

SPEEDY AD**NON-CONSOLIDATED STATEMENT OF FINANCIAL STANDING**

as of 30 June 2018

		<u>30.06.2018</u>	<u>31.12.2017</u>
	<i>Notes</i>	BGN'000	BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,307	26,122
Intangible assets	4	1,848	2,603
Investments in subsidiaries	5	26,447	26,447
Loans to related parties	29	5,867	5,867
Deferred tax assets	6	263	263
Total non-current assets		<u>57,732</u>	<u>61,302</u>
Current assets			
Inventories	7	204	261
Trade receivables	8	16,620	12,126
Current part of long-term receivables from related parties	29	3,265	3,134
Other receivables and prepayments	9	2,613	3,845
Cash and cash equivalents	10	7,246	7,293
Total current assets		<u>29,948</u>	<u>26,659</u>
TOTAL ASSETS		<u><u>87,680</u></u>	<u><u>87,961</u></u>

SPEEDY AD**NON-CONSOLIDATED STATEMENT OF FINANCIAL STANDING**

as of 30 June 2018

EQUITY AND LIABILITIES**Equity**

Share capital	11.1	5,378	5,378
Statutory reserves	11.2	538	538
Premium reserves	11.2	19,565	19,565
Retained earnings	11.3	17,349	15,452
Current profit	11.3		

6,152 8,350

Total equity

48,982 **49,283**

Non-current liabilities

Long-term interest bearing liabilities	12	10,086	13,531
Subsidies	13	279	439
Long-term provisions for pension benefits	14	157	157

Total non-current liabilities

10,522 **14,127**

Current liabilities

Current part of long-term interest bearing liabilities	12	7,896	8,501
Accounts payable	15	2,611	4,744
Payables related to remunerations and for social securities	16	3,547	3,660
Tax payables	17	1,443	1,562
Subsidies	13	320	320
Other current liabilities	18	12,359	5,764

Total current liabilities

28,176 **24,551**

TOTAL EQUITY AND LIABILITIES

87,680 **87,961**

The enclosed explanatory notes on pages 1 to 23 are an integral part of the financial statements.

Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

SPEEDY AD**NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

as of 30 June 2018

	<i>Notes</i>	<u>30.06.2018</u> BGN'000	<u>30.06.2017</u> BGN'000
Revenues	19	55,052	49,182
Other revenues(losses) from the core activity, net	20	2,489	2,016
Costs of materials	21	(3,083)	(2,901)
Costs of external services	22	(29,749)	(27,209)
Compensation costs	23	(13,020)	(11,950)
Depreciation and amortization	3, 4	(4,116)	(3,944)
Other operating expenses	23	<u>(748)</u>	<u>(1,132)</u>
Operating profit		<u>6,825</u>	<u>4,062</u>
Financial revenues	24	274	174
Financial expenses	25	<u>(264)</u>	<u>(325)</u>
Financial revenues/expenses, net		<u>10</u>	<u>(151)</u>
Profit before taxes		<u>6,835</u>	<u>3,911</u>
Income taxes	26	<u>(683)</u>	<u>(390)</u>
Net profit for the year		<u><u>6,152</u></u>	<u><u>3,521</u></u>
<i>Total comprehensive income for the year</i>		6,152	3,521
<i>Earnings per share</i> <i>BGN</i>	27	1.15	0.66

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Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

SPEEDY AD**NON-CONSOLIDATED STATEMENT OF CASH FLOW**

as of 30 June 2018

	<i>Notes</i>	<u>30.06.2018</u>	<u>30.06.2017</u>
		BGN'000	BGN'000
Cash flows from operating activity			
Proceeds from customers		66,239	61,885
Payments to suppliers		(41,287)	(40,086)
Payments related to remunerations and for social security		(13,036)	(11,146)
Tax payments		(4,684)	(4,819)
Income tax paid		(627)	(364)
Other proceeds/payments, net		(1,189)	1,642
Net cash flow from operating activity		<u>5,416</u>	<u>7,112</u>
Cash flows from investing activity			
Purchase of plant and equipment		(812)	(1,100)
Proceeds from sale of plant and equipment		207	41
Extended loans to related parties		(362)	(2,382)
Interests received from extended loans to related parties		430	-
Other cash flows from investing activity		298	
Net cash flow from investing activity		<u>(239)</u>	<u>(3,441)</u>
Cash flows from financing activity			
Payments under financial lease agreements		(3,464)	(2,896)
Proceeds from long-term loans		-	1,495
Repayment of long-term loans		(1,522)	(1,053)
Paid interests and bank charges		(203)	(247)
Net cash flow from financing activity		<u>(5,189)</u>	<u>(2,701)</u>
Net change in cash and cash equivalents		<u>(12)</u>	<u>970</u>
Net effect of changes in exchange rates		<u>(35)</u>	<u>(58)</u>
Cash and cash equivalents on 1 January		<u>7,293</u>	<u>6,011</u>
Cash and cash equivalents on 30 June		<u>7,246</u>	<u>6,923</u>

The enclosed explanatory notes on pages 1 to 23 are an integral part of the financial statements.

Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

SPEEDY AD**NON-CONSOLIDATED STATEMENT OF CASH FLOW**

as of 30 June 2018

	Notes	Share capital BGN'000	Premium reserves BGN'000	Statutory reserves BGN'000	Retained earnings BGN'000	Total BGN'000
Balance as of 1 January 2017	19	<u>5,336</u>	<u>19,565</u>	<u>534</u>	<u>21,482</u>	<u>46,917</u>
Change in equity for 2017						
Issuance of shares		42	-	-	-	42
Distribution of profits, incl		-	-	4	(6,034)	(6,030)
* Reserves		-	-	4	(4)	-
* Dividends		-	-	-	(6,030)	(6,030)
Total comprehensive income for the year, incl		-	-	-	8,354	8,354
* Net income for the year		-	-	-	8,350	8,350
* Other comprehensive income, net of taxes		-	-	-	4	4
Balance as of 31 December 2017	19	<u>5,378</u>	<u>19,565</u>	<u>538</u>	<u>23,802</u>	<u>49,283</u>
Change in equity for 2018						
Разпределение на печалбата за:		-	-	-	(6,453)	(6,453)
* Reserves		-	-	-	-	-
* Dividends		-	-	-	(6,453)	(6,453)
Total comprehensive income for the year, incl.		-	-	-	6,152	6,152
* Net income for the year		-	-	-	6,152	6,152
* Other comprehensive income, net of taxes		-	-	-	-	-
Balance as of 30 June 2018	19	<u>5,378</u>	<u>19,565</u>	<u>538</u>	<u>23,501</u>	<u>48,982</u>

The enclosed explanatory notes on pages 1 to 23 are an integral part of the consolidated financial statement.

Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

3. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the company consist of machinery, equipment, vehicles, and other assets whose book value for the presented periods could be analyzed as follows:

	Plant and equipment	Vehicles	Computers	Investments in rented assets	Other	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
31 December 2017						
Book value at the beginning of the period	2,600	15,399	2,018	2,202	4,957	27,176
Acquired	366	5,198	402	115	447	6,528
Written-off	-	(1,567)	(2,261)	-	(9)	(3,837)
Depreciation	(414)	(5,249)	(711)	(552)	(514)	(7,440)
Written-off depreciation	-	1,429	2,261	-	5	3,695
Book value at the end of the period	2,552	15,210	1,709	1,765	4,886	26,122
31 December 2017						
Initial value	4,708	35,437	5,140	4,363	6,623	56,271
Accumulated depreciation	(2,156)	(20,227)	(3,431)	(2,598)	(1,737)	(30,149)
Book value	2,552	15,210	1,709	1,765	4,886	26,122
30 June 2018						
Book value at the beginning of the period	2,552	15,210	1,709	1,765	4,886	26,122
Acquired	161	406	228	145	360	1,300
Written-off		(2,135)			(215)	(2,350)
Depreciation	(230)	(2,661)	(352)	(274)	(269)	(3,786)
Written-off depreciation		2,021				2,021
Book value at the end of the period	2,483	12,841	1,585	1,636	4,762	23,307
30 June 2018						
Initial value	4,869	33,708	5,368	4,508	6,768	55,221
Accumulated depreciation	(2,386)	(20,867)	(3,783)	(2,872)	(2,006)	(31,914)
	2,483	12,841	1,585	1,636	4,762	23,307

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

4. INTANGIBLE ASSETS

The intangible assets of the Company consist of software, whose book value for the presented periods can be analysed as follows:

	Software	Cost of acquired assets	Total
31 December 2017			
Book value at the beginning of the year	1,992	915	2,907
Acquired	228	78	306
Written-off	-	-	-
Depreciation	(610)	-	(610)
Written-off depreciation	-	-	-
Book value at the end of the year	1,610	993	2,603

31 December 2017

Initial value	6,159	704	6,863
Accumulated depreciation	(4,260)	-	(4,260)
Book value	1,899	704	2,603

