

GROUP SPEEDY**CONSOLIDATED STATEMENT OF FINANCIAL STANDING**

as of 30 June 2019

		30.06.2019	31.12.2018
	<i>Notes</i>	BGN'000	BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	75 008	73 295
Goodwill and other intangible assets	4	39 020	42 343
Deferred tax assets	5	470	466
Other long-term receivables	6	543	544
Total non-current assets		115 041	116 648
Current assets			
Inventories	7	605	635
Trade receivables	8	25 039	22 921
Other receivables and prepayments	9	3 280	3 750
Cash and cash equivalents	10	15 757	15 089
Total current assets		44 681	42 395
TOTAL ASSETS		159 722	159 043
EQUITY AND LIABILITIES			
Equity			
Share capital	11.1	5 378	5 378
Statutory reserves	11.2	19 220	19 327
Retained earnings	11.2	22 159	24 090
Total equity		46 757	48 795
Non-current liabilities			
Long-term interest-bearing debt	12	52 932	52 857
Deffered taxes		2 168	2 168
Subsidies	13	-	119
Long-term payables related to remunerations	14	178	178
Total non-current liabilities		55 278	55 322
Current liabilities			
Current part of long-term interest-bearing debt	12	19 550	22 235
Accounts payable	15	14 242	12 546
Payables related to remunerations and for social securities	16	5 995	5 891
Tax payables	17	1 394	1 723
Subsidies	13	279	320
Other current liabilities	18	16 227	12 211
Total current liabilities		57 687	54 926
TOTAL EQUITY AND LIABILITIES		159 722	159 043

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

GROUP SPEEDY**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

as of 30 June 2019

		<u>30.06.2019</u>	<u>30.06.2018</u>
	<i>Notes</i>	BGN'000	BGN'000
Revenues	19	101 902	76 819
Other revenues(losses) from the core activity, net	20	5 255	4 109
Costs of materials	21	(4 460)	(3 773)
Costs of external services	22	(59 464)	(46 509)
Compensation costs	23	(22 698)	(16 864)
Depreciation and amortization	3, 4	(9 304)	(5 628)
Other operating expenses	23	(1 863)	(1 083)
Operating profit		9 368	7 071
Financial revenues	24	111	75
Financial expenses	25	(1 241)	(481)
Financial revenues/expenses, net		(1 130)	(406)
Profit before taxes		8 238	6 665
Income taxes	26	(817)	(793)
Net profit for the year		7 421	5 872

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Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

GROUP SPEEDY**CONSOLIDATED STATEMENT OF CASH FLOW**

as of 30 June 2019

	<i>Notes</i>	30.06.2019	30.06.2018
		BGN'000	BGN'000
Cash flows from operating activity			
Proceeds from customers		120 845	93 028
Payments to suppliers		(80 330)	(63 440)
Payments related to remunerations and for social security		(20 957)	(16 375)
Tax payments		(5 774)	(5 217)
Income tax paid		(1 135)	(697)
Other proceeds/payments, net		(55)	(2 480)
Net cash flow from operating activity		12 594	4 819
Cash flows from investing activity			
Purchase of plant and equipment		(1 862)	(1 276)
Proceeds from sale of plant and equipment		837	207
Investments		(5 558)	-
Other cash flow from investing activity		-	298
Net cash flow from investing activity		(6 583)	(771)
Cash flows from financing activity			
Payments under financial lease agreements		(4 217)	(3 464)
Proceeds from bank loans		787	-
Repayment of long-term loans		(1 482)	(1 522)
Paid interests and bank charges		(393)	(264)
Dividends paid		-	-
Net cash flow from financing activity		(5 305)	(5 250)
Net change in cash and cash equivalents		706	(1 202)
Net effect of changes in exchange rates		(38)	(35)
Cash and cash equivalents on 1 January		15 089	12 663
Cash and cash equivalents on 30 June	9	15 757	11 426

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Executive Director:

Valery Mektupchiyan

Chief Accountant:

