



**Interim Consolidated Report on the Activity of Doverie – United Holding AD
for the period ending 30 June 2022**

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Doverie – United Holding AD**Interim Consolidated Report on the Activity for the period ending on 30 June 2022**

This Interim Consolidated Report on the Activity of Doverie – United Holding AD, covering the period, ending on 30 June 2022, 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 2 to Article 10, item 1 and Article 11, item 1 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 interim 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 interim consolidated financial statements at 30 June 2022;
- ✓ There is no actual or potential violation of laws and (or) other regulations, which might have a significant impact on the interim 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 website is www.doverie.bg, with inside information published in the ‘For Investors’ category under ‘News’ section: <https://doverie.bg/за-инвеститори/новини/>

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; financing of companies in which the holding company participates.

2. Subsidiaries

As at 30 June 2022 the Company exercises control over the following subsidiaries (grouped by economic sector):

Company	% of shareholding
<u>FINANCIAL INSTITUTIONS</u>	
Moldindconbank S.A.	78,21%
<u>SUB-HOLDING COMPANIES</u>	
Industrial Holding – Doverie AD	100,00%
Doverie – Capital AD	100,00%
<u>TRADE</u>	
Doverie – Brico AD	71.93%
<u>HEALTH SERVICES</u>	
United Health Insurance Fund Doverie ZAD	98.15%

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MC Doverie AD	100,00%
Multiprofile Hospital for Active Treatment Doverie AD	100,00%
Occupational Health Doverie EOOD	100,00%

CONSTRUCTION

Dunav AD	81.82%
Hydroizomat AD	93.34%

GRAPE AND WINE PRODUCTION

Bulgarian wine OOD	100,00%
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PRODUCTION OF DETERGENTS

Doverie Care EAD	100.00%
Caretech EOOD	100,00%

LEASING OF IMMOVABLE AND MOVABLE ASSETS

Maritsatex AD	91.97%
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

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accordance with Act No 114 on payment services and electronic money of 18 May 2012; 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

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

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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.

OHS – Doverie EOOD — occupational health service

CONSTRUCTION MATERIALS AND HOUSING SECTOR INDUSTRY

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 — 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

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.

Caretech EOOD — production of detergents and other household chemicals.

LEASING OF IMMOVABLE AND MOVABLE ASSETS

Maritsatex AD — A company established and operating until 31 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 June 2022 the capital is distributed into 21,499,855 ordinary book-entry voting shares, each having a par value of BGN 1. The shares are tradable on the Bulgarian Stock Exchange.

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 30 June 2022 the distribution of the parent Company's share capital is as follows:

	30 June 2022	30 June 2021	31 December 2021
Share capital	BGN'000	BGN'000	BGN '000
(BGN'000)			
Number of shares	21,500	18,736	21,500
(par value BGN 1.00)			
Total number of registered	21,499,855	18,736,099	21,499,855
shareholders	146,749	146,937	146,842
including legal entities	60	60	63
individuals	146,689	146,877	146,779

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Number of shares owned by			
legal entities	12,267,926	10,104,773	12,276,653
<i>% shareholding of legal entities</i>	<i>57.06%</i>	<i>53.93%</i>	<i>57.10%</i>
Number of shares owned by			
individuals*	9,231,929	8,631,326	9,223,202
<i>% shareholding of individuals</i>	<i>42.94</i>	<i>46.07%</i>	<i>42.90%</i>

*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	5,374,600	24,9983
Telecomplect AD	1,917,838	8,9202
KALIMAN-RT AD	1,076,135	5,0053

Shares from — to	Number of shareholders	% of all shareholders	Number of owned shares	% of all shares
0—100	144,564	98.5104	6,484,373	30.1601
101—1000	1,918	1.3077	394,908	1.8368
1001—10000	200	0.1363	650,662	3.0264
10001—100000	53	0.0361	1,670,037	7.7677
100001—500000	9	0.0061	1,965,769	9.1432
500001—1000000	1	0.0007	774,574	3.6027
1000001—5000000	3	0.0020	4,184,932	19.4649
Over 5000000	1	0.0007	5,374,600	24.9983
Total	146,749	100.00	21,499,855	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 June 2022 are:

Ivan Ognyanov Donev – member

Ventsislav Simeonov Stoev – member

Management Board

Members of the Management Board as at 31 June 2022 are:

Alexandre Gueorguiev Hristov — Executive Director

Anna Ivanova Pavlova — Chairperson of MB

Petko Kolev Ivanov — member

The company is represented by Alexandre Gueorguiev Hristov.

as at 30 June 2022 the number of the employees in the economic group is 2,736 (31 December 2021 is 2.682)).

