

Annual Consolidated Report on the Activity of Doverie – United Holding AD

for the period ended on 31 December 2020

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This Annual Consolidated Report on the Activity of Doverie – United Holding AD, covering the period, ending on 31 December 2020, is prepared in accordance with the provisions of Article 44 of the Accounting Act and Article 100n(2) and Article 100n(5) of the Public Offering of Securities Act (POSA) including also the identified events that have occurred after the balance sheet date. The structure of this report is in accordance with Annex 10 to Article 32a(2) of Ordinance No 2.

Based on management responsibility for the preparation of each of the annual financial statements of the companies included in the separate annual financial statements and in accordance with the notes thereto, the Management Board of the Holding confirms that:

- ✓ There have been no irregularities with the participation of directors or employees that might be significant in relation to the consolidated financial statements;
- ✓ All significant transactions are properly accounted for and are reflected in the annual consolidated financial statements at 31 December 2020;
- ✓ There is no actual or potential violation of laws and (or) other regulations, which might have a significant impact on the annual consolidated financial statements or could serve as a basis for reporting a contingent loss;
- ✓ There are no legal or other restrictions on the cash flow;
- ✓ Trends, claims, commitments, events or unforeseeable circumstances are not known, which might be expected to impact the company as a whole.

I. General information about the economic group

1. Parent company

Doverie – United Holding AD (the company) is a public joint-stock company registered in the Sofia City Court under company file No 13056 as of 1996. The company is established in the same year.

The seat and registered address of Doverie – United Holding AD is 1756 Sofia, 5 Lachezar Stanchev str., building 'A', floor 7, tel. (02) 98 456 10; 98 456 11; fax: (02) 98 456 63. The company does not have opened and registered branches. The e-mail is, as follows: doverie@doverie.bg. The officially registered webpage is www.doverie.bg.

The subject of activity of Doverie – United Holding AD is the acquisition, management, evaluation and sale of shares and/or shareholdings in Bulgarian and foreign companies – legal entities, participation in any form in other local and/or foreign business companies and/or in their management; acquisition, management and sale of bonds; acquisition, evaluation and sale of patents, transfer of licenses for the use of patents of companies in which the holding company participates; performing any other commercial activity which is not prohibited by law.

2. Subsidiaries

As at 31 December 2020 the Company exercises control over the following subsidiaries (grouped by economic sector):

Company	% of shareholding
FINANCIAL INSTITUTIONS	
Moldindconbank S.A.	77.63%
SUB-HOLDING COMPANIES	
Industrial Holding – Doverie AD	100.00%
Doverie – Capital AD	100.00%
TRADE	
Doverie – Brico AD	71.93%
HEALTH SERVICES	
United Health Insurance Fund Doverie ZAD	98.15%
Insurance Company Medico 21 AD	95.20%

MC Doverie AD	100.00%
Multiprofile Hospital for Active Treatment Doverie AD	100.00%
Occupational Health Doverie EOOD	100.00%
Outpatient clinic for specialized medical care — medical center Sofia 2000 EOOD	100.00%
CONSTRUCTION	
Dunav AD	81.82%
Hydroizomat AD	93.34%
GRAPE AND WINE PRODUCTION	
Bulgarian wine OOD	100.00%
Novoselska Gamza AD	85.72%
PRODUCTION OF DETERGENTS	
Doverie Care EAD	100.00%
LEASING OF IMMOVABLE AND MOVABLE ASSETS	
Maritsatex AD	54.36%
Bilyana Triko AD	98.88%
OTHER INDUSTRIES	
Homogen AD	100.00%
Doverie Invest EAD	100.00%

The main subject of activity of the companies of the Group is:

FINANCIAL INSTITUTIONS

Moldindconbank S.A. — The Bank may perform the following activities within the license issued by the National Bank of Moldova: Attract deposits and other recoverable resources; granting of loans, including: consumer loans, mortgage loans, factoring with or without appeal, trade finance (including, fixed amounts); financial leasing; provision of payment services in accordance with Act No 114 on payment services and electronic money (Republic of Moldova) of 18 May 2012; issuing and administering travellers' cheques, bills and other payment instruments; issuing bank guarantees and accepting commitments; transactions for its own account or on behalf of customers with any of the following means: money market instruments (cheques, bills, certificates of deposit, etc.)] foreign currency; futures and options; foreign currency and interest based instruments; securities and other financial instruments; participation in the issue of securities and other financial instruments and providing services related to these issues; advice to legal entities on the structure of authorized capital, the business strategy and other aspects related to the commercial activity, as well as advice and services related to mergers and acquisitions of legal entities; monetary intermediation

(interbank intermediation); portfolio management and advice related to them; safekeeping and administration of financial instruments; loan information services; safe deposit services; issuing of electronic money in accordance with Act No 114 on payment services and electronic money of 18 May2012; any other financial activity or services, authorized by the National Bank of Moldova subject to the special laws governing the respective activities.

The Bank may provide investment services and activities as well as other additional services as per the license issued by the National Commission for Financial Markets.

The Bank may not perform the following operations: Pledge its own shares on behalf of the Bank; grant loans, secured by shares, other types of securities or bonds issued by the Bank and/or another related party belonging to the Group of the Bank.

HOLDING COMPANIES

Industrial Holding – Doverie AD — a holding company dealing with acquisition, management, evaluation and sale of patents, transfer of licenses for the use of patents of companies, in which the holding company participates, manufacturing, domestic and foreign trade in goods and services, including raw materials, yarns, fabrics and related products, mediation and engineering activities, design and construction, property management, scientific and technical, technological and patent information, investors` and independent construction supervision.

Doverie-Capital AD — a holding company dealing with domestic and foreign trade, trade representation, intermediation and agency services, organization and operation of commercial entities and any other activity.

TRADE

Doverie – Brico AD — construction, operation and management of retail outlets for household goods and repairs. The activity of the company is based on a Partnership Agreement with Mr. Bricolage SA (France), signed in 1999. According to the agreement Doverie – Brico AD has the exclusive right to use the trademark of Mr. Bricolage in the territory of Bulgaria.

The company operates in the following outlets throughout the country: Sofia 1, Plovdiv – two, Sofia 2, Varna, Blagoevgrad, Burgas, Pleven, Ruse, Dobrich and Sofia 3.

INSURANCE

United Health Insurance Fund Doverie ZAD – sickness and/or accident insurance

Insurance Company Medico 21 AD – sickness and/or accident insurance

MEDICAL SERVICES

Doverie Medical Center AD – implementation of specialized outpatient care in accordance with local legislation in force, including diagnostics, treatment, rehabilitation and monitoring of patients; consultations; prevention; laboratory and other tests; conducting medical procedures and treatments; home care and care for the sick; medicines, bandages and medical supplies, examination of temporary disability; monitoring and providing medical care during pregnancy and motherhood; carrying out activities in health promotion and prevention, including preventive medical check-ups and immunizations, issuance of medical care related documents; referring patients for consultation and hospital care.

Multiprofile Hospital for Active Treatment Doverie AD – Hospital care: diagnosis and treatment of diseases when the healing objective can not be achieved in terms of outpatient care; natal care, rehabilitation, diagnostics and consultations requested by a doctor or dentist from other medical establishments; organs, tissues and cells transplantations; collection, storage, supply of blood and blood components; haemovigilance; medical and cosmetic services; clinical trials of drugs and medical equipment in compliance with the local legislation in force, educational and scientific activities.

Occupational Health Doverie OOD – occupational health service

Outpatient clinic for specialized medical care — medical center Sofia 2000 EOOD – provision of specialized outpatient care

CONSTRUCTION MATERIALS AND HOUSING SECTOR

Dunav AD — design, construction, specialized construction services, production of building materials and products, entrepreneurship, comprehensive services with construction machinery and transportation; automotive repair services, domestic and international transport, shipment; training of personnel for the construction sector; domestic and foreign trade; rental and leasing of real estate; purchase, construction and furnishing of real estates for sale; tests and measurements of building materials and flaw detection of welded products.

Hydroizomat AD — production of waterproofing, insulation and other materials; construction, repair and services; purchase, construction and furnishing of immovable property for sale; research and development, know-how, production and marketing of intellectual products; domestic and foreign trade activities.

GRAPE AND WINE PRODUCTION

Novoselska Gamza AD — Purchase of grapes and fruit, production of wine, spirits, etc.

Bulgarian wine OOD — Purchase of grapes and fruit, production of wine

DETERGENTS AND HOUSEHOLD CHEMICALS

Veko EOOD (Doverie Care EAD – transformation registered on 19 January 2018) – production of detergents and other household chemicals.

LEASING OF IMMOVABLE AND MOVABLE ASSETS

Maritsatex AD – A company established and operating until 30 August 2010 as an entity producing textile and related products. On a General Meeting of Shareholders held on 20 July 2010, a resolution was made to cease the textile and all related productions. Pursuant to the above resolution the employment contracts of all employees were terminated except those whose job functions were not directly related to the production process and were needed for operation of the company's assets.

On the grounds of the same resolution of the General Meeting of Shareholders, the activity of the Company is limited to *'Leasing and operation of own immovable property'*.

Bilyana Triko AD – leasing of own immovable property.

OTHER INDUSTRIES

Homogen AD – Trade in goods and services and conducting mediation activities;

Doverie – Invest EAD – Acquisition, management, evaluation and disposal of equity interest in Bulgarian and foreign companies, domestic and foreign trade activities, commercial representation and agency activities, organization and operation of commercial enterprises, management and marketing services, consulting, and any other activity not prohibited by law.

3. Capital and shares

As at 31 December 2020 the capital is distributed into 18,736,099 ordinary book-entry voting shares, each having a par value of BGN 1 (one). All shares of the company are traded on the Bulgarian Stock Exchange AD. Doverie – United Holding AD has one class of shares issued. Each share of the company entitles to one vote in the General Meeting of the Shareholders, right to a dividend and to a liquidation quota, which are *pro-rata* to the par value of the share. The entitlement to vote arises upon the full payment of the issued value and the registration of the company, respectively of the increase of the capital, in the commercial register of the court.

The management is not aware of the existence of restrictions of the transfer of the shares of the company, or restrictions concerning the holding thereof or a need of receipt of an approval from the company or another shareholder. The organizational documents of the company or individual agreements does not provide for possibilities between the companies and its management bodies

and/or employees for the payment of an indemnification upon leaving or discharge without a legal ground or upon termination of the employment for reasons related to tender bidding.

As at 31 December 2020 the distribution of the Company's share capital is as follows:

Share capital	***31.12.2020***	***31.12.2019***
	BGN '000	***BGN '000***
(BGN'000)	18,736	18,736
Number of shares		
(par value 1.00 BGN)	18,736,099	18,736,099
Total number of registered shareholders	146,959	146,952
including legal entities	57	48
individuals	146,902	146,904
Number of shares owned by legal entities	10,308,880	10,256,133
% shareholding of legal entities	*55,02%*	*54,74%*
Number of shares owned by individuals*	8,427,219	8,479,966
% shareholding of individuals	*44,98%*	*45,26%*

*The number of shares held by individuals includes 240 unidentified shares from 1996, which the Central Depository AD manages under an issue account of Doverie – United Holding AD.

Shareholders holding shares more than 5%	**Number of shares**	**% of capital**
Sopharma AD	4,679,490	24,98
Telecomplect AD	1,671,294	8,92

Shares from – to	**Number of shareholders**	**% of all shareholders**	**Number of owned shares**	**% of all shares**
1 - 100	144,864	98.57	6,497,686	34.68
101 - 1000	1,859	1.26	382,546	2.04
1001 - 10000	183	0.12	649,204	3.46
10001 - 100000	40	0.03	1,070,208	5.71
100001 - 500000	8	0.01	1,496,645	7.99
500001 - 1000000	3	0.00	2,289,026	12.22
1000001 - 5000000	2	0.00	6,350,784	33.90
Total	**146,959**	**100.00**	**18,736,099**	**100.00**

4. Management bodies of parent company, management and representation

The company has two-tier management system.

Supervisory Board

Members of the Supervisory Board as at 31 December 2020 are:

Radosvet Krumov Radev –	Chairperson of SB
Ivan Ognyanov Donev –	member
Ventsislav Simeonov Stoev –	member

Management Board

Members of the Management Board as at 31 December 2020 are:

Alexandar Georgiev Hristov –	Executive Director
Anna Ivanova Pavlova –	Chairperson of the MB
Mina Nikolova-Angelova –	member

The company is represented by Alexandar Georgiev Hristov.

As of 31 December 2020 the number of the employees in the economic group is 2,682 (31 December 2019 is 2,664).

The Audit Committee supports the work of the Management Board, it has the role of persons charged with governance who monitor and supervise the internal control system, risk management and financial reporting system of the company.

The Audit Committee has the following composition:

Ivan Dimov	– Chairman (independent member)
Elena Golemanova	– independent member
Anna Pavlova	– Member

Provisions concerning the appointment and release from office of the members of the management bodies of the company and concerning the making of amendments and supplementations to the articles of association

The resolutions for the election and release from office of members of the Supervisory Board are taken by open vote and a majority of the presented shares.

Consequently, the Supervisory Board elects and releases from office the members of the Management Board, determines their remuneration in accordance with the resolution of the General Meeting, as well as determines their rights and obligations related to the management and representation of the company, controls their activity.

The resolutions for amendments and supplementations to the articles of association are taken by open vote and a majority of 2/3 of the presented shares. Any increase and decrease of the capital shall be effective from the registration of the resolutions in the commercial register

Powers of the management bodies

There are not special powers approved outside the provisions of the Commerce Act and the Public Offering of Securities Act.

5. Information for the acquisition of own shares required under Article 187e of the Commercial Act (Article 39, Subparagraph 6 of the Accounting Act)

The Company does not hold own shares.

During the current year own shares have not been acquired and sold.

II. The information referred to in Article 247 and Article 240b of the Commercial Act

1. Information referred to in Article 247 of the Commercial Act

Information about the conduction of the activity and the condition of the Company and clarifications about the annual consolidated financial statements

Item III contains a description of the activity and condition of the Group and clarify the annual consolidated financial statement as at 31 December 2020.

Total amount of the remunerations received over the period by the board members

Employee expenses	*01 January – 31 December 2020 BGN '000*	*01 January – 31 December 2019 BGN '000*
Remuneration of the Management Board/Board of Directors and Executive Directors/Manager	(3,470)	(1,572)
Remunerations of the Supervisory Board	(1,047)	(504)
Total:	**(4,517)**	**(2,076)**

The members of the management and supervisory boards have not received in-kind remunerations.

Bonuses and bonus schemes

According to the Articles of Association, the Executive Director is entitled to receive a one-off remuneration (bonus) of up to 1 % of the company's net profit and to be empowered to define the circle of employees to whom a bonus amount of up to 2% of the company's profit is to be

distributed for each calendar year. When a part is required to be deferred for a period longer than 12 months, that portion is measured at its present value at the date of the financial statements and is referred to non-current liabilities in the statement of financial position, item 'liabilities to personnel'.

Shares and bonds of the company acquired, held and transferred by the members of the boards over the period

Data for the number of shares directly held by the members of the Supervisory Board and the Management Board

a. Radosvet Krumov Radev – does not hold
b. Ivan Ognyanov Donev – does not hold
c. Ventsislav Simeonov Stoev – 26 277 pcs. (no change)
d. Alexandar Hristov – does not hold
e. Anna Ivanova Pavlova – does not hold
f. Mina Nikolova-Angelova – does not hold,

	31.12.2020г.		31/12/2019		
Member of the Boards	Number of shares	Relative share	Number of shares	Relative share	change
Radosvet Krumov Radev	0		0		
Ivan Ognyanov Donev	0		0		
Ventsislav Simeonov Stoev	26,277	0.14%	26,277	0.14%	None
Alexandar Georgiev Hristov	0		0		
Anna Ivanova Pavlova	0		0		
Mina Nikolova-Angelova	0		0		
	26,277	**0.14%**	**26,277**	**0.14%**	None

The company does not have issued bonds

Rights of the members of the boards to acquire shares and bonds of the company

The company's articles of association do not provide for restrictions concerning the right of the members of the Board of Directors to acquire shares and bonds of the company.

Options over company's shares

As at the date of this report Doverie – United Holding AD does not have options granted to the members of the Supervisory Board and the Management Board with respect to its shares.

Information for the participation of the members of the Supervisory Board and of the Management Board in business companies as general partners, the holding of more than 25 per

cent of the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or board members

MEMBERS OF THE SUPERVISORY BOARD

RADOSVET KRUMOV RADEV – CHAIRPERSON OF THE SUPERVISORY BOARD

Education: Secondary – 29 Uniform Polytecnical High School in the city of Sofia – 1978; higher – the Faculty of Law of the Sofia University 'Kl. Ohridski' – 1984

Relevant professional experience:

Sofia City Court – 1985 – 1986;

in the Bulgarian National Radio – from 1986 to August 1992;

in 1989 – the first private company DARIK;

in 1992 he established DARIK RADIO;

From 1990 he is a member of the Executive Bureau and Deputy-Chairperson of the Bulgarian Industrial Association;

From 2018 he is a Chairperson of the Bulgarian Industrial Association – Union of the Bulgarian Business;

Founder of Doverie – United Holding AD;

Business address:

Sofia 82 Knyaz Dondukov Blvd., Oborishte District, Sofia.

Radosvet Krumov Radev holds directly/indirectly a considerable share (more than 25%) of the capital of the following companies:

- MEDIAMIX GROUP OOD – holds directly more than 25%;
- HR CAPITAL AD – holds directly more than 25%;
- LGR CONSULT OOD – holds directly more than 25%;
- DARIK HOLDING AD – holds directly more than 25%;
- ADVERTISING AGENCY DARIK (RAD) EOOD – holds directly more than 25%;
- AQUA FIELD OOD – holds directly more than 25%;
- DARIK RADIO AD – holds directly, as well as indirectly, more than 25%;
- MOST FINANCE MANAGEMENT AD – holds indirectly more than 25%;
- DARIK 90 SOFIA – holds indirectly more than 25%;
- TSITADELA EOOD – holds indirectly more than 25%;
- DARIK AKADEMIYA EOOD – holds indirectly more than 25%;
- DARIK IMOTI BULGARIA AD – holds indirectly more than 25%;
- BULGARCONTROLA AD – holds indirectly more than 25%;
- AQUAPONICS BULGARIA EOOD – holds indirectly more than 25%;

- FACECOM OOD – holds indirectly more than 25%;
- ENGINEERING AND DEVELOPMENT COMPANY AD, town of Mezdra – holds indirectly more than 25%;
- AGRIGATE MEDIA OOD – holds indirectly more than 25%;
- ZEMEDELIA.BG EOOD – holds indirectly more than 25%;
- ELECTROIMPEX CITY LIGHT COMPANY AD – holds indirectly more than 25%;
- NIARLAND EOOD - holds indirectly more than 25%;
- NIAREKS CONSULT OOD – holds indirectly more than 25%.

Radosvet Krumov Radev participates in a management/supervisory body in the following companies:

- BULGARIAN INDUSTRIAL ASSOCIATION – UNION OF THE BULGARIAN BUSINESS – Chairperson of the Management Board;
- DOVERIE CAPITAL AD – Member of the Supervisory Board;
- DARIK RADIO AD – Chairperson of the Board of Directors and Executive Director;
- ALBENA AD – Member of the Board of Directors;
- DUNAV AD – Member of the Board of Directors;
- TSITADELA EOOD – Manager;
- DARIK AKADEMIYA EOOD – Manager;
- DARIK 90 SOFIA EOOD – Manager;
- DARIK HOLDING AD – Chairperson of the Board of Directors and Executive Director;
- HR CAPITAL AD – Member of the Board of Directors;
- TRAKIYA FOUNDATION – Member of the Management Board;
- ATANAS BUROV FOUNDATION – Member of the Management Board;
- UNION OF BULGARIAN NATIONAL ELECTRONIC MEDIA Association – Chairperson of the Management Board;
- NATIONAL TOURISM BOARD Association – Member of the Management Board;
- BULGARIAN BUSINESS CLUB VAZRAZHDANE Association – Member of the Management Board;
- BULGARIAN COMMUNITY CENTRE UNION SVETA SOFIA Association – Member of the Management Board.

In the last five years Radosvet Krumov Radev has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in his capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Radosvet Krumov Radev is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

IVAN OGNYANOV DONEV – MEMBER OF THE SUPERVISORY BOARD

Education:

Bachelor's degree in 'International Economic Relations' – University of National and World Economy
Master's degree in 'International Business' – University of National and World Economy
Master's Degree in 'Health Management' – Medical University
Relevant professional experience:
Ivan Ognyanov Donev is an expert, and subsequently an investor relations director in Unipharm AD in the period 2008–2017.
Commands French, English, Russian and Spanish.

Business address:

Sofia Izgrev District, 5, Lachezar Stanchev Str., Building A, Floor 7.

Ivan Ognyanov Donev holds directly/indirectly a considerable share (more than 25%) of the capital of the following companies:

- Elsa Pharma OOD – holds directly more than 25%.

Ivan Ognyanov Donev participates in a management/supervisory body in the following companies:

- DONEV INVESTMENTS HOLDING AD – Member of the Board of Directors and Executive Director;
- SOFCONSULT GROUP AD – Member of the Board of Directors;
- DOVERIE – BRICO AD – Member of the Supervisory Board;
- Victor Hugo Association – Member of the Management Board;

- Elsa Pharma OOD – Manager.