Stefka Levidzhova

GROUP SPEEDY**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**

as of 30 June 2019

Equity ownership of Parent Company

	Share capital	Statutory reserves	Premium reserves	FX translation effects	Retained earnings	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance as of 31 December 2017	5 378	538	19 565	(762)	20 530	45 249
<i>Change in equity for 2018</i>						
Distribution of profits, incl.	-	-	-	-	(6 453)	(6 453)
<i>Reserves</i>		-			-	-
<i>Dividends</i>	-	-	-	-	(6 453)	(6 453)
Total comprehensive income for the year, incl.	-	-	-	(14)	10 013	9 999
<i>Net income for the year</i>	-	-	-	-	10 026	10 026
<i>Other comprehensive income, net of taxes</i>	-	-	-	(14)	(13)	(27)
Balance as of 31 December 2018	5 378	538	19 565	(776)	24 090	48 795
<i>Change in equity for 2019</i>						
Distribution of profits, incl.	-	-	-	-	(9 352)	(9 352)
<i>Reserves</i>					(1 823)	(1 823)
<i>Dividends</i>	-	-	-	-	(7 529)	(7 529)
Total comprehensive income for the year, incl.	-	-	-	(107)	7 421	7 314
<i>Net income for the year</i>	-	-	-	-	7 421	7 421
<i>Other comprehensive income, net of taxes</i>	-	-	-	(107)		(107)
Balance as of 30 June 2019	5 378	538	19 565	(883)	22 159	46 757

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

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

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:

	Buildings		Plant and equipment	Vehicles	Computers	Other	Total
	Right of use	Improvement of rented property					
31 December 2018							
Book value on 1 January (reported)	-	3 121	4 237	17 543	2 569	6 998	34 468
Effects of transition to IFRS 16	38 152	-	-	38	-	-	38 190
Book value as of 1 January (reconciled)	38 152	3 121	4 237	17 581	2 569	6 998	72 658
Acquired	2 821	519	952	4 827	968	1 580	11 667
Assets in acquired subsidiaries	1 266	305	454	3 708	48	376	6 157
Transfer	-	60	280	-	1	(341)	-
Written-off	-	-	(2)	(5 112)	(694)	(66)	(5 874)
Depreciation	(5 737)	(709)	(1 042)	(6 201)	(1 105)	(659)	(15 453)
Written-off depreciation	-	-	2	3 493	668	3	4 166
FX translation on depreciation	(11)	(1)	(2)	(5)	(3)	(4)	(26)
Book value as of 31 December	36 491	3 295	4 879	18 291	2 452	7 887	73 295
31 December 2018							
Initial value	42 224	6 978	9 426	43 755	8 444	10 435	121 262
Accumulated depreciation	(5 733)	(3 683)	(4 547)	(25 464)	(5 992)	(2 548)	(47 967)
Book value	36 491	3 295	4 879	18 291	2 452	7 887	73 295
Book value as of 1 January 2019							
Acquired	0	308	500	9 736	407	644	11 595
Transfer	0	(1 106)	2 542	(192)	0	(2 116)	(872)
Written-off	0	(2)	(2)	(4 891)	(443)	(162)	(5 500)
Depreciation	(2 246)	(263)	(776)	(3 336)	(386)	(613)	(7 620)
Written-off depreciation	0	0	0	4060	8	42	4 110
Book value as of 30 June 2019	34 245	2 232	7 143	23 668	2 038	5 682	75 008
30 June 2019							
Initial value	42 224	6 178	12 466	48 408	8 408	8 801	126 485
Accumulated depreciation	(7 979)	(3 946)	(5 323)	(24 740)	(6 370)	(3 119)	(51 477)
Book value	34 245	2 232	7 143	23 668	2 038	5 682	75 008