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	– Chairperson (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

By a resolution of the General Meeting of Shareholders of 15 January 2021, the capital of the company may be increased by a resolution of the Management Board of the company to an amount not exceeding BGN 100,000,000 (one hundred millions BGN), by the issue of new shares. The capital may be increased in this way up to 5 (five) years from the registration of this amendment to the articles of association in the Commercial Register and Register of Non-Profit Legal Entities.

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

The Company does not hold own shares.

In the period own shares have not been acquired and sold.

II. The information referred to in Article 247 and Article 240b of the Commerce Act**1. Information referred to in Article 247 of the Commerce Act***Information about the conduction of the activity and the condition of the company and clarifications about the Interim Consolidated Financial Statements*

Item III contains a description of the activity and condition of the Group and clarify the Interim Consolidated Financial Statements as at 30 June 2023.

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

	<i>01 January — 30 June 2022 BGN ‘000</i>	<i>01 January — 30 June 2021 BGN ‘000</i>
Remuneration of the Management Board/Board of Directors and Executive Directors/Manager	(2,669)	(1,880)
Remunerations of the Supervisory Board	(530)	(622)
Audit Committee	(57)	(57)
Total:	(3,256)	(2,559)

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. Ivan Ognyanov Donev — does not hold
- b. Ventsislav Simeonov Stoev — 30,153 pcs. (no change)
- c. Alexandre Hristov — does not hold
- d. Anna Ivanova Pavlova — does not hold

e. Petko Kolev Ivanov — does not hold

	30.06.2022r.		31 December 2021		
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	30,153	0,14%	30,153	0,14%	none
Alexandre Gueorguiev Hristov	0		0		
Anna Ivanova Pavlova	0		0		
Petko Kolev Ivanov	0				
	30,153	0,14%	30,153	0,14%	-

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

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.

Command of French, English, Russian and Spanish.

Business address:

City of 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 — chairperson 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.
- CELLSO EOOD — 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 – 9 Uniform Polytechnical High School in the city of Sofia – 1978;

Higher — the Faculty of Law of the Sofia University ‘St. ‘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:

City of 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 directly 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%;
- MARS MV AD — holds indirectly more than 25%;
- ENERGOINVESTMENT AD — holds indirectly more than 25%;
- SOPHARMACY MC S.R.L., Moldova — holds indirectly more than 25%.
- IMPRIMART S.R.L., Moldova – holds indirectly more than 25%.

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

- DOVERIE – CAPITAL AD — Member of the Supervisory Board;

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- 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 December 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 and 2002 she passed a training course in Ernst &Young and KPMG in international accounting standards.

Business address:

City of 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.

ALEXANDRE GUEORGUIEV HRISTOV — EXECUTIVE DIRECTOR

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

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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 — struck-off trader — member of the board of directors and ‘Dr Marin Marinov — independent medical and diagnostic laboratory — X-ray rooms’ AD — struck-off trader — member of the board of directors. He was a liquidator also of Reklama OOD and Rhyton 97 AD, 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:

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

Alexandre Gueorguiev Hristov does not hold directly/indirectly a considerable share (more than 25%) of the capital of any other companies.

Alexandre Gueorguiev 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;

In the last five years Alexandre Gueorguiev 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:

Alexandre Gueorguiev 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.

PETKO KOLEV IVANOV — MEMBER OF THE MANAGEMENT BOARD

Education:

Graduated from the University of National and World Economy, with major ‘Social Economic Planning’. He specialized at the Institute of Postgraduate Studies at UNWE as well as the Tokai University, Tokyo, in ‘Management and Leadership’ programme.

Relevant professional experience:

After completing his higher education, he worked as a General Manager of Takoma EOOD and Belvedere OOD, a Trade Director of Brasil company, a Head of Customs Department at Magined OOD, Trade and Marketing Director at Sofia Pharmacies AD. Since 2008 he has worked as a ‘Trade Marks and Advertising Specialist’ at Doverie — United Holding AD. He was a General Manager of Medical Services — Doverie EOOD as well as a Member of the Board of Hebros — P AD, Sopharmacy 63 EAD and Sopharmacy 64 AD. As at present he is a Member of the Board of Directors of Izbata 21 AD and an Executive Director of Maritsatex AD.

