

Interim Activity Report  
Interim Condensed Consolidated Financial Statements

MONBAT AD

31 December 2016



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## Interim condensed consolidated statement of financial position

<b>Assets</b>	<b>Note</b>	<b>31 December 2016 BGN'000</b>	<b>31 December 2015 BGN'000</b>
<b>Non-current assets</b>			
Other intangible assets	5	1 024	905
Property, plant and equipment	6	146 091	126 517
Receivables from trade loans		455	455
Goodwill		237	-
Long-term financial assets		8	8
Non-current assets		<u>147 815</u>	<u>127 885</u>
<b>Current assets</b>			
Inventories		86 141	52 547
Trade receivables		55 137	40 523
Related party receivables	13	31 049	31 427
Receivables from trade loans		358	547
Tax receivables		8 182	6 325
Short-term financial assets		50	50
Other receivables		4 003	1 124
Cash and cash equivalents		5 551	15 232
Current assets		<u>190 471</u>	<u>147 775</u>
<b>Total assets</b>		<u><u>338 286</u></u>	<u><u>275 660</u></u>

**Prepared by:**  
/ Belnikolov and Partners OOD – Henry  
Belnikolov Manager /

**Executive Director:**  
/Atanas Bobokov/

**Date: 01.3.2017**

## Interim condensed consolidated statement of financial position (continued)

Equity and liabilities	Note	31 December 2016 BGN'000	31 December 2015 BGN'000
<b>Equity</b>			
Share capital	8	38 989	38 989
Share premium		28 538	28 538
General reserves		64 993	64 993
Foreign currency translation reserve		(663)	(712)
Retained earnings		69 375	51 498
Equity attributable to the owners of the parent		201 232	183 306
Non-controlling interests		(5 550)	(3 827)
<b>Total equity</b>		<b>195 682</b>	<b>179 479</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	9	46 626	12 610
Finance lease liabilities		1 963	1 266
Long-term related party payables	13	7	7
Long-term grants		4 183	4 999
Deferred tax liabilities, net		1 385	1 238
<b>Non-current liabilities</b>		<b>54 164</b>	<b>20 120</b>
<b>Current liabilities</b>			
Guarantee provisions		183	462
Pension and other employee obligations		1 519	1 286
Short-term borrowings	9	58 173	48 446
Finance lease liabilities		515	427
Trade payables		19 548	19 035
Short-term related party payables	13	1 224	305
Tax liabilities		2 309	2 141
Short-term grants		806	806
Other liabilities		4 163	3 153
<b>Current liabilities</b>		<b>88 440</b>	<b>76 061</b>
<b>Total liabilities</b>		<b>142 604</b>	<b>96 181</b>
<b>Total equity and liabilities</b>		<b>338 286</b>	<b>275 660</b>

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/ Belnikolov and Partners OOD – Henry  
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**Date: 01.03.2017**

**Executive Director:**  
/Atanas Bobokov/

## Interim condensed consolidated income statement

	Note	12 months to 31 December 2016 BGN'000	12 months to 31 December 2015 BGN'000
Sales revenue		263 306	244 653
Other revenue		2 963	815
Cost of materials		(179 241)	(149 163)
Hired services expenses		(22 747)	(19 436)
Employee benefits expense		(23 179)	(18 314)
Depreciation, amortization and impairment of non-financial assets	5,6	(12 822)	(11 532)
Cost of goods sold and other current assets		(8 255)	(12 140)
Changes in finished goods and work in progress		19 510	(1 884)
Other expenses		(5 143)	(7 030)
Gain from sale of non-current assets		3	3
<b>Operating profit</b>		<b>34 395</b>	<b>25 972</b>
Finance costs		(3 301)	(3 047)
Finance income		1 099	1 307
Other financial items		(999)	(111)
<b>Profit before tax</b>		<b>31 194</b>	<b>24 121</b>
Tax expense		(3 740)	(3 236)
<b>Profit for the period</b>		<b>27 454</b>	<b>20 885</b>
Profit for the period, attributable to:			
Non-controlling interests		(877)	(1 166)
Owners of the parent		<b>28 331</b>	<b>22 051</b>
Basic earnings per share	111.1	0.73	0.57

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**Henry Belnikolov Manager /**  
**Date: 01.03.2017**

**Executive Director:**  
**/Atanas Bobokov/**

## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	General reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non- controlling interests	Total equity
<b>Balance at 1 January 2016</b>	<b>38 989</b>	<b>28 538</b>	<b>64 993</b>	<b>(712)</b>	<b>51 498</b>	<b>183 306</b>	<b>(3 827)</b>	<b>179 479</b>
Dividends	-	-	-	-	(10 920)	(10 920)	-	(10 920)
<b>Transactions with owners</b>	-	-	-	-	(10 920)	(10 920)	-	(10 920)
Profit for the period	-	-	-	-	28 331	28 331	(877)	<b>27 454</b>
Other comprehensive income:	-	-	-	-	-	-	-	-
Currency translation differences from foreign operations	-	-	-	49	-	49	-	<b>49</b>
Acquisition of non-controlling interest	-	-	-	-	466	466	(846)	<b>(380)</b>
<b>Total comprehensive income for the period</b>	-	-	-	49	28 797	<b>28 846</b>	<b>(1 723)</b>	<b>27 123</b>
<b>Balance at 31 December 2016</b>	<b>38 989</b>	<b>28 538</b>	<b>64 993</b>	<b>(663)</b>	<b>69 375</b>	<b>201 232</b>	<b>(5 550)</b>	<b>195 682</b>