30 June 2018

Book value at the beginning of the year	1,899	704	2,603
Acquired	14	186	200
Written-off	-	(626)	(626)
Depreciation	(329)	-	(329)
Written-off depreciation	-	-	-
Book value at the end of the year	1,584	264	1,848

30 June 2018

Initial value	6,173	264	6,437
Accumulated depreciation	(4,589)	-	(4,589)
Book value	1,584	264	1,848

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

5. INVESTMENTS IN SUBSIDIARIES

As of 30 June 2018 the investments in subsidiaries are as follows:

	<u>30.06.2018</u> BGN'000	share	<u>31.12.2017</u> BGN'000	share
Speedy EOOD	982	100%	982	100%
Geopost Bulgaria EOOD	8,165	100%	8,165	100%
DPD S.A., Romania	17,300	100%	17,300	100%
Total	26,447		26,447	

6. INVENTORIES

As of 30 June 2018 the inventories consist of:

	<u>30.06.2018</u> BGN'000	<u>31.12.2017</u> BGN'000
Materials	115	153
Fuel	89	108
Total	204	261

7. TRADE AND OTHER RECEIVABLES

	<u>30.06.2018</u> BGN'000	<u>31.12.2017</u> BGN'000	<u>31.12.2017</u> BGN'000
Receivables from customers	17,501	12,933	11,600
Less impairment	(881)	(807)	(922)
Receivables from customers, net amount	16,620	12,126	10,678
<i>including receivables from related parties (Note 29)</i>	<i>3,521</i>	<i>1,349</i>	<i>930</i>

The change of the impairment has been changed as follows:

	<u>2018</u> BGN'000	<u>2017</u> BGN'000
At the beginning of the year	807	922
Impairments booked	74	70
Impairments recovered	-	-
Written-off impairments	-	(185)
At the end of the period	881	807

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

8. OTHER RECEIVABLES AND PREPAYMENTS

	30.06.2018	31.12.2017
	BGN'000	BGN'000
Receivables on payments made on behalf of related parties	-	1,192
Prepayments	881	901
Receivables from trustees	-	601
Deposits	734	673
Receivables on government grants	-	298
Receivables on payments made on behalf of third parties	-	159
Advances paid	998	19
Other receivables	-	2
Total	2,613	3,845

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of::

	30.06.2018	31.12.2017
	BGN'000	BGN'000
Cash in vaults	3,448	4,571
Cash in bank accounts	3,569	2,570
Petty cash	229	152
Total	7,246	7,293

10. EQUITY**10.1 SHARE CAPITAL**

As of 30.06.2018 registered capital of the Company consists of 5,377,619 ordinary shares with par value of BGN 1 per share. All shares entitle to a dividend and to a liquidation share and represent one vote at the General Meeting of Shareholders of the Company.

	2018	2017
	Number of shares	Number of shares
Number of issued and fully paid-in shares:		
At the beginning of the year	5,377,619	5,377,619
Number of issued and fully paid-in shares	-	-
Number of shares, outstanding on 30 June 2018	5,377,619	5,377,619

The list of the main shareholders of the Parent Company is the following:

	30.06.2018		31.12.2017	
	Number of shares	%	Number of shares	%
Speedy Group AD	3,500,367	65.09%	3,500,367	65.09%
Geopost SA, France	1,333,979	24.81%	1,333,979	24.81%
Other natural and legal entities	543,273	10.10%	543,273	10.10%
Total	5,377,619	100.00%	5,377,619	100.00%

10.2 STATUTORY RESERVES

	<u>30.06.2018</u>	<u>31.12.2017</u>
	BGN'000	BGN'000
Statutory reserves	538	538
Total	<u>538</u>	<u>538</u>

The statutory reserves are formed from setting aside 10% of the net profit in accordance with the requirements of the Commercial Act and decision of the General Meeting of the shareholders. According to the requirements, the statutory reserves should be minimum 10% of the registered capital. These reserves are non-distributable.

10.3 PREMIUM RESERVES

	<u>30.06.2018</u>	<u>31.12.2017</u>
	BGN'000	BGN'000
Premium reserves	19,565	19,565
Total	<u>19,565</u>	<u>19,565</u>

The share premium of the Company amounting to BGN 19,565 thousand is formed by the proceeds, received above the par value of the shares issued in 2014 with issue price per share BGN 23.

