



# Sofia Commerce – Pawn Shops AD

Not rated

Non-bank financial institution

Bulgaria

11 Oct 2013

## Business overview

Sofia Commerce is the **largest non-banking financial institution for micro financing in Bulgaria**, using primarily gold as collateral (more than 80%), with 154 shops. The amount lent to clients is equal to 80-85% of the value of the gold provided. Furthermore, **the Company is debt free** and the only one among its peers traded on the BSE.

The Company provides almost exclusively micro loans - 43% of loans in 2012 were up to EUR 51 (BGN 100), while only 4% of loans were over EUR 510 (BGN 1,000). This **strongly fragmented loan portfolio secures lower risk** in comparison with the one typical for fewer clients with larger exposure.

The size of each individual loan is a function of the price of gold. During crisis times the price of gold increases, which translates into (1) higher absolute value of loans per 1 gram of gold, and (2) naturally increased absolute interest income per customer.

Non-performing loans level is approximately 4%. Once the loan receiver has not repossessed his gold back on the due date, the Company sells the gold and receives its money back within several working days.

**The Company's business model is anti-cyclical** due to the fact that during political or financial instability banks become very conservative on lending (especially consumer loans) which drives the clients to non-banking financial institutions. This makes Sofia Commerce **suitable for a defensive investment strategy** or as a balancing component in an aggressive portfolio.

Interest rate on micro loans is capped at 3% per month by law, although pawn shops **could also charge fees in addition to interest**.

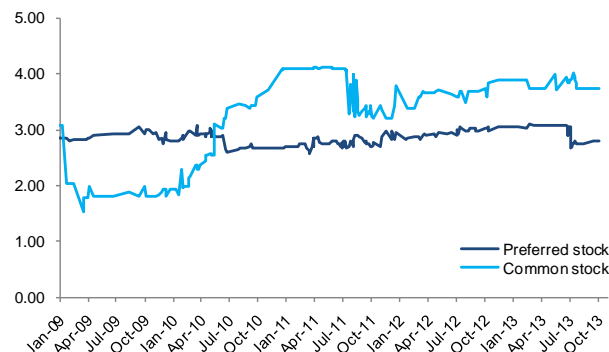
## Outlook

Pawn shops are thriving in tough economic times. Sofia Commerce's customers need micro loans, usually up to EUR 50, on a short notice. Often times these clients have no access to alternative credit sources but need small amounts quickly to pay for utility bills or other urgent household expenditures.

In Bulgaria, **the industry is fragmented and offers opportunity for consolidation**. In our view clients will increasingly avoid smaller pawn shops with questionable reputation and opt for larger reputable chains.

We expect Sofia Commerce to be one of the prime winners of the consolidation process as the company is expected to win market share from smaller rivals both through acquisitions and organic growth.

Currently the Company has no debt and intends to issue a 3-year EUR 2.5m convertible bond. At maturity the bond holders can choose between receiving back their principal and receiving common stock at 1:1 conversion rate. The Company intends to use the proceeds to acquire a domestic competitor and to expand also by acquisition into neighboring Romania.



<b>Common stock symbol</b>	6SOA
<b>Preferred stock symbol</b>	6SO
<b>Common shares price (EUR)</b>	3.74
<b>Preferred shares price (EUR)</b>	2.80
<b>Market cap (EURm)</b>	7.48
<b>Common shares #</b>	2,000,000
<b>Preferred shares #</b>	400,000
<b>12M average daily volume common (EUR)</b>	13,059.20
<b>12M average daily volume preferred (EUR)</b>	1,889.17
<b>12M Hi/Lo common (EUR)</b>	4.01 / 3.58
<b>12M Hi/Lo preferred (EUR)</b>	3.09 / 2.62

<b>Stock price performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Common stock (%)	0.0%	-3.7%	0.3%
Preferred stock (%)	2.2%	-8.4%	3.4%

<b>Multiples</b>	<b>2012</b>	<b>2013</b>
P/E (common, x)	9.4	9.1
P/E (preferred, x)	-	7.1
P/B (common, x)	1.6	1.6
P/B (preferred, x)	-	1.3
Yield (common, %)	-	-
Yield (preferred, %)	13.7	13.7