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Date: 01.03.2017

Executive Director:  
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## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	General reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non- controlling interests	Total equity
<b>Balance at 1 January 2015</b>	<b>39 000</b>	<b>28 611</b>	<b>64 786</b>	<b>138</b>	<b>35 504</b>	<b>168 039</b>	<b>(2 661)</b>	<b>165 378</b>
Redeemed own shares	(11)	(73)	-	-	-	(84)	-	(84)
Dividends	-	-	-	-	(5 850)	(5 850)	-	(5 850)
<b>Transactions with owners</b>	<b>(11)</b>	<b>(73)</b>	<b>-</b>	<b>-</b>	<b>(5 850)</b>	<b>(5 934)</b>	<b>-</b>	<b>(5 934)</b>
Profit for the period	-	-	-	-	22 051	22 051	(1 166)	20 885
Other comprehensive income:	-	-	-	-	-	-	-	-
Currency translation differences from foreign operations	-	-	-	(850)	-	(850)	-	(850)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(850)</b>	<b>22 051</b>	<b>21 201</b>	<b>(1 166)</b>	<b>20 035</b>
Transfer of retained earnings to other reserves	-	-	207	-	(207)	-	-	-
<b>Balance at 31 December 2015</b>	<b>38 989</b>	<b>28 538</b>	<b>64 993</b>	<b>(712)</b>	<b>51 498</b>	<b>183 306</b>	<b>(3 827)</b>	<b>179 479</b>

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## Interim condensed consolidated statement of cash flows

	Note	12 months to 31 December 2016 BGN'000	12 months to 31 December 2015 BGN'000
<b>Operating activities</b>			
Cash receipts from customers		246 628	237 310
Cash paid to suppliers		(238 206)	(191 320)
Cash paid to and on behalf of employees		(21 531)	(16 478)
Paid taxes		5 615	(2 232)
Other payments for operating activities		(1 373)	(1 240)
Net cash flow from operating activities		<b>(8 867)</b>	<b>26 040</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment, net		(31 931)	(16 588)
Loans granted		(779)	(3 168)
Loan repayments received		2 233	193
Acquisition of subsidiaries and non-controlling interest		(606)	-
Grants received		-	3 680
Other payments for investing activities			(50)
Cash flow used in investing activities		<b>(31 083)</b>	<b>(15 933)</b>
<b>Financing activities</b>			
Received borrowings		66 093	10 632
Payments on borrowings		(21 178)	(16 525)
Proceeds from issue of share capital for non-controlling interest		24	-
Payments on finance leases		(675)	(847)
Payments for redemption of shares		-	(84)
Interest paid		(2 310)	(1 818)
Dividends paid		(10 151)	(5 588)
Other payments for financial activities		(817)	(687)
Net cash flow from (used in) financing activities		<b>30 986</b>	<b>(14 917)</b>
<b>Net change in cash and cash equivalents</b>		<b>(8 964)</b>	<b>(4 810)</b>
Cash and cash equivalents, beginning of year		15 232	20 538
Losses on foreign currency translation		(717)	(496)
<b>Cash and cash equivalents, end of period</b>		<b>5 551</b>	<b>15 232</b>

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Date: 01.03.2017

Executive Director :  
/Atanas Bobokov/



## Notes to the interim condensed consolidated financial statements

### **1. Nature of operations**

The main activities of MonbatAD and its subsidiaries (“The Group”) include manufacturing, maintenance and realization of batteries; engineering and development activity; production and trade of equipment used in battery manufacturing; domestic and foreign trade and construction of commercial networks; specialized stores and representatives, recycling of lead and lead contain alloys.

The parent company Monbat AD has the same principle activities. The company is registered as joint stock company in c.d. 4636/1999 SGS. The parent company’s domicile, which is also its principal place of business, is on 32 A ‘Cherni vrah’ buld., Sofia. The company is registered on the Bulgarian stock exchange on 22.12.2006.

The principle place of the activity is town of Montana, 76 ‘Industrialna’ str.

The Group is managed through single-tier management system consisting of Board of Directors.

The members of the Board of Directors are:

1. Atanas Stoilov Bobokov - chairman
2. Petar Nikolov Bozadjiev
3. Jordan Atanasov Karabinov
4. Plamen Stoilov Bobokov
5. Aleksandar Viktorov Chaushev
6. Nikolay Georgiev Trenchev
7. Stoyan Jivkov Stalev
8. Evelina Slavcheva
9. Florian Huth

Executive director is Atanas Stoilov Bobokov.

The ultimate owner of the group, is Prista Oil Group B.V., the Netherlands.

### **2. Basis for the preparation of the interim condensed consolidated financial statements**

These interim condensed consolidated financial statements as at 31 December 2016 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The interim condensed consolidated financial statements are presented in Bulgarian Leva (BGN), which is also the functional currency of the Group. All amounts are presented in thousand Bulgarian leva (BGN'000) (including comparative information for 2014) unless otherwise stated.

The interim condensed consolidated financial statements are prepared under the going concern principle.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

***Initial application of new amendments to the existing Standards and Interpretations effective for the current financial period***

The following new amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current financial period:

- Amendments to various standards “Improvements to IFRSs (cycle 2011-2013)” resulting from the annual improvement project of IFRS (IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on December 18, 2014 (amendments are to be applied for annual periods beginning on or after January 1, 2015),
- IFRIC 21 “Levies” adopted by the EU on December 13, 2014 (effective for annual periods beginning on or after December 17, 2014).

The adoption of these amendments to the existing standards and interpretation has not led to any material changes in the Company’s financial statements.

***Amendments to the existing Standards issued by IASB and adopted by the EU but not yet effective***

At the date of authorisation of these financial statements the following amendments to the existing standards issued by IASB and adopted by the EU were in issue but not yet effective:

- Amendments to various standards “Improvements to IFRSs (cycle 2010-2012)” resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on December 17, 2014 (amendments are to be applied for annual periods beginning on or after February 1, 2015),
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” - Agriculture: Bearer Plants - adopted by the EU on November 23, 2015 (effective for annual periods beginning on or after January 1, 2016),
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” - Clarification of Acceptable Methods of Depreciation and Amortisation - adopted by the EU on December 2, 2015 (effective for annual periods beginning on or after January 1, 2016),

- Amendments to IAS 19 “Employee Benefits” - Defined Benefit Plans: Employee Contributions - adopted by the EU on December 17, 2014 (effective for annual periods beginning on or after February 1, 2015),
- Amendments to IFRS 11 “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations adopted by the EU on November 24, 2015 (effective for annual periods beginning on or after January 1, 2016).
- Amendments to IAS 1 “Presentation of Financial Statements” - Disclosure Initiative – adopted by the EU on December 18, 2015 (effective for annual periods beginning on or after January 1, 2016),
- Amendments to IAS 27 “Separate Financial Statements” - Equity Method in Separate Financial Statements - adopted by the EU on December 18, 2015 (effective for annual periods beginning on or after January 1, 2016),
- Amendments to various standards “Improvements to IFRSs (cycle 2012-2014)” resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on December 15, 2015 (amendments are to be applied for annual periods beginning on or after January 1, 2016).

