

Independent Auditor's Report

To the shareholders of ENEFI Energiahatékonysági Nyrt.

(Free Translation)

We have audited the accompanying financial statements of ENEFI Energiahatékonysági Nyrt. (hereinafter referred to as "the Company"), which comprises the balance sheet as at 30 June 2016 showing a balance sheet total of THUF 9.435.592 and a loss for the period of THUF (96.653), the related profit and loss account.

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 generally accepted accounting principles in Hungary 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.

Financial report for 2015 of the Company for was audited by BDO Magyarország Könyvvizsgáló Kft. (MKVK 002387) and Baumgartner Ferenc (002955) issued an unqualified opinion with emphasis of matter.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on the audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with the applicable laws and regulations in force in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the evaluating the overall presentation of the financial statements.

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

Opinion

We have audited the elements of and disclosures in the financial statements, along with underlying records and supporting documentation, of ENEFI Energiahatékonysági Nyrt' in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the financial statements have been prepared in accordance with the Hungarian Accounting Law and with generally accepted accounting principles.

Emphasis of matter

1. We draw attention that the financial statement has been prepared according to Section 21 of the Act on Accounting of 2000 exclusively for the planned increase of the subscribed capital of the Company. Supplementary notes has not been prepared to financial statement thus it does not include all the disclosures defined in the Accounting Act. Therefore, the financial statements does not substitute the reading of the financial statements for 2015 of the Company and knowledge of the accounting policy included in the supplementary notes and applied during preparing the financial report. According to the Section 4 of the Accounting Act. exclusively the financial reports with supplementary notes gives a true and fair view of the financial position of the Company.

2. The direct and indirect shareholding of the Company, profitability of the prior year's activities of the relating entities and 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 judgement. Audit report for the consolidated financial statements for 2015 prepared in accordance with IFRS includes qualified opinion.
3. The Company has made provision for the Company's and its subsidiaries' legal matters. We could not obtain assurance about the relating financial-economical exposure and effects on the parent company.
4. On 8 March 2016 the Hungarian National Bank initiated stock exchange oversight examination against the Company, because 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.
5. Out of the subsidiaries of EETEK Limited subsidiary, ENEFI Polska Spółka Z o. o. has been sold 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 prepared to the Company's financial report for 2015. 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 share structure to date of preparation of the financial statement has shown an own share proportion of 82,1% (including the shares owned by EETEK Ltd).

We do not limit our opinion in connection with the above.

Other matters

The attached financial statements has been prepared for consideration by the owners at the forthcoming general meeting of the Company. As such, it does not reflect the possible effects of the resolutions which will be taken at this general meeting. We do not limit our opinion in this matter.

Limitation of usage

Our report is exclusively prepared for and to inform the management and owners, it cannot be used by others or for different purposes.

Budapest, 27th September 2016

dr. Varga András
Managing director
AKKREDIT Kft.
HAC number: 000787

dr. Varga András
Registered auditor
HAC number: 001905

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

“A”BALANCE Assets

30 June 2016

data in thousand HUF

Serial number	Name of item	2015.12.31	Modifications of previous year(s)	2016.06.30
a	b	e	d	e
1	A. Fixed assets	4 537 409	-	4 436 090
2	I. INTANGIBLE ASSETS	1 303	-	565
3	Capitalised value of establishment, reorganization	-	-	-
4	Capitalised value of experimental development	-	-	-
5	Right to assets and licences	1 303	-	565
6	Incorporeal products	-	-	-
7	Goodwill	-	-	-
8	Advance payments for purchase of intangible assets	-	-	-
9	Revaluation on intangible assets	-	-	-
10	II. TANGIBLE ASSETS	1 114 055	-	1 046 359
11	Real estates and related rights to assets	269 877	-	264 356
12	Technical equipment, machines, vehicles	827 049	-	768 134
13	Other equipment, supplies, vehicles	17 129	-	13 869
14	Breeding stock	-	-	-
15	Investments, renovations	-	-	-
16	Advances given for investments	-	-	-
17	Revaluation upwards on tangible assets	-	-	-
18	III. INVESTED FINANCIAL ASSETS	3 422 051	-	3 389 166
19	Long term profit-sharing in associated enterprise	3 363 501	-	3 363 501
20	Long-term loans due from affiliated enterprise	58 550	-	25 665
21	Long-term significant capital sharing	-	-	-
22	Other long-term loan due from significant capital sharing	-	-	-
23	Other long-term profit-sharing	-	-	-
24	Long-term loans due from other enterprise	-	-	-
25	Other long-term loan	-	-	-
26	Securities representing long-term loans	-	-	-
27	Revaluation on invested financial assets	-	-	-
28	Revaluation difference on invested financial assets	-	-	-

