



**ADDITIONAL INFORMATION
TO THE INTERIM CONSOLIDATED FINANCIAL ACTIVITY
STATEMENTS OF BILLBOARD AD
FOR THE FOURTH QUARTER OF 2016
PURSUANT TO THE REQUIREMENTS OF ART. 33Q PARA. 1,
ITEM 7 OF ORDINANCE NO 2 OF FSC**

1. Information about the changes in the accounting policy during the period under review, the reasons for their making and in what way they impact on the financial result and shareholders' equity of the issuer and the companies included in the consolidation

No changes in the accounting policy of BILLBOARD AD and the companies included in the consolidation have been made during the current period (01.01.2016 – 31.12.2016).

2. Information about changes occurred in the economic group (group of enterprises within the meaning of the Accountancy Act) of the issuer if it participates in such a group

BILLBOARD AD is a part of group of enterprises within the meaning of the Accountancy Act and is a parent company, which holds over 50 % of the votes at the general assembly of several subsidiaries. During the period 01.01.2016 – 30.06.2016 have not been made changes in the group of enterprises where BILLBOARD AD is a parent company.

During the fourth quarter under review was made the following change in the group of enterprises where BILLBOARD AD is a parent company:

Based on a resolution of the Board of Directors of BILLBOARD AD, dated 19.12.2016, on 20.12.2016 was accomplished a sale of the stakes, hold by BILLBOARD AD and DIGITAL PRINT Ltd. (100 % subsidiary of BILLBOARD AD) from the capital of TIPO PRINT Ltd. – an associated company of BILLBOARD AD. The sale of the stakes from the capital of TIPO PRINT Ltd. was completed under the price of BGN 0.50 per stake or a total sale price for BILLBOARD AD – BGN 215 and total sale price for DIGITAL PRINT Ltd. – BGN 375.

The value of the transaction does not exceed the thresholds under art. 114, para. 1 of the Law on Public Offering of Securities and art. 114, para. 3 of the Law on Public Offering of Securities – for DIGITAL PRINT Ltd. and respectively an explicit authorization by the General Assembly of the Shareholders of BILLBOARD AD and by the Board of Directors of BILLBOARD AD – in terms of the sale of stakes from the capital of TIPO PRINT Ltd. on the part of DIGITAL PRINT Ltd.

The sale of equity stakes of TIPO PRINT Ltd. on the part of BILLBOARD AD and DIGITAL PRINT Ltd. is concluded due to the fact that the company is fully decapitalized and does not operate.

As of 31.12.2016 the companies in the group of enterprises within the meaning of the Accountancy Act of BILLBOARD AD are:

- **DEDRAX AD**

Scope of activity: desktop publishing and graphic design, publishing and advertising activities, development, adaptation, implementation, support of software products and systems, marketing and distribution of the same. Domestic and foreign trade, and any other activity not prohibited by law.

The company was registered with a capital amounting to BGN 5 000. In 2010 the company's capital was increased to BGN 2 800 000 by its own funds representing a part of the profit for 2009 in the amount of BGN 310 750.92 and non-distributed company's profit from previous years in the amount of BGN 2 484 248.08.

At the regular annual session of the general assembly of the shareholders of Dedrax AD, held on 30.07.2014 was approved a resolution for a capital increase from BGN 2 800 000 to BGN 4 878 627 as the increase in the amount of BGN 2 078 627 was made by company's own funds representing not distributed profit for the period 2010 – 2013.

As at 31.12.2016 BILLBOARD AD holds directly 60 % of the votes at the general assembly.

- **MOTION ARTS Ltd.**

Scope of activity: trading, production, management, tourism, services, computer animation and design, as well as any other activity not prohibited by law.

The company was registered with a capital in the amount of BGN 5 000.

As at 31.12.2016 BILLBOARD AD holds directly 255 company stakes, representing 51 % of the votes at the general assembly.

- **INSTOR MEDIA EOOD**

Scope of activity: domestic and foreign trade, manufacturing and marketing of promotional materials and equipment, advertising, design, and other activities and services that are not prohibited by law.

The company was registered with a capital in the amount of BGN 5 000.

As at 31.12.2016 BILLBOARD AD is a single owner of the company's capital.