***New Standards and amendments to the existing Standards issued by IASB but not yet adopted by the EU***

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except from the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of approval of these consolidated financial statements:

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1, 2018);
- IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods beginning on or after January 1, 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- IFRS 15 “Revenue from Contracts with Customers” and further amendments (effective for annual periods beginning on or after January 1, 2018),
- IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016),
- Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures” - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after January 1, 2016),

The Group anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Group in the period of initial application

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the Group's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: Financial Instruments: Recognition and Measurement, would not significantly impact the financial statements, if applied as at the balance sheet date.

## **2.1. Estimates**

When preparing the interim consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2015.

## **3.2 Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual consolidated financial statements as at 31 December 2015. There have been no changes in the risk management policies since year end.

## **3. Significant events and transactions during the reporting period**

The world economic situation has worsened since the end of the last reporting period. As with all other types of business, the Group is affected by the shrinking of the economics. The goals and policies of the Group for the management of equity, credit risk and liquidity risk are described in the previous annual consolidated financial statements.

The Management believes that the Group is in a proper position, considering the current economic situation. The factors, complementing the stable position of the Group are:

- No significant decrease in the acceptance of larger projects.
- The Group does not expect to have a need for additional financing in the coming 12 months due to the large amount of financial resources it currently has, as well as the available loans and high liquidity reserves. The Group has significant resources which can cover its liabilities.
- The principal clients of the group have not had financial difficulties. The return of the trade receivables is estimated as good as at 31 December 2016.

Overall the Group's position is stable despite the current economic environment and has enough equity and liquidity to cover its operating activities and loans.

#### 4. Segment reporting

No change has occurred in the basis of segment reporting or determining the profit or loss of the segments as compared to the prior period consolidated financial statements.

Segment information for the reporting periods under review can be analyzed as follows:

12 months ended 31 December 2016	Bulgaria	Serbia	Romania	Nigeria	Total
	‘000 BGN	‘000 BGN	‘000 BGN	‘000 BGN	‘000 BGN
<b>Revenue:</b>					
- from external customers	253 850	5 140	7 041	238	266 269
- intersegment transactions	283 436	26 256	66 569	-	376 261
<b>Segment revenues</b>	<b>537 286</b>	<b>31 396</b>	<b>73 610</b>	<b>238</b>	<b>642 530</b>

12 months ended 31 December 2015	Bulgaria	Serbia	Romania	Total
	‘000 BGN	‘000 BGN	‘000 BGN	‘000 BGN
<b>Revenue:</b>				
- from external customers	237 830	3 008	4 630	245 468
- intersegment transactions	245 176	13 007	65 033	323 216
<b>Segment revenues</b>	<b>483 006</b>	<b>16 015</b>	<b>69 663</b>	<b>568 684</b>

	December 2016 BGN‘000
<b>Assets</b>	
Total segment assets	580 607
Consolidation	(242 321)
<b>Group assets</b>	<b>338 286</b>

	December 2016 BGN‘000
<b>Liabilities</b>	
Total segment liabilities	281 329
Consolidation	(138 725)
<b>Group liabilities</b>	<b>142 604</b>

	December 2015 BGN‘000
<b>Assets</b>	
Total segment assets	464 136
Consolidation	(188 476)

<b>Group assets</b>	<b>275 660</b>
	<b>December</b>
	<b>2015</b>
<b>Liabilities</b>	<b>BGN'000</b>
Total segment liabilities	182 950
Consolidation	(86 769)
<b>Group liabilities</b>	<b>96 181</b>

The total of segment profit/loss reconciles to the Group's profit before tax expense as presented in its interim condensed consolidated financial statements as follows:

	<b>12 months to 31 December 2016 BGN'000</b>	<b>12 months to 31 December 2015 BGN'000</b>
<b>Profit</b>		
Total segment profit	35 107	26 408
Elimination from intersegment profits from related party transactions	(712)	(436)
Group operating profit	<b>34 395</b>	<b>25 972</b>
Finance costs	(3 301)	(3 047)
Finance income	1 099	1 307
Other financial items	(999)	(111)
Group profit before tax	<b>31 194</b>	<b>24 121</b>

## 5. Other intangible assets

The Group's other intangible assets comprise software, trade marks and other intangible assets. The carrying amounts for the reporting periods under review can be analyzed as follows:

<b>12 months to 31 December 2016</b>	<b>Software BGN'000</b>	<b>Trade marks BGN'000</b>	<b>Other assets BGN'000</b>	<b>R&amp;D expenses '000 ΔB.</b>	<b>Total BGN'000</b>
<b>Gross carrying amount</b>					
Balance at 1 January 2016	476	1 266	92	701	2 535
Additions, separately acquired	22	83	159	-	264
Balance at 31 December 2016	498	1 349	251	701	2 799
<b>Amortization</b>					
Balance at 1 January 2016	(410)	(1 126)	(21)	(73)	(1 630)
Amortization	(51)	(43)	(13)	(38)	(145)
Balance at 31 December 2016	(461)	(1 169)	(34)	(111)	(1 775)
<b>Carrying amount at 31 December 2016</b>	<b>37</b>	<b>180</b>	<b>217</b>	<b>590</b>	<b>1 024</b>

<b>For the year ended 31 December 2015</b>	<b>Software BGN'000</b>	<b>Trade marks BGN'000</b>	<b>Other BGN'000</b>	<b>R&amp;D expences BGN'000 AB.</b>	<b>Total BGN'000</b>
<b>Carrying amount</b>					
Balance at 1 January 2015	403	1 224	1 299	701	3 627
Additions	73	42	14	-	129
Disposals	-	-	(1 221)	-	(1 221)
Balance at 31 December 2015	476	1 266	92	701	2 535
<b>Amortization</b>					
Balance at 1 January 2015	(388)	(1 081)	(515)	(37)	(2 021)
Amortization	(22)	(45)	(165)	(36)	(268)
Disposals	-	-	659	-	659
Balance at 31 December 2015	(410)	(1 126)	(21)	(73)	(1 630)
<b>Carrying amount at 31 December 2015</b>	<b>66</b>	<b>140</b>	<b>71</b>	<b>628</b>	<b>905</b>