Priced at COB 11 Oct 2013

<b>Profitability</b>	<b>2012</b>	<b>2013</b>
ROA (%)	17.2	17.2
ROE (%)	17.8	17.5
EBT margin (%)	26.7	38.8
Net profit margin (%)	23.3	35.0

<b>Shareholders</b>	
Mr Todor Vachev (directly and indirectly)	23.7%
Mr Chavdar Gerasimov	18.5%
Other shareholders	57.8%

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<b>US\$/BGN</b>	1.44534
<b>€/BGN</b>	1.95583

**MANE Capital**  
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### Current Capital structure

Sofia Commerce has two classes of equity capital: common stock and convertible preferred stock. Preferred shares pay EUR 0.38 per share in annual dividends for 10 years. Preferred shares will be converted into common shares in 2016.

### 2013 results

In 1H13 Sofia Commerce posted a revenue decline - down 14.1% y/y due to the lower price of gold, which represents the majority of collateral received. Operating expenses decreased to EUR 0.85m (down 15.5% y/y) due to 13.0% decrease in salaries and benefits and 12.2% decrease in external services. Net income fell 11.76% to BGN 0.49m.

### Dividends

In 2013, preferred shares received fixed DPS of EUR 0.38, 13.7% current dividend yield. Common shares do not receive dividend on a regular basis as it is the case in 2012; the last paid dividends to common shareholders were in 2011 – EUR 0.51.

### Valuation of common and preferred stock

Preferred shares are currently trading at 33.6% discount to common shares. In 2010 and 2011 common shares paid higher dividend than preferred shares. No common stock dividend was paid in 2012. Given the uncertainty of common dividends we believe that preferred shares, which currently yield 13.7%, should trade at a premium to common shares. Preferred shares will be converted into common shares in 2016 and are currently trading at 2013 P/E of 7.10x.

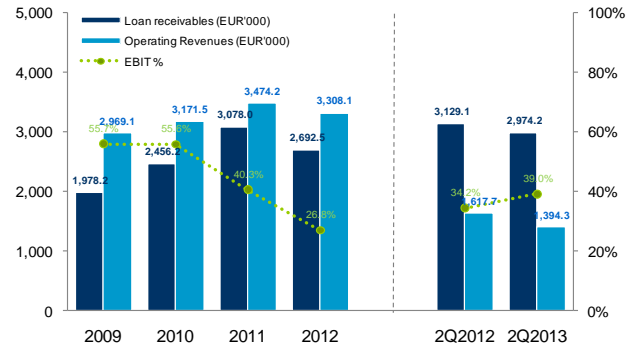
### Bond offering term sheet

Subscription of convertible bonds will be done through tradable participation rights. The continuous market trading of the rights is planned to start on 4<sup>th</sup> November and will end on 17<sup>th</sup> November. To all investors who will participate, participation rights will be provided by the majority shareholder. The full amount of the funds for the subscription of convertible bonds should be deposited in the investors' accounts no later than 15<sup>th</sup> November.

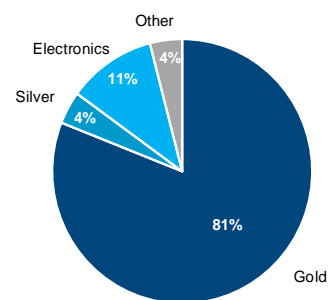
### Forecast assumptions (conservative), 2014-2016E

- 3-year, 12% per annum Convertible bond issue of EUR 2.5m in end 2013 for portfolio expansion via acquisitions and organic growth.
- Growth via two acquisitions in beginning of 2014 - one pawn shop chain in Romania and one in Bulgaria. Assumed worst-case acquisition valuation of 2x for the targeted portfolios. Objective valuation should be in the range of 1.4x - 1.7x.
- Acquired portfolio is expected to worth EUR 2,300 – 3,000k
- Potential synergies expected: (i) consolidation of locations (2-3 locations into 1); (ii) staff optimization, incl. reduction in number of cashiers, supervisors and security personnel.
- 33% average lending growth in 2013-2016, incl. acquired portfolios
- Main operating expenses grow at 30-35%. Possible economies of scale due to acquisitions - not calculated.
- CAPEX - insignificant, only maintenance capex.
- Maintain a conservative average 25% net profit margin (current is 33%).
- 10-year preferred stock mature and convert in common stock 1:1 in 2016.
- 10% flat tax rate.