In the last five years Ivan Ognyanov Donev has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in his capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Ivan Ognyanov Donev is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

VENTSISLAV SIMEONOV STOEV – MEMBER OF THE SUPERVISORY BOARD

Education: Secondary – 29 Uniform Polytecnical High School in the city of Sofia – 1978; higher – the Faculty of Law of the Sofia University 'Kl. Ohridski' – 1984

Relevant professional experience:

From September 1987, Ventsislav Stoev is registered in the Sofia Bar Association as an attorney-at-law. Legal service in Paris, 'Cremades & Associates' Law Office, Paris. Member of the International Bar Association from 1992.

Business address:

Sofia, Izgrev District, 5, Lachezar Stanchev Str., Building A, Floor 7.

Ventsislav Simeonov Stoev holds directly/indirectly a considerable share (more than 25%) of the capital of the following companies:

- SREDETS AD – holds indirectly more than 25%;
- TELECOMPLECT AD – holds indirectly more than 25%;
- GREEN PROJECT INVESTMENTS OOD – holds directly more than 25%;
- TELECOMPLECT INVEST AD – holds directly more than 25%;

- SOFTPRINT GROUP AD – holds directly more than 25%;

- CAPITAL INVEST INTERNATIONAL EOOD – holds directly more than 25%;

- STOEV, BOTEV AND CO Law Company – holds directly more than 25%;

- ELECTRIC SOURCE INVESTMENTS EOOD – holds indirectly more than 25%;

- TEXTA CORP LIMITED – holds indirectly more than 25%;

- TELSO AD – holds indirectly more than 25%;

- MINERALCOMMERCE AD – holds indirectly more than 25%;

- CHEMIPLANT OOD – holds indirectly more than 25%;

- FARMAPLANT AD – holds indirectly more than 25%;

- PHYTOPLANT EOOD – holds indirectly more than 25%;

- MARS MV AD – holds indirectly more than 25%;

- ENERGOINVESTMENT AD – holds indirectly more than 25%;

- SOPHARMACY MC S.R.L. – holds indirectly more than 25%.

Ventsislav Simeonov Stoev participates in a management/supervisory body in the following companies:

- BIOFARM ENGINEERING AD – Member of the Supervisory Board;

- DOVERIE CAPITAL AD – Member of the Supervisory Board;

- DOVERIE – BRICO AD – Member of the Supervisory Board;

- TELECOMPLECT AD – Member of the Supervisory Board;;

- EUROPEAN KNIGHT WINE ORDER – CONSULAT BULGARIA – Member of the Management Board;

In the last five years Ventsislav Simeonov Stoev has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in his capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Ventsislav Simeonov Stoev is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

MEMBERS OF THE MANAGEMENT BOARD

ANNA IVANOVA PAVLOVA – CHAIRPERSON OF THE MANAGEMENT BOARD

Education: Graduated the University of National and World Economy, with major 'Accounting and Control'. Specialized banking in the Bulgarian-French Centre Marcom.

Relevant professional experience:

From 1983 she worked consequently in Mineralbank AD, Crystalbank, Touriststportbank AD as an accountant, deputy-chief and chief accountant, and from May to March 1996 she was a director of the Bank Regulators Directorate in Commercial Bank Balkanbank AD. From January 1997 until presently she has been a chief accountant and head of the Financial Office of United Bulgarian Privatisation Fund Doverie AD, and presently Doverie United Holding AD. In 2000 she specialized international accounting standards in the Delaware University. In 2001, 2002 and 2014 she passed a training course in Ernst and Young and KPMG in international accounting standards.

Business address:

Sofia, Izgrev District, 5, Lachezar Stanchev Str., Building A, Floor 7.

Anna Ivanova Pavlova holds directly/indirectly a considerable share (more than 25%) of the capital of the following companies:

- BONA – 96 OOD – holds directly more than 25 %.

Anna Ivanova Pavlova participates in a management/supervisory body in the following companies:

- MEDICAL CENTRE DOVERIE AD – member of the Board of Directors;
- HOMOGEN AD – Member of the Board of Directors and Executive Director;
- MARITSATEX AD- Member of the Board of Directors;

- BONA – 96 OOD – Manager;

In the last five years Anna Ivanova Pavlova has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in her capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Anna Ivanova Pavlova is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

ALEXANDAR GEORGIEV HRISTOV – EXECUTIVE DIRECTOR

Education:

Education: Higher legal education, Master's Degree – major 'Law' – Sofia University 'St. Kliment Ohridski', city of Sofia

Relevant professional experience:

Graduated Sofia University 'St. Kliment Ohridski', Master's degree in major 'Law'. After completing higher education, he worked for two years as an attorney-at-law. From 2007 he worked as a 'legal advisor' in Doverie – United Holding AD, and from 2010 to 26 May 2017 he held the position of a "chief legal advisor" in the same company. From 2010 till presently he has been a member of the board of directors Bilyana – Triko AD, and from the beginning of 2012 till presently he is also an executive director of the company. From July 2016 he is also a member of the board of directors and executive director of Hydroizomat AD. From January 2017 to 30 September 2019 he is also a manager of Hydroizomat – Engineering EOOD. He participated in the management also of many other companies, including Hebros – P AD – member of the board of directors, Doverie Energy AD – stricken-off – member of the board of directors and 'Dr Marin Marinov - independent medical and diagnostic laboratory - X-ray rooms' AD – struck off – member of the board of directors. He was a liquidator also of Reklama OOD and Rhyton 97 OOD, Pharmachim Holding

AD. He has rich experience in the fields of law and corporate management obtained in the course of his work on the above positions.

Business address:

Sofia, Izgrev District, 5, Lachezar Stanchev Str., Building A, Floor 19.

Alexandar Georgiev Hristov participates in a management/supervisory body in the following companies:

- HYDROIZOMAT AD – Member of the Board of Directors and Executive Director;

- BILYANA – TRIKO AD – Member of the Board of Directors and Executive Director;

- DOVERIE INVEST EAD – Member of the Board of Directors and Executive Director;

HYDROIZOMAT AND TELECOMPLECT DZZD CONSORTIUM – Manager;

EDUCATIONAL INFRASTRUCTURE UNIO DZZD – manager;

HYDROIZOMAT – ARCHICO DZZD – manager.

In the last five years Alexandar Georgiev Hristov has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in his capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Alexandar Georgiev Hristov is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

MINA NIKOLOVA-ANGELOVA – MEMBER OF THE MANAGEMENT BOARD

Education: She graduated the University of National and World Economy, Sofia - Bachelor's degree in 'Accounting and Control', Master's degree in 'Marketing' with professional qualification as a Master of Economics, University of National and World Economy, Sofia.

Relevant professional experience:

ET Radulov – Stara Zagora 1 August 1998 – 1 April 2000 economic director.

Gotmar EOOD 1 April 2000 – 1 June 2006 economist, 01 June 2005 – 01 January 2007 – Head of the Economic Analyses and Forecasts Department, 01 January 2007 – 1 October 2014 Financial Director, 23 July 2014 – 15 July 2015 – Manager Nova Trade EOOD – 23 July 2014 – 24 July 2015 – Manager Nikolova Consulting EOOD – from 15 October 2015 till presently – Manager

Public and social engagements

Member of the Stara Zagora Rotary club

President of the National Volleyball League – Men at the Bulgarian Volleyball Federation

Hunting and Fishing Association Saedinenie – 1906 Association – Member of the Management Board

Business address:

Sofia, 23 Sitnyakovo Blvd.

Mina Nikolova – Angelova holds directly/indirectly a considerable share (more than 25 %) of the capital of the following companies:

- - NIKOLOVA CONSULTING EOOD – holds directly more than 25 %;
- - LRD NASLUKA EOOD – holds directly more than 25 %;

Mina Nikolova – Angelova participates in a management/supervisory body in the following companies:

- NIKOLOVA CONSULTING EOOD – Manager;
- HUNTING AND FISHING ASSOCIATION SAEDINENIE – 1906 Association – Member of the Management Board;
- LRD NASLUKA OOD – Manager;

In the last five years Mina Nikolova – Angelova has not been:

a) sentenced for a fraud;

b) related to bankruptcy, management by a trustee in bankruptcy or liquidation in her capacity of a founder, member of administrative, management and supervisory bodies or senior manager in other companies;

c) officially publicly incriminated and has not been sanctioned by legal or regulatory authorities (including certain professional bodies);

d) deprived by the court of the right to be a member of the administrative, management or supervisory bodies of a company-issuer or of the performance of jobs in the management or the performance of the activity of a company-issuer;

e) subject to imposed coercive administrative measures or administrative penalties.

Family ties:

Mina Nikolova-Angelova is not a spouse or direct or collateral relative of another member of the Management Board or Supervisory Board of Doverie – United Holding AD.

Planned economic policy in the next year (Article 247, Paragraph 3 of the Commercial Act)

The information is specified in Section III, item 4 of this Report – Probable future development (Article 39, subparagraph 4 of the Accounting Act)

2. Information under Article 240b of the Commercial Act with respect to the obligation of the members of the boards to notify in writing the board of directors, respectively, the management board, when they or persons related to them enter into contracts with the company that go beyond its usual activity and considerably depart from the market conditions

In 2020 there are no concluded contracts that go beyond the usual activity of the group or considerably depart from the market conditions.

III. Review of the group's activity – information under Article 39 of the Accounting Act

1. Overview of the results from the Group's activity and the main risks faced by it (Article 39, Subparagraph 1 of the Accounting Act)

Systematized financial information

Indicator	*2020*	*2019*
Incomes from usual activity (thousand BGN)	310,278	162,225
Other operating revenue/loss (thousand BGN)	3,069	2,135
Net profit/loss from the activity (thousand BGN)	21,350	177,358
Net earnings per share	1,1395	9,4662
Amount of the assets (thousand BGN)	2,195,152	2,104,370
Net assets (thousand BGN)	249,912	253,218
Number of shares (pcs.)	18,736,099	18,736,099

For the period, events of a nature that is unusual for the company, which have material impact on its activity and the revenues made by it and costs incurred, and which are reflected in the annual financial result, are not conducted.

Revenue

	31.12.2020 BGN '000	*31.12.2019 BGN '000*
Interest revenue from bank operations	88,617	7,069
Fee and commission revenue from bank operations	51,806	4,762
Other revenue from bank operations	23,517	1,305
Income from insurance operations	17,089	17,867
Revenue from other business sectors	129,249	131,222
Total	**310,278**	**162,225**
including:		
from transactions in Moldova	163,940	13,136
from transactions in Bulgaria	146,338	149,089

2. Financial instruments used (Article 39, Subparagraph 8 of the Accounting Act)

Systemic risks

Systemic risks are related to the market and the macro environment in which the Company operates, therefore they can not be managed and controlled by the Management. Systemic risks are: Political risk, macroeconomic risk, inflation risk, currency risk, interest rate risk, tax risk.

Macroeconomic Risk

This is the risk of macroeconomic shocks that are measured by the achieved economic growth, increase/decrease in productivity and income of the population and others. Positive/negative trends in the macroeconomic environment affect the market performance and the final results of all economic sectors.

The main indicators of the economic environment in the Republic of Bulgaria which influence the company's activity for the period 2020–2018 are presented in the table below:

Indicator	**2020**	**2019**	**2018**

GDP in mln BGN*	118,605	118,669	107,027
Actual growth of GDP*	-3.8%	3.1%	3.2%
Inflation at the end of the year	1.7%	3.1%	2.8%
Average exchange rate of US dollar for the year	1.71632	1.74703	1.65727
Exchange rate of US dollar at the end of the period	1.59386	1.74099	1.70815
Basic interest rate at the end of the period	0.00%	0.00%	0.00%
Unemployment rate (at the end of the year)	5.1%	4.1%	4.7%

- NSI — Recent publications 09 March 2021
- BNB – 31 December 2020
- **GDP — preliminary published data is for 4th quarter 09 March 2021*

The main indicators of the economic environment in the Republic of Moldova which influence the company's activity for 2020-2019 are presented in the table below:

Republic of Moldova

Indicator	**2020**	**2019**
Unemployment rate at the end of the period	4,2%	4%
GDP in mln. dollars**		12,037
Actual growth of GDP*	-	6,6%
Inflation at the end of the year	0,39%	7,5%
Average exchange rate of US dollar for the year	17,3201	17,5751
Exchange rate of US dollar at the end of the period	17,2146	17,2093
Basic interest rate at the end of the period	2,65%	5,5%

National bank of Moldova
Statistical Institute of Moldova
IMF
* No published data
** No published data

Political risk

This is the risk arising from political processes in any given country, including political destabilization, change of governance, legislation, economic policies and tax system. Political risk is directly related to the likelihood of unfavourable changes in the policy of the government and as a result there is a risk of adverse changes in the business climate.

The political climate in Bulgaria is characterized by relatively average political risk. The path and the main priorities of the future economic policies are consistent and dependent largely on the recommendations of the European Commission and the International Monetary Fund. The commitments and requirements in relation to the membership of our country in the EU and the forthcoming admission to EMU (in July the Republic of Bulgaria joins Monetary Mechanism II) is to improve the business climate and to facilitate the business and the entrepreneurship.

The S&P Global Ratings rating agency comments the regular elections expected in March 2021. In the absence of any major political change, the expectations are that the new parliament will reflect the present fragmented political scenery, which will turn the formation of a viable government coalition a challenge and may cause long negotiations or new elections.

The political situation in the Republic of Moldova is characterized by relatively average political risk. The Government of the Republic of Moldova continues to implement the provisions of the agreement between Moldova and the EU and maintains the pro-European line in the foreign policy Maintaining macroeconomic stability and implementing the parameters of the memorandum with the IMF, especially in terms of transparency of shareholders and stabilization of the financial situation in the banking system are the main achievements. The financial market measures of the National bank of Moldova are aimed at the stability of the financial system and they have a positive effect: The national currency has been stable during the year, the interest rates of the financial instruments have been kept at a lower level, the bank system has maintained a high liquidity and banking system stability.

Currency risk

This risk is associated with the likelihood of local currency depreciation. For Bulgaria in particular, this is the risk of premature withdrawal of the Currency Board arrangements at fixed exchange rate of the national currency – BGN 1.95583/EUR 1. Having regard to the policy adopted by the Government and by the Central Bank, it is expected that the Currency Board will be maintained until the country joins EMU. The fixed rate of BGN to EUR brings a risk of the adverse foreign exchange fluctuations of the EUR to the other major currencies (USD, GBP, CHF) in the international financial markets but we do not believe that such an adverse effect will determine the operations of the Company.

The bank maintains a long balanced position between the assets and the liabilities in a foreign currency in order to secure protection against this risk.

Price risk

The group is exposed to a price risk resulting from negative changes in the prices of services. The companies oriented to the domestic market are subjected to price pressure caused by reduced purchasing power, lack of financial resource for end consumption or increase of the cost thereof.

The group is exposed to a price risk also with respect to the shares held by it, which are classified as financial assets available for sale, and compensatory instruments reported at fair value.

Credit risk of Bulgaria

The credit risk is the likelihood of worsening international credit ratings of a country. The low credit ratings of the country could lead to higher interest rates, tougher funding conditions for the economic entities.

The Moody's credit agency has increased the long-term rating of Bulgaria in a foreign and local currency to Baa1 with a stable outlook. This is the first Moody's evaluation after we joined the ERM II monetary mechanism. Moody's decision to increase the rating reflects the improvement of the institutional capacity and the efficiency in the development of policies, whereby the country enters the last stage before Eurozone membership. The increased rating takes into account also the decreased risk with respect to the FX debt, the considerable fiscal reserves and the expectations that the favourable dynamics of the budget indicators and the debt in the period after the pandemic shock will support the strong fiscal position.

The stable outlook shows that expectations of the rating agency that the fiscal indicators will remain stable even if an adverse scenario occurs, above the median for the countries having a Baa1 rating. Likewise, the stable outlook takes into account also the balance between the improvement of the economic and institutional environment in Bulgaria and the presence of key challenges to the rating. They are predominantly related to the negative impact of the demographic processes in the country on the potential growth in a mid-term horizon, as well as the need to continue the reforms in the fight against corruption, the independence of the judiciary and the rule of law.

The first factor for the increase of the rating is based on the progress of Bulgaria towards the joining of the Eurozone and the related strengthening of the institutional capacity and effective development of policies. Analysts see Bulgaria's joining to the ERM II monetary mechanisms as one for the final decisive steps before Eurozone membership. At the same time, Moody's takes into account also the close cooperation established between the ECB and the BNB in field of banking supervision and

considers that it will further contribute to an improvement of the regulatory environment and will encourage the adoption of best practices.

The second factor for the increase of the rating is related to the strengthening of the fiscal and credit profile of the country regardless of the negative impact of the coronavirus pandemic. Moody's analysts highlight that in the Bulgaria's case, the Monetary Fund, which is in place for more than two decades, mitigates the risk of the high share of the foreign currency denominated debt of the country (in 2019, 80% of the state debt of Bulgaria is denominated in EUR).

The credit portfolio of the country is supported also by the strong fiscal position of the government. After four years of increasing structural budget excesses, the debt/GDP ratio reached 20,4% in 2019, which is the second lowest level in the European Union after Estonia. Due consideration is given also to the improvement with respect to the more favourable financing options, as the ratio between the interest payments and the budgetary revenue has decreased to 1.5% in 2019 compared to 2.5% in 2016. Moody's expect also that the fiscal reserve will remain stable at around 10% of the GDP.

According to the agency, the pandemic will have a negative impact on the public finance of our country. The GDP decrease is evaluated to be 3.5% in 2020, followed by a 2.7% recovery in 2021. The expected decrease and the need for support for the economic activity for overcoming the pandemic will exert pressure on the budgetary revenue and costs and will lead to a deficiency amounting to 3% of the GDP in 2020 and 1.6% in 2021. Moody's expect that the state debt will increase to 23.9% in 2020 and 24.2% in 2021 and will then gradually decrease to 23.5% in 2022.

The agency points out that the main factors that could lead to an increase of the outlook and rating of the country are related to considerable improvements to the quality of the work of the institutions and the sustainable convergence to a higher standard of life and institutional standard, which will support the country's joining to the Eurozone. Factors that could lead to a negative outlook and decrease of the rating are a possible considerable and permanent aggravation of the strong fiscal position of the government and the outlooks of the long-term economic growth, as well as the weakening of the institutions framework.

On 21 June 2020, the rating agency Fitch Ratings defined the outlook on Bulgaria's credit rating as stable. The agency confirmed the BBB long-term credit rating of Bulgaria, as well as the F2 short-term credit rating in a foreign and local currency.

The rating agency S&P Global Ratings confirmed the BBB/A-2 long-term and short-term credit rating of Bulgarian in a foreign and local currency and left its outlook stable.

The stable outlook reflects the agency's expectations for quick post-pandemic recovery of the Bulgarian economy, without occurrence of imbalances in the external and financial sector in the next two years. This will allow quick fiscal consolidation and will restrict the increase of the public debt. The report shows that S&P have raised their expectations concerning the development of the

Bulgarian economy because the domestic demand is more resistant to the effects of the pandemic than estimated in advance.

The expected decrease of the GDP for 2020 is revised to -4,5% compared to -6,5%, as laid down in the forecast of S&P of May. 4% growth is expected for 2021. The budget deficit will remain moderate in the present and next year and then a quick consolidation is expected, accompanied by a considerable inflow of European funds – the agency' forecasts show around EUR 30 ban until 2027. The unemployment forecasts are that it will remain less than 6% on the average for 2020 compared to 4.2% for 2019. The company notes that in the five years prior of the pandemic Bulgaria's growth is stable as it reaches 3.6% on the average in real figures, and this is not accompanied by macroeconomic imbalances.

The agency highlights that our country has a fiscal area because the prudent financial policies in the recent years keep the net state debt less than 15% of the GDP.

Credit risk of Moldindconbank SA

In the ordinary course of business, the Bank manages its credit risk with respect to loans and advances to customers, in respect to its deposits for other financial loans and other off-balance sheet items. The bank may be affected also by losses from credit risk concentration in a particular economic group in the context of the economic changes in Moldova. Credit risk management is monitored regularly through compliance with credit limits, assessment of the quality of debtors and some conservative policies with regard to provisions.

The bank structures the levels of credit risk, which it takes, by placing limits on the accepted risk with respect to one borrower or group of borrowers and industry segments. These risks are monitored on a revolving basis and subject to annual or more frequent review. Credit risk limits by product and industry sector are approved quarterly by the Board of Directors.

Credit risk is the current or future risk of impairment of earnings and capital due to the inability of the debtor or counterparty to meet its contractual obligations or failure to fulfil the obligations specified in the contract.

Counterparty credit risk is a subcategory of the credit risk and it is the risk of impairment of profits and equity when the counterparty in a transaction is in default before final settlement of the transaction cash flows.

The risk of settlement is the risk of loss caused by the difference between the agreed settlement price and the current market value of transactions, where the debt instrument, the equity or the foreign currency remain outstanding after due date.

Financial stability of the bank is directly influenced by the risk management approach. Given that lending plays a major role in the activities of the bank, the effective system of credit risk management has positive effects both for the bank and for its customers. The positive effects for the bank consist in reducing the losses from non-performing levels. The positive effects for the

customers are tariff optimization, improving quality, diversification of services and effectiveness of their implementation, improving the protection of customer interests.

