieces as a result of the settlement with the creditors. Following the acquisition and withdrawal of the shares transferred to affiliated company, this number has decreased to approximately 20 million. Currently, excluding the own shares of the Company and its affiliated companies, the number of shares owned by shareholders is approx. 7.2 million pieces, less than half of which are shares issued under the settlement with the creditors.

The change in the ownership structure may have facilitated the growth of the Company; however the initiatives aiming to start new projects and develop new business have all failed within the Company in the past three years. During this time the Company have been continuously losing its capabilities of vital importance to gather pace for growth. The eventually implemented projects meant the purchase of already operating street lighting projects associated to one corporate group, which however were not as successful as expected and their revenue has not or hardly been received by the Company. The recent hostile takeover corrupted the situation of the Company even further, resulting in employees continuously quitting, which has been threatening the going concern status of the Company especially in the audit period.

The management of the Company sees that the shares of the Company traded at the Budapest Stock Exchange and the Warsaw Stock Exchange are far below the book value per share, reflecting the lack of trust from investors.

The Company had previously communicated several times that the asset elements were conservatively evaluated in its report. The recently closed Polish asset sale transaction partially proved this, since the asset was sold at a price over the double of the book value.

Therefore in the current situation the new management of the Company does not see the realistic opportunity to put the Company on the track of growth by implementing new projects or developing new energy business(es) in short terms. The previously made traditional businesses will however end (expire) in the following 3-8 years.

The Board of Directors of the Company has determined its short and medium term objectives as follows:

1. The management of the company is currently focusing on sizing up the damages and repairing them as soon as possible, which will presumably require the following 2-3 months.
2. Further reducing central costs by determining the salary of the operative executive as half the amount than it previously was.
3. Issuing employee shares and converting / replacing them to ENEFI ordinary shares HUF 300 target price in order to implement the program of the Company. Instead of issuing approx. 4 million pieces of employee shares previously accepted by the general meeting, the Board of Directors plans to issue 2.5 million pieces of employee shares.
4. The Board of Directors shall put its proposal to withdraw the own shares of the Company on the agenda in year 2016.
5. The Company shall focus on the following in the next 3-5 years:
  - Sale of the existing Hungarian project before the end of duration taking into account that operation costs shall always be sufficiently covered.
  - Sale of the last still operable project in Gheorgheni, Romania in a manner arranged with the local town council. In the event that this fails to achieve success, then the Company shall enforce its right in front of court.
  - Closing lawsuits in Romania via out of court agreements.
  - Protection and legal enforcement of the interests of the corporate group to the furthest extent in all Romanian lawsuits where out of court agreements are not viable (e.g. disputes arising from the unlawful attacks of the Romanian Financial Authority).
  - Spending the amounts incoming from the above described reduction of the operation of the Company on the acquisition of own shares.

#### **Major Resources of the Company**

The number of employees in the Company has been reduced to below 10 as a result of the former dramatic downsizing of operations. The head count is sufficient to maintain daily operations. Operations with the significantly downsized corporate centre can be compared with the basic operations of an investment. In case of starting new and large projects more staff may be required. The successful closure of the former bankruptcy proceedings stabilised the market position of the Company in Hungary. The amount of external liabilities has practically been reduced to the incoming invoices during the daily operations. The payment discipline of the remaining customers is sufficient. The Company is able to finance the operations from its revenues. In case of starting new projects it acts with due carefulness and consideration of risks. The customers (municipalities and their institutions) involve the risk of not paying. Currently the entire Hungarian operation takes place without using bank financing. In the event that the capital requirement of the newly started projects exceeds the available amount of resources, the Company will need external financing.

#### **Risk factors**

The detailed description of the risk factors is included in the previously published Consolidated Report of the Company (pages 22-37), which is available here: [http://bet.hu/newkibdata/115693892/T\\_i\\_koztat\\_.pdf](http://bet.hu/newkibdata/115693892/T_i_koztat_.pdf)

#### **Trading Profit of the Annual Report Period and Prospects**

The trading profit of 2015 was negatively influenced by the fact that year 2015 was a record warm year. Unfortunately, the tendency continued in January, February and March too, therefore this factor will probably negatively influence the first quarter figures of 2016 and it will affect the economic performance of the entire financial year as well.

Considering the risks, the Company started opening to the market again by purchasing some new projects. Retained earnings was HUF (-) 825,532 thousand loss following the evaluation of the Romanian corporate group. The Company sold its subsidiary E-Star Esco Kft. and Fejér Megyei Nonprofit Kft and Veszprém Megyei Nonprofit Kft 100% property thereof in 2015.

#### **Quantitative and Qualitative Indexes and Indicators of Performance Measurement.**

The numerical analysis of the situation of the Company is included in the paragraph titled: "The Typical Indexes of the Company in the Reference Period" of the Supplementary Annex constituting a part of the Report. Keeping operation costs permanently low is characteristic.