Status: 27 September 2016

Chief executive (representative) of the company

SEAL

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"A" BALANCE Assets

30 June 2016

data in thousand HUF

Serial number	Name of item	2015.12.31	Modifications of previous year(s)	2016.06.30
a	b	e	d	e
27	B. Current assets	1 852 348	-	4 995 234
28	I. INVENTORIES	-	-	-
29	Materials	-	-	-
30	Unfinished production and semi-finished products	-	-	-
31	Young, livestock and other animals	-	-	-
32	Finished products	-	-	-
33	Goods	-	-	-
34	Advance payments for inventories	-	-	-
35	II. RECEIVABLES	1 061 998	-	1 143 497
36	Receivables from cargo transport and services (customers)	37 318	-	140 347
37	Receivables from associated enterprise	944 761	-	904 563
38	Receivables from mayor capital sharing	-	-	-
39	Receivables from other enterprise	-	-	-
40	Bills receivables	-	-	-
41	Other receivables	79 919	-	98 587
42	Revaluation difference on receivables	-	-	-
43	Positive revaluation difference of derivative transactions	-	-	-
43	III. SECURITIES	735 242	-	3 790 313
44	Shares in affiliated enterprise	-	-	-
45	Mayor share capital	-	-	-
46	Other shares	-	-	-
47	Own shares, own partnership shares	735 242	-	3 790 313
48	Securities representing negotiable loan	-	-	-
49	Revaluation difference on securities	-	-	-
50	IV. CASH	55 108	-	61 424
51	Cash in hand, cheques	153	-	508
52	Bank deposits	54 955	-	60 916
53	C. Active accruals	70 501	-	4 268
54	Accruals of revenues	62 423	-	4 268
55	Active accruals of costs and expenditures	8 078	-	-
56	Deferred expenditures	-	-	-
57	Total assets	6 460 258	-	9 435 592

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“A” Balance Sheet Liabilities

30 June 2016

data in thousand HUF

Serial number	Name of item	2015.12.31	Modifications of previous year(s)	2016.06.30
a	b	e	d	e
57	D. Equity	2 635 267	-	2 538 614
58	I. SUBSCRIBED CAPITAL	271 726		271 726
59	of which: repurchased shares on par value	48 692		174 842
60	II. SUBSCRIBED BUT YET UNPAID CAPITAL (-)	-		-
61	III. CAPITAL RESERVE	21 254 954		21 254 954
62	IV. ACCUMULATED PROFIT RESERVE	-18 996 948		- 22 877 551
63	V. RESERVED EARNINGS	931 067		3 986 138
64	VI. REVALUATION RESERVE	-	-	-
65	Revaluation valuation reserve	-		-
66	Revaluation reserve of actual valuation	-		-
67	VII. NET PROFIT	- 825 532		- 96 653
68	E. Provisions	265 714	-	265 714
69	Provision for the expected liabilities	265 714		265 714
70	Provision for future costs	-		-
71	Other provision	-		-
72	F. Liabilities	3 477 785	-	6 601 620
73	I. SUBORDINATED LIABILITIES		-	
74	Subordinated liabilities to affiliated enterprise	-		-
75	Subordinated liabilities to other enterprise in sharing	-		-
76	Subordinated liabilities to other organisation	-		-
77	II. LONG-TERM LIABILITIES	945 456	-	6 304 852
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	945 456		6 304 852
84	Long-term liabilities to mayor sharing	-		-
85	Long-term liabilities to other enterprise in sharing relationship	-		-
86	Other long-term liabilities	-		-