Assessment of the business model of the financial instruments portfolio of the bank

Cash and cash equivalents

The bank keeps cash at hand, cash in transit, cash in exchange office, cash in other branches, ATMs and in commemorative and anniversary notes and coins.

Nostro accounts

Bank holds funds in a Nostro account with NBM, 'opened for National Bank of Moldova funds in national currency and in other accounts'. Nostro account 'opened with licensed banks in Moldova and abroad, means money in foreign currency.

Interbank deposits

The bank has two categories of interbank deposits: Short-term deposits with maturity up to 1 month and less than 1 month and short-term deposits with maturity over 1 month and up to or including 1 year.

Minimum reserve requirement with NBM

The bank must have funds and maintain the reserve requirements of the bank under a special account with NBM in accordance with the regulatory provisions.

Treasury bills and bonds

This category consists of short-term securities issued by the National Bank of Moldova and the Ministry of Finance of the Republic of Moldova (97%) and medium-term government securities.

Loans and advances to customers

The Bank offers a wide range of products that can be represented as follows: Credit cards

Overdrafts

Mortgage loans

Consumer loans

Factoring

Loans for current assets

Investment loans

The loans are offered in MDL, EUR and USD.

The main objective of the bank in terms of relationships between its loans, prepayment portfolio and its customers is to maintain contractual cash flows for collection. This goal is clearly identified in the banking business model of management, monitoring and organization. In addition, the main lending activities of the bank provide the basic interest revenue collected in cash.

Business model	**Main factors for this classification:**

Cash and cash equivalents held for collection	The business model stems from the nature of the financial assets (cash), which are short-term in nature. The results are monitored on the basis of amortized cost. There is no history of sales as expected for this type of financial asset.
Nostro accounts held for collection	The business model stems from the nature of the financial assets, which are short-term in nature. The results are monitored on the basis of amortized cost. There is no history of sales as expected for this type of financial asset.
Interbank deposits, held for collection	The main risks of the business models are consistent to the business model of assets held for collection, focusing on credit risk and interest rate risk. The risk in terms of price and fair value is considered less important. There is no history of sales. The results are monitored on the basis of amortized cost.
Treasury bill and bonds, held-to-collect	The main risks of the business models are consistent to the business model of assets held for collection, focusing on credit risk and interest rate risk. The risk in terms of price and fair value is considered less important. There is no history of sales. The results are monitored on the basis of amortized cost.
Minimum reserve in NBM, held-to-collect	The business model stems from the nature of the financial assets, which are short-term in nature. The results are monitored on the basis of amortized cost. There is no history of sales as expected for this type of financial asset.
Loans and advances to customers, held-to-collect	The main risks of the business models are consistent to the business model of assets held for collection, focusing on credit risk and interest rate risk. The value risk is not related to the price or the fair value. There is no history of sales. The results are monitored on the basis of amortized cost.

Characteristics of Stage 1: (for all contracts for which no sign is set by default):

All contracts with days past due between 0 and 30 (0 <= DAYS_PAST_DUE <= 31) that are not defined in Stage 3 or Stage 2, trigger Stage 1.

As soon as a financial instrument is created / purchased or there is no event by default and there is no significant increase in credit risk, credit losses are estimated at 12 months basis, and are recognized through profit or loss and represent a loss allowance. They are allocated based on currently available risk parameters in homogeneous portfolios.

This serves as an approximation of initial expectations for credit losses.

Financial assets interest revenue is calculated based on the gross amount (i.e. There is no adjustment for expected credit losses).

Characteristics of Stage 2: (for all contracts for which no sign is set by default):

All contracts with an amount equal to 0 trigger the allocation in Stage 2. This rule identifies unauthorized overdraft and this type of contract must be in Stage 2. It should be noted that all contracts with principal equal to 0 are excluded from the calculation of the migration matrices. In the future, the bank should establish a marker based on which these exposures can be properly filtered.

All contracts with day past due between 31 and 89 (31 <= DAYS_PAST_DUE <= 89) or contracts with restructuring marker trigger Stage 2.

D and E are classified in Stage 2.

The debtor may have assets classified in Stage 1 and Stage 2, depending on the situation.

If the risk is increased significantly and the resulting credit quality is not considered as a credit risk in the low range, then credit losses are recognized, measured throughout the term of the loan.

Expected credit losses during the period are recognized, unless the financial instrument does not represent low credit risk at the reporting date.

The calculation of interest revenue from financial assets remains the same as in Stage 1.

Characteristics of Stage 3:

The debtor registers at least one contract for more than 90 days:

Over the past 12 months the debtor has shown signs of default.

If the debtor has assets in stage 3, all assets of the debtor will be considered as such in Stage 3. All contracts with a default marker trigger stage 3. If the customer has a contract in Stage 3, all its contracts will be affected.

If the credit risk of a financial asset increases to the extent it is considered to have a default, interest revenue is calculated based on amortized cost.

The estimated credit losses for the term of the loan are still recognized for these financial assets.

IFRS 9 provides guidance on the requirements for impairment. The proposed approach distinguishes the expected 12-month credit losses and expected credit losses over the life of the loan. The standard specifies that the loss allowance should be based on the expected 12-month credit losses or losses over the loan life and depends on whether there is significant loan impairment of the financial instrument after initial recognition (or the date of commitment).

Credit losses, estimated at **12 months**, are part of the expected credit loss for the entire duration of expected credit losses, arising from probable financial instruments in default within 12 months after the reporting date (Stage 1).

Estimated credit losses **for the period** are estimated credit losses resulting from all probable events in case of default over the projected life of the financial instrument (Stage 2 or 3).

Significant conceptual differences are illustrated in the table below:

Credit losses estimated at 12 months	**Estimated credit losses for the entire period**
• Estimated credit losses at 12 months are losses, arising from probable financial instruments in default within 12 months after the reporting date. • The cash shortage that will occur during the entire period if the default occurs within 12 months of the reporting date (or a shorter period if the estimated duration of the financial instrument is less than 12 months), weighted by the probability of default.	• Estimated credit losses for the period are estimated credit losses resulting from all probable events in case of default over the life of the financial instrument. • Impairment losses are measured at projected credit losses during the period if the credit risk of an instrument has increased significantly from the initial recognition. • If in a subsequent period no significant increase in credit risk is observed, the measurement of the impairment allowance will return to the estimated credit loss for 12 months (excluding impaired purchased or issued instruments).

Corporate loans

Repayment of debt/fulfilment of the obligations by the corporate customer is usually the most appropriate indicator of the credit quality. However the collateral (pledge) provides additional security and CB Moldindconbank SA requires in general from corporate borrowers to provide such a collateral. CB Moldindconbank SA can also receive guarantees in the form of any real estate.

Significant increase in credit risk

In determining whether the risk of non-payment of a financial instrument has increased significantly after initial recognition, CB Moldindconbank SA believes that reasonable and appropriate information is available without undue costs or efforts. These include quantitative and qualitative information and analyses based on historical experience of bank and credit assessments and forecast information.

The purpose of the assessment is to determine whether there is a significant increase of the credit risk for a given exposure by comparing:

- probability of default (PD) at the reporting date to
- the residual duration of the long-term life calculated at the moment of initial recognition of the exposure (adjusted, if necessary, for expected changes).

Levels of credit risk

TB Moldindconbank SA assesses the credit risk associated with each asset, exposed to credit risk, taking into account certain factors depending on which assets are placed into Stages from 1 to 3. The main criteria used for placing the assets in the stages are:

Days past due

Classification under prudential norms of the National Bank of Moldova

Internal rating of the exposures of legal entities

Registering the default over the past 12 months, etc.

The stages of the credit risk are determined and calibrated in such a way that the risk of default is measured and calculated exponentially so that the difference between the credit risk in Stage 1 and Stage 2 is lower than the difference between the credit risk, in Stage 2 and Stage 3.

Credit risk is attributed to each active exposure at initial recognition based on the information available for the borrower. Exposures are subject to continuous monitoring, which may result in an exposure that is transferred to another class of credit risk with time. Monitoring usually includes the following data:

For corporate exposures:

Information received from the analysis of the quarterly financial statements

Internal ratings

Data, provided by credit agencies, articles in the media, changes in the external credit rating

Significant and anticipated changes in the political, regulatory and technological environment of the borrower or its commercial activity

For retail exposures:

Collected data about customer behaviour

Information about the official income of the debtors

For all exposures:

History of internal credit and of the banking financial system

Existing and projected changes in the business, financial and economic conditions

The portfolio of the bank is classified in identical or similar risk segments, called homogeneous groups. In order to reflect the different level of risk, a division of the exposures of the corporate sector was made, where the segments are based on the level of the granted amount (in euros). Retail exposures and corporate exposures are classified as per the product specifics, reflected through segmentation of the Group accounts.

Retail contracts were divided into the following segments: Retail trade, retail credit cards, retail consumption TL, retail consumers TM, retail consumers TS, retail mortgage and retail overdraft. Six homogeneous groups have been formed and a group for other retail trade contracts ‘Retail, other’. The last group consists of products that can not be allocated based on historical default rate for the following reasons: fewer contracts, products that are no longer available in the latest records of the portfolio.

Corporate customers were divided into two sub-segments: Corporate customers => 140 thousand and corporate <140 thousand. In order to make the allocation, the granted amount was converted into EUR and aggregated at customer level.

Bank has used statistical models to analyse the collected data and to generate estimates of the exposure throughout the life of the exposures and how they are expected to change as a result of the passage of time.

The calculation of the expected credit loss (ECL) is based on the following parameters:

Term structure of probability of default (PDt),

Term structure of loss given default (LGD),

Term structure of exposure at default (EAD),

Discount.

Probability of Default

Probability of default is critical information for the calculation of the expected credit loss and for the assessment of whether there is a significant increase in credit risk. The values of probability of default were allocated on the basis of segmentation and allocation of the days past due. The segmentation of the risk taken into account for all segments is based on days past due as there are no other determinants of risk or statistical models (e.g. rating). Groups of days past due were allocated on the basis of the following approaches: Customer or contract.

CB Moldindconbank S.A. believes that the significant increase in credit risk arises before an asset exceeds 30 days. The days in arrears are determined by counting the number of days of the shortest period in arrears for which a full payment is not received. The days in arrears are determined without taking into account the grace period, which may be granted to the borrower.

If there is no evidence of a significant increase in credit risk compared to initial recognition, then the calculation of the expected loss on an instrument is resumed to measure the 12-month expected credit loss. Some qualitative indicators of credit risk growth may show an increased risk of default that continues after the indicator ceases to exist. In these cases, the bank determines a trial period in which the financial asset must demonstrate good behaviour to prove that credit risk has decreased sufficiently. When the contractual terms of the loan were changed, the evidence that the criteria for recognition of the life of the expected credit loss have not been met, includes an updated history of payments of the changed contractual terms. As a rule, this period is 12 months.

The bank monitors the effectiveness of the criteria used to identify significant increases in credit risk through periodic reviews to confirm that:

criteria do not comply when the asset is overdue by 30 days;

the average time between identification of a significant increase in credit risk and non-payment seems reasonable;

exposures are usually not transferred directly from the 12-month assessment of the expected credit loss to people with credit deficiencies;

there is no unwarranted variability in the transfer of premium for losses between 12 months probability of default (Stage 1) and the probability of default for the life cycle (Stage 2).

Non-fulfilment

The bank believes that a financial asset is in default when:

it is unlikely that the debtor repays in full its credit obligations to the bank without enforcement of the pledge (if any);

the debtor is 90 days past due for a significant credit obligation to the bank;

the debtor has been in default in the last 12 months (as defined pursuant to Basel III framework);

the borrower is likely to restructure its assets as a result of bankruptcy due to the inability of the debtor to repay its credit obligations.

To determine whether a debtor is in default, the bank accounts the indicators, including:

qualitative indicators: such as, breach of contractual terms and conditions;

quantitative indicators: such as, non-payment of another obligations of the same debtor to the bank; and

based on the internally generated data, obtained from external sources.

Including information for future periods

The bank includes information relating to future periods, both in assessing the credit risk of the instruments, which has grown significantly after initial recognition and in measurement of expected credit losses.

Bank formulates three economic scenarios: baseline scenario with 50% probability for an average scenario, and two less likely scenarios, positive and negative scenario with 25% probability each.

The baseline scenario is consistent with the information used by the bank for other purposes, such as strategic planning and budgeting. Reported external information includes data and economic forecasts published by government and monetary authorities in the Republic of Moldova and by financial experts.

Periodically the bank performs stress tests with extreme shocks to assess its financial stability. At least once a year, an overall review of the scenario design is performed by a group of experts from the bank.

The bank identifies and documents the main determinants of credit risk and loan losses for each portfolio of financial instruments and using historical data analysis assesses the links between macroeconomic variables, credit risk and credit losses.

The main drivers that generate credit risk for wholesale portfolios are: GDP growth, unemployment and interest rates. For exposures to specific sectors and/or regions the key factors include the relative prices of goods and/or immovable property. The main drivers that generate credit risk for retail portfolios are: Level of unemployment, house prices and interest rates.

Write-off of loans/assets

Credits or assets for which provisions are established 100% of their carrying amount in accordance with IFRS 9 so that their net value is zero can be considered for write-off (formation of loss). Such loans or assets will be written off if the bank has no reasonable expectation of recovery of assets within a reasonable time. An additional criterion used to determine the reasonable expectation of the bank to recover these assets is more than 360 days in arrears of the said assets.

The bank renegotiates/extends the loan terms for customers with financial difficulties to increase the possibility for collection and to minimize the risk of default. According to the Ordinance on the extension and renegotiation of bank loans, if the objectivity of the causes leading to default is determined, the bank starts to explore the possibility of extension or renegotiation of the loan, requesting from the customer the main documents needed for analysis. At the discretion of the bank, it may need to have all the necessary documents and the entire information needed to make objective and fair decision.

The revised contract terms usually include extension of maturity, change in the interest repayment schedule and amendment of the terms of the loan agreement. Corporate loans and corporate borrowers are subject to a policy of extension and renegotiation. The decision making bodies of the bank periodically review the activity reports of the bank on extension and renegotiation.

For modified financial assets, as part of the bank's policy on extension and renegotiation, the assessment of days in arrears reflects whether the improvement has improved or reversed the bank's ability to collect interest and principal, and reflects also the previous experience of the bank with such extensions or renegotiations. As part of this process, the bank assesses the fulfilment of the payment obligations of the borrower against the amended contractual terms and conditions and takes into account various behavioural indicators.

As a key criterion, the existence of an extension or renegotiation is a qualitative indicator for significant increase in credit risk. The customer must demonstrate strong ability for payment and fulfilment of contractual obligations over a long period of time before the exposure ceases to be considered as affected by a high credit risk and it may be revalued to a credit risk corresponding to Stage 1 .

Loss given default is the amount of loss given default, if probable. CB Moldindconbank S.A. evaluates the parameters of the loss given default based on historical recovery rates of claims against the participating counterparties. The values of loss given default take into account the structure, the guarantee, the ranking of the claim, the industry sector of the counterparty and the cost for recovery of the collateral, which is an integral part of the financial asset.

EAD is the expected exposure at default. CB Moldindconbank S.A. determines the expected exposure at default from the current exposure of the counterparty and the potential changes in current value allowed under the contract as a result of depreciation. The expected exposure at default of a financial asset is the gross book value at the time of default. For loan commitments, the expected loss given default are all future amounts attributable to the contract, estimated on the basis of historical observations and forecasts.

As described above, and under conditions where maximum of 12 months probability of default is used for financial assets from Stage 1, CB Moldindconbank S.A. measures the expected credit loss, taking into account the risk of default against the maximum duration of the contract (including the options of the borrower), during which it is exposed to credit risk, even if for the credit risk management purposes CB Moldindconbank S.A. takes into account a longer period. The maximum term of the contract extends until the date on which CB Moldindconbank S.A. has the right to demand repayment of an advance or to terminate a loan or loan guarantee.

In cases where parameter modelling is done collectively, the financial instruments are grouped based on common risk characteristics, which include:

type of instrument;
credit risk classification;
type of guarantee;
ratio of the loan amount to the value of the collateral for retail mortgages;
date of first recognition;
remaining term of maturity;
industry.

Credit risk to other business sector

Credit risk is mainly the risk, in which borrowers, customers and other counterparties of the group will not be able to pay in full and in the usually envisaged time-limits the amounts owed by them under commercial and credit receivables. The latter are presented in the statement of financial position in a net amount, after deduction of the accrued impairments under doubtful or bad debts. Such impairments are made where and when there are events identifying loss from uncollectibility based on past experience.

Cash, including payment transactions, is limited to reputable banks and banks with good liquidity.

Provided loans

As at the date of each financial statement the Group determines whether the credit risk under the financial instruments has changed considerably against the initial recognition as it uses all the reasonably and supported information that is available without making excessive costs or efforts. When making this evaluation, the Group reviews the movement and/or restructurings of the

instrument as well as objective external factors that may, in the opinion of the Group, have an impact on the receivables on an individual or collective level.

The groups considers a financial instrument to be a financial instrument in default when the contractual payments are more than 90 days overdue. However, in certain cases, a financial asset may be treated as one in default when internal or external information gives an indication that the Group is unlikely to receive the full amount of the outstanding sums under the contract, before taking into account any credit improvements held by it.

The applies a portfolio and individual approach to calculating the impairment for expected credit losses for provided credits. The group measures the credit risk by using the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD).

The group recognizes a provision for expected credit losses (ECL) for all debt instruments that are not reported at fair value through profit or loss. ECL are based on the difference between the agreed cash-flows owed under the conditions of the contracts and all cash-flows that the Group expects to receive discounted with approximation to the initial effective rate of interest. Expected cash flows include cash flows from the sale of the collateral held or other credit enhancements that form an integral part of the terms of the contract.

ECL are recognized in two stages. For credit exposures for which there is no significant increase in credit risk from the initial recognition, ECL are provisioned for credit losses that arise as a result of default events that are possible over the next 12 months (12-month ECL). For credit exposures for which there is a significant increase in credit risk from the initial recognition, a provision for loss is required in respect of the credit losses expected over the remaining exposure period, irrespective of the occurrence of the default (ECL over the duration of the instrument) . (Appendix 49.3 of the consolidated Annual financial statement as at 31 December 2020)

Interest risk

The interest risk is associated with the probability of increasing interest rates at which the Group finances its activities, and as a result reducing the net income of the Group. Although the interest risk is part of the risk associated with the macro economic environment, the Group may take measures to reduce the impact of any increase in interest rates. Doverie – United Holding AD manages interest rate risk through a balanced use of different sources of funding.

It conducts a conservative liquidity management policy whereby it maintains all the time an optimal liquid stock of cash, good ability to finance its business activity, including by ensuring and maintaining adequate credit resources and facilities, permanent control monitoring of the factual and forecast cash-flows by future periods and maintenance of balance between the maturity borders of the company‘s assets and liabilities. (Appendix 49.4 of consolidated Annual financial statement as at 31 December 2020)

Tax risk

Maintaining the current tax regime is of crucial importance for the financial result of Doverie– United Holding AD. There is no guarantee that legislation that is of direct relevance to the activities of the group will not be changed in a direction that would lead to significant unforeseen costs and will consequently affect unfavourably its earnings. The taxation system in Bulgaria and Moldova is still developing as a result of which inconsistent enforcement may occur. Investors should also take into account that the value of the investment in shares may be adversely affected by changes in current tax legislation, including its interpretation and application.

Risks specific to the economic group.

Risk factors

Being a holding company, Doverie – United Holding AD does not have considerable revenues from own activity but relies on the distribution of the revenues of its subsidiaries. Any decrease in the revenues of the main subsidiaries of the Holding for one reason or another will bring about a decrease of the revenues, and hence – of the available cash-flow of the Holding too. Hence, it should be borne in mind that the risks having an impact on the activity of the Holding's subsidiaries have — although indirect — influence also on the revenues and financial result of Doverie – United Holding AD.

Financial institutions

As at 31 December 2020 in the Republic of Moldova there are 11 operating banks licensed by the National Bank of Moldova. In the recent years the sector reports consolidation of own funds and increase of assets, credit portfolio and deposits of natural persons. The banking sector has a high level of liquidity. At the same time, the profit obtained as at the end of 2020 goes down compared to the same period of the previous year, as in the meantime, the volume of deposits of legal entities also goes down. The share of non-performing loans in credit portfolios preserves its downward trend.

Leading banks in terms of assets as BC ‘Moldova – Agroindbank’ S.A. , BC ‘Moldindconbank’ S.A. , BC ‘Victoriabank’ S.A. and Mobiasbanca – OTP Group S.A. , which hold 78% market share. The two most profitable banks in the country are BC ‘Moldova – Agroindbank’ S.A. and BC ‘Moldindconbank’ S.A.