Name of Index	31st December 2014	31st December 2015
Rate of fixed assets: (fixed assets/total assets)	64.31%	70.24%
Indebtedness rate: (payables/Resources)	47.51%	53.83%
Profitability in the ratio of own capital (pre-tax profit/own capital)	21.60%	-31.33%
Liquidity index I.: (current assets/short-term liabilities)	8.86	0.73
Quick liquidity ratio (cash/short-term liabilities)	0.10	0.02

#### **Detailed Description of the Financial Situation of the Company**

The detailed description of the financial situation of the Company is included in the annual report presented together with the present report, while the annual consolidated report includes it at corporate group level.

The Company hereby calls attention to the fact that as a public stock exchange company it shall publish all significant events related to the Company, which can be found on its website ([www.e-star.hu](http://www.e-star.hu), [www.eneff.hu](http://www.eneff.hu)) and on the website of Budapest Stock Exchange Plc. ([www.bet.hu](http://www.bet.hu)) as well as the website operated by MNB ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

### **Major Economic Events and Assessment of 2015**

ENEFI presented the major significant events of 2015 in details by countries in the Executive Reports constituting annexes of its quarterly reports, which are built in the present report by references as follows:

Q1 report (report of the first quarter):

[http://bet.hu/topmenu/kibocsatok/kibocsatoi\\_hirek/119132361.html](http://bet.hu/topmenu/kibocsatok/kibocsatoi_hirek/119132361.html)

H1 report (report of the first half):

[http://bet.hu/topmenu/kibocsatok/kibocsatoi\\_hirek/119670633.html](http://bet.hu/topmenu/kibocsatok/kibocsatoi_hirek/119670633.html)

Q3 report (report of the third quarter):

[http://bet.hu/topmenu/kibocsatok/kibocsatoi\\_hirek/120108009.html](http://bet.hu/topmenu/kibocsatok/kibocsatoi_hirek/120108009.html)

The Company hereby calls attention to the fact that as a public stock exchange company it shall publish all significant events related to E-Star in the form of announcements, which can be found on its website ([www.e-star.hu](http://www.e-star.hu) , [www.enefi.hu](http://www.enefi.hu)) and on the website of Budapest Stock Exchange Plc. ([www.bet.hu](http://www.bet.hu)) as well as the website operated by MNB ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

### **2. Major Events, Particularly Significant Processes after the Balance Day**

The Company continuously informed the public about the more important events after the balance day in its announcements.

1. The transaction of the sale of ENEFI Polska Spolka Z.o.o. was closed after the balance day which had been announced and publicised by ENEFI Energy Efficiency Plc.

In the transaction, EETEK Ltd. sold ENEFI Polska Spolka Z.o.o. above book value, for PLN 48.51 million cash plus the consideration of all its claims against ENEFI Polska ENEFI Plc. (approx. PLN 28 million). In the scheme, ENEFI founded a company with majority ownership named Polska Premium Fund Spolka Z.o.o. to which it brought its shares owned in E-STAR Elektrociepłownia Mielec Spółka z o. o. company.

By the sale of ENEFI Polska, the liability of ENEFI Polska to BZ WBK was also sold, which the emptor undertook to pay off in advance to the Bank, and the guarantee of ENEFI Energy Efficiency Plc for the liabilities of ENEFI Polska Sp. z o.o. was also terminated, the amount of which 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.

2. The Company sold its entire ownership in affiliated company RFV Slovak s.r.o (Registered seat: Hnústa, Francisciho nám 373., Republic of Slovakia; 98101, Company registration number: 44 016 972) for a symbolic amount of EUR 1.

RFV Slovak s.r.o has not conducted actual operations for years, it does not have assets, however the maintenance thereof has costs, therefore the Company decided to sell it in order to simplify the corporate group and reduce costs.

3. The Company informed its investors, that significant non-planned depreciation is expected in its annual report of 2015 in relation with its project in Gheorgheni In its consolidated report through the IFRIC 12 calculation. Since under the IAS rules the intangible assets model must be followed in case of the project in Gheorgheni, the write-off will affect the intangible assets at the consolidated level (IFRS does not require the presentation of the investment under a concession agreement in the project in Gheorgheni and in similar projects as tangible assets but as intangible assets in the consolidated report, which in certain cases may be misleading for less expert persons, therefore the Company hereby calls particular attention of its Honourable Investors to this).

4. The Company informed its investors that in relation with the termination of its project in Gheorgheni the Romanian Court of Justice decided that its affiliated company in Gheorgheni shall be obliged to provide service until the lawsuit on the lawfulness of the termination is closed.