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30 June 2016

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a	b	e	d	e
86	III. SHORT-TERM LIABILITIES	2 532 329	-	296 768
87	Short-term loans	-		-
88	of which: convertible bonds	-		-
89	Short-term credits	11		-
90	Prepayments received from customers	-		-
91	Liabilities from cargo transport and services (suppliers)	46 056		109 205
92	Bills of exchange payable	-		-
93	Short-term liabilities to affiliated enterprise	2 455 624		133 455
94	Short-term liabilities to mayor sharing	-		-
95	Short-term liabilities to other enterprise in sharing	-		-
96	Other short-term liabilities	30 638		54 108
97	Revaluation difference on liabilities	-		-
98	Negative revaluation difference of derivative transactions	-		-
99	G. Passive accruals	81 492	-	29 644
100	Deferred incomes	253		-
101	Accruals on costs and expenditures	81 239		29 644
102	Deferred revenue	-		-
103	Total liabilities	6 460 258	-	9 435 592

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

30 June 2016

data in thousand HUF

Serial number	Name of item	2015.12.31	Modifications of previous year(s)	2016.06.30
a	b	e	d	e
1	1 Net domestic sales revenues	665 342		325 608
2	2 Net export sales revenues	-		-
3	I. Net sales revenues (01+02)	665 342	-	325 608
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	713 582		457 709
8	of which: depreciation write-off	45 517		41 315
9	5 Cost of materials	3 327		1 237
10	6 Value of services used	138 966		62 778
11	7 Cost of other services	5 705		8 595
12	8 Cost of goods sold	201 961		79 535
13	9 Cost of services (mediated) sold	14 438		5 424
14	IV. Material costs (05+06+07+08+09)	364 397	-	157 569
15	10 Wage cost	55 505		26 860
16	11 Other payments to personnel	1 587		974
17	12 Payroll taxes	16 291		7 838
18	V. Payments to personnel (10+11+12)	73 383	-	35 672
19	VI. Depreciation	122 929		72 765
20	VII. Other expenditures	1 679 607		476 007
21	of which: depreciation	1 381 762		473 586
22	A. OPERATING PROFIT AND LOSS (I±II+III-IV-V-VI-VII)	861 392	-	41 304

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“A” PROFIT AND LOSS STATEMENT (with total cost process)

30 June 2016

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data in thousand HUF

Serial number	Name of item	2015.12.31	Modifications of previous year(s)	2016.06.30
a	b	e	d	e
23	13 Received dividends and shares	-		-
24	from which: from affiliated enterprise	-		-
25	14 Exchange rate gain on securities sold	-		-
26	from which: from affiliated enterprise	-		-
27	15 Interests and exchange-rate gain of invested financial assets	-		-
28	from which: from affiliated enterprise	-		-
29	16 Other received (due) interests and similar revenues	120 645		4 137
30	from which: from affiliated enterprise	118 571		3 480
31	17 Other revenues from financial transactions	75 323		1 023
32	of which: revaluation difference	-		-
33	VIII. Revenues of Financial Transactions (13+14+15+16+17)	195 968	-	5 160
34	18 Exchange rate loss on invested financial assets	61 661		-
35	from which: given to affiliated enterprise	-		-
36	19 Foreign exchange loss on financial assets	-		-
37	from which: given to affiliated enterprise	-		-
38	20 Payable interests, and similar expenditures	140 140		98 764
39	from which: given to affiliated enterprise	140 140		98 764
40	21 Depreciation of shares, securities, bank deposits	- 84 268		-
41	22 Other expenditures of financial transactions	42 575		1 503
42	of which: revaluation difference	-		-
43	IX. Expenditures of financial transactions (18+19+20+21+22)	160 108	-	100 267
44	B. FINANCIAL PROFIT (VIII-IX)	35 860	-	95 107
49	C. PRE-TAX PROFIT (±A±B)	- 825 532	-	53 803
50	X. Tax liability	-		42 850
51	D. NET PROFIT (±C-X)	- 825 532	-	96 653

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