10.4 RETAINED EARNINGS

Changes of the <i>undistributed profit</i> is as follows:	<u>30.06.2018</u>	<u>31.12.2017</u>
	BGN '000	BGN '000
Balance as of 1 January	<u>23,802</u>	<u>21,482</u>
Net profit for the year	6,152	8,350
Dividends distributed	(6,453)	(6,030)
Actuary losses from revaluations, net of taxes	-	4
Distribution for reserves	-	(4)
Balance as of 30 June 2018, including	<u>23,501</u>	<u>23,802</u>
<i>undistributed profit</i>	<i>17,349</i>	<i>15,452</i>
<i>current profit</i>	<i>6,152</i>	<i>8,350</i>

11. INTEREST BEARING LIABILITIES

The interest bearing liabilities as of 30 June 2018 include:

	<u>30.06.2018</u>	<u>31.12.2017</u>
	BGN'000	BGN'000
Payables under financial lease agreements	10,580	13,100
Long-term bank loans	7,403	8,932
Total	<u>17,983</u>	<u>22,032</u>
<i>non-current part</i>	<i>10,086</i>	<i>13,531</i>
<i>current part</i>	<i>7,897</i>	<i>8,501</i>

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

Under a financial lease agreement, the Company has acquired machinery, computers, vehicles and equipment. As of 30.06.2018, the payables of the Company under financial lease agreements are the following:

	30.06.2018	31.12.2017
	BGN'000	BGN'000
Payables under financial lease agreements	10,580	13,100
- Long-term part	5,648	7,558
- Short-term part	4,932	5,542
Total	10,580	13,100

The lease agreements consist of fixed lease payments and purchase option at the end of the term of the lease.

As of 30.06.2018, amount due under bank loans are the following:

	30.06.2018	31.12.2017
	BGN'000	BGN'000
Payables under received loans from banks, incl.:	7,403	8,933
- <i>short-term part</i>	2,965	3,012
- <i>long-term part</i>	4,438	5,921
Total	7,403	8,933

12. TRADE AND OTHER PAYABLES

As of 30.06.2018, the trade and other payables include:

	30.06.2018	31.12.2017
	BGN'000	BGN'000
Trade payables	1,304	3,013
Payables to related parties	1,307	1,731
Payables for remunerations	2,765	2,937
Payables for social security	782	723
Taxes payable	1,443	1,562
Other payables, inc. dividends /BGN 6,439 thousand/	12,359	5,764
Total	19,960	15,330

13. REVENUES

The revenues of the Company consist of:

	30.06.2018	30.06.2017
	BGN'000	BGN'000
Revenues from courier services	55,052	49,182
Total	55,052	49,182

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

14. OTHER REVENUES

Other revenues of the Company consist of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>BGN'000</u>	<u>BGN'000</u>
Revenues from renting out of motor vehicles	1,668	1,381
Other revenues	661	477
Financing	160	151
Total	<u>2,489</u>	<u>2,009</u>

15. COSTS OF MATERIALS

Costs of materials include:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>BGN'000</u>	<u>BGN'000</u>
Fuels	1,711	1,680
Delivery-related materials	838	794
Office materials and consumables	160	76
Uniforms	53	106
IT consumables	230	103
Other costs	92	142
Total	<u>3,083</u>	<u>2,901</u>

16. COSTS OF HIRED SERVICES

Costs of hired services consist of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>BGN'000</u>	<u>BGN'000</u>
Subcontractors	22,879	21,089
Rents	1,954	1,739
Communications and utility services	846	1,074
Vehicle maintenance	1,189	1,498
Insurance	633	543
Office/warehouse maintenance	389	142
Staff training	85	104
Marketing	269	218
Audit, consultant and other services	799	358
Other costs	503	279
Fees	204	165
Total	<u>29,750</u>	<u>27,209</u>

17. COMPENSATION COSTS

Compensation costs consist of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>BGN'000</u>	<u>BGN'000</u>
Salaries and wages	11,116	10,233
Social security contributions	1,904	1,717
Total	<u>13,020</u>	<u>11,950</u>

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

18. OTHER OPERATING COSTS

Other operating expenses of the Company consist of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	BGN'000	BGN'000
Indemnities for parcels	243	503
Representation costs	206	267
Other costs	299	362
Total	<u>748</u>	<u>1,132</u>

19. FINANCIAL INCOME

Financial income of the Company consists of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	BGN'000	BGN'000
Interests income	274	174
Total	<u>274</u>	<u>174</u>

