unikonto
Könyvvizsgálat

Unikonto Számvitelkutatási Kft.
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Kamarai nyilvántartási szám: 001724

Independent Auditor's Report

To the Shareholders of the ENEFI Energiahatékonysági Nyilvánosan Működő Részvénytársaság

Qualified Opinion

We have audited the consolidated financial statements of **ENEFI Energiahatékonysági Nyilvánosan Működő Részvénytársaság** (1134 Budapest, Klapka u. 11., Cg.: 01-10-045428) Company and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017 where the total assets is 2 038 970 tHUF, equity attributable to the shareholder of the parent company 1 468 715 tHUF, and the consolidated statement of comprehensive income – where the total comprehensive income is 223 724 profit, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, *except for* the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Qualified Opinion

We could not obtain sufficient and adequate audit evidence if the Group was handling the effect of the translation differences including those differences that arise from the translation from the functional currency of the subsidiaries to the reporting currency a vica versa and the effects derived from this.

The Group carries an accumulated translation difference of 44 448 tHUF and an accumulated loss (retained earnings) of 19 738 767 tHUF (negative number) as of 31st December 2017. The accumulated translation difference should be recognized as other comprehensive income. The part of this difference shall be reclassified to net profit once the underlying net assets (eg. component with functional currency other than those of the parent) are derecognized. During 2017 from this accumulated translation difference 10 576 tHUF was recognized as net profit.

The Group changed the presentation currency during 2017 and also restated several elements of its financial statement. For this it would have been needed to retranslate the recognized elements to Hungarian Forint using the retrospective approach. The management of the Group was unable to justify the calculations they prepared and we could not obtain appropriate and adequate audit evidence with alternative methods about/if…

- the value and the classification of the above-mentioned items;

- therefore, it was not possible to determine how the effect is split between retained earnings (that includes current year's net profit) and the accumulated translation difference.

The value of the equity however is not effected by this issue, only the structure of it is effected; the consequences are also effecting net translation difference in net profit and in other comprehensive income. The total equity – however – is presented and measured according to IFRSs.

Emphasis of matters

1. We draw your attention to Note 35 in the Notes to the financial statements. This note explains what type of restatements were necessary and done by the management due to prior period misstatements and changes/adjustments in/to the accounting policy. Our opinion – beyond the qualification already expressed before – is not qualified due to this mater.

2. We draw your attention to Note 33 in the Notes to the financial statements. This note details ongoing litigation and official proceedings bought against the Group. The final result of these processes could not be included in these financial statements. Our opinion is not qualified due to this matter.

Other issues

We audited the Group's financial statements for the year ended on 31st December 2016. We issued a disclaimer last year, so we did not express an opinion on the consolidated financial statement for the year then ended.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Audit procedures
The change in the presentation currency and restatements of the previous periods	
The Group changed it's presentation currency in 2017 due to the fact that the foreign operation of the group sized down significantly. The change in the presentation currency requires complex	We investigated if the change in the presentation currency was carried out according to the standards putting special emphasis on the completeness and if the

computations of accounting nature. Due to the above change the Group needed to recalculate certain balances and some of them must have been restated due to prior period errors and changes. Therefore, the effect is comprehensive. This two together made the process challenging and the estimations and calculations where complex. Due to this complexity we concluded that this area is a key audit matter.	procedures are carried out retrospectively. We audited if there was a need for estimation, if it was carried out in line with the audit standards and if they were made with correct timing. We audited if the disclosures are done according to regulation. The audit mainly relied on the reperformance of the calculations.
The recoverable amount of the concession asset and the lease receivable	
The Group has rights that lead to concession income and also leases out various assets to customers. The correct treatment of these transactions needs complex estimations and requires complex calculation.	When carrying out our audit we identified... • if the contracts were classified in a correct way and • if the calculations were made according to the relevant rules. Latter required us to confirm if the cash flows from the project were derived correctly and the discount rates applied were appropriate. We also dealt with the assumption of the management and we compared it with the data available for us and seen if the expectations are realistic.

Report on other Regulatory Requirements: The consolidated Business Report

The other regulatory requirements include the business report of the company for the year ending on 31 December, 2017. The management is responsible to prepare the business report in line with the Act of Accounting and other relevant legislation. Our opinion expressed in the “Opinion” section does not apply to the Business Report.

Our responsibility in relation of the Consolidated Business Report to read the report to assess if the Business Report contradicts the Financial Statements and to assess if based on our audit evidence obtained the Business Report contains a material misstatement.

Based on the Accounting Act it is our responsibility to asses if the Business Report meets the requirements of 95/B § (2) e) and f) in the Accounting Act. We also need to state if the information required by 95/B § (2) a-d) and g) are disclosed.

In our opinion the Consolidated Business Report of ENEFI Energiahatékonysági Nyilvánosan Működő Részvénytársaság for the year ended on December 31, 2017 is in consistent with the financial statement for the year then ending. The information required by 95/B § (2) a-d) and g) of the Accounting Act is disclosed. We have nothing to report in this respect.

Since other regulation does not require any other disclosure in the Consolidated Business Report we do not express an opinion required by 156 § (5) h of the Accounting Act.

Furthermore we are required to report if we are aware of any incorrect communication (material misstatement) made before the date of this audit opinion based on our information received from the Company. If yes, we need to identify the communication and report the nature of it. We do not have anything to report in this matter.

Responsibilities of the Management for the Financial Statements

Management is responsible of the preparation and fair presentation of the financial statements in accordance with the Accounting Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Hungarian Standards on Audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial statements.

As a part of an audit an accordance with the Hungarian Standards on Audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

At Budapest; April 18, 2018.

dr. Adorján Csaba
UNIKONTÓ Kft.,
1093 Budapest, Fővám tér 8.
Registration number: 001724

dr. Adorján Csaba
Registered auditor
Registration number: 001089.

Disclaimer!

This is the translation of the Audit Report issued in Hungarian.
This is only for information purposes. In case of any discrepancy the Hungarian language document remains valid!