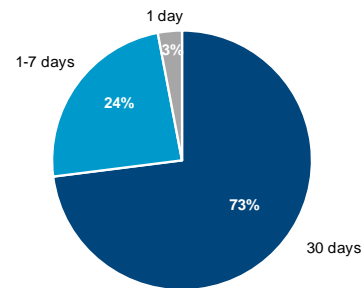
### Operating results



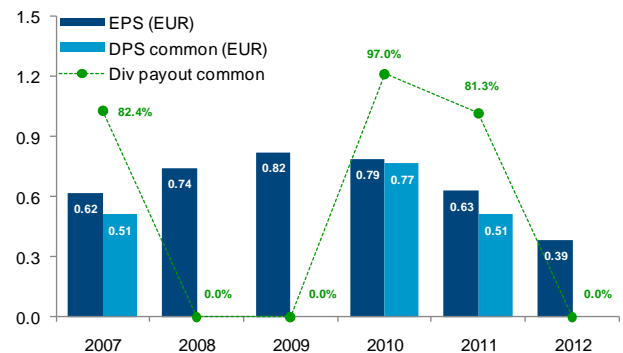
### Credit collateral breakdown



### Credit portfolio maturity



### Dividend payout history



## Comparison to peers

Comparison to peers	P/E current	P/B current	P/S current
First Cash Financial Services	20.4x	4.6x	2.7x
Cash America International	10.3x	1.3x	0.7x
EZCORP	6.9x	0.9x	0.8x
QC Holdings	6.8x	0.5x	0.2x
World Acceptance	11.9x	3.2x	2.1x
<i>Median</i>	10.3x	1.3x	0.8x
<i>Average</i>	11.3x	2.1x	1.3x
<b>Sofia Commerce common</b>	<b>9.1x</b>	<b>1.6x</b>	<b>2.7x</b>
<b>Sofia Commerce preferred</b>	<b>7.1x</b>	<b>1.3x</b>	<b>2.1x</b>

Source: Bloomberg, MANE Capital

## Financial forecasts

Income statement – IFRS (EUR m)	2010	2011	2012	2013E	2014E	2015E	2016E
<b>Revenues</b>	<b>3.21</b>	<b>3.52</b>	<b>3.34</b>	<b>3.30</b>	<b>5.94</b>	<b>6.30</b>	<b>7.08</b>
Services (interest, fees, penalties)	3.18	3.47	3.31	3.30	5.94	6.30	7.08
Goods (sale of collateral)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Operating expenses</b>	<b>1.37</b>	<b>2.07</b>	<b>2.25</b>	<b>-2.09</b>	<b>-2.71</b>	<b>-3.59</b>	<b>-4.82</b>
Material costs	0.07	0.09	0.06	-0.05	-0.08	-0.08	-0.08
Salaries and benefits	0.82	1.54	1.72	-1.64	-2.13	-2.83	-3.82
Transportation costs and other external services	0.41	0.37	0.38	-0.39	-0.51	-0.68	-0.92
Other operating expenses	0.06	0.04	0.08	-0.02	0.00	0.00	0.00
<b>EBIT</b>	<b>1.76</b>	<b>1.40</b>	<b>1.06</b>	<b>1.18</b>	<b>3.20</b>	<b>2.69</b>	<b>2.23</b>
<b>Financial income/expenses</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.00</b>	<b>-0.01</b>	<b>-0.31</b>	<b>-0.31</b>	<b>-0.31</b>
Net interest income/expense	0.00	0.00	0.00	-0.01	-0.31	-0.31	-0.31
<b>Other income/loss</b> (see explanation below)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.10</b>	<b>-2.30</b>	<b>0.00</b>	<b>0.00</b>
<b>Earnings before taxes</b>	<b>1.76</b>	<b>1.40</b>	<b>1.06</b>	<b>1.07</b>	<b>0.59</b>	<b>2.38</b>	<b>1.93</b>
Taxes	0.18	0.14	0.11	-0.11	-0.06	-0.24	-0.19
Net income	1.58	1.26	0.94	0.96	0.53	2.14	1.73
<b>Net income belonging to shareholders</b>	<b>1.58</b>	<b>1.26</b>	<b>0.94</b>	<b>0.96</b>	<b>0.53</b>	<b>2.14</b>	<b>1.73</b>