## 6. Property, plant and equipment

Group's property, plant and equipment comprise lands, buildings, machinery, equipment, vehicles, business inventory and cost of acquisition. The carrying amount can be analyzed as follows:

12 months to 31 December 2016	Lands	Buildings	Machinery	Equipment	Vehicles	Business inventory	Asset acquisition expenses	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Gross carrying amount</b>								
Balance at 1 January 2016	8 481	45 016	107 585	32 404	10 248	4 288	10 882	218 904
Additions	30	611	2 535	1 328	622	276	28 581	33 983
Disposals	(231)	(204)	(65)	(46)	(325)	-	(1 061)	(1 932)
Assets transfer	967	2 672	13 892	1 007	333	273	(19 144)	-
<b>Balance at 31 December 2016</b>	<b>9 247</b>	<b>48 095</b>	<b>123 947</b>	<b>34 693</b>	<b>10 878</b>	<b>4 837</b>	<b>19 258</b>	<b>250 955</b>
<b>Depreciation</b>								
Balance at 1 January 2016	-	(10 259)	(64 724)	(7 531)	(6 255)	(3 618)	-	(92 387)
Depreciation	-	(1 780)	(8 372)	(1 368)	(854)	(303)	-	(12 677)
Written-off depreciation	-	10	22	4	164	-	-	200
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>(12 029)</b>	<b>(73 074)</b>	<b>(8 895)</b>	<b>(6 945)</b>	<b>(3 921)</b>	<b>-</b>	<b>(104 864)</b>
<b>Carrying amount at 31 December 2016</b>	<b>9 247</b>	<b>36 066</b>	<b>50 873</b>	<b>25 798</b>	<b>3 933</b>	<b>916</b>	<b>19 258</b>	<b>146 091</b>



	<b>Lands</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Business inventory</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
<b>Gross carrying amount</b>								
Balance at 1 January 2015	8 358	41 090	92 952	31 401	9 566	4 010	12 245	199 622
Additions	-	1 586	2 516	467	681	280	15 217	20 747
Disposals	(141)	(1 090)	(18)	(104)	(61)	(18)	(33)	(1 465)
Assets transfer	264	3 430	12 135	640	62	16	(16 547)	-
<b>Balance at 31 December 2015</b>	<b>8 481</b>	<b>45 016</b>	<b>107 585</b>	<b>32 404</b>	<b>10 248</b>	<b>4 288</b>	<b>10 882</b>	<b>218 904</b>
<b>Depreciation</b>								
Balance at 1 January 2015	-	(8 760)	(57 530)	(6 163)	(5 434)	(3 364)	-	(81 251)
Depreciation	-	(1 589)	(7 196)	(1 377)	(842)	(260)	-	(11 264)
Disposals	-	90	2	9	21	6	-	128
<b>Balance at 31 December 2015</b>	<b>-</b>	<b>(10 259)</b>	<b>(64 724)</b>	<b>(7 531)</b>	<b>(6 255)</b>	<b>(3 618)</b>	<b>-</b>	<b>(92 387)</b>
<b>Carrying amount at 31 December 2015</b>	<b>8 481</b>	<b>34 757</b>	<b>42 861</b>	<b>24 873</b>	<b>3 993</b>	<b>670</b>	<b>10 882</b>	<b>126 517</b>

## 7. Seasonality and cycles of the interim operations

The demand of accumulator batteries is not a subject to significant seasonal changes. However, practice shows that the demand reaches its peak values in autumn and winter.

## 8. Share capital

The registered share capital of the Group consists of 39 000 000 ordinary shares with a nominal value of BGN 1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Group.

As at 31.12.2015 the Group has redeemed 10 946 ordinary own shares, which are presented as a decrease in the shared capital.

The issued and authorized shares for reporting periods can be presented as follows:

	<b>31 December 2016 BGN</b>	<b>31 December 2015 BGN</b>
Number of shares issued and fully paid,		
- beginning of the period	38 989 054	39 000 000
- redemption for the period	-	(10 946)
Number of shares issued and fully paid	<u>38 989 054</u>	<u>38 989 054</u>
<b>Total number of shares authorized at the end of the period</b>	<u><b>38 989 054</b></u>	<u><b>38 989 054</b></u>

The list of the principal shareholders' of the Group is as follows:

	<b>31 December 2016 Number of shares</b>	<b>31 December 2016 %</b>	<b>31 December 2015 Number of shares</b>	<b>31 December 2015 %</b>
Prista Oil EAD	16 666 371	<b>42.73</b>	12 078 250	<b>30.97</b>
PRISTA HOLDCO				
COOPERATIEF U.A	8 103 758	<b>20.78</b>	10 053 758	<b>25.78</b>
Unicredit Bank Austria AG	-	-	5 964 521	<b>15.29</b>
Monbat Trading OOD	2 752 800	<b>7.06</b>	1 376 400	<b>3.53</b>
UPF Doverie	2 549 457	<b>6.54</b>	1 593 957	<b>4.09</b>
ZUPF Allianz Bulgaria	2 061 536	<b>5.29</b>	1 570 577	<b>4.03</b>
Other natural persons and entities	6 866 078	<b>17.60</b>	6 362 537	<b>16.31</b>
	<u>39 000 000</u>	<u>100</u>	<u>39 000 000</u>	<u>100</u>
Buyback of own shares from natural persons and entities	<u>(10 946)</u>	<u>(0.03)</u>	<u>(10 946)</u>	<u>(0.03)</u>
	<u><b>38 989 054</b></u>	<u><b>99.97</b></u>	<u><b>38 989 054</b></u>	<u><b>99.97</b></u>

PRISTA OIL HOLDING EAD, notified Monbat AD on executed by the company sale transactions for 1 950 000 voting shares or 5 % of the capital of Monbat AD with a settlement date of the transaction in the Central Depository 31.08.2016. As a result of the change PRISTA OIL HOLDING EAD holds directly 16 666 371 shares and the same number of votes at the General Assembly of the Shareholders or 42,73 % of the capital of Monbat AD and through the related party Monbat Trading Ltd. holds 2 752 800 voting shares or 7,06 %. The total number of the shares and votes hold directly and through related parties on the part of PRISTA OIL HOLDING EAD is 19 419 171 shares or 49,79 %

Prista Oil Holding EAD - a shareholder holding more than 25 percent of the voting shares of Monbat AD, namely: sale of 1 950 000 voting shares on the regulated market in Bulgaria. The settlement date of the transaction is 31.08.2016 and the average price per share is BGN 6.92124.