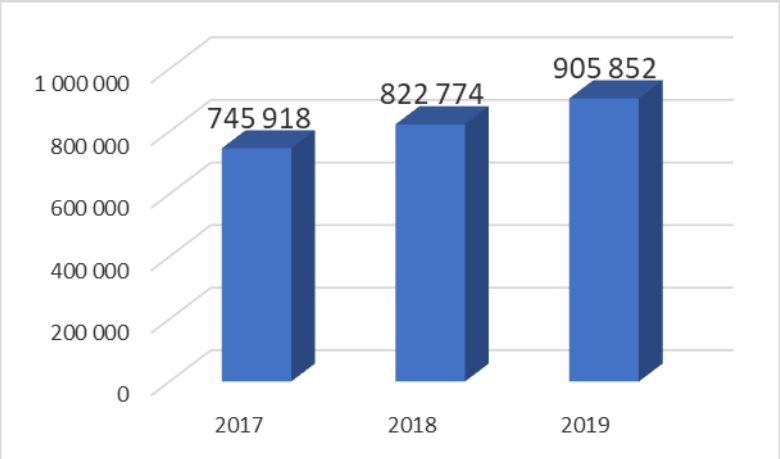
31 December 2020 '000 EUR	Profit/loss	Market share

BC „MOLDOVA - AGROINDBANK" S.A.	30,582,115	29%
BC 'Moldindconbank' S.A.	20,453,940	20%
B.C. „VICTORIABANK" S.A.	12,387,684	15%
Mobiasbanca - OTP Group S.A.	6,854,111	14%
Other 7 banks	7,826,877	12%

Retail trade in shops of the type 'Do It Yourself'

The sector registered a consistent growth for the period 2017—2019. The total sales revenue of the top 20 companies marked a growth of 10% in 2019 on an annual basis, reaching BGN 906 million.

Revenue from sales 2017—2019 BGN'000

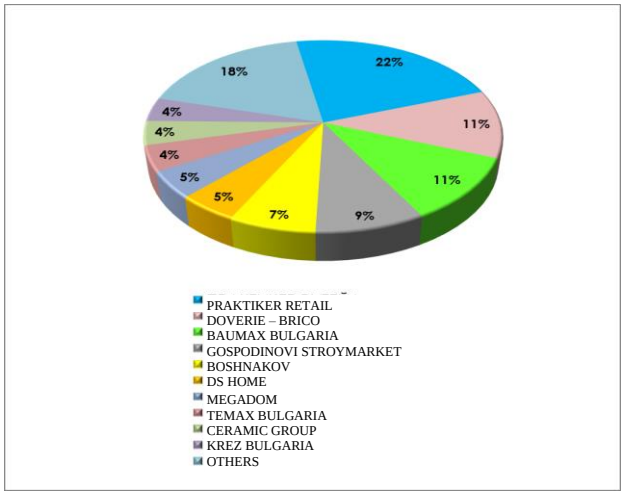


The leading companies by sales revenue for 2019 are Praktiker Retail, Doverie Brico AD and Baumax, which together have a market share of 53% among the top 20 players, while the top 10 companies hold 82%. Most of the companies reported a positive development of the sales revenue on an annual basis in 2019 where the leading Praktiker and Doverie –Brico outperformed the average growth in the sector.

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
PRAKTIKER RETAIL	**201,115**	*20%*	**167,919**
DOVERIE – BRICO	**104,002**	*-3%*	**107,209**
BAUMAX BULGARIA	**99,445**	*18%*	**84,583**
GOSPODINOVI STROYMARKET	**78,974**	*7%*	**73,978**
BOSHNAKOV	**62,764**	*7%*	**58,887**
DS HOME	**43,293**	*13%*	**38,163**
MEGADOM	**41,537**	*19%*	**34,975**
TEMAX BULGARIA	**39,216**	*17%*	**33,508**
CERAMIC GROUP	**36,723**	*3%*	**35,659**
KREZ BULGARIA	**36,350**	*9%*	**33,301**
BAUHAUS BULGARIA EOOD	**35,024**	*9%*	**32,129**
SIKO – S	**31,237**	*2%*	**30,525**

DOMKO	**31,040**	*2%*	**30,547**
BAGIRA	**16,004**	*9%*	**14,656**
MAL-MUK HOME	**11,492**	*6%*	**10,869**
CHECHOSAN	**8,904**	*5%*	**8,471**
RUMIK	**8,426**	*2%*	**8,237**
VALENTINO	**7,642**	*2%*	**7,515**
MONTAZHI - 64	**7,314**	*15%*	**6,374**
VILAZ GROUP	**5,350**	*2%*	**5,269**
Top 20 Total	**905,852**	***10%***	**822,774**

Market share based on sales revenue, 2019



The most profitable companies (based on EBIT) in the analysed sector for 2019 are Gospodinov Stroymarket, Doverie Brico, Bauhaus

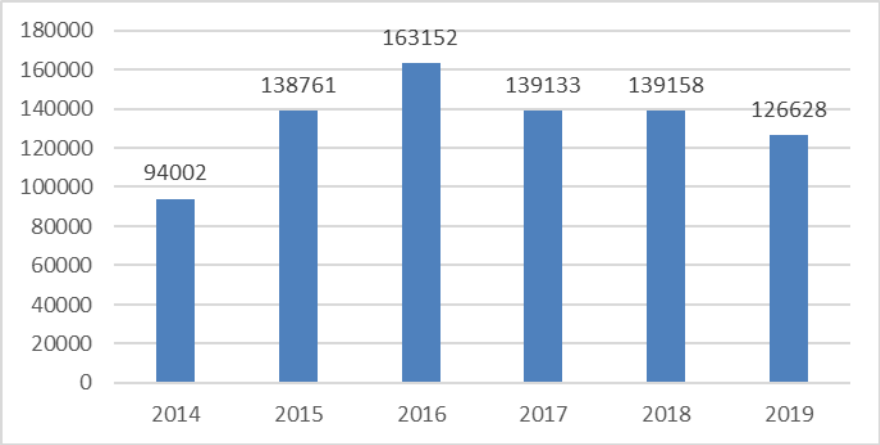
Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
PRAKTIKER RETAIL	**13,698**	*41%*	**9,703**
GOSPODINOVI STROYMARKET	**5,145**	*40%*	**3,680**
DOVERIE – BRICO	**3,555**	*-59%*	**8,700**
BAUHAUS BULGARIA EOOD	**3,380**	*84%*	**1,841**
KREZ BULGARIA	**3,289**	*28%*	**2,572**
BOSHNAKOV	**2,854**	*17%*	**2,443**
MEGADOM	**2,202**	*3246%*	**- 70**
DOMKO	**1,639**	*20%*	**1,367**
SIKO – S	**1,536**	*41%*	**1,086**
DS HOME	**1,527**	*42%*	**1,072**
CERAMIC GROUP	**1,267**	*-43%*	**2,240**
RUMIK	**1,006**	*78%*	**564**
TEMAX BULGARIA	**918**	*152%*	**365**
BAGIRA	**624**	*-19%*	**774**
MAL-MUK HOME	**485**	*119%*	**221**
VALENTINO	**290**	*-29%*	**407**
CHECHOSAN	**210**	*-12%*	**239**
BAUMAX BULGARIA	**98**	*103%*	**- 2,931**

VILAZ GROUP	**97**	*-29%*	**136**
MONTAZHI - 64	**74**	*3%*	**72**
Top 20 Total	**43,894**	***27%***	**34,481**

Wine production

The production of wine from grapes marks a steady growth for the period 2010-2016 year, reaching 163.2 thousand litres in 2016. Then, in 2017, 2018 and 2019, the local production goes down and the official data shows that it reaches 127 mln. litres in 2019. The reason is, on the one hand poorer climate conditions, and — on the other hand — a significant gray sector that remains unregistered (more than 30%).

Production of wine from grapes in BGN'000, 2014-2019

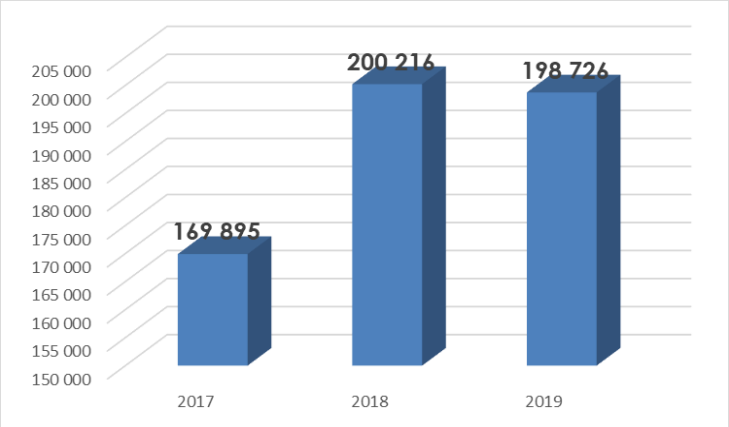


The export of wine from grapes marks a steady growth for the period 2015-2019, reaching EUR 35.3 mln in 2019 (10% growth on an annual basis). The export is predominantly for Poland (30%), Sweden (17%), China (6.6%), United Kingdom (6.1%).

The import of wine from grapes marks a steady growth in value for the period 2015-2019, reaching approximately EUR 21 mln in 2019 or a 6% growth on an annual basis.

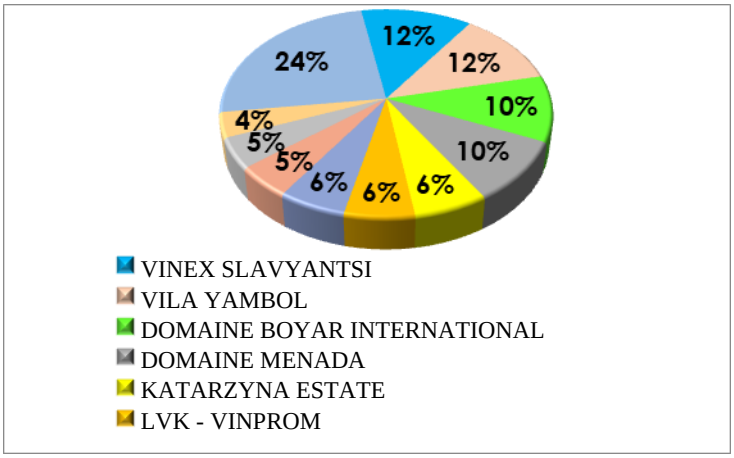
The main exporters of wine for Bulgaria are France (28%), Italy (21%), New Zealand (12%), Germany (10%) and Spain (9%).

The sector registers steady performance for the period 2017-2019 and the total sales revenue of the top 20 companies slightly decrease by 1% in 2019 on an annual basis, reaching BGN 198.7 million.



The leading companies by sales revenue for 2019 are Vinex Slavyantsi, Vila Yambol and Domaine Boyar, which together have a market share of 34% among the top 20 players, while the top 10 companies hold 76%.

Market share by sales revenue, 2019



Most of the companies reported a positive development of the sales revenue on an annual basis.

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
VINEX SLAVYANTSI	**24,647**	*-9%*	**26,978**
VILA YAMBOL	**23,349**	*-16%*	**27,857**
DOMAINE BOYAR INTERNATIONAL	**20,354**	*-5%*	**21,530**
DOMAINE MENADA	**18,999**	*18%*	**16,078**
KATARZYNA ESTATE	**12,679**	*5%*	**12,107**
LVK - VINPROM	**11,992**	*-17%*	**14,427**
VINAL	**11,587**	*16%*	**9,991**

STAMBOLOVO WINERY	**9,727**	*26%*	**7,699**
IVENA COMMERCE - VALENTIN SHOTEV	**9,359**	*-7%*	**10,114**
LOVICO LOZARI	**7,722**	*7%*	**7,217**
LOGODAJ VINERY	**7,287**	*-18%*	**8,939**
MIDALIDARE VINEYARDS	**7,184**	*34%*	**5,342**
BALKANTABACO	**6,837**	*33%*	**5,156**
POLMOS	**6,035**	*53%*	**3,945**
ANGELS ESTATE	**5,078**	*32%*	**3,857**
EDOARDO MIROGLIO	**4,835**	*-1%*	**4,891**
MIDALIDARE ESTATES	**4,768**	*-38%*	**7,662**
VINPROM - SVISHTOV	**2,982**	*-17%*	**3,613**
BULGARIAN WINE OOD	**2,576**	*10%*	**2,332**
NOVOSELSKA GAMZA AD	**729**	*52%*	**481**
Top 20 Total	**198,726**	***-1%***	**200,216**

The most profitable companies (based on EBIT) in the analysed sector for 2019 are Vila Yambol, Domaine Boyar and Vinal.

Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
VILA YAMBOL	**2,398**	*76%*	**1,366**
DOMAINE BOYAR INTERNATIONAL	**1,893**	*8%*	**1,760**
VINAL	**1,131**	*31%*	**863**
IVENA COMMERCE - VALENTIN SHOTEV	**846**	*94%*	**437**
BALKANTABACO	**518**	*287%*	**134**
KATARZYNA ESTATE	**517**	*33%*	**388**
STAMBOLOVO WINERY	**506**	*-14%*	**589**
BULGARIAN WINE OOD	**485**	*106%*	**236**
LOGODAJ VINERY	**304**	*17%*	**260**
LVK - VINPROM	**275**	*-79%*	**1,308**
LOVICO LOZARI	**241**	*130%*	**105**
VINEX SLAVYANTSI	**63**	*-96%*	**1,742**
MIDALIDARE ESTATES	**50**	*-93%*	**713**
POLMOS	**26**	*109%*	**- 274**
NOVOSELSKA GAMZA AD	**24**	*144%*	**- 54**
MIDALIDARE VINEYARDS	**- 332**	*-70%*	**- 195**
ANGELS ESTATE	**- 419**	*66%*	**- 1,215**
VINPROM - SVISHTOV	**- 718**	*11%*	**- 808**
EDOARDO MIROGLIO	**- 1,082**	*-318%*	**- 259**
DOMAINE MENADA	**- 1,453**	*-318%*	**667**
Top 20 Total	**5,273**	***-32%***	**7,763**

House building – Sofia City

The business climate in the Construction sector marks a steady growth from 2014 to the beginning of 2020. As a consequence from the pandemic situation in April and May the indicator sharply aggravated but in the next months it is slowly recovering. In August the composite indicator "business climate in construction" remains at a level that is approximately the same as the one from the previous month. According to the construction entrepreneurs the present production activity is improving, and their forecasts for the activity in the next three months are optimistic. The major

obstacles to business development are still the ones related to the insecure economic environment, the shortage of workforce.

Business climate in construction, 2010-2019



The main highlights in residential building in Sofia from the first months of 2020 are:

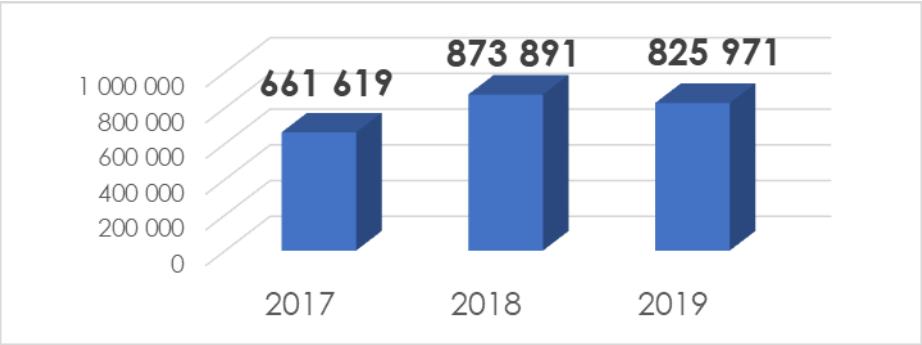
- ✓ In the beginning of 2020 the share of purchased three-bedroom apartments increases and becomes equal to the one of 2-bedroom apartments – both account for around 47% of all purchased residences. Only 5 % of the residences were one-bedroom or multi-bedroom apartments.
- ✓ The average area of the purchased residences is 90 sq.m – it grows up from 81 sq.m. In the end of 2019 due to the increased volume of three-bedroom apartments.
- ✓ The trend of higher interest in residence at a higher floor in newly constructed buildings is preserved due to the beautiful views, more open spaces and light, lower noise from surrounding streets and boulevards.
- ✓ There is an increasing interest in houses, ground-floor apartments with a small yard and residences in a closed complexes with private yards and park environment.

The data of the Registry Agency shows 5,285 real estate sales are registered in Sofia that in 2020 Q1 (a decrease of approximately 6.3% on an annual basis).

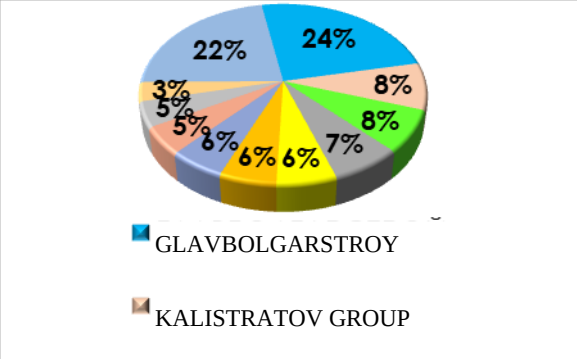
- ✓ In 2020 Q1 the price growth accelerated and the average price in Sofia exceeded the EUR 1100/sq.m threshold, around which it was fluctuating from the end of 2017.
- ✓ The average total sale price of the purchased apartments also increased to EUR 101,130 for 2020 compared to EUR 90,960 in the beginning of 2019 and EUR 95,230 in the last quarter of 2019. This is a net growth of around EUR 10,000 on the average per apartment compared to the same period of 2019.

The leading companies by sales revenue for 2019 are Glavbolgarstroy, Kalistratov, NIKMI, which together have a market share of 40% among the top 20 players, while the top 10 companies hold 78%.

Change in the turnover of the leading 20 companies in BGN thousand, 2017—2019



Market share by sales revenue, 2019



Most of the companies reported a decrease of the sales revenue on an annual basis. The leading company in terms of sales revenue is Hydroizomat.

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
GLAVBOLGARSTROY	**201,778**	*36%*	**148,651**
KALISTRATOV GROUP	**69,804**	*52%*	**45,923**
NIKMI	**62,683**	*-59%*	**153,431**
BILDEST	**58,002**	*202%*	**19,222**
ARTEKS ENGINEERING	**49,144**	*17%*	**41,975**
MIKS CONSTRUCTION	**46,945**	*-62%*	**123,850**
BULGARIAN BUILDING COMPANY	**45,978**	*11%*	**41,583**
BARAGE GROUP	**40,977**	*-4%*	**42,734**
AT ENGINEERING 2000	**37,288**	*1%*	**37,045**
MIRAT GROUP	**28,504**	*6%*	**26,945**
CONTRACT CITY	**28,114**	*35%*	**20,806**

AGROGROUP EXACT	**25,156**	*-14%*	**29,373**
BARAGE CONSTRUCTION	**24,940**	*42%*	**17,622**
OBONATO BUILD	**21,771**	*-19%*	**26,740**
JUNG PROJECT	**21,006**	*-8%*	**22,856**
BUILDI STROY	**17,701**	*60%*	**11,096**
NIVEL	**16,936**	*-34%*	**25,602**
SOFBUILD	**11,839**	*-50%*	**23,810**
BOKAL ENGINEERING	**11,585**	*-11%*	**13,028**
HYDROIZOMAT	**5,820**	*264%*	**1,599**
Top 20 Total	**825,971**	***-5%***	**873,891**

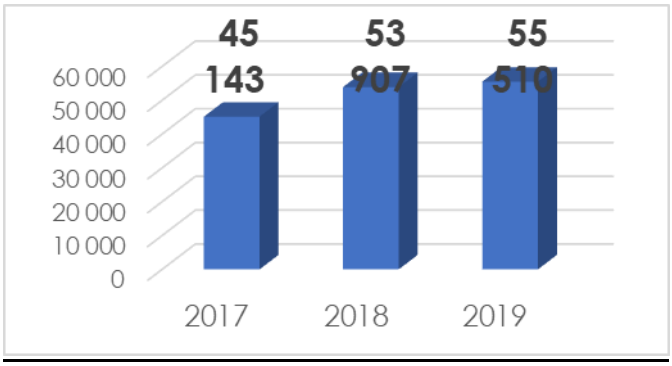
The most profitable companies based on EBIT in the analysed sector for 2019 are Glavbolgarstroy, Arteks, NIKMI.

Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
GLAVBOLGARSTROY	**12,987**	*636%*	**- 2,423**
ARTEKS ENGINEERING	**7,934**	*46%*	**5,431**
NIKMI	**5,200**	*-92%*	**63,880**
CONTRACT CITY	**4,835**	*115%*	**2,244**
BULGARIAN BUILDING COMPANY	**4,442**	*-35%*	**6,875**
MIKS CONSTRUCTION	**4,182**	*-65%*	**11,793**
KALISTRATOV GROUP	**4,170**	*34%*	**3,105**
MIRAT GROUP	**2,754**	*65%*	**1,672**
BILDEST	**2,751**	*-35%*	**4,223**
SOFBUILD	**2,438**	*-67%*	**7,305**
AGROGROUP EXACT	**2,264**	*-5%*	**2,374**
JUNG PROJECT	**1,742**	*24%*	**1,400**
BARAGE CONSTRUCTION	**1,202**	*3656%*	**32**
NIVEL	**642**	*-29%*	**907**
HYDROIZOMAT	**414**	*139%*	**173**
BOKAL ENGINEERING	**235**	*-53%*	**499**
BARAGE GROUP	**218**	*-85%*	**1,419**
OBONATO BUILD	**149**	*-78%*	**668**
BUILDI STROY	**88**	*233%*	**- 66**
AT ENGINEERING 2000	**66**	*-80%*	**332**
Top 20 Total	**58,713**	***-48%***	**111,843**

House building – Ruse

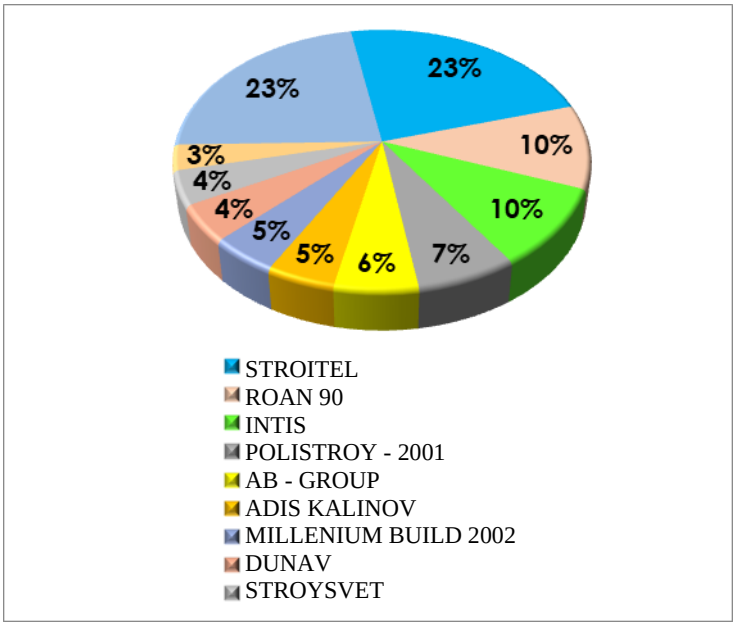
The leading companies marked a constant growth in the period 2017—2019 and the total revenue of the top 20 players reached BGN 55 million, registering 3% growth on annual basis.

Change in the turnover of the leading 20 companies in BGN thousand, 2017—2019



The leading companies by sales revenue for 2019 are Stroitel, Intis and Roan 90, which together have a market share of 44% among the top 20 players, while the top 10 companies hold 77%.

Market share by sales revenue, 2019



Most of the companies reported a positive development of the sales revenue on an annual basis. the biggest growth is reached by Stroysvet (+106%).

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
STROITEL	**12,853**	*2%*	**12,582**
ROAN 90	**5,780**	*16%*	**4,993**
INTIS	**5,467**	*5%*	**5,230**
POLISTROY - 2001	**3,823**	*16%*	**3,295**
AB - GROUP	**3,190**	*12%*	**2,860**

ADIS KALINOV	**2,631**	*-19%*	**3,262**
MILLENIUM BUILD 2002	**2,574**	*0%*	**2,584**
DUNAV	**2,535**	*-1%*	**2,553**
STROYSVET	**2,345**	*106%*	**1,141**
CITY INVEST R	**1,766**	*83%*	**966**
GIK ENGINEERING	**1,533**	*-28%*	**2,117**
PM INVEST GROUP	**1,486**	*27%*	**1,173**
ASTRA-8	**1,394**	*42%*	**980**
ARGOSAD-2005 BG	**1,369**	*-5%*	**1,445**
GTR GROUP	**1,287**	*-50%*	**2,587**
LAZARETA-A	**1,267**	*-3%*	**1,311**
INVESTSTROY - RUSE	**1,209**	*10%*	**1,102**
BVS STROY	**1,097**	*50%*	**729**
RS STROY	**957**	*23%*	**778**
NIKS-2002	**947**	*-57%*	**2,219**
Top 20 Total	**55,510**	***3%***	**53,907**

The most profitable companies in the sector in Ruse, based on an EBIT result, for 2019 are Stroitel, Roan 90 and Gik Engineering.

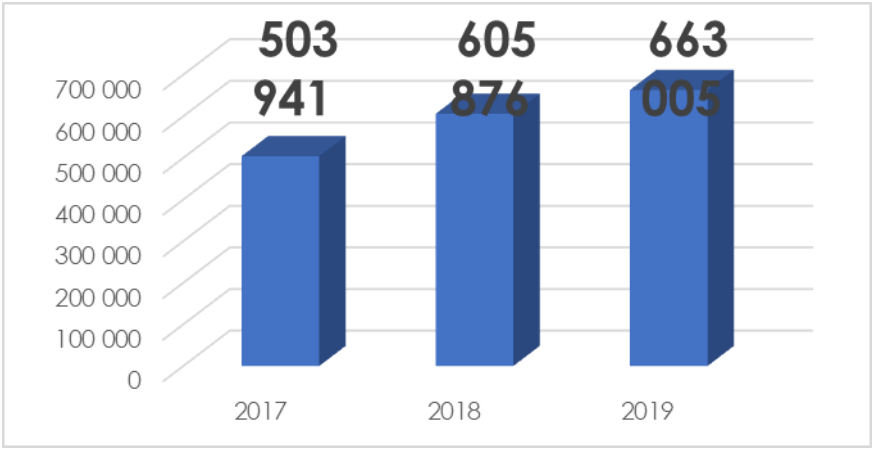
Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
STROITEL	**1,639**	*6%*	**1,544**
ROAN 90	**794**	*1837%*	**41**
GIK ENGINEERING	**194**	*-68%*	**614**
AB - GROUP	**193**	*-29%*	**270**
DUNAV	**174**	*-9%*	**192**
STROYSVET	**171**	*517%*	**- 41**
BVS STROY	**162**	*119%*	**74**
MILLENIUM BUILD 2002	**110**	*67%*	**66**
POLISTROY - 2001	**102**	*-14%*	**118**
CITY INVEST R	**87**	*463%*	**- 24**
RS STROY	**84**	*6%*	**79**
ADIS KALINOV	**79**	*-42%*	**136**
ASTRA-8	**59**	*168%*	**22**
INVESTSTROY - RUSE	**36**	*-88%*	**297**
GTR GROUP	**33**	*-71%*	**112**
NIKS-2002	**33**	*-35%*	**51**
LAZARETA-A	**12**	*-14%*	**14**
ARGOSAD-2005 BG	**8**	*167%*	**- 12**
PM INVEST GROUP	**- 21**	*-164%*	**33**
INTIS	**- 345**	*-169%*	**502**
Top 20 Total	**3,604**	***-12%***	**4,088**

Hospital care in Bulgaria

The market of private hospitals in Bulgaria

The active private hospitals in the country in 2019 are 114 (108 in 2015). They represent 36% of all the hospitals in the country. The sector reports a constant growth for the period 2017-2019 and the total revenue of the top 20 players reached BGN 663 million, registering 9% growth on annual basis (the growth for the preceding year is 20%).

Change in the turnover of the leading 20 companies in BGN thousand, 2017-2019



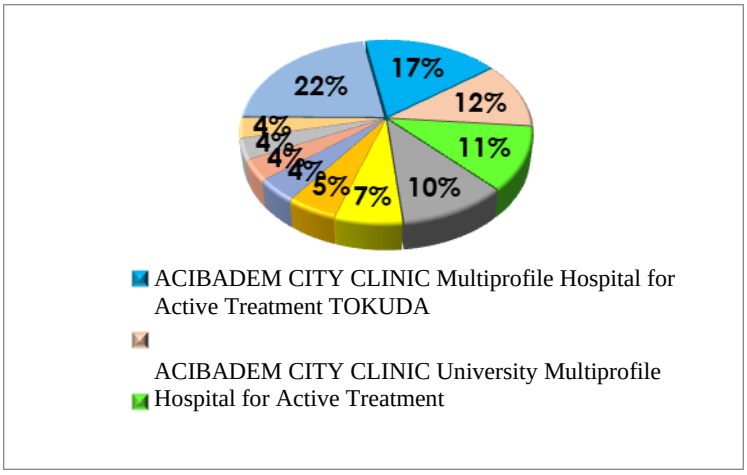
The leading companies by sales revenue for 2019 are Tokuda Hospital, City Clinic, Pulmed and Sofiamed, which together have a market share of 40% among the top 20 players, while the top 10 companies hold 78%.

Ranking by sales for 2019.

Company – BGN'000	Turnover 2019
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	115,367
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	78,065
SOFIAMED University Multiprofile Hospital for Active Treatment	75,740
PULMED University Multiprofile Hospital for Active Treatment	70,197
SERDICA Multiprofile Hospital for Active Treatment	43,724
KASPELA University Multiprofile Hospital for Active Treatment	33,200
HEART AND BRAIN Multiprofile Hospital for Active Treatment	27,094
MEDICA University Multiprofile Hospital for Active Treatment RUSE	24,652
THRACIA Multiprofile Hospital for Active Treatment	24,436
VIRGIN MARY University Multiprofile Hospital for Active Treatment	24,069
Top 10 Total	516,544
OTHERS	146,461

Total	**663,005**

Market share by sales revenue, 2019



The biggest growth in percentage in the turnover among the leading companies in the sector for the period 2018—2019 is marked by Heart and Brain Multiprofile Hospital for Active Treatment (49%), SAINT SOFIA Multiprofile Hospital for Active Treatment (+35%) and Vita Multiprofile Hospital for Active Treatment (+21%).

Company BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	**115,367**	*8%*	**106,905**
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	**78,065**	*-5%*	**82,192**
SOFIAMED University Multiprofile Hospital for Active Treatment	**75,740**	*13%*	**67,271**
PULMED University Multiprofile Hospital for Active Treatment	**70,197**	*12%*	**62,950**
SERDICA Multiprofile Hospital for Active Treatment	**43,724**	*21%*	**36,178**
KASPELA University Multiprofile Hospital for Active Treatment	**33,200**	*12%*	**29,648**
HEART AND BRAIN Multiprofile Hospital for Active Treatment	**27,094**	*49%*	**18,148**
MEDICA University Multiprofile Hospital for Active Treatment RUSE	**24,652**	*20%*	**20,505**
THRACIA Multiprofile Hospital for Active Treatment	**24,436**	*2%*	**23,980**
VIRGIN MARY University Multiprofile Hospital for Active Treatment	**24,069**	*8%*	**22,204**
CENTRAL ONCO HOSPITAL Multiprofile Hospital for Active Treatment	**21,975**	*-5%*	**23,173**

BURGASMED Multiprofile Hospital for Active Treatment	**17,838**	*7%*	**16,603**
SELENA University Specialised Obstetrician Hospital	**15,961**	*15%*	**13,828**
EUROHOSPITAL PLOVDIV University Multiprofile Hospital for Active Treatment	**15,216**	*7%*	**14,172**
PULSE Multiprofile Hospital for Active Treatment	**14,317**	*3%*	**13,963**
AVIS - MEDICA Multiprofile Hospital for Active Treatment	**13,434**	*7%*	**12,537**
SAINT SOFIA Multiprofile Hospital for Active Treatment	**13,209**	*35%*	**9,794**
SAINT CARIDAD Multiprofile Hospital for Active Treatment	**13,015**	*0%*	**13,056**
DOVERIE Multiprofile Hospital for Active Treatment	**12,671**	*10%*	**11,483**
VITA Multiprofile Hospital for Active Treatment	**8,825**	*21%*	**7,286**
Top 20 Total	**663,005**	***9%***	**605,876**

The most profitable companies (based on EBIT) in the analysed sector for 2019 are Virgin Mary, Sofiamed and Pulmed.

Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
VIRGIN MARY University Multiprofile Hospital for Active Treatment	**7,547**	*48%*	**5,104**
SOFIAMED University Multiprofile Hospital for Active Treatment	**6,206**	*30%*	**4,771**
PULMED University Multiprofile Hospital for Active Treatment	**4,534**	*-11%*	**5,073**
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	**3,959**	*161%*	**1,516**
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	**3,682**	*107%*	**1,783**
BURGASMED Multiprofile Hospital for Active Treatment	**3,453**	*-4%*	**3,605**
MEDICA University Multiprofile Hospital for Active Treatment RUSE	**3,211**	*46%*	**2,195**
EUROHOSPITAL PLOVDIV University Multiprofile Hospital for Active Treatment	**2,785**	*9%*	**2,560**
SELENA University Specialised Obstetrician Hospital	**2,095**	*21%*	**1,731**
SAINT CARIDAD Multiprofile Hospital for Active Treatment	**1,883**	*79%*	**1,051**
SAINT SOFIA Multiprofile Hospital for Active Treatment	**1,166**	*56%*	**748**
PULSE Multiprofile Hospital for Active	**889**	*-8%*	**970**

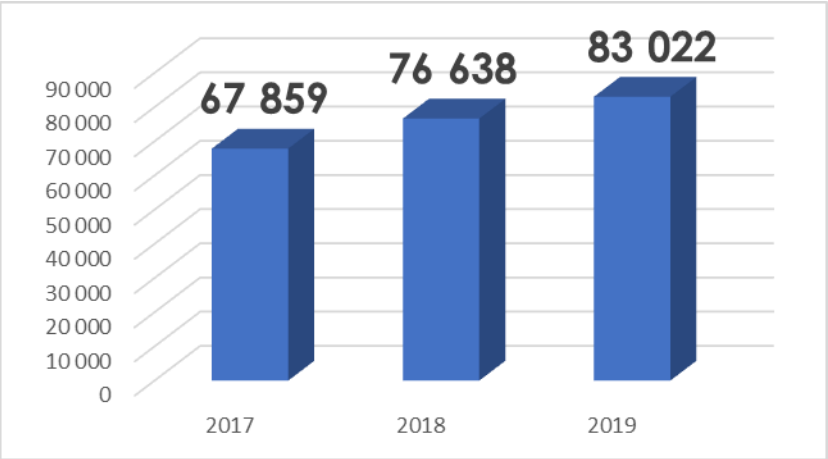
Treatment			
KASPELA University Multiprofile Hospital for Active Treatment	**663**	*-48%*	**1,267**
VITA Multiprofile Hospital for Active Treatment	**585**	*252%*	**- 384**
AVIS - MEDICA Multiprofile Hospital for Active Treatment	**555**	*17%*	**476**
THRACIA Multiprofile Hospital for Active Treatment	**364**	*-60%*	**918**
DOVERIE Multiprofile Hospital for Active Treatment	**267**	*128%*	**117**
CENTRAL ONCO HOSPITAL Multiprofile Hospital for Active Treatment	**95**	*-96%*	**2 467,**
SERDICA Multiprofile Hospital for Active Treatment	**67**	*52%*	**44**
HEART AND BRAIN Multiprofile Hospital for Active Treatment	**- 9,233**	*-4%*	**- 8 846**
Top 20 Total	**34,773**	***28%***	**27,166**

Private Medical Centers

The sector registers a growth for the period 2017-2019 and the total sales revenue of the top 20 companies increased by 8% in 2019 on an annual basis, reaching BGN 83 million.

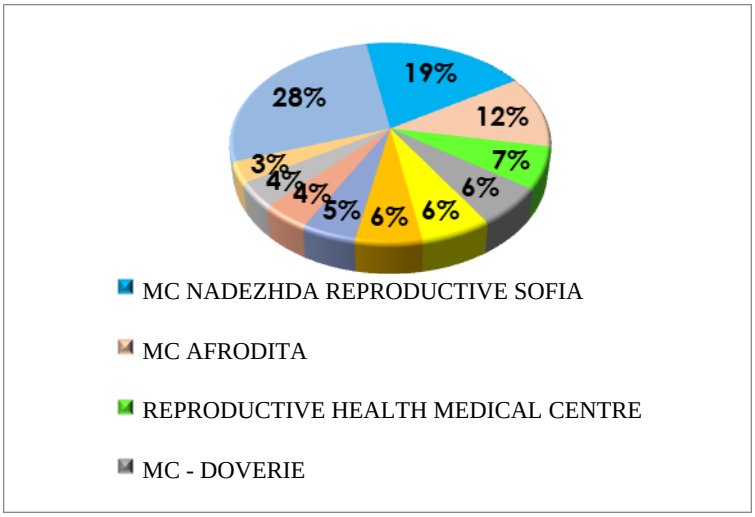
Most of the medical centres are concentrated in the big cities in the country – Sofia, Varna, Plovdiv, Stara Zagora.

Change in the turnover in BGN thousand, 2017-2019



The leading companies by sales revenue for 2019 are Medical Centre 'Nadezhda Reproductive', Medical Centre 'Afrodita', and Reproductive Health Medical Centre, which together have a market share of 38 % among the top 20 players.

Market share by sales revenue, 2019



The leading medical centre per sales revenue for 2019 is Medical Centre 'Nadezhda Reproductive' Sofia (BGN 15,738 thousand), followed by Medical Centre 'Afrodita' (BGN 9,696 thousand) and Reproductive Health Medical Centre (BGN 5,632 thousand).

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
MC NADEZHDA REPRODUCTIVE	**15,738**	*-1%*	**15,937**

SOFIA			
MC AFRODITA	**9,696**	*20%*	**8,069**
REPRODUCTIVE HEALTH MEDICAL CENTRE	**5,632**	*8%*	**5,232**
MC - DOVERIE	**5,219**	*26%*	**4,157**
MC ACIBADEM CITY CLINIC VARNA	**5,183**	*7%*	**4,853**
MC EUROPEAN CARDIOLOGY	**4,919**	*7%*	**4,607**
MC PLAMA	**4,070**	*19%*	**3,432**
PLASTIC SURGERY MEDICAL CENTRE DR NIKOLAY GEORGIEV	**3,549**	*-2%*	**3,620**
MC - CLINICAL INSTITUTE OF REPRODUCTIVE MEDICINE	**3,405**	*11%*	**3,064**
NEW LIFE - GYNAECOLOGY MEDICAL CENTRE	**2,810**	*21%*	**2,330**
MC THIRD POLYCLINIC	**2,724**	*7%*	**2,534**
SPECIALIZED MEDICAL AID AMBULATORY - MC POLIMED	**2,696**	*3%*	**2,626**
MC AVICENA - MARCONI MDS	**2,636**	*53%*	**1,719**
MC ST. IVAN RILSKI	**2,523**	*-2%*	**2,576**
MC AMERIMED	**2,344**	*42%*	**1,650**
MC Pentagram 2012	**2,334**	*-11%*	**2,625**
MC Verea	**2,209**	*11%*	**1,988**
MEDICAL CENTRE FOR SPECIALISED MEDICAL AID - NKB	**2,153**	*12%*	**1,920**
SAINT SOFIA MEDICAL CENTRE	**1,777**	*-2%*	**1,813**
MC REPROBIOMED	**1,405**	*-26%*	**1,886**
Top 20 Total	**83,022**	***8%***	**76,638**

The highest amounts of profit before tax for 2018. in absolute terms is marked by MC NADEZHDA REPRODUCTIVE SOFIA, followed by MC Avicena and MC Afrodita.

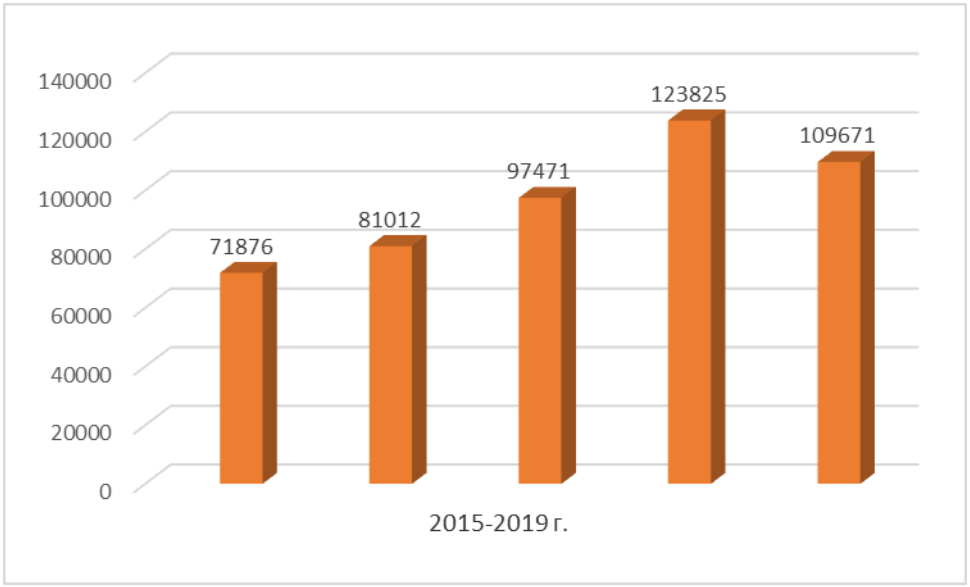
Company	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
MC NADEZHDA REPRODUCTIVE SOFIA	**3,395**	*-24%*	**4,494**
MC AVICENA - MARCONI MDS	**1,886**	*76%*	**1,071**
MC AFRODITA	**1,736**	*188%*	**602**
MC PLAMA	**998**	*81%*	**552**
MC AMERIMED	**899**	*29%*	**698**
MC Pentagram 2012	**623**	*-6%*	**666**
REPRODUCTIVE HEALTH MEDICAL CENTRE	**566**	*449%*	**- 162**
MC - CLINICAL INSTITUTE OF REPRODUCTIVE MEDICINE	**435**	*3%*	**423**
MC ST. IVAN RILSKI	**385**	*-7%*	**412**
NEW LIFE - GYNAECOLOGY MEDICAL CENTRE	**359**	*98%*	**181**
MC Verea	**342**	*-32%*	**502**
SPECIALIZED MEDICAL AID	**307**	*0%*	**308**

AMBULATORY - MC POLIMED			
SAINT SOFIA MEDICAL CENTRE	**271**	*-13%*	**311**
MC ACIBADEM CITY CLINIC VARNA	**213**	*132%*	**92**
MC REPROBIOMED	**149**	*10%*	**135**
MC - DOVERIE	**88**	*1567%*	**- 6**
MEDICAL CENTRE FOR SPECIALISED MEDICAL AID - NKB	**83**	*-16%*	**99**
PLASTIC SURGERY MEDICAL CENTRE DR NIKOLAY GEORGIEV	**76**	*-86%*	**528**
MC THIRD POLYCLINIC	**35**	*-15%*	**41**
MC EUROPEAN CARDIOLOGY	**3**	*101%*	**- 216**
Top 20 Total	**12,849**	***20%***	**10,731**

Voluntary health insurance

In 2019, the accrued premium income of sickness and accident insurances in Bulgaria reached BGN 110 million, a growth on an annual basis by 10.5%

Accrued premium income 2015-2019 in BGN'000.