The Company informed its investors that on the basis of the information of the operations in Gheorgheni, the tribunal made a favourable decision for E-Star CDR in the lawsuit filed by the Town of Gheorgheni (the subject of which was the request to determine that the Town Council had voted for the modification of the price of district heating, therefore the termination by the affiliated company of the Company in Gheorgheni (E-Star CDR) was unlawful, which shall be made void). The tribunal accepted the objection raised by E-Star CDR and rejected the action filed by the Town to determine the approval of the draft decision of the Town Council on the price of district heating together with the other subsequently submitted actions. The decision is not final.

5. Among its first tasks the newly elected Board of Directors of the Company have found it important to determine and communicate its short and medium term objectives about the Company to the honourable Shareholders included in the above part of the report.

6. The Company informed its investors that according to the information from the Romanian operations, the second instance court decision (the lawsuit was closed in favour of the Company at first instance) has been made in the lawsuit related to the attachment exercised by the Romanian Financial Authority on the land of the Company in Zalău with the following explanation:

The Court concluded in the explanation that the Financial Authority initiated collection legally on the basis of only the amount of RON 265,977 from its total claim of RON 8,967,172. The Court concluded about the other claims that the Financial Authority lost its right of collection (considering the failure of registration in the previous bankruptcy proceedings of the Company). The Company also disputed the claim of RON 265,977. The objection was rejected by the Court irrespectively of the fact that the Court itself did not find the collection lawful apart from the interest.

The claim of RON 265,977 is the interest of the above RON 8,967,172 (RON 8,701,195 + RON 265,977 interest), which was established by the Financial Authority in spite of the fact that the Court had declared earlier that it had lost its claim of RON 8,701,195. The Company

challenged the decision determining the interest which lawsuit was closed in favour of the Company at first instance, however the Court approved the claim of the Financial Authority at second instance.

The Court based its decision on that decision in the present lawsuit.

The Company challenged the previous final in review proceedings because it is unintelligible for the Company how interest can be determined for a capital claim which the Company is not obliged to pay therefore it obviously cannot fall into delay. The request for review was rejected, which decision is being appealed. The Company reminds stakeholders that the capital claims were not due to its previous creditors regularly registered in the bankruptcy proceedings, since they waived those in the settlement with the creditors.

The Company hereby highlights that the Financial Authority initiated collection for the total amount of the claim being aware on the basis of the previous Court decision that it had lost its right to enforce such collection. In addition to the above, the Authority did not pay the Company the amount of VAT legally reclaimed by the Company because it was compensated its claim.

The Company will exercise revision against the present second instance decision.

7. The Company hereby informs its Honourable Investors that according to the information received from the Romanian operations, the Court of Appeal of Târgu Mures rejected the appeal submitted against the rejection of the application for legal remedy against the final decision rejecting the appeal against the decision ordering the liquidation of E-Star Mures Energy SA "under liquidation". As a consequence of the above the Company cannot exercise any further legal remedy in Romania, therefore it shall enforce its claim at an international forum.

8. MAG Zrt. informed the Company that it filed irregularity proceedings against it in relation with a project with tender subsidy previously announced for SMBs.

According to the explanation, in accordance with the consolidating annual reports of the Company for 2011 and 2012, the average number of employees was 504 and 449 respectively and *"on the basis of these, it may be concluded that your Company fails to meet the tender conditions set forth in the Tender Announcement and Guidelines, and the qualification of SMBs. According to the explanation, it is considered as a breach of contract if "the Beneficiary no longer meets the tender conditions due to the changes of the ownership structure thereof."*

The Company explained in its remarks that according to its standpoint, the conditions of commencing irregularity proceedings do not exist against it on the basis of the above reasons; the Company did not violate the support agreement; the explanation is unfounded and contradicting and is based on false assumptions. The Tender Announcement clearly states that the SMB status is a condition of application. The Company met the tender conditions at the time of submitting and winning the tender. The support agreement and the Tender Announcement and Guidelines do not contain any condition that the tenderer must meet the qualification for SMBs until the end of the maintenance period. This would be against the objective and the principle of the support. The reason for the breach of contract referred to in the explanation cannot be interpreted by the Company, especially

that on the date of submitting the application and today it was and it is operating in the form of public limited corporation; there is no correlation between the ownership structure and the SMB status; the Tender Announcement and Guidelines or the Agreement do not contain any provision that the ownership structure of the applicants may not be changed.

Irrespectively of the above, MAG Zrt. stated that irregularity took place, following which the Company exercised its right to appeal.

The Ministry for National Economy approved the decision for stating the irregularity and informed that it shall take measures to rescind from the agreement.

Following the above, the Ministry for National Economy notified the Company that it shall rescind from the agreement and take measures to collect the amount of the subsidy as taxes.

The Company disputes the claim and shall enforce its claim in front of the Court of Justice.

