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OPERATIONS REPORT
FOR THE YEAR ENDED
ON 31.12. 2023 r.

Information on the status of the Company

EXALCO BULGARIA AD is a company, established in 2001. The headquarters and address of the Company are in the city of Sofia, Kremikovtsi region, 348 Botevgradsko Shose blvd.

By the end of 2009 the main activity of the company was trading with aluminum systems. Since 2010 the company operates by leasing its own real estate in the city of Sofia, Kremikovtsi region, 348 Botevgradsko Shose blvd.

Since 2010 auditor of the company is:

NINOV i TURMACHKI - AUDIT and CONSULTING OOD was chosen.

REGISTERED AUDITOR COMPANY № 051

SOFIA 1000, 1 Slaveikov Square, ent. B, tel. +35929807755, ninov@ntodit.com

The company's capital amounts to 2 000 000 /two million/ leva, subscribed and fully paid. It consists of 2 000 000 (two million) ordinary registered dematerialized shares with a nominal value of BGN 1.00 (one lev) per share. Each share gives the right to vote, to dividends and liquidation share. The Statutes of the Company has not provided the issuance of shares with special rights and privileges.

The shares of Exalco-Bulgaria AD are not traded on the open market of the Bulgarian Stock Exchange - Sofia AD. The Company has not been the subject of a tender offer under Art. 149 of POSA. Transformation of the company has not been carried out.

Development of activities

In 2023, the Company has received income 2 thousand Levs(1 530 thousand Levs in 2022) . In order to Exalco-Bulgaria AD 1 remain subject.

During the reporting period paid no dividends, interest or other income related to the issue of securities. The lost of the Company for the fiscal 2023 amounted to 12 (553thousand Levs lost in 2022) thousand Levs .

With effect from 01.01.2007, the company prepares its annual financial statements based on the applicable International Financial Reporting Standards adopted by the EU.

As of 31.12.2023 the company has 7 990 leva in cash (2022.: 29 659 leva) For 2023.

Future development of the company

In 2023 the company will work nothing.

Events between 01/01/2023 to reporting date

no

Risk Management Policies

The explanatory notes to the financial statement of pages 8 to 43 are an inseparable part of it.

Key activities carried out, the Company is exposed to various financial risks: market risk (including currency risk, from changes in the fair value of financial instruments under the influence of market interest rates and price risk), credit risk, liquidity risk and the risk of change in the future cash flows resulting from changes in the market interest rates. The program of the Company for complete risk management focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial results of the Company.

The company does not use derivative financial instruments to hedge certain risk exposures.

Currency risk

Foreign transactions of the company, originally denominated in euros, do not expose the company to currency risk because the euro is fixed to the Bulgarian Lev as a result of the currency board introduced.

Price risk

The Company is exposed to the risk of a fall in the prices of rented property.

Credit risk

The Company has no significant concentration of credit risk.

Liquidity risk

The careful liquidity risk management implies the maintaining of sufficient cash as well as options for additional funding with credits and closing of market positions.

Interest rate risk

The Company is not subject to interest rate risk as it has no credits.

The policies and procedures applied by the management for financial risk management are described in more detail in Note 27 to the financial statement.

Chief Accountant:

/Petar Petkov/

09.03.2024

Executive Director:

/ Aristovoulos Tzelepis./

Financial condition report in December 31, 2023

| | Explanation | 2023 '000 leva | 2022 '000 leva |
|---------------------------|--|-------------------|-------------------|
| Assets | | | |
| Non-current assets | | | |
| | Property, machines, facilities and equipment | 4.8 | 20 |
| | Intangible assets | 7 | 0 |
| | Investment Property | 8 | 2 036 |
| | Deferred tax assets | 9 | 0 |
| | Non-current assets | 2 056 | 2 056 |
| Current assets | | | |
| | Trade receivables | 10 | 0 |
| | Receivables from related parties | 24.2 | 0 |
| | Tax receivables | 11 | 0 |
| | Other receivables | 12 | 1 |
| | Cash and cash equivalents | 13 | 29 |
| | Current assets | 8 | 30 |
| | | 2 064 | 2 086 |

Compiled by: _____

/Petar Petkov/

Date: 09.03.2024

Executive Director: _____

/ Aristovoulos Tzelepis./

Approved according to auditor report:

Financial condition report in December 31, 2023 (continued)

| | Explanation | 2023 '000 ΔB | 2022 '000 ΔB |
|---------------------------------------|-------------|-----------------|-----------------|
| Equity | | | |
| Share capital | 15.1 | 2 000 | 2 000 |
| Retained profit / (accumulated loss) | | -495 | -483 |
| Total equity | | 1 505 | 1 517 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 9 | 0 | 0 |
| Non-current liabilities | | 0 | 0 |
| Current liabilities | | | |
| Trade payables | 16 | 0 | 2 |
| | 24.1 | 559 | 559 |
| Accounts payable to related parties | | | |
| Tax liabilities | 17 | 0 | 8 |
| Obligations to employees and insurers | 18 | 0 | 0 |
| Other liabilities | 19 | 0 | 0 |
| Current liabilities | | 559 | 569 |
| | | 559 | 569 |
| Total liabilities | | 2 064 | 2 086 |

Compiled by: _____
 /Petar Petkov/

Executive Director: _____
 / Aristovoulos Tzelepis /

Date: 09.03.2024

Approved according to auditor report:

Statement of total income for 2023 (presented in a single report)

| Explanation | 2023 | 2022 |
|--|------------|--------------|
| | '000 ЛВ. | '000 ЛВ. |
| Income | 20 | 1 530 |
| Gross profit | 2 | 1 530 |
| Expenses on sales | 21.1 | -2 145 |
| Profit from operations | -11 | -615 |
| Financial expenses | -1 | -3 |
| Financial income | 0 | 0 |
| Profit for the year before tax on continuing activities | -12 | -618 |
| Tax expense | 22 | 65 |
| Profit for the year from continuing operations | -12 | -553 |
| Profit for the year from discontinued operations | 14 | 0 |
| Profit / (Loss) for the year | -12 | -553 |
| Total comprehensive income for the period | -12 | -553 |
| Income / (Loss) per share: | 23 | ЛВ. |
| Profit from continuing operations | - | 0.003 |
| Loss from discontinued operations | - | - |
| Total | - | 0.138 |

Compiled by: _____
 /Petar Petkov/

Executive Director: _____
 / Aristovoulos Tzelepis /

Date: 09.03.2024

Approved according to auditor report:

Statement of changes in equity for 2023

| All amounts are in '000 leva | Share capital | Revaluation reserve | Profit loss / (accumulated loss) | Total equity |
|--|---------------|---------------------|----------------------------------|--------------|
| Balance as of January 1, 2023 | 2 000 | - | (483) | 1 517 |
| Reduction of capital | - | - | - | - |
| Profit for the year | | - | (12) | (12) |
| Total comprehensive income for the year | - | - | (12) | (12) |
| Balance as of December 31, 2023 | 2 000 | - | (495) | 1 505 |

| All amounts are in '000 leva | Share capital | Revaluation reserve | Profit loss / (accumulated loss) | Total equity |
|--|---------------|---------------------|----------------------------------|--------------|
| Balance as of January 1, 2022 | 2 000 | - | 70 | 2 070 |
| Reduction of capital | - | - | - | - |
| Loss for the year | | - | (553) | (553) |
| Total comprehensive income for the year | - | - | (553) | (553) |
| Balance as of December 31, 2022 | 2 000 | - | (483) | 1 517 |

Compiled by: _____
 /Petar Petkov/

Date: 09.03.2024

Executive Director: _____
 / Aristovoulos Tzelepis /

Approved according to auditor report:

Statement of Cash Flows for 2023

| Explanation | 2023 '000 ΔB | 2022 '000 ΔB |
|---|------------------|-----------------|
| Operating activities | | |
| Cash receipts from customers | 2 | 1 881 |
| Payments to suppliers | -23 | -2 093 |
| Net cash flow from operating activities | <u>-21</u> | <u>-212</u> |
| Financial Activities | | |
| Other payments for financing activities | -1 | -3 |
| Net cash flow from financial activities | <u>-1</u> | <u>-3</u> |
| Net change in cash and cash equivalents from continuing operations | | |
| | -22 | -215 |
| Net cash flows from discontinued operations | 16 0 | 0 |
| Net change in cash and cash equivalents | | |
| | -22 | -215 |
| Cash and cash equivalents at the beginning of the year | 30 | 243 |
| Loss from foreign currency revaluation of cash | 0 | 0 |
| Cash and cash equivalents at the end of the year | 13 8 | 29 |

Compiled by: _____
 /Petar Petkov/

Executive Director: _____
 / Aristovoulos Tzelepis /

Date: 09.03.2024

Approved according to auditor report:
