

**GRADUS AD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

		31.12.2018	31.12.2017
	Note	BGN'000	BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	177 408	169 940
Intangible assets	5	53 937	53 973
Goodwill	6	20 656	20 656
Investment property	8	7 138	6 350
Investments		1	1
		<u>259 140</u>	<u>250 920</u>
<b>Current assets</b>			
Inventories	9	53 607	43 772
Related party receivables	34	6 245	4 947
Trade receivables	10	28 201	34 381
Loans granted	11	6 777	1 380
Other current receivables and prepayments	12	2 433	1 406
Cash and cash equivalents	13	7 260	2 889
		<u>104 523</u>	<u>88 775</u>
<b>TOTAL ASSETS</b>		<u><b>363 663</b></u>	<u><b>339 695</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Capital attributable to the equity owners of the parent company</b>			
Share capital	14	243 609	221 000
Issue premium	14	62 287	44 200
Revaluation reserve	14	404	
Reserve from actuarial revaluation	14	(73)	(29)
Retained earnings	14	16 666	3 372
		<u>322 893</u>	<u>268 543</u>
<b>Non-controlling interest</b>	7	1 670	1 556
<b>Total equity</b>		<u><b>324 563</b></u>	<u><b>270 099</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	15	14 736	14 937
Long-term payables to personnel	16	272	211
Other non-current liabilities	17	1 593	297
		<u>16 601</u>	<u>15 445</u>
<b>Current liabilities</b>			
Bank loans	18	11 969	46 890
Payables to related parties	34	579	479
Trade payables	19	5 778	3 717
Tax liabilities	20	1 238	942
Payables to personnel and social security	21	2 137	1 492
Other current liabilities	22	798	631
		<u>22 499</u>	<u>54 151</u>
<b>TOTAL LIABILITIES</b>		<u><b>39 100</b></u>	<u><b>69 596</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>363 663</b></u>	<u><b>339 695</b></u>

Prepared by:  
 /Antoaneta Boeva/

Executive Director:  
 /Ivan Angelov/

Chairman of the Board of Directors:  
 /Luka Angelov/

The notes on pages 5 to 46 are an integral part of these financial statements.

The Consolidated Financial Statements were approved by the Board of Directors of Gradus AD on 25 April 2019.

**GRADUS AD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

		<b>2018</b>	<b>28.11.2017- 31.12.2017</b>
	<b>Note</b>	<b>BGN'000</b>	<b>BGN'000</b>
Revenue	23	141 390	18 252
Other operating income, net	24	13 996	3 600
Capitalised own costs		3 004	-
Changes in stock of finished products		14 343	582
Book value of assets sold (other than finished products)		(25 551)	(7 276)
Expenses on raw materials and materials	25	(78 753)	(7 371)
Hired service expenses	26	(7 483)	(1 111)
Depreciation / amortization expenses	4,5	(6 119)	(454)
Personnel expenses	27	(23 199)	(1 503)
Impairment of assets	28	(10 849)	
Other operating expenses	28	(4 038)	(432)
<b>Operating profit / (loss)</b>		<b>16 741</b>	<b>4 287</b>
Finance income	29	334	14
Finance costs	29	(695)	(238)
<b>Finance income /(costs), net</b>		<b>(361)</b>	<b>(224)</b>
<b>Profit before income tax</b>		<b>16 380</b>	<b>4 063</b>
Income tax expense	30	(1 726)	(680)
<b>Profit for the period after taxes</b>		<b>14 654</b>	<b>3 383</b>
<b>Other components of comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Changes in the revaluation reserve of property, plant and equipment, net of taxes		331	-
Changes in the reserve from actuarial gains and losses, net of taxes		(44)	(29)
<b>Total comprehensive income for the period</b>		<b>14 941</b>	<b>3 354</b>
<b>Net profit for the period attributable to:</b>			
Equity owners of the parent company	7	14 540	3 372
Non-controlling interest		114	11
<b>Total comprehensive income attributable to:</b>			
Equity owners of the parent company	7	14 828	3 343
Non-controlling interest		113	11
Earnings per share in BGN	14	0.06	0.015

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**GRADUS AD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Issue premium	Revaluation reserve – property, plant and equipment	Reserve from actuarial revaluations	Retained earnings	Total to the equity owners of the parent company	Non-controlling interest	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Balance as at 28 November 2017</b>								
Issue of shares	221 000	44 200	-	-	-	265 200	1 545	266 745
Net profit for the period	-	-	-	-	3 372	3 372	11	3 383
Other comprehensive income	-	-	-	(29)	-	(29)	-	(29)
<b>Balance at 31 December 2017 (Restated)</b>	<b>221 000</b>	<b>44 200</b>	<b>-</b>	<b>(29)</b>	<b>3 372</b>	<b>268 543</b>	<b>1 556</b>	<b>270 099</b>
<b>Balance at 01 January 2018</b>	<b>221 000</b>	<b>44 200</b>	<b>-</b>	<b>(29)</b>	<b>3 372</b>	<b>268 543</b>	<b>1 556</b>	<b>270 099</b>
<b>Changes in the opening balance due to:</b>								
Effect from the initial application of IFRS 9					(1 173)	(1 173)		(1 173)
<b>Adjusted balance at the bigging on 01 January 2018</b>	<b>221 000</b>	<b>44 200</b>	<b>0</b>	<b>(29)</b>	<b>2 199</b>	<b>267 370</b>	<b>1 556</b>	<b>268 926</b>
Issue of shares	22 609	18 087	-	-	-	40 696	-	40 696
Net profit for the period					14 540	14 540	114	14 654
Revaluation of fixed assets, net of taxes			404			404	0	404
Changes due to sale of fixed assets	-	-	-	-	(73)	(73)	-	(73)
Other comprehensive income				(44)		(44)	-	(44)
<b>Balance at 31 December 2018</b>	<b>243 609</b>	<b>62 287</b>	<b>404</b>	<b>(73)</b>	<b>16 666</b>	<b>322 893</b>	<b>1 670</b>	<b>324 563</b>

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**GRADUS AD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>28.11.2017- 31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Cash flows from operating activity</b>		
Proceeds from clients	171 482	14 037
Payments to suppliers	(148 957)	(8 976)
Payments to personnel and social security	(22 361)	(1 350)
Taxes paid, other than income tax	623	(448)
Income taxes paid	(1 487)	(390)
Financing of current activity	10 665	-
Foreign exchange differences and bank charges, net	(20)	(2)
Other proceeds, net	(347)	1 549
<b>Net cash flows from operating activity</b>	<b>6 872</b>	<b>4 420</b>
<b>Cash flows from investing activity</b>		
Proceeds from financing for FTAs	1 565	-
Acquisition of property, plant and equipment	(7 446)	(301)
Loans to related parties	(973)	-
Loans to unrelated parties	(7 697)	-
Loans repaid by related parties	562	-
Loans repaid by unrelated parties	6 205	-
Interest proceeds from loans to related parties	5	-
Interest proceeds from loans to unrelated parties	203	-
<b>Net cash flows used in investing activity</b>	<b>(7 576)</b>	<b>(301)</b>
<b>Cash flows from financing activity</b>		
Owners' monetary contributions	-	240
Proceeds from issue of securities	40 696	-
Proceeds from bank loans	40 012	980
Payments on bank loans	(74 952)	(5 710)
Interest and charges paid on bank loans	(590)	(52)
Dividends paid	(20)	-
Other proceeds, net	(71)	-
<b>Net cash flows used in financing activity</b>	<b>5 075</b>	<b>(4 542)</b>
<b>Net increase / decrease in cash</b>	<b>4 371</b>	<b>(423)</b>
Cash and cash equivalents on 01 January	<b>2889</b>	<b>3 312</b>
<b>Cash and cash equivalents on 31 September</b>	<b>7 260</b>	<b>2 889</b>

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