Leading Health Funds by market share for 2019 are ZAD Bulstrad Life (34%), United Health Insurance Fund Doverie AD (13%), Bulgaria Insurance AD (10%).

Sickness insurance has a different share in the total insurance portfolio of the companies. The largest share of sickness insurance is observed in United Health Insurance Fund Doverie AD, Insurance Company Medico 21 AD, Sofia, FI Health and Bulgaria Insurance.

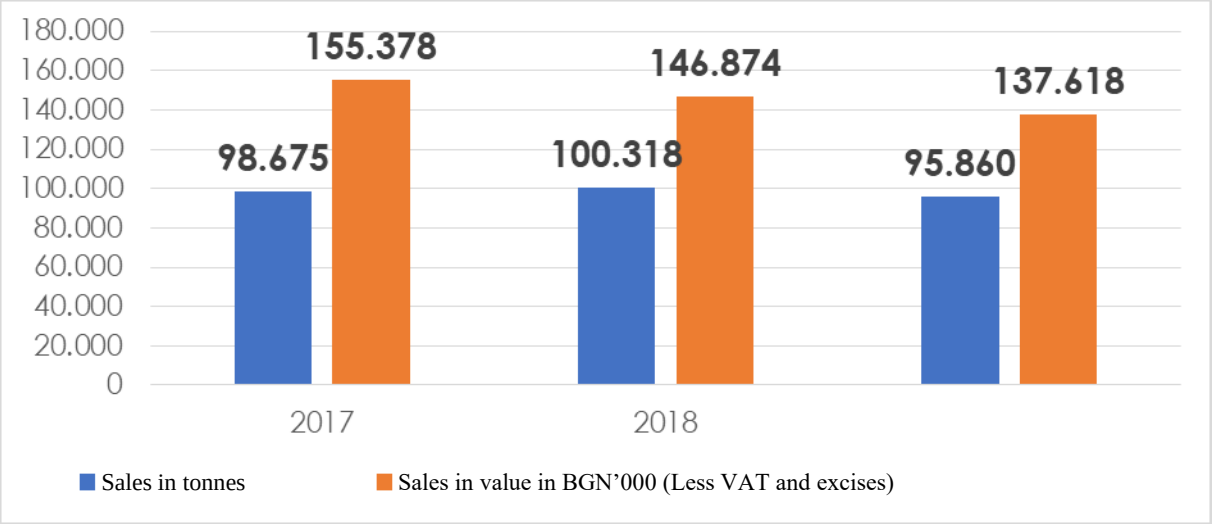
Company	2015	2016	2017	2018	2019
ZAD BULSTRAD LIFE	20.70%	24.70%	26.70%	39.80%	37.50%
United Health Insurance Fund Doverie AD	100.00%	100.00%	100.00%	100.00%	100.00%
ZAD BULGARIA AD	87.60%	86.10%	79.20%	73.40%	72.00%
GENERALI INSURANCE AD	10.00%	6.00%	6.70%	6.90%	8.00%
ZK UNICA LIFE AD	12.80%	12.50%	12.00%	13.60%	0.00%
DZI LIFE INSURANCE EAD	8.80%	12.20%	14.70%	10.00%	9.40%
FIHEALTH INSURANCE AD	88.10%	80.40%	83.40%	80.70%	80.50%
INSURANCE COMPANY EUROINS AD	2.10%	2.80%	2.50%	3.20%	3.00%
ZAD ALLIANZ BULGARIA LIFE	1.80%	2.20%	3.20%	4.50%	0.00%
INSURANCE COMPANY MEDICO-21 AD	98.90%	98.80%	99.70%	98.00%	98.60%

Production of detergents and household chemicals

The production of detergents and household chemicals marks a growth for the period 2017–2019 year, reaching 93.2 thousand tonnes in 2019. The decrease in production on an annual basis in 2019 is 7% as it is increased compared to the previous period (3% decrease).

The sales of detergents and household chemicals is slowing down in 2019, reaching 96 thousand tonnes (-4% on an annual basis) and BGN 137.6 million (6% decrease on an annual basis) respectively.

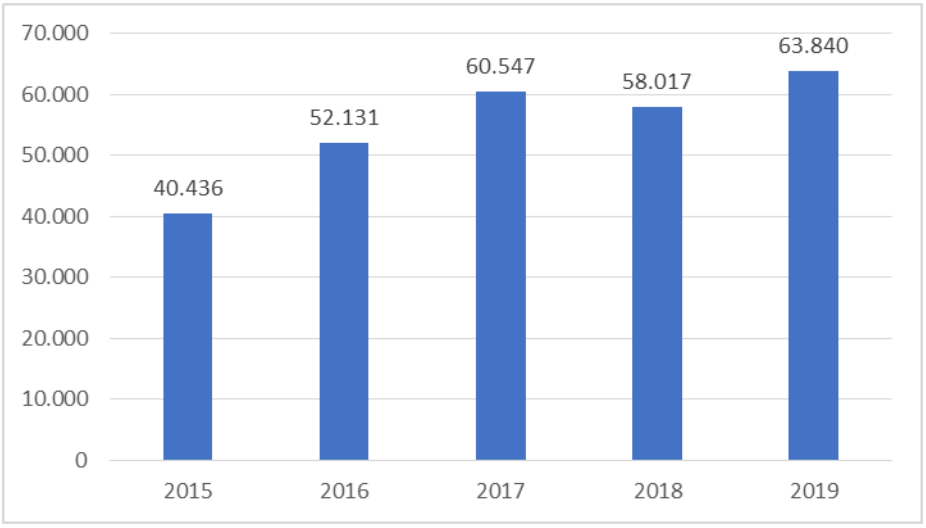
Development of sales of detergents and household chemicals from local producers, 2017-2019



The export of detergents and household chemicals marks a growth in terms of value for the period 2015—2019 year, reaching EUR 64 million but the volumes remain unchanged or approximately 70 thousand tonnes.

Main export destinations are Romania (43%), Ukraine (14%) and Greece (8%).

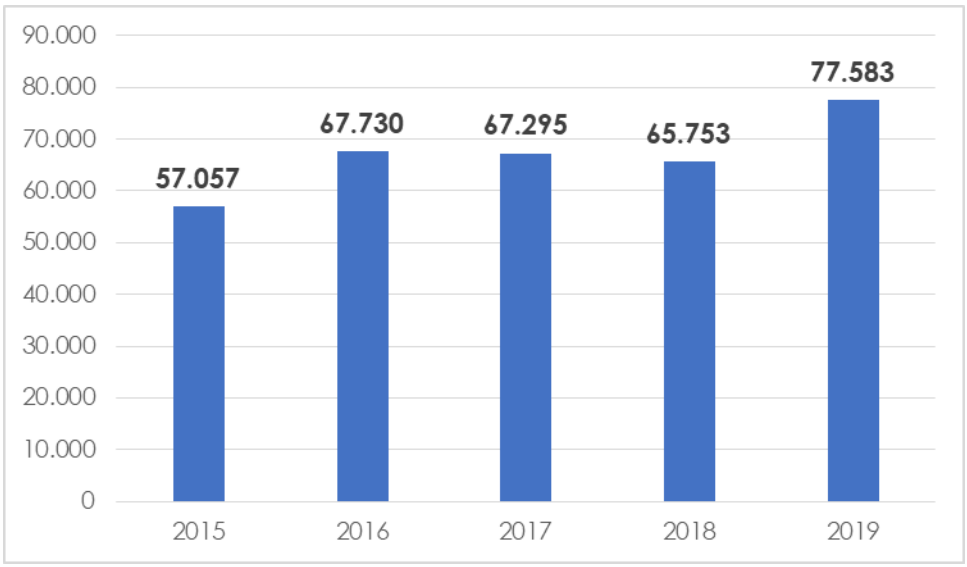
Export development in BGN'000, 2015—2019



The import of detergents and household chemicals also marks a growth for the period 2015–2019 year, reaching EUR 77.6 million and 61 thousand tonnes in 2019.

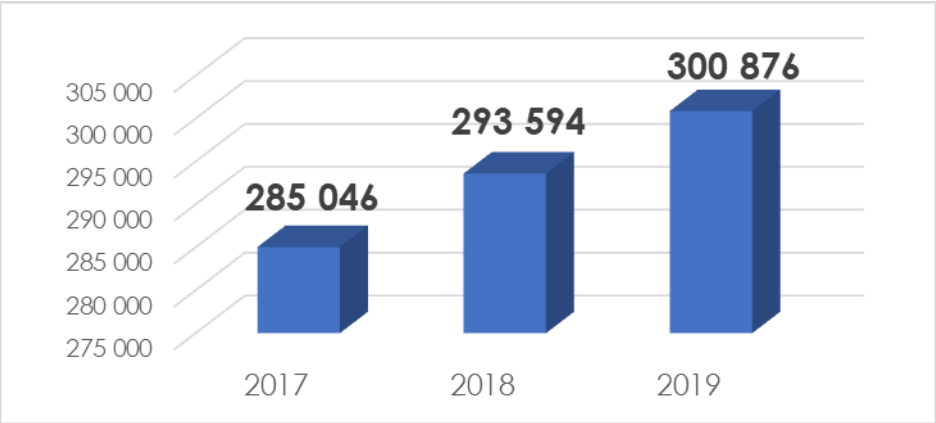
Main countries of origin of import are Romania (35%), Italy (11%) and Turkey (8%) and Poland (8%).

Import development in BGN'000, 2015—2019



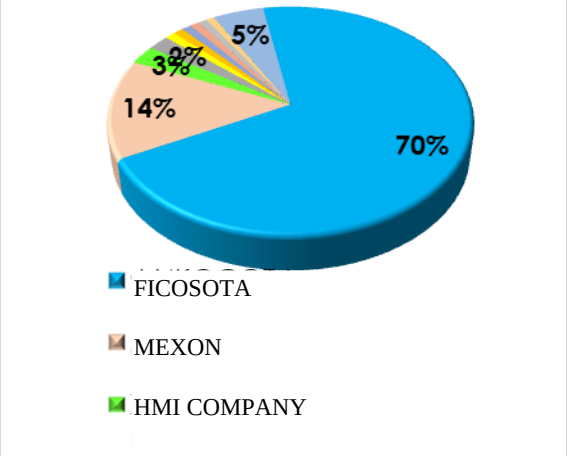
The sector registered a consistent growth for the period 2017—2019. The total sales revenue of the top 20 companies marked a slight growth of 2% in 2019 on an annual basis, reaching BGN 301 million (3% growth in s previous period).

Change in the turnover in BGN thousand, 2017—2019



Leading companies by sales revenue for 2019 are Ficosota, Mexon and HMI Company.

Market share by sales revenue, 2019



The biggest growth in the turnover in percentage for the period is marked by Cobra Pro 2007 (+34%), Vai Holding (+25%) and Pachico (+25%),

Company – BGN'000	Turnover 2019	Change 2019/2018	Turnover 2018
FICOSOTA	**211,237**	*3%*	**205,279**

MEXON	**42,349**	*4%*	**40,625**
HMI COMPANY	**8,053**	*-2%*	**8,211**
BULECO-2000	**6,526**	*-1%*	**6,621**
PACHICO	**3,213**	*25%*	**2,570**
AROMATIC	**2,991**	*6%*	**2,810**
PERILIS TRADING	**2,965**	*-3%*	**3,064**
VICTORY-2000	**2,835**	*-5%*	**2,988**
INDUSTRIAL CHEMISTRY	**2,718**	*0%*	**2,716**
DOVERIE – CARE	**2,393**	*-27%*	**3,295**
CAPRICORN CHEMICALS GROUP	**2,273**	*-14%*	**2,647**
VAYS HOLDING	**2,149**	*25%*	**1,716**
ENERGY	**1,973**	*6%*	**1,866**
CARRIBEAN	**1,964**	*-11%*	**2,218**
COBRA PRO	**1,603**	*34%*	**1,198**
CHERNOMORETS	**1,472**	*-20%*	**1,834**
VEK - HOTEL CONSUMABLES	**1,175**	*10%*	**1,065**
EMERI	**1,116**	*3%*	**1,086**
PRESTIGE 2007	**1,065**	*2%*	**1,041**
H.E.L.A. HIM	**806**	*8%*	**744**
Top 20 Total	**300,876**	***2%***	**293,594**

The highest profits before tax in absolute terms for 2019 is marked by Ficosota, Mexon and HMI Company.

Company - BGN'000	EBIT 2019 (`000 BGN)	Change 2019/2018	EBIT 2018 (`000 BGN)
FICOSOTA	**26,339**	*77%*	**14,921**
MEXON	**1,529**	*18%*	**1,301**
HMI COMPANY	**1,033**	*-3%*	**1,066**
INDUSTRIAL CHEMISTRY	**458**	*-8%*	**497**
BULECO-2000	**420**	*30%*	**323**
ENERGY	**280**	*41%*	**198**
AROMATIC	**262**	*11%*	**235**
CAPRICORN CHEMICALS GROUP	**253**	*164%*	**96**
PERILIS TRADING	**207**	*-44%*	**367**
COBRA PRO	**187**	*13%*	**166**
VICTORY-2000	**176**	*22%*	**144**
VAYS HOLDING	**174**	*6%*	**164**
H.E.L.A. HIM	**138**	*39%*	**99**
CHERNOMORETS	**130**	*-50%*	**258**
VEK - HOTEL CONSUMABLES	**111**	*283%*	**29**
PRESTIGE 2007	**99**	*120%*	**45**
EMERI	**74**	*10%*	**67**
CARRIBEAN	**71**	*4%*	**68**
PACHICO	**52**	*-17%*	**63**
DOVERIE – CARE	**- 2,981**	*-27%*	**- 2,340**
Top 20 Total	**29,012**	***63%***	**17,767**

IV. Analysis of financial and non-financial indicators for the result from the activity (Article 39, Subparagraph 2 of the Accounting Act), as well as a description of the condition of the company and clarification of the annual consolidated financial statement (Article 247, Paragraph 1 of the Commercial Act)

Analysis of the statement of profit and loss

(in thousand BGN)	**31 December 2020**	**31 December 2019**	change	%
Interest revenue from bank operations	88,617	7,069	81,548	92.02
Interest expenses from bank operations	(27,999)	(2,788)	(25,211)	90.04
Net interest income	*60,618*	4,281	56,337	92.94
Fee and commission revenue from bank operations	51,806	4,762	47,044	90.81
Expenses for fees and commissions from bank operations	(16,947)	(1,653)	(15,294)	90.25
Net fee and commission income	34,859	*3,109*	31,750	91.08
Other net operating revenue	2,882	(7)	2,889	100.24
Exchange rate differences from banking operations	20,635	1,312	19,323	93.64
Charged impairment/ reversal of impairment from banking operations	(8,862)	11,914	(20,776)	234.44
Total net income from banking operations	**110,132**	**20,609**	**89,523**	**81.29**
Income from insurance operations	17,089	17,867	(778)	(4.55)
Expenses for insurance operations	(12,007)	(13,927)	1,920	(15.99)
Net income from insurance operations	**5,082**	**3,940**	**1,142**	**22.47**
Revenue from other business sectors	129,249	131,222	(1,973)	(1.53)

Expenses from other business sectors	(84,714)	(86,338)	1,624	(1.92)
Net income from other business sectors	**44,535**	**44,884**	**(349)**	**(.78)**
Operating and administrative expenses	(96,773)	(48,764)	(48,009)	49.61
Other financial revenue/expenses, net	(5,289)	(2,279)	(3,010)	56.91
Depreciation and impairment	(26,859)	(11,340)	(15,519)	57.78
Other operating revenue/ (loss)	3,069	2,135	934	30.43
Operating profit	**33,897**	**9,185**	**24,712**	**72.90**
Profit from the acquisition and disposal of subsidiaries	(63)	175,935	(175,998)	
Profit before tax	**33,834**	**185,120**	**(151,286)**	**(447.14)**
Profit taxes	(3,860)	(5,258)	1,398	(36.22)
Profit from continuing businesses	**29,974**	**179,862**	**(149,888)**	**(500.06)**
Profit/loss from ceased operations	3	4	(1)	(33.33)
Net profit for the period of reference	**29,977**	**179,866**	**(149,889)**	**(500.01)**
Profit/loss from associates		(52)	52	
Net profit for the period of reference	**29,977**	**179,814**	**(149,837)**	**(499.84)**

When reading the date, one should bear in mind that the control over Moldindcombank S.A. is taken on 2 December 2019 and for this reason the 'Statement of Profit and Loss' for 2019 presents profit and loss for December 2019 only, as well as the due consideration has been given to the business combination effect upon the acquisition and for this reason the data for the financial result are incomparable.

Analysis of the statement of financial position

(in thousand BGN)	**31 December 2020**	**31 December 2019**	change	
ASSETS				%
Property, plant and equipment	101,199	108,034	(6,835)	(6.75)
Assets with right of use	34,861	27,121	7,740	22.20
Investment properties	13,755	13,910	(155)	(1.13)
Goodwill	5,752	6,293	(541)	(9.41)
Other intangible assets	9,841	15,535	(5,694)	(57.86)
Financial assets at fair value through profit or loss	8,828	13,298	(4,470)	(50.63)
Financial assets at amortised cost	457,041	292,040	165,001	36.10
Financial assets at fair value through other comprehensive income	2,294	2,234	60	2.62
Loans to bank customers	738,626	894,198	(155,572)	(21.06)
Other bank assets	14,538	13,521	1,017	7.00
Assets for sale	18,420	25,496	(7,076)	(38.41)
Deferred tax assets	2,782	3,514	(732)	(26.31)
Investments, recognized according to the equity method in associates		693	(693)	
Commercial receivables	6,786	8,944	(2,158)	(31.80)
Inventories	33,531	35,757	(2,226)	(6.64)
Receivables under insurance contracts	4,412	5,487	(1,075)	(24.37)
Cash and cash equivalents	742,486	638,295	104,191	14.03
Total assets	**2,195,152**	**2,104,370**	**90,782**	**4.14**
EQUITY AND LIABILITIES				
Capital attributable to equity holders of the parent				
Share capital	18,736	18,736		
Reserves	12,243	36,802	(24,559)	(200.60)
Accumulated profit/(loss)	218,933	197,680	21,253	9.71
	249,912	**253,218**	**(3,306)**	**(1.32)**
Non-controlling participations	96,363	94,220	2,143	2.22
Total equity	**346,275**	**347,438**	**(1,163)**	**(.34)**

Insurance reserves	7,168	7,327	(159)	(2.22)
Bank customer deposits	1,524,229	1,430,536	93,693	6.15
Funds borrowed by the bank from other financial institutions	23,722	31,310	(7,588)	(31.99)
Liabilities to related parties	77,695	109,655	(31,960)	(41.14)
Liabilities of trade companies to financial institutions	58,402	23,554	34,848	59.67
Liabilities under share purchase agreements	2,151	4,304	(2,153)	(100.09)
Leasing	34,491	27,350	7,141	20.70
Provisions for employee benefits	7,122	3,963	3,159	44.36
Deferred tax	5,698	7,608	(1,910)	(33.52)
Trade and other liabilities	44,106	44,176	(70)	(.16)
Payables under direct insurance operations	576	557	19	3.30
Correspondent accounts (LORO)	367	337	30	8.17
Other specific liabilities to banks	63,150	66,255	(3,105)	(4.92)
Financing				
Total liabilities	**1,841,709**	**1,749,605**	**92,104**	**5.00**
Total capital and liabilities	**2,195,152**	**2,104,370**	**90,782**	**4.14**

Loans to bank customers

	31 December 2020	***31 December 2019***
	BGN'000	***BGN'000***
Loans	760,862	776,491
Other financial assets	6,023	150,684
Loans, total	**766,885**	**927,175**
Minus: Discount for loss of value of loans	(28,247)	(26,622)
Minus: Discount for loss of value of other financial assets	(12)	(6,355)
	738,626	**894,198**

28.1. The analysis of the loan portfolio by industry is presented below:

	31.12.2020	***31.12.2019***
	BGN '000	***BGN '000***
Agriculture	32,946	27,822

Extractive industry	32	16
Manufacturing industry	76,908	89,892
Electricity generation, heating, gas, water	916	602
Water distribution, sewerage	109	2,270
Construction	20,691	24,497
Trade, maintenance and repair of motor vehicles	6,547	7,707
Wholesale of grain, seeds and animal feeds	10,799	12,592
Food trade	66,071	68,503
Trade in pharmaceutical products	22,576	24,004
Trade in construction materials	22,773	24,135
Trade in fuel	7,623	19,201
Trade in other goods	42,191	37,170
Transportation	13,804	16,387
Hotel and restaurant management	2,530	2,645
Information and telecommunication	9,623	15,570
Financial activity, insurance	51,410	55,728
Dealing in real estate	172,453	148,395
Professional, scientific and technical service activities	708	90
Administrative services ad spot	646	921
Public administration	1,082	794
Education	1,365	483
Separate loans	190,151	179,636
Health and social care	6,291	7,376
Leisure activities	560	864
Other services	55	9,191
	760,862	**776,491**

Financial assets at amortised cost

	31.12.2020	***31.12.2019***
	BGN '000	***BGN '000***
Financial assets at amortised cost (government securities)	469,390	297,323

Minus: Impairment allowance	(12,349)	(5,283)
	457,041	**292,040**

Investments in government securities at 31 December 2020 represent:

- Treasury bills to the amount of BGN 462,140 thousand equivalence with maturity from 91 to 1825 days and government bonds from 1–5 years, issued by the Ministry of Finance of Republic of Moldova with an interest rate between 3.40% and 5.49 % per annum.
- Government bonds to the amount of BGN 7,250 thousand equivalence with maturity from 1,546 to 6,745 days, issued by the Ministry of Finance of Republic of Moldova with an interest rate between 0.80% and 2.30% per annum.