The Company hereby calls attention to the fact that as a public stock exchange company it shall publish all significant events related to E-Star in the form of announcements, which can be found on its website ([www.e-star.hu](http://www.e-star.hu) , [www.enefi.hu](http://www.enefi.hu)) and on the website of Budapest Stock Exchange Plc. ([www.bet.hu](http://www.bet.hu)) as well as the website operated by MNB ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

### **3. Expected Development (Known and Expected Development of the Economic Environment Depending on the Expected Effect of Internal Decisions):**

The Company shall devote the near future to fulfil the strategic objectives announced earlier.

### **4. Field of Research and Experimental Development:**

The corporate group did not do such activity in 2015 and does not plan to do it in the future.

### **5. Premises:**

The corporate group did not establish any new premises or branch offices in 2015.

### **6. Employment Policy of the Com:**

The Company has a reduced number of employees according to its current economic situation. According to the employment policy of the Company, the headquarters of the Company, which is also the headquarters of the corporate group is operated with a "knowledge centred" view, typically employing highly educated professionals. The professionals required for the investments implemented in the operation of the Company are employed by ENEFI via contracts of agency.

### **7. Protection of the environment**

The Company pays particular attention to the protection of the environment in the business and operative activities. The major business of the Company is modern energy supply implemented by energy developments, which in addition to constituting the source of incomes of the Company, prevents the environment from significant amounts of pollution and use of energy. The Company

had continuously looked for the possibilities of using and utilising renewable energies in its previous operations too. Energy saving and thus the increased protection of the environment is a fundamental objective and business policy of the Company.

**8. Utilisation of Financial Instruments:**

The Company did not have open positions in its business operations in 2015 and it will not open new ones.

**9. Risk Management Policy and Hedging Transactions Policy:**

The Company prevents potential risks arising from currency exchange rates by currency market transactions. Such transactions did not take place in the reference year.

**10. Price, Credit, Interest, Liquidity and Cash-flow Risks:**

Most of the risks of the Company mentioned in the title were eliminated by the successful agreement with the creditors (settlement with the creditors).

The pricing policy of the Company ensures sustainable operations.

As a result of the portfolio clearing and the agreements, the cash-flow and the liquidity of the Company has been stabilised.

The Company is currently bearing the risks of the normal course of business compared to the period of the bankruptcy proceedings.

III.

**Report of the Board of Directors for the Individual Report of the Company for 2015:**

The Board of Directors prepared and accepted the individual report of ENEFI Energy Efficiency Plc. for year 2015 in accordance with the Hungarian Act on Accounting.

The Company suggests its shareholders knowing the reports of the Board of Directors, the Supervisory Board and the Auditor, to accept its report for year 2015 prepared in accordance with the Act on accounting with HUF 6,460,258 thousand as assets-resources equalling amount for the reference year, HUF -825.532 trading profit (loss).

The Board of Directors hereby calls the attention of its reputable investors to the fact that the individual annual report of the Company constitutes an inseparable part of the present report and requests them to make their decision on the acceptance of the report (including the supplementary annex and the related notes as well) carefully getting informed of these.

The Board of Directors of the Company does not suggest the General Meeting to decide on dividend payment.

The Board of Directors of the Company prepared and accepted its responsible company management report to be submitted to the Budapest Stock Exchange on the basis of a legal regulation, which was presented to the general meeting by the Supervisory Board.

IV.

**Company Management Declaration:**

The Company annually publishes its responsible company management report, which is prepared and published on the basis of the Act on Business Associations, the Capital Market Act and the relevant rules of the Budapest Stock Exchange.

The responsible company management report of the Company can be found on its website (www.e-star.hu, www.enefi.hu) and on the website of Budapest Stock Exchange Plc. (www.bet.hu) as well as the website operated by MNB (www.kozzetetelek.hu).

The Company declares its company management practice and the reasons for the potential differences from the mandatory recommendations in a detailed manner in its responsible company management report.

During the preparation of the report, the Company acts with particular carefulness; in the supervision and risk management process (i) the accounting professionals of the Company prepare the report, (ii) the Board of Directors of the Company discusses it, (iii) following the acceptance by the management, the report is discussed by the Supervisory Board of the Company (iv) as well as the Audit Committee, (v) and the report is revised and audited by an auditor each year.

**Declaration of the Issuer**

The annual report prepared on the basis of the accounting provisions applied and according to our best knowledge provides a reliable picture of the assets, liabilities, financial situation and profit of ENEFI Energy Efficiency Plc.

The Company hereby states that the executive report provides a reliable picture of the circumstances, development and performance of the Issuer, informing about major risks and factors of uncertainty.



ENEFI Energy Efficiency Plc.

ENEFI Energiahatékonysági Nyrt.  
1134 Budapest, Klapka u. 11. 2. em.  
Adószám: 13719069-4-41  
Csoportazonosító: 17781846-5-41  
Banksz.sz: 12001008-00123720-00100000