On 28.10.2015 transfer transaction for 1 950 000 voting shares or 5 % of the capital of Monbat AD . As a result of the change PRISTA OIL HOLDING EAD holds directly 16 666 371 shares and the same number of votes at the General Assembly of the Shareholders or 42,73 % of the capital of Monbat AD and through the related party Monbat Trading Ltd. holds 2 752 800 voting shares or 7,06 %. The total number of the shares and votes hold directly and through related parties on the part of PRISTA OIL HOLDING EAD is 19 419 171 shares or 49,79 %

On 28.10.2015 PRISTA HOLDCO COOPERATIEF U.A., executed by the company acquisition transaction for 1 950 000 voting shares or 5 % of the capital of Monbat AD. As a result of the change PRISTA HOLDCO COOPERATIEF U.A holds directly 10 053 758 shares and the same number of votes at the General Assembly of the Shareholders or 25,78 % of the capital of Monbat AD. The total number of the shares and votes hold directly on the part of PRISTA HOLDCO COOPERATIEF U.A is 10 053 758 shares. The company exercises the right to vote directly and not through related parties.

Unicredit Bank Austria AG has been engaged as a sub-custodian by Prista Holdco Cooperatief U.A. (being a shareholder in Prista Oil Group BV which is in turn the sole shareholder of Prista Oil Holding EAD and 90% owner of Monbat Trading OOD).

This change in the legal form is pursuant to the replacement of Gramercy as an ultimate minority shareholder in and a creditor of Prista Oil Group BV with Prista Holdco Cooperatief U.A. in 2012. As a result, the new security structure of the Loan and Call Option Agreement between Prista Holdco Cooperatief U.A., Prista Oil Group BV, Prista Oil Holding EAD and Monbat Trading OOD requires the change in form.

Under the custodian agreement Unicredit Bank Austria AG held 1 376 400 shares with beneficial owner Monbat Trading OOD, and 8 640 000 shares with beneficial owner Prista Oil Holding EAD. Under the new arrangement Prista Oil Holding EAD continues to be the ultimate beneficial shareholder in Monbat AD, holding 68.51% (representing 26 720 129 shares) and Monbat Trading OOD holding beneficial ownership of 7.06% shares (representing 2 752 800 shares).

## 9. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31 December 2016 BGN '000	31 December 2015 BGN '000	31 December 2016 BGN '000	31 December 2015 BGN '000
Financial liabilities measured at amortized cost:				
Other bank loans	58 173	48 446	46 626	12 610
<b>Total carrying amount</b>	<b>58 173</b>	<b>48 446</b>	<b>46 626</b>	<b>12 610</b>

### 9.1. Borrowings at amortized cost

Details of the contracts for banking loans:

#### 1. Eurobank Bulgaria AD

##### Contract № 100-532 from 16.05.2007

Maturity date: 16.05.2017

Amount borrowed: EUR 6 100 000

Type of credit: Investment loan

Interest: 3-month EURIBOR + fixed mark-up

Collateral: Mortgage on real estate: Land in Regulation XXIII 27 250 sq. m. in Montana, including the buildings on it. Pledge on movable property owned by Monbat AD – Property, plant and equipment worth EUR 2 934 860, automobiles at the amount of EUR 131 484 and equipment acquired with the loan.

Utilized amount as of 31.12.2016 at the amount of EUR 371 538 or BGN 621 051

#### 2. Rajfaizenbank EAD

##### Contract dated 28.11.2013, Annex 2/12.02.2014

Maturity date: 15.12.2016 (limit A), 15.11.2018 (limit B)

Amount borrowed: EUR 5 700 000

Type of credit: Investment loan

Interest: 1-month EURIBOR + fixed mark-up

Collateral: First rank collateral of assets including Engitec line, owned by Monbat Recysling and first rank conventional mortgage of own real estate, owned by Monbat

Utilized amount as of 31.12.2016 at the amount of EUR 1 434 679 or BGN 2 805 989

#### 3. Rajfaizenbank EAD

##### Contract dated 25.02.2014,

Maturity date: 15.02.2017

Amount borrowed: EUR 3 200 000

Type of credit: Revolving loan

Interest: 1-month EURIBOR + fixed mark-up

Collateral: Rank collateral of mortgage of own real estate, cadaster № 48489.5.279, cadaster № 48489.5.281, cadaster № 48489.5.396, together with bildings on it, on the territory of Montana str. Indystralna.

Utilized amount as of 31.12.2016 at the amount of EUR 4 138 891 or BGN 8 094 968

#### **4. Eurobank Bulgaria AD**

##### **Contract № 339/07.12.2004**

Maturity date: 01.09.2014

Amount borrowed: EUR 2 200 000

Type of credit: Credit line

Interest: 3-month EURIBOR + fixed mark-up

Collateral: Pledge, registered in the Special Pledge Registry

Utilized amount as of 31.12.2016 at the amount of EUR 0 or BGN 0.

There is annex from 29.07.2014 and the loan is transferred from EUR in BGN

Maturity date: 01.09.2017 r.

Amount borrowed: 9 192 401 BGN

Type of credit: Credit line

Interest: 3 M Sofibor + + fixed mark-up

Collateral: Pledge of assets and inventories owned by Monbat AD

Utilized amount as of 31.12.2016 at the amount of BGN 9 192 401

#### **5. Unicredit Bulbank AD**

##### **Contract № 1099 from 14.06.2007**

Maturity date: 11.06.2017

Amount borrowed: EUR 6 228 000

Type of credit: Investment loan

Interest: 1-month EURIBOR + fixed mark-up

Collateral:

First rank conventional mortgage of own real estate, cadaster № 48489.5.279, 20 640 sq.m.