- **DIGITAL PRINT EOOD**

Scope of activity: digital printing, advertising, intellectual property transactions, leasing, and any other transactions which are not prohibited by law.

The company was registered with a capital in the amount of BGN 5 000.

On 28.05.2015 in the Commercial Register to the Registry Agency under the batch of the company was filed a capital increase based on a resolution of the single owner. The company's capital is in the amount of BGN 3 000 000 (three million) out of which BGN 5 000 (five thousand) – money contribution and BGN 2 995 000 (two million nine hundred ninety-five thousand) – contribution in kind.

The single owner of capital BILLBOARD AD transferred at nominal value, fully and unconditionally its receivable to DIGITAL PRINT Ltd. in the amount of BGN 2 995 000 (two million nine hundred and ninety-five thousand) levs, representing part of monetary receivables arising from a Loan agreement concluded between BILLBOARD AD - lender and DIGITAL PRINT Ltd. - borrower, which receivable is part of the principal under the Loan agreement as from 01.08.2008 at nominal value amounting to BGN 5 000 000 (five million) levs and the part of the receivables - subject to the contribution in kind is in the total amount of BGN 2 995 000 (two million nine hundred and ninety-five thousand) levs.

Amount: BGN 2995000.

Number of the Act for assignment of experts: 20150312145317/13.03.2015.

As at 31.12.2016 BILLBOARD AD is a single owner of the company's capital.

3. Information on the results from organizational changes within the issuer, such as transformation, selling of undertakings from the economic group (group of enterprises within the meaning of the Accountancy Act), contributions in kind by the undertaking, renting out of property, long-term investments, suspension of operation

During the fourth quarter of 2016 have not occurred results from organizational changes within the company, transformation, contributions in kind from the company, long-term investments and suspended operations.

Based on a resolution of the Board of Directors of BILLBOARD AD, dated 19.12.2016, on 20.12.2016 was accomplished a sale of the stakes, hold by BILLBOARD AD and DIGITAL PRINT Ltd. (100 % subsidiary of BILLBOARD AD) from the capital of TIPO PRINT Ltd. – an associated company of BILLBOARD AD.

4. Opinion of the management body about the likelihood of realization of the published forecasts on the results of the current financial year, taking account of the results of the current six-month period, as well as information about the factors and circumstances which will influence the obtaining of the forecast results at least until the end of the current financial year

Pursuant to the unaudited consolidated financial statements of BILLBOARD AD, drawn up according to the IAS/IFRS forms as of 31.12.2016 the company reported total net sales revenues in the amount of BGN 34 000 000 compared to BGN 32 692 000 for 2015 which represents an increase of the net sales revenues by 4 %. As of 31.12.2016 the consolidated production net sales revenues of BILLBOARD AD were in the amount of BGN 28 761 000 compared to the consolidated production net sales revenues registered by 31.12.2015 in the amount of BGN 27 505 000 which represents a growth of the consolidated production net sales revenues of the company by 4.57 %.

As of 31.12.2016 BILLBOARD AD reported consolidated profit before taxes in the amount of BGN 582 000 compared to the loss before taxes in the amount of BGN 308 000 for 2015.

The consolidated net profit as of 31.12.2016 is in the amount of BGN 591 000 compared to the consolidated net loss as of 31.12.2015 in the amount of 575 000. The net profit as of 31.12.2016 attributed to the owners of the parent company is in the amount of BGN 333 000 compared to the net loss attributed to the owners of the parent company as of 31.12.2015 in the amount of BGN 707 000.

As of 31.12.2016 the earnings before taxes and depreciation and amortization, increased with the financial expenses and decreased with the financial incomes (EBITDA) of BILLBOARD AD on a consolidated basis were in the amount of BGN 4134 000 compared to the EBITDA on a consolidated basis reported by 31.12.2015 in the amount of BGN 3586 000 which is a 15.28 % growth.

As of 31.12.2016 the earnings before taxes and depreciation and amortization, increased by the financial expenses and decreased by the financial incomes (EBIT) of BILLBOARD AD on a consolidated basis were in the amount of BGN 1834 000 compared to the EBIT on a consolidated basis reported by 31.12.2015 in the amount of BGN 1407 000.