Balance sheet - IFRS (EUR m)	2010	2011	2012	2013E	2014E	2015E	2016E
Cash and equivalents	1.68	1.06	1.60	4.67	2.40	3.46	1.40
Accounts receivable	2.63	3.22	3.20	3.30	5.65	6.30	7.08
Receivables from customers (see explanation below)	2.58	3.20	2.90	3.07	5.38	6.00	6.74
Other short-term receivables	0.05	0.02	0.29	0.23	0.27	0.30	0.34
Other current assets	0.00	0.00	0.00	0.00	0.50	0.79	0.78
<b>Total current assets</b>	<b>4.32</b>	<b>4.28</b>	<b>4.80</b>	<b>7.98</b>	<b>8.56</b>	<b>10.54</b>	<b>9.26</b>
Securities (including investments in subsidiaries)	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Property, plant and equipment	0.43	0.35	0.33	0.30	0.31	0.31	0.31
Other long-term assets	0.01	0.01	0.01	0.01	0.01	0.01	0.01
<b>Total long-term assets</b>	<b>1.05</b>	<b>0.97</b>	<b>0.95</b>	<b>0.92</b>	<b>0.93</b>	<b>0.93</b>	<b>0.93</b>
<b>Total assets</b>	<b>5.36</b>	<b>5.25</b>	<b>5.74</b>	<b>8.89</b>	<b>9.48</b>	<b>11.47</b>	<b>10.19</b>
<b>Current liabilities</b>	<b>0.20</b>	<b>0.23</b>	<b>0.16</b>	<b>0.12</b>	<b>0.33</b>	<b>0.33</b>	<b>0.02</b>
Current portion of long-term liabilities	0.02	0.01	0.00	0.00	0.31	0.31	0.00
Accounts payable	0.02	0.02	0.01	0.02	0.02	0.02	0.02
<b>Non-current liabilities</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>2.56</b>	<b>2.56</b>	<b>2.56</b>	<b>0.00</b>
Long-term borrowings	0.02	0.00	0.00	2.56	2.56	2.56	0.00
<b>Total liabilities</b>	<b>0.22</b>	<b>0.23</b>	<b>0.16</b>	<b>2.67</b>	<b>2.88</b>	<b>2.88</b>	<b>0.02</b>
<b>Shareholders's equity</b>	<b>5.14</b>	<b>5.02</b>	<b>5.58</b>	<b>6.22</b>	<b>6.60</b>	<b>8.59</b>	<b>10.17</b>
Share capital	1.23	1.20	1.17	1.17	1.17	1.17	1.17
Reserves	2.21	2.05	1.85	1.85	1.85	1.85	1.85
Other reserves	2.21	2.05	1.85	1.85	1.85	1.85	1.85
Retained earnings	1.70	1.78	2.57	3.21	3.59	5.57	7.16
<b>Total liabilities and equity</b>	<b>5.36</b>	<b>5.25</b>	<b>5.74</b>	<b>8.89</b>	<b>9.48</b>	<b>11.47</b>	<b>10.19</b>

Source: Company data

\* 2014 receivables include the increase in lending volume from the acquired competitors' loan portfolios; 2014 other income/loss includes an assumed (worst-case scenario) 50% premium paid on the acquired loan portfolios.