First rank conventional mortgage of own real estate, cadaster № 48489.5.280, 24 800 sq.m.

Second rank conventional mortgage of own real estate, cadaster № 48489.5.281, 7 940 sq.m.

First rank asset collateral with market estimation value at the amount of EUR 2 102 200

First rank collateral of assets, acquired using funds from the loan at the amount of EUR 3 450 000.

First rank collateral of receivables of Monbat AD from Monbat DOO Serbia at the amount of EUR 3 673 000.

Utilized amount as of 31.12.2016 at the amount of EUR 0 or BGN 0

The loan is refinanced from Rajfaizenbank EAD.

#### **6. Eurobank Bulgaria AD**

##### **Annex N 4 to Contract № 100-242/31.03.2006**

Maturity date: 29.08.2015

Amount borrowed: EUR 1 000 000

Type of credit: working capital

Interest: 3-month EURIBOR + mark-up

Collateral:

Property 1:1/2 ideal part of property with identification N 48489.282 from the cadaster map of thw town of Montana, approved by Order N RD-18-19-/05.04.2006 of the executive director of AC.

Property 2:1/2 ideal part of property with identification N 48489.282 from the cadaster map of thw town of Montana, approved by Order N RD-18-19-/05.04.2006 of the executive director of AC.

Special pledge:

Pledge 1: machinery, equipment and vehicles located in the production building of Monbat AD in Montana, 72 Industrial Str.

Pledge 2: Autoscales and porter's office with build-up area of 102 sq.m. according to ownership document and inventory number 3000000003.

Pledge 3: Unloading premise with build-up area of 1 980 sq.m. according to ownership document and inventory number 3000000004.

There is annex from 29.07.2014 and the loan is transferred from EUR in BGN

Maturity date: 01.09.2017

Amount borrowed: 1 955 830 BGN

Type of credit: Credit line

Interest: 3 M Sofibor + fixed mark-up

Collateral: Special pledge on property and inventory ownership of Monbat AD.

Utilized amount as of 31.12.2016 at the amount of BGN 1 946 503

## **7. HYPO NOE Gruppe Bank AG**

### **Contract from 16.05.2014**

Maturity date: 03.10.2018

Amount borrowed: EUR 10 000 000

Type of credit: Investment loan

Interest: 3 M EURIBOR + fixed mark-up

Collateral: Pledge agreement for all Monbat's shares of Monbat Recycling EAD

Utilized amount as of 31.12.2016 at the amount of EUR 10 000 000 or BGN 19 558 300

## **8. DSC Bank EAD**

### **Contract.№1675/16.09.2015**

Maturity date: 10.09.2017

Amount borrowed: EUR 2 500 000

Type of credit: For working capital

Interest: 3 M EURIBOR + fixed mark-up

Collateral: Pledge agreement for materials

Utilized amount as of 31.12.2016 at the amount of EUR 2 500 000 or BGN 4 889 575

## **9. DSC Bank EAD**

### **Contract.№1674/16.09.2015**

Maturity date: 10.09.2017

Amount borrowed: BGN 2 000 000

Type of credit: For working capital

Interest: 1 M EURIBOR + fixed mark-up

Collateral: Pledge agreement for materials

Utilized amount as of 31.12.2016 at the amount of BGN 1 998 545

## **10. SG Expresbank**

### **Contract from 11.07.2016.**

Maturity date: 10.07.2017 r.

Amount borrowed: 3 500 000 EUR

Type of credit: For working capital

Interest: 1 M EURIBOR + fixed mark-up

Collateral: Pledge agreement for materials

Utilized amount as of 31.12.2016 at the amount of 3 498 325 EUR or BGN 6 842 130

**11. Rajfaizenbank Bulgaria EAD**

**Contract** from 09.11.2015.

Maturity date: 15.05.2017 г.

Amount borrowed: 490 000 EUR

Type of credit: Credit line

Interest: 1 M SOFIBOR + fixed mark-up

Collateral: Pledge agreement for cash and cash equivalents

Utilized amount as of 31.12.2016 at the amount of BGN 488 158

**12. HYPO NOE Gruppe Bank AG**

**Contract from 21.07.2016**

Maturity date: 22.07.2021

Amount borrowed: EUR 3 600 000

Type of credit: Credit line

Interest: 6 M EURIBOR + fixed mark-up

Collateral: Second pledge agreement for all Monbat's shares of Monbat Recycling EAD

Utilized amount as of 31.12.2016 at the amount of EUR 3 600 000 or BGN 7 040 988

**13. БАСБ АД**

**Contract from** 20.10.2016 г.

Maturity date: 20.11.2017 г.

Amount borrowed: 5 000 000 лева

Type of credit: Credit line

Interest: 3 M SOFIBOR+ fixed mark-up

Collateral: First rank collateral of receivables from third parties.

Utilized amount as of 31.12.2016 at the amount of BGN 5 000 000.

**14. Bank credit card accounts** with credit limits BGN 100 000 and utilized amounts as of 31.12.2016 at the amount of BGN 9 000.

**15. СИБанк ЕАД**

Contract N 1138/30.07.2016

Maturity date: 20.07.2016

Amount borrowed: EUR 3 000 000

Type of credit: working capital

Interest: 6 M EURIBOR + fixed mark-up

Collateral: Land with ident. N72624.603.300, including the buildings on it. Land with ident. N72624.603.190, including the buildings on it. Land with ident. N72624.603.191, including the buildings on it. Land with ident. N72624.603.193., including the buildings on it.

Land with ident. N72624.603.196, including the buildings on it.