20. FINANCIAL EXPENSES

Financial expenses of the Company consist of:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	BGN'000	BGN'000
Interest expenses	222	260
FX exchange loss, net	42	65
Total	<u>264</u>	<u>325</u>

21. TAXES

The main components of the income taxes, as well as the relation between the tax costs and the accounting profit are explained as follows:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	BGN'000	BGN'000
Accounting profit before taxes	<u>6,835</u>	<u>3,904</u>
Increase	-	-
Decrease	-	-
Taxable net income	<u>6,835</u>	<u>3,904</u>
Income tax	(683)	(390)
Tax rate	10%	10%
Deferred taxes	-	-
Tax rate	10%	10%
Total income tax and deferred taxes	(683)	(390)
Net income	<u>6,152</u>	<u>3,514</u>

22. EARNINGS PER SHARE AND DIVIDENDS**22.1 Earnings per share**

The earnings per share use distributable net income as a numerator.

Weighted average number of shares used for calculating EPS as well as distributable net income are presented below:

	<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>BGN'000</u>	<u>BGN'000</u>
Distributable net income /BGN'000. /	6,152	3,514
Weighted average number of shares	5,356,712	5,335,919
Earnings per share /BGN per share/	<u>1,15</u>	<u>0,66</u>

22.2 Dividends

No dividends distributed in Q2

23. RELATED PARTIES TRANSACTIONS

If not stated explicitly, the transactions with related parties are not carried out under special conditions and no guarantees were either granted or received. The recorded amounts are paid by wire.

Related Party	Type of relationship
Speedy Group AD	Parent Company
Speedy EOOD	Subsidiary
Geopost Bulgaria EOOD	Subsidiary
DPD S.A., Romania	Subsidiary
Dragomir Winery Estate OOD	Company under common control
Transbankan group OOD	Company under common control
Transabalkan group Romania	Company under common control
Omnicar BG EOOD	Company under common control
Omnicar Auto OOD	Company under common control
Omnicar C EOOD	Company under common control
Omnicar oil EOOD	Company under common control
Omnicar rent EOOD	Company under common control
Bulrom gas 2006 OOD	Company under common control
Geopost S.A., France	Shareholder with significant influence

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

Extended loans

As of 30 June 2018, Company's receivables from extended loans are as follows

	2018	2017
	BGN'000	BGN'000
Dynamic Parcel Distribution S.A., Romania	9,132	9,001
incl.		
- principal	9,098	8,736
- interest	34	265
Total	9,132	9,001
<i>incl. current part</i>	<i>5,867</i>	<i>5,867</i>
<i>incl. non-current part</i>	<i>3,265</i>	<i>3,134</i>

On 01.12.2014 the Company signed a contract with the subsidiary Dynamic Parcel Distribution S.A., Romania for extending a loan in amount of EUR 3,000 thousand with maturity 15.12.2020. The agreed interest rate is in the range between 3% and 5%.

With an Additional agreement from 01.04.2016 the extended amount is increased to EUR 5,000 thousand. The maturity of the additionally extended amount is 15.08.2020.

Trade and other receivables from related parties

	30.06.2018	31.12.2017
	BGN '000	BGN '000
Receivables from subsidiaries	2,654	1,029
Receivables from companies under common control	346	108
Receivables from shareholders with significant influence	521	212
Total	3,521	1,349

Trade and other payables to related parties

The payables to related parties include:

	30.06.2018	31.12.2017
	BGN '000	BGN '000
Trade payables, incl.	1,417	1,498
Payables to subsidiaries	813	974
Payables to companies under common control	494	524
Other payables, incl.	110	233
Deposits from the Members of the BoD	110	110
Total	1,417	1,731

As of 31.12.2017 the company has payables to the BoD's members in amount of BGN 110 thousand /31.12.2016 – BGN 110 thousand/ in compliance with art. 240, para 1 of Commercial Code.

SPEEDY AD**EXPLANATORY NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENT**

as of 30.06.2018

Commercial transactions with related parties

<i>Sales to related parties</i>	30.06.2018	30.06.2017
	BGN '000	BGN '000
	5,932	3,712
Subsidiaries	3,830	1,853
Companies under common control	1,668	1,660
Shareholders with significant influence	434	199
	30.06.2018	30.06.2017
	BGN '000	BGN '000
	8,940	8,403
Companies under common control	5,817	5,876
Subsidiaries	3,123	2,527

The purchases of services from companies under common control include mainly transportation services made by Transbalkan group OOD, rentals from Sofia City Logistic Park EOOD and maintenance of vehicles from Omnicar Auto OOD.