5. Data about the persons holding directly or indirectly at least 5 per cent of the votes at the general assembly at the end of the respective quarter, and the changes in the held by the persons votes for the period since the beginning of the current financial year until the end of the period under review

Shareholders holding at least 5 per cent of the votes at the general assembly of shareholders of BILLBOARD AD

Name of the shareholder	% of the capital
Vassil Stefanov Genchev	25.024 %
Stefan Vassilev Genchev	20.00 %
Kalin Vassilev Genchev	20.00 %
Veneta Stefanova Gencheva	9.89 %

- Presented information as at 31.12.2016.

Change in the number of votes for the period 01.01.2016 - 31.12.2016

During the period from the beginning of the financial year to the end of the fourth quarter of 2016 changes in the number of shares hold by shareholders of the capital of BILLBOARD AD, holding at least 5 per cent of the votes at the general assembly of the shareholders of BILLBOARD AD have not been made.

During the period under review have not been made changes in the number of votes in the general assembly of DEDRAX AD with UIC: 201412044. As of 31.12.2016 BILLBOARD AD holds 2 927 176 shares or 60 % of the votes at the general assembly of the company.

During the period under review have not been made changes in the number of votes in the general assembly of MOTION ARTS Ltd. with UIC: 121446455. As of 31.12.2016 BILLBOARD AD holds directly 255 company stakes, representing 51 % of the votes at the general assembly.

During the period under review have not been made changes in the number of votes hold by BILLBOARD AD which is the single owner of the capital of INSTOR MEDIA EOOD with UIC: 175025285.

During the quarter under review have not been made changes in the number of votes hold by BILLBOARD AD which is the single owner of the capital of DIGITAL PRINT EOOD with UIC: 175351733.

During the quarter under review based on a resolution of the Board of Directors of BILLBOARD AD, dated 19.12.2016, on 20.12.2016 was accomplished a sale of the stakes, hold by BILLBOARD AD and DIGITAL PRINT Ltd. (100 % subsidiary of BILLBOADR AD) from the capital of TIPO PRINT Ltd. – an associated company of BILLBOARD AD.

6. Data about the shares owned by the issuer's management and supervisory bodies at the end of the six-month period as well as the changes that occurred for the period since the beginning of the current financial year until the end of the period under review for every person individually

Members of the Board of Directors

	Name	Number of shares	% of the capital
1.	Stefan Vassilev Genchev	3 000 000	20 %
2.	Kalin Vassilev Genchev	3 000 000	20 %
3.	Borislav Hristov Borisov	0	0 %
4.	Desislav Grozev Tomov	0	0 %

- Presented information as at 31.12.2016.

Change in the number of shares hold for the period
01.01.2016 - 31.12.2016

During the period under review have not occurred changes in the number of shares from the Company's capital hold by members of the Board of Directors of BILLBOARD AD.

No member of the Board of Directors of BILLBOARD AD holds shares from the capital of the subsidiary company DEDRAX AD and from the capital of TIPO PRINT Ltd., and during the period under review have not occurred changes in these circumstances.

The members of the Board of Directors of BILLBOARD AD Kalin Genchev and Stefan Genchev hold respectively 70 and 125 stakes from the capital of the subsidiary MOTION ARTS Ltd., and during the period under review have not occurred changes in these circumstances.

7. Information on pending legal, administrative or arbitration procedures relating to liabilities or receivables at the rate of at least 10 per cent from the issuer's equity; if the total amount of the issuer's liabilities or receivables of all initiated proceedings exceeds 10 per cent of its equity, information shall be presented for each procedure separately

There are no pending legal, administrative or arbitration procedures relating to liabilities or receivables at the rate of at least 10 per cent from the shareholders's equity of BILLBOARD AD and the companies, included in the consolidation.

8. Information about granted by the issuer or its subsidiary loans, providing of guarantees or assuming liabilities in whole to one entity or its subsidiary, including also related persons with indication of the nature of the relations between the issuer and the entity, the amount of unpaid principal, interest rate, deadline for repayment, amount of the assumed liability, term and conditions

During the fourth quarter of 2016 on the part of BILLBOARD AD and the companies, included in the consolidation have not been granted essential loans, guarantees and have not been assumed liabilities in whole to one entity or its subsidiary, including also related persons.

28.02.2017
Sofia

For BILLBOARD AD:.....
Stefan Genchev
/Executive Director/