Assets for the amount of 4 850 000 BGN

Utilized amount as of 31.12.2016 at the amount of EUR 0 or BGN 0

**16. CIBank EAD**

Contract №1317/18.03.2016

Maturity date: 30.12.2017

Amount borrowed: EUR 2 700 000

Type of credit: working capital

Interest: 3-month EURIBOR + fixed mark-up

Collateral: Land with ident. N72624.603.300, including the buildings on it. Land with ident. N72624.603.190, including the buildings on it. Land with ident. N72624.603.191, including the buildings on it. Land with ident. N72624.603.193., including the buildings on it. Land with ident. N72624.603.196, including the buildings on it.  
Special pledge on plant and equipment  
Special pledge on receivables in CiBank  
Balance as at 31.12.2016 at the amount of EUR 1 499 924 or BGN 2 933 597

#### **17. CiBank EAD**

Contract №1318/18.03.2016  
Maturity date: 20.03.2021  
Amount borrowed: EUR 5 035 000  
Type of credit:: working capital  
Interest: 3-month EURIBOR + fixed mark-up  
Collateral: Land with ident. N72624.603.300, including the buildings on it. Land with ident. N72624.603.190, including the buildings on it. Land with ident. N72624.603.191, including the buildings on it. Land with ident. N72624.603.193., including the buildings on it. Land with ident. N72624.603.196, including the buildings on it.  
Special pledge on plant and equipment  
Special pledge on receivables in CiBank  
Balance as at 31.12.2016 at the amount of EUR 5 035 000 or BGN 9 847 604

#### **18. Credi Agricole Bank Romania S.A.**

##### **Contract N 019/21/2011**

Maturity date: 05.12.2016  
Amount borrowed: EUR 3 500 000  
Type of credit: Credit line  
Interest rate and commission: 3 M EURIBOR + fixed mark-up  
Collaterals: Corporate guarantee on the name of Monbat AD, as well as reprocessing equipment for the recycling of wastage accumulator batteries – rotational furnace, boiler 5000.  
Balance as at 31.12.2016 at the amount of EUR 3 491 000 or BGN 6 827 802

#### **19. Rajfaizenbank EAD**

##### **Contract dated 15.07.2015**

Maturity date: 30.09.2017  
Amount borrowed: EUR 3 000 000  
Type of credit: Credit line  
Interest rate and commission: 1 M EURIBOR + fixed mark-up  
Collaterals: Special pledge on plant and equipment situated in Montana  
Balance as at 31.12.2016 at the amount of EUR 3 000 000 or BGN 5 867 490.

#### **20. Rajfaizenbank EAD**

##### **Contract dated 30.06.2016**

Maturity date: 25.05.2021  
Amount borrowed: EUR 2 200 000  
Type of credit: Credit line  
Interest rate and commission: 1 M EURIBOR + fixed mark-up  
Collaterals: : First pledge of receivables  
First rank collateral of assets including Engitec line, owned by Monbat Recysling  
First pledge of materials



Balance as at 31.12.2016 at the amount of EUR 1 146 214 or BGN 2 241 800

### **21. Pireos Bank**

**Contract** N 196/2016

Maturity date:30.08.2017 r.

Amount borrowed: EUR 1 500 000

Type of credit: Credit line

Interest rate and commission: 3 M EURIBOR + fixed mark-up

Repayment schedule: Currently paid depending on the available cash and cash equivalents.

Collaterals: : First pledge of receivables from System Sunlight.

Balance as at 31.12.2016 at the amount of EUR 1 105 337 or BGN 2 161 852

### **22. Eurobank EFG Bulgaria AD**

Factoring contract

Collateral: Trade receivables

Balance as at 31.12.2016: BGN 0

### **23. DSK Bank AD**

Contract N 1203/21.05.2013

Maturity date: 21.05.2016

Amount borrowed: BGN 2 000 000

Type of credit : working capital

Interest rate and commission: 1 M Sofibor + fixed mark-up

Repayment schedule: Currently paid depending on the available cash and cash equivalents

Collaterals: Special pledge on technological equipment for producing of LED by Octa Light Bulgaria AD. Guarantee from Monbat Recycling EAD

Balance as at 31.12.2016 at the amount of BGN 0

### **24. DSK Bank AD**

Contract N 1204/21.05.2013

Maturity date: 21.11.2016

Amount borrowed: BGN 2 400 000

Type of credit : Investment loan

Interest rate and commission: 1 M Sofibor + fixed mark-up

Repayment schedule: Currently paid depending on the available cash and cash equivalents

Collaterals: Special pledge on technological equipment for producing of LED by Octa Light Bulgaria AD. Guarantee from Monbat Recycling EAD

Balance as at 31.12.2016 BGN 0

### **25. Investbank**

Contract N FC1554/2015

Maturity date: 26.09.2022 r.

Amount borrowed: 2 000 000 EUR.

Type of credit : Investment loan

Interest rate and commission3 M EURIBOR + fixed mark-up

Repayment schedule: On 79 monthly payments

Collaterals: Second pledge on real estate situated in Godech. Second rank collateral of machinery and equipment. Second rank collateral of receivables of Octa Light Bulgaria AD.

Balance as at 31.12.2016 1 796 000 EUR or BGN 3 512 670

## **26. Rajfaizenbank EAD**

Contract dated 13.07.2016

Maturity date: 25.03.2019

Amount borrowed: EUR 1 100 000

Type of credit: Credit line

Interest rate and commission: 1 M SOFIBOR + fixed mark-up

Collaterals: Special pledge on technological equipment for producing of LED by Octa Light Bulgaria AD. Special pledge on receivables. Guarantee from Monbat Recycling EAD and Octagon international.

Balance as at 31.12.2016 BGN 798 067

## **27. Rajfaizenbank EAD**

Contract N 1/13.07.2016

Maturity date: 25.07.2018

Amount borrowed: BGN 2 000 000

Type of credit: Credit line

Interest rate and commission: 1 M SOFIOR + fixed mark-up

Collaterals: Special pledge on technological equipment for producing of LED by Octa Light Bulgaria AD. Special pledge on receivables. Guarantee from Monbat Recycling EAD and Octagon international.

Balance as at 31.12.2016 BGN 119 343

## **28. Rajfaizenbank EAD**

Contract N 2/13.07.2016

Maturity date: 25.07.2018

Amount borrowed: BGN 2 000 000

Type of credit: Credit line

Interest rate and commission: 1 M SOFIBOR + fixed mark-up

Collaterals: Special pledge on technological equipment for producing of LED by Octa Light Bulgaria AD. Special pledge on receivables. Guarantee from Monbat Recycling EAD and Octagon international.

Balance as at 31.12.2016 BGN 2 000 000

## **10. Income tax expense**

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate for income tax for 2016 and 2015 is 10%.

## **11. Earnings per share and dividends**

### **11.1. Earnings per share**

Basic earnings per share have been calculated using the profit attributed to the shareholders of the Group as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders is as follows:

	<b>31 December 2016 BGN</b>	<b>31 December 2015 BGN</b>
Profit attributable to the shareholders (BGN)	28 331 000	22 051 000
Weighted average number of outstanding shares	38 989 000	38 997 000
<b>Basic earnings per share (BGN per share)</b>	<b>0.73</b>	<b>0.57</b>

## 11.2. Dividends

At the General meeting of the shareholders, held on 27.06.2016, a decision was made to distribute dividends in the amount of BGN 10 920 000, which is a part of the income for 2015.

Untill 31 December 2016 the Company has paid dividends at the amount of BGN 10 150 852

At the General meeting of the shareholders, held on 25.06.2015, a decision was made to distribute dividends in the amount of BGN 5 850 000, which is a part of the income for 2014.

Untill 31 December 2015 the Company has paid dividends at the amount of BGN 5 587 540

## 12. Related parties transactions

The Group's related parties include its owners, subsidiaries, companies under common control , key management and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

### 12.1. Transactions with owners

	<b>31 December 2016 BGN '000</b>	<b>31 December 2015 BGN '000</b>
<b>Purchases of goods and services</b>		
- purchases of raw materials from Prista oil Holding EAD	(27)	(14)
- purchases of other from Prista oil Holding EAD	(7)	(18)
- purchases of servicesr from Prista oil Holding EAD	(283)	(67)
- purchases of non material assets from Prista oil Holding EAD	(44)	(48)
- purchases of assets from Prista oil Holding EAD	(5)	-
- purchases of goods from Prista oil Holding EAD	-	(1 652)
- purchases of services from Monbat Trading OOD	(424)	(1 007)
	<b>(790)</b>	<b>(2 806)</b>

### Sale of goods and services

- sale of goods to Prista oil Holding EAD	2 776	9 011
- sale of services to Prista oil Holding EAD	-	53
- sale of other to Prista oil Holding EAD	2	186
- sale of services to Monbat Trading OOD	24	24
	<b>2 802</b>	<b>9 274</b>

### Other

- dividends paid to Monbat Trading OOD	(184)	(229)
- dividends paid to Prista Oil Holding EAD	(5 181)	(2 792)
- interest on loan granted to Prista Oil Holding EAD	757	904

## 12.2. Transactions with other related parties under common control

	31 December 2016 BGN '000	31 December 2015 BGN '000
<b>Sale of goods and services</b>		
- sale of products to IBT	38	3
- sale of services to IBT	-	10
- sale of products to Agency Apex	-	45
	<b>38</b>	<b>58</b>

### Purchases of goods and services

- purchases of services from PCHMV	(26)	(6)
- purchases of raw materials from PCHMV	(23)	(2)
- purchases of assets from Kom EOOD	-	(1 816)
- purchases of services from Kom EOOD	(19)	(31)
- purchases of raw materials from Kom EOOD	(1)	(105)
- purchases of materials from IBT	(3)	(10)
- purchases of other from IBT	(3)	
- purchases of assets from IBT	(116)	(20)
- purchases of services from Octa Light EOOD	(1)	-
	<b>(192)</b>	<b>(1 990)</b>

### Other transactions

- interest accrued PCMV	9	66
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### 14.3 Transactions with key management personnel

Key management personnel of the Group include members of the Management board and Supervisory board. Key management personnel remuneration includes the following expenses:

	31 December 2016 BGN '000	31 December 2015 BGN '000
Short-term employee benefits:		
-Salaries	4 062	3 082
-Social security costs	213	204
-Company cars	127	131
Total short-term employee benefits	<u>4 402</u>	<u>3 417</u>
<b>Total employee benefits</b>	<b><u>4 402</u></b>	<b><u>3 417</u></b>

### 13. Related parties balances

	31 December 2016 BGN '000	31 December 2015 BGN '000
<b>Current</b>		
<b>Receivables from:</b>		
- Prista oil Holding EAD – loan	18 140	18 140
- Prista oil Holding EAD – trade receivables	6 782	6 668
- Atanas Bobokov - loan	430	585
- PCMV EAD – loan	-	1 360
- PCMV EAD – interests	-	195
- Prista oil Holding EAD – interest	2 416	1 659
- IBT – loan	81	123
- IBT – trade receivables	54	46
- IBT – interests	30	14
- Agencia Apecs– trade receivables	74	74
- KOM – interests	105	8
- KOM – loan	2 150	2 100
- Octa Light EOOD– interests	-	8
- Georgi Trenchev - loans	5	5
- Octagon International - loans	427	427
- Octagon International - interests	31	15
- Monbat Trading OOD - trade receivables	2	-
-Monbat End Project- loan	222	-
-Monbat End Project- interests	2	-
-Florian Huit-loans	98	-
<b>Total current receivables</b>	<b><u>31 049</u></b>	<b><u>31 427</u></b>
<b>Total receivables from related parties</b>	<b><u>31 049</u></b>	<b><u>31 427</u></b>
<b>Non current</b>		
<b>Payables to:</b>		
- Ecobat AD – dividends	6	6
- Bat AD – dividends	1	1
<b>Total noncurrent payables to related parties</b>	<b><u>7</u></b>	<b><u>7</u></b>

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**Current**

**Payables to:**

- Monbat Trading OOD - dividends	771	184
- Prista Oil Holding EAD - dividends	4	
- Monbat Trading OOD - trade payables	-	9
- Prista Oil Holding EAD – trade payables	357	24
- PCMV - trade payables	8	-
- Kom EOOD- trade payables	67	83
- Prista oil Romania trade payables	2	-
- Octa Light EOOD- trade payables	-	1
- IBT – trade receivables	15	4
<b>Total current payables to related parties</b>	<b>1 224</b>	<b>305</b>
<b>Total payables to related parties</b>	<b>1 231</b>	<b>312</b>

**14. Post - reporting date events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

**15. Authorization of the interim condensed consolidated financial statements**

The interim condensed consolidated financial statements as of 31 December 2016 (including comparatives) were approved for issue by the board of directors on 01.03. 2017.