At 31 December 2020 there aren`t any pledged government securities.

Financial assets at fair value through profit or loss

Unquoted equity investment

Unquoted equity investments represent shares (minority interests) in the capital of the following companies:

	31 December 2020 *% participation*		***31 December 2019***	
	BGN '000		***BGN '000***	*% participation*
Mr. Bricolage	9		9	
Engineering and Development Company AD	2,702	8,30	2,702	8,30
Melko International AD	1	0,03	1	0,03
Bilyana Trading AD	8	15,00	8	15,00
Hebros – P AD	0	-	1	19,50
Hydroizomat AD	1		1	
	2,721		**2,722**	

Quoted equity investment

	31 December 2020	*% of*	***31 December 2019***	*% of*
	BGN'000	*interest*	***BGN'000***	*interest*

Exclusive Property REIT	43	0.42	52	0.42
Sopharma AD	0	0	476	0.10
Sopharma Trading AD	5,652	4.76	8,851	4.79
Doverie – United Holding AD	0	0	7	0.01
Sopharma Property REIT	0	0	6	0
Government securities	389		1,161	
Compensatory bond	23		23	
	6,107		**10,576**	

Property, plant and equipment

	Land	Land	Buildings	Buildings	Plants and equipment	Plants and equipment	Transport vehicles	Transport vehicles	Inventories	Inventories	In progress	In progress	Others, including biological assets	Others, including biological assets	Total	Total
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	BGN '000	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*	*BGN '000*
Book value																
Balance as at 1 January	**30,636**	**31,835**	**56,959**	**59,505**	**45,610**	**46,962**	**4,212**	**4,260**	**11,569**	**11,643**	**2,383**	**1,550**	**3,468**	**4,397**	**154,837**	**160,152**
Difference resulting from revaluation	-	(13)	(708)	(51)	(616)	-	(65)	-	(34)	-	(107)	-	-	-	(1,530)	(64)
Reclassification to IFRS 16 on 01 January	-	-	-	-	(104)	-	(1,339)	-	(107)	-	-	-	-	-	(1,550)	-
Balance at 01 January (recalculated)	30,636	31,822	56,251	59,454	44,890	46,962	2,808	4,260	11,428	11,643	2,276	1,550	3,468	4,397	151,757	160,088
Acquired	-	-	1,401	491	3,342	2,223	510	554	686	420	3,175	3,349	159	269	9,273	7,306
Fair value of assets acquired in a newly acquired subsidiary	-	-	-	-	5	-	-	-	-	-	-	-	-	-	5	-
Effect from revaluation to fair value	-	(140)	-	(1,282)	24	63	(180)	141	-	(3)	-	-	-	(1,038)	(156)	(2,259)
Transfer between accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Written-off	(342)	(1,049)	(782)	(1,718)	(1,681)	(1,473)	(115)	(763)	(1,194)	(524)	(3,409)	(1,498)	(23)	(184)	(7,546)	(7,209)
Written-off book value of assets on sale of subsidiaries	-	-	-	-	-	(2,712)	-	(79)	-	(38)	-	(3)	-	-	-	(2,832)
Transfer to property, plant and equipment	-	3	167	14	52	547	-	99	884	71	(1,129)	(1,015)	-	24	(26)	(257)
Balance as at 31 December 2020	**30,294**	**30,636**	**57,037**	**56,959**	**46,632**	**45,610**	**3,023**	**4,212**	**11,804**	**11,569**	**913**	**2,383**	**3,604**	**3,468**	**153,307**	**154,837**
Accumulated depreciation																
Balance as at 1 January	**-**	**-**	**13,581**	**13,368**	**21,839**	**22,506**	**1,133**	**1,473**	**9,295**	**9,387**	**-**	**-**	**955**	**1,040**	**46,803**	**47,774**
Reclassification to IFRS 16 on 01 January	-	-	-	-	(25)	-	(480)	-	(18)	-	-	-	-	-	(523)	-
Balance at 01 January (recalculated)	-		13,581		21,814		653		9,277		-		955		46,280	47,774
Accrued depreciation for the year	-	-	1,628	1,382	5,088	2,854	660	432	1,123	459	-	-	246	253	8,745	5,380
Effect from revaluation to fair value	-	-	-	(476)	-	(175)	-	(2)	-	-	-	-	-	-	-	(653)
Written-off depreciation	-	-	(175)	(693)	(1,560)	(994)	(41)	(707)	(1,120)	(527)	-	-	(21)	(184)	(2,917)	(3,105)
Revaluation	-	-	-	-	-	(8)	-	-	-	-	-	-	-	(154)	-	(162)
Written-off depreciation of assets on sale of subsidiaries	-	-	-	-	-	(2,344)	-	(63)	-	(24)	-	-	-	-		(2,431)
Balance as at 31 December 2020	**-**	**-**	**15,034**	**13,581**	**25,342**	**21,839**	**1,272**	**1,133**	**9,280**	**9,295**	**-**	**-**	**1,180**	**955**	**52,108**	**46,803**

Carrying amount as at 1 January	**30,636**	**31,835**	**42,670**	**46,137**	**23,076**	**24,456**	**2,155**	**2,787**	**2,151**	**2,256**	**2,276**	**1,550**	**2,513**	**3,357**	**105,477**	**112,378**
Balance as at 31 December 2020	**30,294**	**30,636**	**42,003**	**43,378**	**21,290**	**23,771**	**1,751**	**3,079**	**2,524**	**2,274**	**913**	**2,383**	**2,424**	**2,513**	**101,199**	**108,034**
	30,294	30,636	42,003	43,378	21,290	23,771	1,751	3,079	2,524	2,274	913	2,383	2,424	2,513	101,199	108,034

Investment properties

	31.12.2020	*31.12.2019*
	BGN '000	*BGN '000*
Investment properties	**13,755**	**13,910**

- Studios in a residential building, Plovdiv – BGN 62 thousand (31 December 2019 – BGN 71 thousand and BGN 60 thousand). (31 December 2019 – BGN 70 thousand), stores Plovdiv – BGN 61 thousand (31 December 2019 – BGN 61 thousand) and BGN 41 thousand (31 December 2019 – BGN 41 thousand)
- Properties in a residential building, Plovdiv totalling BGN 279 thousand / garages with a total floor area of 293.43 sq.m - and outlets with a total area of 174.44 sq.m
- Building 5 sq.m., building 619 sq.m, separate facility in a building 303 sq.m and a plot of land 1,438 sq.m, all on the territory of Vratsa with carrying amount BGN 206 thousand
- As at 31 December 2020, the company holds 3 dca of farming lands evaluated at fair value, in the amount of BGN 3 thousand. The real estate is situated in the lands of the municipality of Bratya Daskalovi, Stara Zagora region, locality of Dolen Pyasak.
- Surveyed plot of land in Dobrich, amounting to BGN 440 thousand, owned by Doverie Capital AD (for 31 December 2019: BGN 460 thousand).
- Land and buildings in Ruse, 10, Captain Evstati Vinarov Str., amounting to BGN 2,055 thousand (incl. land for BGN 374 thousand) The total area of the land is 1864 sq.m, built-up area of the building is 3,470 sq.m. The latter is rented out for offices and a restaurant,
- Part of a ground floor of an administrative building in Ruse – cafe and store, amounting to BGN 45 thousand and BGN 34 thousand respectively
- Multifunctional sport facility, located in the underground floor of the building on 10, Captain Evstati Vinarov Str., amounting to BGN 121 thousand
- Two offices in the construction laboratory building, amounting to BGN 24 thousand and BGN 6 thousand in Ruse
- Land/zoned property (ZP) with a total area of 59,267 sq.m, amounting to BGN 6,197 thousand, located in Plovdiv, 144, Vasil Levski Str.

- Buildings with total area of 6,431 sq.m., amounting to BGN 678 thousand, located in Plovdiv, 144, Vasil Levski Str.

- On 14 February 2013 a Framework Agreement was signed between Bilyana Triko AD on the one side, Norman Hunter, Bilyana Knitwear EOOD, represented by Hristina Stamova and Bilyana Trading AD, represented by Hristina Stamova on the other hand as follows:

Bilyana Knitwear EOOD rents a plot of land with identifier 56126.600.282 together with the buildings with identifiers 56126.600.282.1 and 56126.600.282.2; in the reporting period the plot of land and the buildings are classified as investment property to the amount of BGN 3 443 thousand.

1. Important events that occurred after the date, as at which the consolidated financial statement is drawn up

Doverie Capital AD

On 12 January 2021 a preliminary contract is entered into for the purchase-and-sale of the entire package of shares held preliminary contract.

On 14 January 2021 the buyer transferred the down-payment provided for in Article 7 (2), letter A in the amount of BGN 76 thousand.

MC Doverie AD

- On 2 February 2021 the deregistration as a trader of SPECIALIZED MEDICAL AID AMBULATORY - MEDICAL CENTRE SOFIA 2000 EOOD, uniform identification code 130077092 is registered in the Commercial Register and Register of Non-Profit Legal Entities due to its conversion by merger into MEDICAL CENTRE – DOVERIE AD, uniform identification code 131447502.
- The National Health Insurance Fund, the Bulgarian Medical Association and the Bulgarian Dental Association (BDA) signed contracts amending and supplementing the National Framework Contract – for medical and dental activity, respectively, thus ensuring financing for the activities performed in the conditions of a COVID-19 pandemic. A Methodology for determination of the amounts paid by the NHIF to providers of medical aid, dental aid and medical-and-diagnostics activities for work under adverse conditions in relation to the declared epidemiological situation was also adopted. Payment under this procedure is made for the months, in which epidemiological measures are introduced on the territory of the country by an order of the Minister of Health. The amounts to be paid to the providers of medical aid is to be determined by the NHIF on a monthly basis for every provider of medical and/or dental aid and MDA, who has entered into a contract with the NHIF in accordance with the procedure of the National Framework Contract (NFC) for the medical activities 2020 – 2022. The monthly amounts for providers of

out-of-hospital medical aid will be calculated on the basis of 85% of the value of the reported activity for the first quarter of 2020. If the reported activity exceeds 85% of the value of the reported activity for the first quarter of 2020, the higher amount will be paid. The amount paid for work under adverse conditions in relation to the epidemiological situation of activity in DECEMBER 2020 to Medical Centre – Doverie AD amounts to **BGN 24,153.30**, invoiced on 28 January 2021 and paid on 02 February 2021.

Multiprofile Hospital for Active Treatment Doverie AD

The National Health Insurance Fund, the Bulgarian Medical Association and the Bulgarian Dental Association (BDA) signed contracts amending and supplementing the National Framework Contract – for medical and dental activity, respectively, thus ensuring financing for the activities performed in the conditions of a COVID-19 pandemic. A Methodology for determination of the amounts paid by the NHIF to providers of medical aid, dental aid and medical-and-diagnostics activities for work under adverse conditions in relation to the declared epidemiological situation was also adopted. Payment under this procedure is made for the months, in which epidemiological measures are introduced on the territory of the country by an order of the Minister of Health. The amounts paid to the providers of medical aid is determined by the NHIF on a monthly basis for each provider of medical and/or dental aid and MDA, who has entered into a contract with the NHIF in accordance with the procedure of the National Framework Contract (NFC) for the medical activities 2020–2022. Each provider of hospital medical aid will receive an amount on the basis of 85% of the average monthly amount of the reported and scheduled activity in 2020. For hospital medical aid (HMA), the average monthly value for the activity for 2020 is formed by the average value of the paid funds in January, February and March 2020 for work under Clinical Paths (CP), Clinical Procedures (CPr) and Ambulatory Procedures (APr) and the valued determined for an activity of CP, CPr and APr in accordance with the rules of Article 4, Paragraph 4 of the Budget of the National Health Insurance Fund Act for 2020 for the months April – December 2020. The amount paid for the work under adverse conditions in relation to the announce epidemiological situation for activity December 2020 of Multiprofile Hospital for Active Treatment – Doverie AD amounts to BGN 37,108,00, invoiced on 27 January 2021 and paid on 29 January 2021.

Moldindconbank S.A.

On 29 March 2021, the subsidiary of Doverie – United Holding AD – Doverie – Invest EAD acquired 4,851 shares or 0.0976% of the capital of BC ‘Moldindconbank’ S.A. After the entry into of the specified transaction, the total interest of the company in the capital of the bank is 77.7276%.

2. Probable future development (Article 39, Subparagraph 4 of the Accounting Act/ and planned economic policy in the next year /Article 247, Paragraph 3 of the Commercial Act)

The present forecast is based on the consolidated statements of the holding as at 31 December 2020. In this forecast our approach is based on the principle of maximum caution and it is a conservative variant of development. We have made our forecast in line with the current drop-downs of certain businesses in the holding as a result from the global health pandemic (COVID-19) from 2020.

In case of successful resolution of the health crisis as early as in 2021, it is possible to make considerably higher growths of incomes and revenue.

The main focus in the activity of the management in the next years will be the gradual optimisation of the activity, as we get rid of strategic unpromising and losing business and invest and develop with priority in profitable ones. What will be sought in business that will be developed in the long run will be optimisation also of the operating costs (mostly administrative) and improvement of profitability.

As evident from the submitted accounts on a consolidated basis the holding will generate a sufficiently high profit and positive net cash flow and will be able to serve free of trouble its bank credits and other short-term and long-term obligations.

The forecast shows that in the years, the positive net cash flow (net profit + depreciation) will increase from 51 million in the end of 2021 to minimum 58 million as at the end of 2027.

The following table presents the projections for profit and loss for the period 2021-2027.

BGN thousand	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Interest revenue	88,617	91,276	94,014	96,834	99,739	102,731	105,813	108,988
Interest expenses	(27,999)	(28,783)	(29,589)	(30,417)	(31,269)	(32,145)	(33,045)	(33,970)
Net interest income	60,618	62,493	64,425	66,417	68,470	70,587	72,769	75,018
Fee and commission revenue	51,806	56,987	62,685	68,954	75,849	83,434	91,777	100,955
Fee and commission expenses	(16,947)	(20,336)	(24,404)	(29,284)	(35,141)	(42,170)	(50,603)	(60,724)
Net fee and commission income	34,859	36,650	38,282	39,669	40,708	41,265	41,174	40,231
Other net operating revenue	2,882	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Exchange rate differences from banking	20,636	10,000	8,000	7,000	7,000	7,000	7,000	7,000
Charged impairment reversal of impairment	(8,862)	(6,000)	(5,000)	(4,000)	(3,000)	(3,000)	(2,000)	(2,000)
Other net operating revenue								
Total net income from banking operations	110,133	105,643	108,206	111,586	115,678	118,351	121,443	122,749
Income from insurance operations	17,081	17,252	17,424	17,599	17,775	17,952	18,132	18,313
Expenses under insurance operations	(11,397)	(11,625)	(11,857)	(12,095)	(12,336)	(12,583)	(12,835)	(13,092)
Net income from insurance operations	5,684	5,627	5,567	5,504	5,438	5,369	5,297	5,222
Revenue from other business sectors	129,172	130,464	131,768	133,086	134,417	135,761	137,119	139,861
Expenses from other business sectors	(84,883)	(85,732)	(86,589)	(87,455)	(88,330)	(89,213)	(90,105)	(91,457)
Net income from other business sectors	44,289	44,732	45,179	45,631	46,087	46,548	47,014	48,404
Operating and administrative expenses	(97,003)	(98,943)	(100,922)	(102,940)	(104,999)	(107,099)	(109,241)	(111,426)
Other financial revenue/expenses, net	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)	(5,226)
Depreciation	(26,609)	(22,000)	(21,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Other income/loss	3,446	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Operating profit	34,714	32,532	34,505	37,255	39,678	40,643	41,986	42,423
Profit from the acquisition and disposal of	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)
Profit/loss from ceased operations								
Profit / loss before tax	34,652	32,470	34,443	37,193	39,616	40,581	41,924	42,361
Profit taxes	(3,619)	(3,247)	(3,444)	(3,719)	(3,962)	(4,058)	(4,192)	(4,236)
Net profit/loss for the year	31,033	29,223	30,998	33,474	35,655	36,523	37,732	38,125
Profit/loss from associates	3	3	3	3	3	3	3	3
Net profit/(loss) for the year	31,036	29,226	31,001	33,477	35,658	36,526	37,735	38,128

In estimating the individual elements under profit and loss on a consolidated basis we have made the following assumptions:

- In the prediction for net income from banking operations we have taken into account the financial results of B.C. Moldindconbank S.A. as at the end of the year.

  Notwithstanding the health crisis, the total revenues of the bank increase by 3% compared to 2020 and reach BGN 108,994 thousand. The bank's net interest margin (NIM) as at the end of the year is 3.61%, which is around the average market value.

  In the present prediction we rely on an average annual growth in interest incomes amounting to 3% and increase of the interest costs by 2.8%. This increase will be related to the smooth increase of the credit portfolio of the bank under the conditions of a minimum growth of the interest margin.

  In revenues from fees and commissions we predict an average annual growth of 10%. As regards fee and commission costs we predict a 20% increase on an annual basis. This will cause a gradual decrease of fee and commission margin.

  In other net operating revenues from banking activity we predict preservation of their level over the years in the amount of around BGN 2.5 million.

  We predict a considerable decrease of the revenues from currency exchange rate differences related to the expected policy of the central bank of the Republic of Moldova for stabilisation of the exchange rate of the local currency and its smoother impairment in the years to come.

  As regards impairment costs related to bad credits in the credit portfolio, we predict a gradual decrease from levels of BGN 8 million to about BGN 2 million in the end of the period. Notwithstanding the pandemic, the quality of the credit portfolio of the bank is very good as non-serviced debts are less than 10% of the portfolio. We predict that in the next years this percentage will smoothly decrease. The trend of decrease of the percentage of credits overdue in the total credit portfolio is also preserved.

  We estimate that the net income from banking operations will grow from around BGN 110 million as at the end of 2020 to around BGN 122 million at the end of the forecast period. This will also cause a gradual incre4ase of the net profit of the bank. Over the years, we also forecast sustainable preservation of the market share of the bank in the banking system of the Republic of Moldova in excess of 20%. (as at the end of 2020 the asset-based market share is 20.47%, the total amount of bank assets - BGN 2,025,022 thousand).

- With respect to net income from insurance operations we have presented estimates of health funds United Health Insurance Fund Doverie AD and IC Medico AD. The forecast is for a minimum average annual revenue growth by 1 % at anticipated increase of annual average costs by 2 %, and minimum reduction in operating margin from health insurance services /it is noticed

as a trend in the last two years/. The net insurance income in absolute terms is decreasing gradually from BGN 6.9 million to around BGN 6.5 million. Upon implementation in the coming years of a de-monopolization of NHIF in the country these numbers may be very different. In the forecast, given the convention of conservatism, we rely on the situation from 2020 i.e. without real reform in the sector.

- In the part comprising net income from the other business of DUH AD (other than the banking and insurance one) — the main shares — most than 80% belongs to Doverie-Brico AD – a Do-It-Yourself type store Mr. Bricolage The forecast is for a minimum average annual revenue growth by 1% at increase of annual average costs by 1%, and maintaining the level of the operating margin. We have estimated, based on the precautionary principle, as to how long the policy of the Holding as regards the disposal of unprofitable businesses in the coming years will continue. This disposal will lead to increase in the net income from other businesses. In the forecast period, the net income from other business will increase from BGN 44 to about BGN 48 million
- In the forecast of the operating and administrative expenses we proceed on the conservative assumption of an average annual increase by 2%. These expenses increase from BGN 97 million to about BGN 111 million at the end of the period. This is the main reserve to reduce costs and improve overall profitability of the Holding.
- Forecasting the other elements of the permanents costs, namely depreciation, other financial revenues and costs and other incomes and related losses.