## Historical financial data

Quarterly financial data	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Revenues (EUR m)	0.88	0.91	1.00	0.76	0.86	0.83	0.88	0.71	0.69
EBITDA (EUR m)	0.41	0.37	0.30	0.30	0.33	0.30	0.16	0.34	0.22
EBT (EUR m)	0.39	0.36	0.28	0.29	0.33	0.29	0.15	0.33	0.21
Net income (EUR m)	0.36	0.32	0.26	0.26	0.29	0.25	0.14	0.30	0.19
EBT margin (%)	45.07	39.20	28.35	38.10	37.67	34.50	17.53	46.68	30.68
Net income margin (%)	40.57	35.03	25.80	34.27	33.71	30.26	16.02	41.98	27.64
Net interest margin (%)	34.90	34.21	34.06	27.01	29.46	27.26	28.14	24.34	23.36
ROE (trailing,%)	30.50	28.88	24.75	22.21	20.09	20.39	17.83	17.86	15.56
ROA (trailing,%)	25.53	28.12	23.70	21.94	19.60	20.07	17.19	17.71	15.24
Revenue growth (q/q,%)	18.88	3.50	10.83	-24.27	13.64	-3.67	5.40	-19.39	-2.75
Revenue growth (y/y,%)	5.94	13.22	5.70	3.26	-1.28	-8.12	-12.62	-6.99	-20.40
EBT growth (q/q,%)	9.19	-9.97	-19.86	1.80	12.35	-11.77	-46.44	114.62	-36.07
EBT growth (y/y,%)	-18.39	-33.81	-31.82	-19.80	-17.49	-19.14	-45.96	13.93	-35.16
Current assets (EUR m)	4.90	3.88	4.28	4.37	4.65	4.78	4.80	4.82	5.00
Total assets (EUR m)	5.90	4.86	5.25	5.32	5.62	5.73	5.74	5.76	5.93
Current liabilities (EUR m)	0.07	0.10	0.23	0.04	0.20	0.06	0.16	0.05	0.03
Total liabilities (EUR m)	0.09	0.10	0.23	0.04	0.20	0.06	0.16	0.05	0.03
Equity (EUR m)	5.82	4.76	5.02	5.28	5.42	5.67	5.58	5.70	5.89

Source: Company data, MANE Capital

Annual Financial Ratios	2006	2007	2008	2009	2010	2011	2012
<b>Margins (%)</b>							
EBT	40.87	69.26	64.75	61.43	54.75	39.63	31.68
Net income	34.87	62.35	58.27	55.28	49.28	35.68	28.32
Net interest income	114.27	215.86	161.87	147.62	135.58	120.23	108.46
<b>Ratios and leverage</b>							
ROE	0.00	40.75	39.29	35.18	29.94	24.75	17.83
ROIC	0.00	40.49	38.77	34.80	29.76	24.69	17.82
ROA	0.00	39.19	37.13	33.48	28.72	23.70	17.19
Effective tax rate	14.68	9.98	10.01	10.01	9.99	9.96	10.60
Long-term borrowings (m)	0.00	0.05	0.10	0.06	0.04	0.02	0.00
Net debt (m)	-1.67	-1.88	-1.25	-2.58	-1.64	-1.04	-1.59
Current ratio	44.16	20.73	18.18	26.47	21.42	18.84	29.50
LT Debt/equity (%)	0.00	1.37	2.48	1.19	0.87	0.33	0.00
Total liabilities/assets (%)	2.11	4.98	6.00	3.97	4.17	4.38	2.83
Total dividend payout ratio	0.00	74.20	144.68	55.92	174.64	170.80	97.40
DPS common	0.00	0.00	0.51	0.00	0.77	0.51	0.00
DPS preferred	0.00	0.38	0.38	0.38	0.38	0.38	0.38
Dividend yield (common,%)	0.00	0.00	13.67	0.00	20.51	13.67	0.00
Dividend yield (preferred, %)	0.00	13.70	13.70	13.70	13.70	13.70	13.70
EPS	0.11	0.52	0.62	0.69	0.66	0.52	0.39
EPS (common shareholders)	0.14	0.58	0.70	0.78	0.75	0.59	0.43
BVPS	1.03	1.51	1.64	2.26	2.14	2.15	2.45
Cash per share	0.70	0.80	0.56	1.10	0.70	0.45	0.70
<b>Growth rates (y/y, %)</b>							
Revenue growth	0.00	156.49	28.04	16.88	7.75	9.85	-5.33
EBT growth	0.00	334.68	19.70	10.88	-3.97	-20.49	-24.31
Net income growth	0.00	358.60	19.66	10.89	-3.95	-20.47	-24.85