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

4. INTANGIBLE ASSETS

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

	Goodwill	Rights from business combinations	Software	Cost of acquired assets	Total
31 December 2018					
Book value at the beginning of the period	11 274	6 794	3 448	922	22 438
Assets in acquired subsidiaries	7 537	11 059	2 329	212	21 137
Written-off	-	-	(5)	(218)	(223)
Acquired	-	-	1 001	84	1 085
Transfer	-	-	588	(588)	-
Depreciation	-	(853)	(1 227)	-	(2 080)
FX translation	(7)	(5)	(2)	-	(14)
Book value at the end of the period	18 804	16 995	6 132	412	42 343
Initial value	18 804	19 478	13 056	412	51 750
Accumulated depreciation	-	(2 483)	(6 924)	-	(9 407)
Book value	18 804	16 995	6 132	412	42 343
30 June 2019					
Book value at the beginning of the year	18 804	16 995	6 132	412	42 343
Written-off	-	8	(2 377)	-	(2 369)
Acquired	-	-	122	608	730
Depreciation	-	(926)	(758)	-	(1 684)
Book value at the end of the period	18 804	16 077	3 119	1 020	39 020
30 June 2019					
Initial value	18 804	19 486	10 801	1 020	50 111
Accumulated depreciation	-	(3 409)	(7 682)	-	(11 091)
Book value	18 804	16 077	3 119	1 020	39 020

6. INVENTORIES

As of 30 June 2019 the company's inventories consist of:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Materials	531	566
Fuel	74	69
Total	605	635

GROUP SPEEDY

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

as of 30 June 2019

7. TRADE AND OTHER RECEIVABLES

	30.06.2019	31.12.2018	31.12.2018
	BGN'000	BGN'000	BGN'000
Receivables from customers	27,247	25,097	11,600
Less impairment	(2,208)	(2,176)	(920)
Receivables from customers, net	25,039	22,921	10,680
<i>incl. Receivables from related parties (Note № 29)</i>	<i>387</i>	<i>603</i>	<i>930</i>

8. OTHER RECEIVABLES AND PREPAYMENTS

Other short-term receivables and prepayments include:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Prepayments	1,005	1,338
Deposits	878	256
Receivables from trustees	-	871
Tax receivables	439	463
Receivables on payments made on behalf of third parties	-	179
Advances paid	-	62
Other receivables	958	550
Total	3,280	3,750

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Cash in vaults	8,456	2,753
Cash in bank accounts	7,019	12,227
Petty cash	282	109
Total	15,757	15,089

10. EQUITY

10.1 SHARE CAPITAL

As of 30.06.2019 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.

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

	2019	2018
	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 2019	5,377,619	5,377,619

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

	30.06.2019		31.12.2018	
	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

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Statutory reserves	538	538
Total	538	538

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

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Premium reserves	19,565	19,565
Total	19,565	19,565

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.

Foreign translation reserves from currency revaluation of foreign activities in amount of BGN 890 thousand (negative value) (31.12.2018: BGN 776 thousand – negative value) are formed from exchange rates differences as a result of translation of financial reports of foreign subsidiaries from local reporting currency to Group's reporting currency.

GROUP SPEEDY

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

as of 30 June 2019

10.4 RETAINED EARNINGS

Changes of the *undistributed profit* is as follows:

	30.06.2019	31.12.2018
	BGN '000	BGN '000
Balance as of 1 January	24,090	20,530
Net profit for the year	7,421	10,026
Dividends distributed	(7,529)	(6,453)
Actuary losses from revaluations, net of taxes	-	(13)
Distribution for reserves	(1,823)	-
Other changes	(107)	-
Balance as of 30 June	22,159	24,090
<i>undistributed profit</i>	<i>14,738</i>	<i>14,064</i>
<i>current profit for the year</i>	<i>7,421</i>	<i>10,026</i>

11. INTEREST BEARING LIABILITIES

The interest bearing liabilities as of 30 June 2019 include:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Payables related to acquisitions	12,523	17,785
Payables under financial lease agreements	54,734	51,381
Long-term bank loans	5,225	5,926
Total	72,482	75,092
<i>non-current part</i>	<i>52,932</i>	<i>52,857</i>
<i>current part</i>	<i>19,550</i>	<i>22,235</i>

12. TRADE AND OTHER PAYABLES

As of 30.06.2019, the trade and other payables include:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Trade payables	13,632	11,998
Payables to related parties	610	548
Payables for remunerations	4,445	4,443
Payables for social security	1,550	1,448
Taxes payable	1,394	1,723
Other payables	16,227	12,211
Total	37,858	32,371

