

## EXPLANATORY NOTES

To the Financial notification  
As at 31.03.2018

### NOTES ON THE STATEMENT OF FINANCIAL POSITION

(In all applications amounts are shown in thousands BGN unless otherwise stated)

#### Note 1

Property, plant and equipment

Reporting period to 31.03.2018	Machinery and equipment	Fixtures	Others	Total
Acquired	5	17	4	26
Depreciation	4	15	0	19
Closing balance	1	2	4	7

#### Note 2

Investments in subsidiaries, associates and other investments

Name and domicile of the companies	Amount	Fair value	Percenta ge of the capital	Investment in securities listed on a stock exchange	Investment in securities not accepted for trading on a stock exchange
<b>1. Subsidiaries</b>					
Hydraulic elements and systems Plc, Yambol	2 331	61 638	64,53	2 331	0
Elhim - Iskra Plc, Pazardzhik	8 323	14 584	51,40	8 323	0
Fazan Plc, Ruse	2 413	2 413	92,65	0	2413
Slavyana Jsc, Slavyanovo	3 512	3 512	98,74	0	3 512
SPH Trans Ltd, Sofia	33	33	65,00	0	33
Vinprom Jsc, Veliko Tarnovo	1 954	1 954	95,69	0	1 954
Dionisii Jsc, Nikopol	99	99	68,99	0	99
<b>Total 1</b>	<b>18 665</b>	<b>84 233</b>		<b>10 654</b>	<b>8 011</b>
<b>II. Associates</b>					
M+C Hydraulic Plc, Kazanluk	5 409	89 340	30,91	5 409	0
Bulgarian Rose Plc	1 903	5 351	49,99	1 903	0
Boryana Jsc, Cherven Briag	429	429	50,00		429
Ustrem Ltd, Svishtov	319	319	45,00	0	319
<b>Total 2</b>	<b>8 060</b>	<b>95 439</b>		<b>7 312</b>	<b>748</b>
<b>III. Other companies</b>					
Asset Insurance Jsc, Sofia	2 709	2 709	20,00	0	2 709

Leasing Company Jsc, Sofia	13	13	5,00	0	13
Ptici & Ptichi produkti Jsc, Pleven	287	287	24,20	0	287
Forsan Bulgaria Ltd, Sofia	0	0	50,00	0	0
Medical Center "Center for Prevention of the health" Ltd, Sofia	3	3	25,00	0	3
<b>Total 3</b>	<b>3 012</b>	<b>3 012</b>		<b>0</b>	<b>3 012</b>
<b>TOTAL (1+2+3)</b>	<b>29 737</b>	<b>182 684</b>		<b>17 966</b>	<b>11 771</b>

Data for the current period related to subsidiaries and associates such as name, seat, investment volume, fair value of traded stocks, as per the bulletin of the Bulgarian Stock Exchange - Sofia as at 31.03.2018 and the share interest are presented in the following table. The historical cost of investments which are not traded on the Bulgarian Stock Exchange is accepted as their fair value.

### Note 3

<b>Long-term receivables from related parties</b>	31.03.2018	31.12.2017
Additional cash contribution under Art. 134 of the Commercial Act	200	200

### Note 4

<b>Short-term receivables from related parties</b>	31.03.2018	31.12.2017
Loans	470	470
Interest on loans	68	67
Receivables from dividends	2113	2113
Other receivables	6	6
Closing balance	2657	2656

### Note 5

<b>Trade and other receivables</b>	31.03.2018	31.12.2017
Loans	7975	7975
Interest on loans	227	165
Prepayments	9	9
Prepaid expenses	5	5
Closing balance	8216	8154

### Note 6

<b>Cash and cash equivalents</b>	31.03.2018	31.12.2017
Cash	9	7
Cash in current accounts	701	1000
Cash deposits	8	8
Closing balance	718	1015

### Note 7

<b>Equity</b>	31.03.2018	31.12.2017
Share capital	21000	21000
Bought own shares	-121	-121
Reserves	9448	9448
Discounts of bought own shares	-118	-118
Retained earnings	8023	2492
Net result for the period	-202	5531
Closing balance	38030	38232

### Note 8

<b>Non-current liabilities</b>	31.03.2018	31.12.2017
Obligations bonuses	160	160

#### Note 9

<b>Dividends payables</b>	31.03.2018	31.12.2017
Dividends payables	3194	3215

#### Note 10

<b>Trade and other liabilities</b>	31.03.2018	31.12.2017
Obligations bonuses	134	145
Contributions	5	5
Income tax on individuals	11	11
Tax expenses	1	2
Closing balance	151	163

#### Note 11

Between Stara Planina Hold Plc and Asset Insurance Jsc has been contracted to take subject to a contingent liability. Under this contract Stara Planina Hold Plc undertakes to provide Asset Insurance Jsc upon request and upon the occurrence of an activating event amount to BGN 294 thousand.

### NOTES ON THE STATEMENT OF COMPREHENSIVE INCOME

(In all applications amounts are shown in thousands BGN unless otherwise stated)

#### Note 12

<b>Other financial income/expenses</b>	31.03.2018	31.03.2017
Interest income from loans	66	37
Interest income on deposits		1
Closing balance	66	38

#### Note 13

<b>Cost of materials</b>	31.03.2018	31.03.2017
Cost of office supplies	1	1
Expenses for office furniture		1
Maintenance costs for office equipment	2	4
Costs for sanitation	1	1
Closing balance	4	4

#### Note 14

<b>Cost of hired services</b>	31.03.2018	31.03.2017
Legal expenses	12	9
Subscription costs	1	1
Maintenance of computers	2	4
Fees for state institutions	3	3
Civil contracts	11	11
Other	2	4
Closing balance	31	32

#### Note 15

<b>Employee expenses</b>	31.03.2018	31.03.2017
Management salaries	144	142
Staff salaries	45	44
Social security costs	7	7
Closing balance	196	193

**Note 16**

<b>Other expenses</b>	31.03.2018	31.03.2017
Entertainment expenses	11	3
Membership fee	6	16
Donations	15	4
Medical service	3	4
Other	1	2
Closing balance	36	29

Executive Director: Vasil Velev