Source: Company data, MANE Capital

Income statement – IFRS (EUR m)	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>	<b>0.78</b>	<b>1.99</b>	<b>2.55</b>	<b>2.98</b>	<b>3.21</b>	<b>3.52</b>	<b>3.34</b>
Services (interest, fees, penalties)	0.77	1.98	2.50	2.97	3.18	3.47	3.31
Goods (sale of collateral)	0.01	0.01	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.04	0.00	0.03	0.05	0.03
<b>Operating expenses</b>	<b>0.45</b>	<b>0.59</b>	<b>0.84</b>	<b>1.07</b>	<b>1.37</b>	<b>2.07</b>	<b>2.25</b>
Material costs	0.04	0.02	0.02	0.05	0.07	0.09	0.06
Value of goods sold (excluding products)	0.00	0.01	0.04	0.00	0.02	0.03	0.01
Salaries and benefits	0.23	0.34	0.48	0.62	0.82	1.54	1.72
Transportation costs and other external services	0.16	0.20	0.25	0.32	0.41	0.37	0.38
Net gain/loss on FX	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expenses	0.00	0.03	0.05	0.08	0.06	0.04	0.08
<b>EBITDA</b>	<b>0.33</b>	<b>1.40</b>	<b>1.71</b>	<b>1.91</b>	<b>1.83</b>	<b>1.45</b>	<b>1.09</b>
Depreciation	0.02	0.02	0.05	0.07	0.07	0.05	0.03
<b>EBIT</b>	<b>0.31</b>	<b>1.38</b>	<b>1.66</b>	<b>1.84</b>	<b>1.76</b>	<b>1.40</b>	<b>1.06</b>
<b>Financial income/expenses</b>	<b>0.01</b>	<b>0.00</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.00</b>
Net gain/loss on dealing with securities	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Net interest income/expense	0.00	0.00	-0.01	-0.01	0.00	0.00	0.00
<b>Other income/loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Earnings before taxes</b>	<b>0.32</b>	<b>1.38</b>	<b>1.65</b>	<b>1.83</b>	<b>1.76</b>	<b>1.40</b>	<b>1.06</b>
Taxes	0.05	0.14	0.17	0.18	0.18	0.14	0.11
Net income	0.27	1.24	1.48	1.65	1.58	1.26	0.94
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income belonging to shareholders</b>	<b>0.27</b>	<b>1.24</b>	<b>1.48</b>	<b>1.65</b>	<b>1.58</b>	<b>1.26</b>	<b>0.94</b>