13. REVENUES

The revenues of the Group consist of:

	30.06.2019	30.06.2018
	BGN'000	BGN'000
Revenues from courier services	101,902	76,819
Total	101,902	76,819

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

14. OTHER REVENUES

Other revenues of the Company consist of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Revenues from renting out of motor vehicles	2,827	2,596
Other revenues	2,268	1,353
Financing	160	160
Total	<u>5,255</u>	<u>4,109</u>

15. COSTS OF MATERIALS

Costs of materials include:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Fuels	2,188	1,815
Delivery-related materials	1,013	838
Office materials and consumables	605	524
Uniforms	119	53
IT consumables	390	451
Other costs	145	92
Total	<u>4,460</u>	<u>3,773</u>

16. COSTS OF HIRED SERVICES

Costs of hired services consist of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Subcontractors	48,598	35,527
Rents	1,628	3,082
Communications and utility services	1,726	1,344
Vehicle maintenance	1,448	1,225
Insurance	1,072	718
Office/warehouse maintenance	638	555
Staff training	176	214
Marketing	571	506
Audit, consultant and other services	794	799
Other costs	2,520	2,134
Fees	293	405
Total	<u>59,464</u>	<u>46,509</u>

17. COMPENSATION COSTS

Compensation costs consist of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Salaries and wages	18,825	13,462
Social security contributions	3,873	3,402
Total	<u>22,698</u>	<u>16,864</u>

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

18. OTHER OPERATING COSTS

Other operating expenses of the Company consist of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Indemnities for parcels	588	474
Representation costs	234	206
Other costs	1,041	403
Total	<u>1,863</u>	<u>1,083</u>

19. FINANCIAL INCOME

Financial income of the Company consists of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Interests income	111	75
Total	<u>111</u>	<u>75</u>

20. FINANCIAL EXPENSES

Financial expenses of the Company consist of:

	<u>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Interest expenses	778	228
FX exchange loss, net	463	253
Total	<u>1,241</u>	<u>481</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>30.06.2019</u>	<u>30.06.2018</u>
	BGN'000	BGN'000
Accounting profit before taxes	<u>8,238</u>	<u>6,665</u>
Increase	-	-
Decrease	-	-
Taxable net income	<u>8,238</u>	<u>6,665</u>
Income tax	(817)	(793)
Tax rate	10%	10%
Deferred taxes	-	-

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

Tax rate	10%	10%
Total income tax and deferred taxes	(817)	(793)
Net income	7,421	5,872

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:

	30.06.2019	30.06.2018
	BGN'000	BGN'000
Distributable net income /BGN'000. /	7,421	5,872
Weighted average number of shares	5,377,619	5,356,712
Earnings per share /BGN per share/	1,38	1,10

22.2 Dividends

On 17.06.2019 Speedy AD hold its regular general meeting of shareholders. It was voted for dividend distribution in amount of BGN 7 529 thousand.

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 occasion 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

Trade and other receivables from related parties

GROUP SPEEDY**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

as of 30 June 2019

	30.06.2019	31.12.2018
	BGN '000	BGN '000
Receivables from companies under common control	387	174
Receivables from shareholders with significant influence	-	429
Total	387	603

Trade and other payables to related parties

The payables to related parties include:

	30.06.2019	31.12.2018
	BGN '000	BGN '000
Trade payables, incl.	485	548
Payables to companies under common control	485	548
Other payables, incl.	110	125
Deposits from the Members of the BoD	110	110
Interests payables for loans received from the Parent Company	15	15
Total	610	649

The company has payables to the BoD's members in amount of BGN 110 thousand /31.12.2018 – BGN 110 thousand/ in compliance with art. 240, para 1 of Commercial Code.

Commercial transactions with related parties*Sales to related parties*

	30.06.2019	30.06.2018
	BGN '000	BGN '000
	<i>1,920</i>	<i>2,102</i>
Companies under common control	1,630	1,668
Shareholders with significant influence	290	434

Purchases from related parties

	30.06.2019	30.06.2018
	BGN '000	BGN '000
Companies under common control	5,977	5,817

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 Omnica Auto OOD.