  The main element here is depreciation, which we forecast to smoothly decrease from a level of BGN 23 million as at the end of 2020 to around BGN 20 million at the end of the forecast period. In the future, if non-operating assets and businesses in the structure of the holding (other than banking, insurance, medical and the Bricolage chain) are disposed of, such depreciations may as well be lower, which will bring about an improvement of the net consolidated result of the holding.

The financial expenses include mainly interests paid to banks under service of loans. These costs are in total in the annual average range of about BGN 6 million. We conservatively assume that they will remain at this level in case of an unchanged volume of the used bank credits, although our strive will be to gradually decrease the credit indebtedness of the structure by disposal of ineffective business and assets.

The item other revenues/losses from activity is forecast to be at the level of the base year 2020 - around BGN 2.7 million on an average annual basis.

- The items profits/losses from acquisition and disposal of subsidiaries and profit/loss from discontinued activities are conservatively predicted on the basis of their levels in 2020. If a more active policy for disposal of non-operating assets and business is started, a profit of a considerable amount will be certainly reported here, unlike the minimum loss as at the end of 2020.

As a result of the estimated revenues and expenses we expect the consolidated profit of the Holding, which gradually increases from BGN 25 million to reach BGN 35 million at the end of the period.

The forecast shows that in the years, the positive net cash flow (net profit + depreciation) will increase from 51 million in the end of 2021 to minimum 58 million as at the end of 2027.

3. Research and development activity (Article 39, Subparagraph 5 of the Accounting Act)

Doverie – United Holding AD does not perform a research and development activity. Two of the companies, part of the economic group of Doverie–United Holding AD, United Health Insurance Fund Doverie AD and IC Medico 21 AD hold licences for insurance operations. One company – Doverie Brico AD operates on the basis of a commercial agreement with Mr. Bricolage SA (France). Details of existing licenses and commercial franchise agreement are presented in the following paragraphs:

1. **United Health Insurance Fund Doverie AD** The company obtained a license by Decision No 581-03/22.07.2013 of the Financial Supervision Commission for carrying out insurance operations as follows:

- Insurance under item. 1 of Section 2, letter 'A' 'Types of insurances. Risks.' of Appendix No 1 to the Insurance Code – Accident insurance /including industrial accidents and occupational diseases/ covering the following risks:
  - fixed monetary amounts;
  - compensations;
  - combination of the two options above.
- Insurance under item. 2 of Section 2, letter 'A' 'Types of insurances. Risks.' of Appendix No 1 to the Insurance Code – Sickness, covering the following risks:
  - fixed monetary amounts;
  - compensations;
  - combination of the two options above.

In accordance with Article 8(1) of the Insurance Code, persons that can operate as insurers under this Code are the persons who received a license for insurance activity.

The company carries its activity since 01 August 2013 by offering medical insurances as follows:

1. Accident
2. Sickness

2. **IC Medico 21 AD** has received a license by Decision No 563-O3 of 17.07.2013 of the Financial Supervision Commission (FSC) of the Republic of Bulgaria for insurance activities under:

- Insurance under item 1 of Section II, letter 'A' 'Types of insurances, risks' of Annex No 1 to the Insurance Code – **'Accident** insurance (including industrial accidents and occupational diseases)' covering the following risks:
  - - fixed monetary amounts;
  - - compensations;
  - - combination of the two options above.
- Insurance under item 2 of Section II, letter 'A' 'Types of insurances, risks' of Annex No 1 to the Insurance Code – '**Sickness'** insurance covering the following risks:
  - - fixed monetary amounts;
  - - compensations;
  - - combination of the two options above.
- "Property" insurance

By Decision No 143-O3 of 12 February 2014 the Financial Supervision Commission granted an additional license for a new type of insurance under Section II, Letter A, item 8 and item 9 of Annex No 1 of the Insurance Code. The following risks are covered:

Clause 'A' - Fire – primary coverage

Damages are covered, resulting from fire and the consequences of its extinguishing; lightning (thunder lightning); explosion and implosion; falls and collisions of aircraft and parts thereof, or of an object fallen from them.

Clause 'B' - Natural disasters:

'B01' – Storm, hurricane, tornado, damage from falling branches, trees and other, hail and the consequences, torrential rain, flooding due to natural disaster;

'B02' - Effect of groundwater and/or sea waves, damage by the weight of naturally accumulated snow or ice, frost (freezing) of tangible assets, sliding and collapsing of the ground surface.

Clause 'C' – Failures

'C01' – WSSC failure. Damages are covered due to a burst of water pipes, sewage, gas and steam pipes, heating and air conditioning and/or pipes; sudden leakage of water from sprinklers;

'C02' – Damage to property as a result of self-propelled machinery and/or as a result of loading and unloading with material handling vehicles; property damage during transportation from one address to another with their own or hired transport;

'C03' – Short circuit;

'C04' – Car accident or animal accident;

Clause 'H' –Earthquake;

Clause 'Q' – Costs;

Appropriate costs are covered, incurred in taking immediate measures to limit and mitigate the consequences of an insured event and to rescue the damaged property, including the costs for debris transportation and clearing of the destroyed insured property.

The insurer will indemnify the Insured separately for limiting the damage, when the Insured acted with due care even if the efforts were unsuccessful.

Clause 'R' – Malicious acts of third parties

'R01' – Fire from malicious acts of third parties;

'R02' – Vandalism and vandalism during attempted burglary;

'R03' – Breaking windows, shop windows, neon and advertising signs;

Clause 'K' – 'Burglary and robbery'

'K01' – Burglary;

'K02' – Robbery;

3. The main activity of the Company is the construction and management of Do-It-Yourself type chain of stores. The activity of the Company is based on a Partnership Agreement with Mr. Bricolage SA (France) entered into in 1999 for a period of ten years and renewed in 2009 for a new period of ten years. According to the agreement Doverie – Brico AD has the exclusive right to use the trademark of **Mr. Bricolage** in the territory of Bulgaria and Macedonia as well as to use the support of Mr. Bricolage SA during the construction of shops of the type 'Do It Yourself' in these countries. After the sale of 100% of the capital in the subsidiary Brico Macedonia dooel in May 2017, the rights for the territory of the Republic of Macedonia are terminated. On 31 July 2018 a new Partnership Agreement is entered into with Mr. Bricolage SA, GrancFrance with a period of validity of 10 years. Pursuant to this agreement Doverie – Brico AD has the right to use the brand and sing Mr. Bricolage on the territory of Bulgaria for the sale of "do-it-yourself" goods, as well as to use the technical assistance and know-how provided by Mr. Bricolage SA, France.

Apart from the described above Doverie–United Holding AD and its subsidiaries are not dependent on any other patents, licenses, industrial, commercial or financial contracts and new production processes.

4. Information for the acquisition of own shares required under Article 187e of the Commercial Act (Article 39, Subparagraph 6 of the Accounting Act)

Doverie – United Holding AD has not redeemed own shares.

5. Presence of branches of the enterprise (Article 39, Subparagraph 7 of the Accounting Act)

Doverie – United Holding AD does not have registered branches.

V. Information under Note 10 to Article 32, Paragraph 1, Subparagraph 2 of Ordinance 2 to the Public Offering of Securities Act

1. The information given in terms of value and quantity about the main categories of goods, products and/or provided services, with an indication of their share in the revenues from sales in general and the changes that occurred in the accounting financial period

The information is disclosed in section IV.

2. Information about the revenues distributed under the individual categories of activities, domestic and foreign markets, as well as information for the sources of supply with materials required for the production of goods or the provision of services with reflection of the extent of dependence with respect to each individual seller or buyer/user, as in case that the relative share of any of them exceeds 10 per cent of the costs or revenues from sales, information is presented for every person separately, for such person's share in the sales or purchases and such person's relations to the issuer

Information about the incomes distributed under the separate categories is specified in section III item 1 hereof.

For the current period there is no client whose relative share is 10 per cent of the sales revenues.
The group is not dependent with respect to specific clients and suppliers, the business processes are not related to expending of materials and raw materials.

3. Information for concluded significant transactions.

The group considered that significant transactions are those that result or could reasonably be expected to result in a change, amounting to 3 % or more of the financial result before taxes and/or assets and liabilities. In the accounting period transactions going beyond the threshold have not been made.

4. Information for shareholdings of the issuer, for its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estates), as well as the investments

in stocks outside its group of enterprises within the meaning of the Accounting Act and the sources/manners of financing.

The information for shareholdings and main investments in the country and abroad of Doverie – United Holding AD is indicated in section III. Review of the company's activity in the notes to the annual consolidated financial statements as well '26. *CAPITAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS"*

Information about the securities owned is indicated in the notes '*27. FINANCIAL ASSETS AT AMORTISED COST' and '28. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME*'

Information about investments in intangible assets and real estates is indicated in the notes to the Annual consolidated financial statements *No 21 Property, plant and equipment, No 25 Intangible assets and No 23 Investment properties.*

5. Information about the loan contracts entered into by the issuer, by its subsidiary or parent-company, in their capacity of borrowers, with an indication of the conditions under them, including of the final deadlines for payment, as well as information for submitted guarantees and assumption of obligations.

Detailed description of the terms and conditions of the existing bank loan contracts is presented in the Annual consolidated financial statements – note '*43. 'LIABILITIES OF TRADE COMPANIES TO FINANCIAL INSTITUTIONS'*

6. Information about the loan contracts entered into by the issuer, by its subsidiary or parent-company, in their capacity of lenders, including provision of any type of guarantees, including to related parties, with an indication of the specific conditions under them, including of the final deadlines for payment, and the objective they were granted for.

Credits provided by Doverie United Holding AD as at 31 December 2020

- **Long-term**

Company	*Purpose of granted loan*	*Agreed amount of loan BGN'000*	*Repayment deadline*	*Interest %*	*Total loan receivables BGN'000*	*incl. non-current part BGN'000*	*Current part, including interest and fees BGN'000*
Doverie	Refinancing	22 900	*31 January 2027*	*2.80%*	*21314*	*21215*	*99*

Invest EAD			*2.40% after the first year*			
				21314	*21215*	*99*

- **Short-term**

Company	*Agreed amount of*	*Repayment deadline*	*Interest %*	*Total loan receivables*	*including principal*	*Interest BGN'000*
Bulgarian wine OOD	332	01 January 2021	5.50%	384	256	128
Bulgarian wine OOD	150	01 January 2021	5.50%	36	36	
Bulgarian wine OOD	216	01 January 2021	5.50%	246	175	71
Insurance Company Medico	84	01 January 2021	5.50%	84	84	
Doverie Care EAD	908	01 January 2021	5.50%	929	845	84
Doverie Care EAD	665	01 January 2021	5.50%	657	582	75
Doverie Care EAD	3,000	08 June 2021	3.00%	2,840	2,793	47
Doverie Capital AD	6,757	08 June 2021	3.00%	6,757	6,757	
				11,933	***11,528***	***405***

Credits granted by Industrial Holding Doverie AD as at 31 December 2020

Company	**Agreed amount of loan BGN'000**	**Repayment deadline**	**Interest %**	**Total loan receivables BGN'000**	**including principal BGN'000**	**Interest BGN'000**
Bulgarian wine OOD	159	31 December 2021	5.50%	176	159	17
Bulgarian wine OOD	150	31 December 2021	5.50%	209	145	64

Darik HOLDING AD	1000	19 October 2021	5.00%	602	600	2
				987	**904**	**83**

Credits and deposits granted by Doverie Capital AD as at 31 December 2020

1. Under **credits** granted by Doverie-Capital AD.

Company	Purpose of granted loan	Contractual amount of the loan BGN'000	Final deadline for repayment	Interest %	Total loan receivables as at 31 December 2020 BGN'000	including: Principal BGN'000	Interests BGN'000
Dunav AD	Working capital	1,658	31 December 2021	5.5%	1,658	1,658	0
Dunav AD	Working capital	337	31 December 2021	5.5%	337	337	0
Dunav AD	Working capital	50	31 December 2021	5.5%	50	50	0
Dunav AD	Working capital	75	31 December 2021	5.5%	75	75	0
Doverie-Invest EAD	Short-term loan	2,728	08 June 2021	3%	2,774	2,728	46
Doverie-Invest EAD	Long-term credit	2,300	29 May 2025	5.5%	2,502	2,300	202
Doverie-Invest EAD	Long-term credit	11,350	31 December 2025	5.5%	12,486	11,350	1,136
					19,882	**18,498**	**1,384**

**At 31/12/2020 interests, mounting to BGN 553 thousand due from Dunav are impaired.

2. Under **credits** granted by Bilyana Triko AD to third parties

Company	Purpose of granted loan	Contractual amount of the loan BGN'000	Final deadline for repayment	Interest %	Total loan receivables as at 31 December 2020 BGN'000	including: Principal BGN'000	Interests BGN'000
ET Paskal Moskov	Working capital	450	30 June 2021	4.0 %	459	450	9
					459	**450**	**9**

Credits granted by Moldindconbank S.A. as at 31 December 2020

The loans granted in accordance with the licensed banking activity are BGN 732,615 thousand.

Provided collaterals on leases

Promissory note in favour of Sopharma Property REIT — BGN 74 thousand

Provided collaterals on loans

Telecomplect AD — promissory note amounting to BGN 8.300 thousand.

Suretyship and pledges:

- under loan agreement of MHAT Doverie AD amounting to BGN 1.386 thousand, maturity — 15 April 2022 and BGN 500 thousand, maturity 10 August 2021.
- under loan agreement of MC Doverie AD amounting to BGN 630 thousand, maturity — 21 June 2024.
- under a bank guarantee agreement of Bulgarian Wine OOD amounting to BGN 400 thousand, maturity 25 October 2023, BGN 300 thousand with maturity 25 March 2024, and an overdraft amounting to BGN 100 thousand maturing 25 May 2021.
- Under a loan agreement of Novoselska Gamza AD amounting to BGN 200 thousand with maturity 25 May 2021, BGN 52 thousand maturing 25 May 2024 and BGN 25 thousand maturing 25 May 2021;
- Under an overdraft agreement amounting to BGN 2,075 thousand of Doverie Care EAD with maturity 19 April 2021 and investment loan for BGN 3,774 thousand maturing 25 January 2023;
- Pledge of 1.650 shares from the capital of Doverie Capital AD

7. Information for the use of the funds from a new emission of securities made in the reporting period.

In the account period no new emission of securities has been made.

8. Analysis of the ratio between the achieved financial results reflected in the consolidated financial statements for the period, and the earlier published estimates for these results.

BGN thousand	Financial	Forecast	Absolute	Percentage
Interest revenue	88,617	91,840	(3,223)	-3.51%
Interest expenses	(27,999)	(35,425)	7,426	-20.96%
Net interest income	**60,618**	**56,415**	**4,203**	**7.45%**
Fee and commission revenue	51,806	50,768	1,038	2.04%

Fee and commission expenses	(16,947)	(18,604)	1,657	-8.91%
Net fee and commission income	**34,859**	**32,164**	**2,695**	**8.38%**
Other net operating revenue	2,882	20	2,862	14310.00%
Exchange rate differences from banking	20,636	1,000	19,636	1963.60%
Charged impairment reversal of	(8,862)	10,000	(18,862)	-188.62%
Other net operating revenue				
Total net income from banking	**110,133**	**99,599**	**10,534**	**10.58%**
Income from insurance operations	17,081	18,046	(965)	-5.35%
Expenses under insurance operations	(11,397)	(14,206)	2,809	-19.77%
Net income from insurance operations	**5,684**	**3,840**	**1,844**	**48.02%**
Revenue from other business sectors	129,172	132,534	(3,362)	-2.54%
Expenses from other business sectors	(84,883)	(87,201)	2,318	-2.66%
Net income from other business sectors	**44,289**	**45,333**	**(1,044)**	**-2.30%**
Operating and administrative expenses	(97,003)	(81,000)	(16,003)	19.76%
Other financial revenue/expenses, net	(5,226)	(2,500)	(2,726)	109.04%
Depreciation	(26,609)	(12,000)	(14,609)	121.74%
Other income/loss	3,446	2,000	1,446	72.30%
Operating profit	**34,714**	**55,272**	**(20,558)**	**-37.19%**
Profit from the acquisition and disposal of	(62)	1,000	(1,062)	-106.20%
Profit/loss from ceased operations		4	(4)	-100.00%
Profit / loss before tax	**34,652**	**56,276**	**(21,624)**	**-38.42%**
Profit taxes	(3,619)	(5,628)	2,162	-35.69%
Net profit/loss for the year	**31,033**	**50,648**	**(19,462)**	**-38.73%**
Profit/loss from associates	3	(52)		-105.77%
Net profit/(loss) for the year	**31,036**	**50,596**	**(19,462)**	**-38.66%**

- The total net income from bank operations is higher by 10.58% than the forecast one, as this is due mostly to the lower expense items – for interests and fees, as well as to higher positive exchange rate differences.
- The better net revenue from insurance operations is due to the better management of the costs in United Health Insurance Fund Doverie AD. The Company achieved very good results in the conditions of the crisis caused by the COVID-19 pandemic.
- In revenues and costs from other business activities, the difference in the statement compared to the forecast is mostly related to the temporary suspension of the work of a part of the Mr. Bricolage stores due to the imposed restrictive measures in the country. Nevertheless, the result is in line with the expectations.

- In the expense part, we observe a high difference in the accrued depreciations. The reason for the higher values of this item is the completed full consolidation of B.C. Moldindconbank S.A. This is the cause for the lower operating result of 37,19% against the forecast.

9. Analysis and evaluation of the policy concerning the management of the financial resources with an indication of the capacities for servicing of the obligations, the possible threats and measures that the issuer has taken or is to take in view of the elimination thereof.

The Group Management controls on an on-going basis the collection of the receivables and ensures regular servicing of its obligations. The financial risk management is disclosed in detail in Note 49 'Financial risk management' to the annual consolidated financial statements.

10. Evaluation of the possibilities to implement the investment inventions with an indication of the amount of the available funds and reflection of the possible changes in the structure of financing of this activity.

Being a holding company, Doverie – United Holding AD does not perform an individual investment programme but actively participates in the development, financial securing and performance of the approved investment projects of its subsidiaries.

Information for changes that may have occurred in the reporting period in the main management principles of the issuer and of its group of enterprises within the meaning of the Accounting Act.

In the reporting period there are no changes in the main management principles.

11. Information for the main characteristics of the internal control system and risk management system applied by the issuer in the process of preparation of the financial reports.

The information is dealt with in item 3 of the Corporate Management Declaration in accordance with Article 100o(8) of the Public Offering of Securities Act.

12. Information for the changes in the management and supervisory bodies over the reporting period.

In the current period there are no changes in the management bodies.

13. *Information for the amount of the remunerations, prizes and/or benefits of each of the members of the management and supervisory bodies for the reporting financial period paid by the issuer and its subsidiaries,* regardless of whether they were included in the issuer's costs or ensue from the profit distribution, including:

a. a) amount of the remunerations accrued and paid by the Company to the members of the Management Board and the Supervisory Board

	Gross remuneration	Profit distribution	Total

Radosvet Krumov Radev	BGN 36,000		BGN 36,000
Ivan Ognyanov Donev	BGN 36,000		BGN 36,000
Ventsislav Simeonov Stoev	BGN 36,000		BGN 36,000
Alexandar Georgiev Hristov	BGN 18,000		BGN 18,000
Anna Ivanova Pavlova	BGN 18,000		BGN 18,000
Mina Nikolova-Angelova	BGN 18,000		BGN 18,000

b) conditional or deferred remunerations arisen in the year, even if the remunerations is owed as at a later moment

None

c) amount owed by the issuer or its subsidiaries for payment of pensions, retirement indemnifications or other similar indemnifications.

None

14. Information for issuer's shares held by members of the management and supervisory bodies, procurators and the supreme management staff, including the shares held by each of them individually and as a percentage of the shares of each class, as well as options granted to them by the issuer with respect to its securities - type and amount of the securities, in respect of which the options are established, price for the exercising of the options, purchase price, if any, and term of the options.

Submitted in Section II. Information referred to in Article 247 and Article 240b of the Commercial Act, item 1

15. Information for the arrangements known to the company (including after the end of the financial year) which may in a future period result in changes in the relative share of stocks or bonds held by present shareholders or bondholders.

There are no such arrangements

16. Information for pending court, administrative or arbitration proceedings concerning obligations or receivables of the issuer amounting to at least 10 per cent of its equity; if the total value of the issuer's obligations or receivables under all initiated proceedings exceeds 10 per cent of its equity, information must be submitted for each proceeding separately.

Doverie – United Holding AD does not have pending court, administrative or arbitration proceedings concerning obligations or receivables in the amount of at least 10% of its own capital.

17. *Data for the director for relations to the investor, including telephone and* correspondence address.

Investor relations director

From the arising of the legislative requirement, the job position 'investor relations director' is performed by Nikolina Velichkova Popova, with correspondence address at: 5 Lachezar Stanchev str., building 'A', floor 7, 1756 Sofia, tel.+02/9845629(11), e-mail: nina@doverie.bg.

VI. Approval of the Annual consolidated financial statement and the report on the activity

The annual consolidated financial statements ending on 31 December 2020 were approved for publication on 26 April 2021 by:

Anna Pavlova
Chairperson of the Management Board

Alexandar Hristov
Executive Director

Hristo Hristov
Member of the Management Board