Source: Company data, MANE Capital

<b>Balance sheet - IFRS (EUR m)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Cash and equivalents	1.67	1.93	1.35	2.65	1.68	1.06	1.60
Accounts receivable	0.68	1.19	2.07	2.26	2.63	3.22	3.20
Receivables from related entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables from customers	0.67	1.16	1.93	2.10	2.58	3.20	2.90
Other short-term receivables	0.00	0.02	0.14	0.16	0.05	0.02	0.29
Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total current assets</b>	<b>2.35</b>	<b>3.12</b>	<b>3.42</b>	<b>4.91</b>	<b>4.32</b>	<b>4.28</b>	<b>4.80</b>
Securities (including investments in subsidiaries)	0.00	0.27	0.27	0.27	0.61	0.61	0.61
Intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property, plant and equipment	0.17	0.42	0.49	0.47	0.43	0.35	0.33
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	0.16	0.37	0.35	0.34	0.32	0.31	0.29
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisitions of new property, plant and equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.01	0.05	0.14	0.13	0.10	0.04	0.03
Other long-term assets	0.00	0.00	0.00	0.00	0.01	0.01	0.01
<b>Total long-term assets</b>	<b>0.17</b>	<b>0.70</b>	<b>0.76</b>	<b>0.74</b>	<b>1.05</b>	<b>0.97</b>	<b>0.95</b>
<b>Total assets</b>	<b>2.52</b>	<b>3.81</b>	<b>4.18</b>	<b>5.65</b>	<b>5.36</b>	<b>5.25</b>	<b>5.74</b>
<b>Current liabilities</b>	<b>0.05</b>	<b>0.15</b>	<b>0.19</b>	<b>0.19</b>	<b>0.20</b>	<b>0.23</b>	<b>0.16</b>
Short-term borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current portion of long-term liabilities	0.00	0.01	0.03	0.03	0.02	0.01	0.00
Liabilities to related entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts payable	0.00	0.00	0.00	0.01	0.02	0.02	0.01
Unpaid compensation to employees	0.02	0.02	0.03	0.03	0.05	0.11	0.10
Deferred tax liabilities	0.03	0.11	0.11	0.10	0.09	0.06	0.03
Other short-term liabilities	0.01	0.01	0.01	0.01	0.02	0.02	0.02
<b>Non-current liabilities</b>	<b>0.00</b>	<b>0.04</b>	<b>0.06</b>	<b>0.04</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>
Long-term borrowings	0.00	0.04	0.06	0.04	0.02	0.00	0.00
Non-current deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total liabilities</b>	<b>0.05</b>	<b>0.19</b>	<b>0.25</b>	<b>0.22</b>	<b>0.22</b>	<b>0.23</b>	<b>0.16</b>
<b>Minority interest</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Shareholders' equity</b>	<b>2.46</b>	<b>3.62</b>	<b>3.93</b>	<b>5.42</b>	<b>5.14</b>	<b>5.02</b>	<b>5.58</b>
Share capital	1.23	1.23	1.23	1.23	1.23	1.20	1.17
Reserves	0.88	0.88	0.88	2.21	2.21	2.05	1.85
Revaluation reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other reserves	0.88	0.88	0.88	2.21	2.21	2.05	1.85
Retained earnings	0.35	1.51	1.82	1.98	1.70	1.78	2.57
<b>Total liabilities and equity</b>	<b>2.52</b>	<b>3.81</b>	<b>4.18</b>	<b>5.65</b>	<b>5.36</b>	<b>5.25</b>	<b>5.74</b>

Source: Company data, MANE Capital

<b>Statement of cash flows - IFRS (EUR m)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Cash inflows from customers	4.60	14.04	19.88	22.88	25.32	31.13	32.13
Cash payments to suppliers	-4.89	-14.70	-21.00	-23.55	-25.84	-31.74	-31.98
Cash payments for wages and salaries	-0.22	-0.33	-0.46	-0.62	-0.80	-1.47	-1.73
Excise and VAT taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate income taxes	-0.02	-0.06	-0.16	-0.19	-0.19	-0.18	-0.14
Other cash flows from operations	0.72	1.91	2.41	3.02	2.64	2.99	2.66
<b>Cash flows from operating activities</b>	<b>0.19</b>	<b>0.84</b>	<b>0.66</b>	<b>1.54</b>	<b>1.13</b>	<b>0.74</b>	<b>0.94</b>
Purchase of long-term assets	-0.02	-0.54	-0.04	-0.04	-0.01	0.00	-0.02
Sales of long-term assets	0.00	0.00	0.04	0.00	0.02	0.03	0.01
Other	0.01	0.00	0.00	0.00	-0.34	0.00	0.00
<b>Cash flows from investing activities</b>	<b>-0.01</b>	<b>-0.54</b>	<b>0.00</b>	<b>-0.04</b>	<b>-0.33</b>	<b>0.03</b>	<b>-0.01</b>
Proceeds from issue of securities	1.08	0.00	0.00	0.00	0.00	0.00	0.00
Buy back of securities	0.00	0.00	0.00	0.00	0.00	-0.20	-0.23
Debt issued	0.00	0.04	0.00	0.00	0.00	0.02	0.00
Debt repaid	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.01
Leasing payments	0.00	0.00	-0.05	-0.03	-0.06	-0.02	0.00
Interest payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends	0.00	-0.08	-1.18	-0.15	-1.69	-1.18	-0.15
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash flows from financing activities</b>	<b>1.08</b>	<b>-0.04</b>	<b>-1.24</b>	<b>-0.20</b>	<b>-1.76</b>	<b>-1.39</b>	<b>-0.40</b>

Source: Company data, MANE Capital

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