Business address:

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

Petko Kolev Ivanov does not hold directly/indirectly a considerable share (more than 25%) of the capital of any other companies.

Petko Kolev Ivanov participates in a management/supervisory body in the following companies:

- MARITSATEX AD — Member of the Board of Directors and Executive Director;
- IZBATA 21 AD — Member of the Board of Directors.

In the past five years Petko Kolev Ivanov 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:

Petko Kolev Ivanov 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 Commerce Act)

The information is specified in Section IV, item 2 of the interim consolidated report — Probable future development (Article 39, subparagraph 4 of the Accounting Act)

2. **Information under Article 240b of the Commerce 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 2022 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

<i>Indicator</i>	<i>Q_2.2022</i>	<i>2021</i>	<i>2020</i>
Income from usual activity (thousand BGN)	229,582	348,040	310,278
Other operating income/loss (BGN thousand)	(104)	4,399	3,069
Net profit/loss from the activity (thousand BGN)	34,326	44,792	21,350
Net earnings per share	1,5966	2,2979	1,1395
Amount of the assets (BGN'000)	2,588,600	2,602,201	2,195,152
Net assets (BGN'000)	355,043	321,210	249,912

Number of shares (pcs.)	21,499,855	21,499,855	18,736,099
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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 interim financial result, are not conducted.

Revenue	30 June 2022	2021
	BGN '000	BGN '000
Interest revenue from banking operations	77,650	100,550
Fee and commission revenue from bank operations	37,181	64,323
Other revenue from banking operations	14,318	22,637
Income from insurance operations	14,215	19,059
Revenue from other business sectors	86,218	141,471
Total	229,582	348,040
including		
from transactions in Moldova	129,149	187,510
from transactions in Bulgaria	100,433	160,530

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 Group's activity for the period 2022—2020 are presented in the table below:

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Indicator	2022	2021	2020
GDP in mln. BGN*	32,807	132,744	118,605
Actual growth of GDP*	4,0%	4,6%	-3,8%
Inflation at the end of the year*	8,1%	3,3%	1,7%
Average exchange rate of US dollar for the year	1.78942	1.65377	1.71632
Exchange rate of US dollar at the end of the period	1.88296	1.72685	1.59386
Basic interest rate at the end of the period	0.00%	0.00%	0.00%
Unemployment rate (at the end of the period)	4,9%	4,6%	5,1%

* NSI — Recent publications 04 July 2022

* BNB — 30 June 2021

* GDP — published data for the first quarter of 2022

The main indicators of the economic environment in the Republic of Moldova which influence the Group's activity for 2022—2020 are presented in the table below:

Republic of Moldova

Indicator	2022	2021	2020
Unemployment rate at the end of the period***	3%	2,6%	4,2%
GDP in mln. dollars**	-	12,,396	11,910
Actual growth of GDP*	-		2,6%
Inflation at the end of the year*****	31,83%	13,94%	0,39%
Average exchange rate of US dollar for the year	18,4623	17,6816	17,3201
Exchange rate of US dollar at the end of the period	19,1216	17,7452	17,2146
Basic interest rate at the end of the period*****	18,50%	6,5%	2,65%

National bank of Moldova

Statistical Institute of Moldova

IMF

No published data*

No published data**

Unemployment rate at the end of the period*** data are up-to-date as at 31 March 2022.

Unemployment rate at the end of the period***** data are up-to-date as at 22 June 2022.

Unemployment rate at the end of the period***** data are up-to-date as at 22 June 2022.

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 average to high 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 the country in the EU and the forthcoming admission to EMU is to improve the business climate and to facilitate the business and the entrepreneurship.

After three parliamentary elections, a coalition government was formed in December 2021.

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.

On 24 February 2022 Russian military forces invaded Ukraine. As a result, the political and economical environment in Ukraine is considerably affected, which may also result in increasing global uncertainty, shortage of energy supplies and a potential drop-down in the economic growth .

As a result from the war on the territory of Ukraine with Russia, the leading financial markets all over the world are shaken and the problems with the supply chains caused by the COVID-19 pandemic are expected to be further complicated as a consequence of this conflict on the territory of Ukraine. More and more extensive economic sanctions are imposed on the Russian Federation on the part of the European Union, USA and other countries. Predictions are therefore made for a considerable increase in the prices of oil, gas, electricity and other raw materials, as well as an increased inflation on a global level. The establishment of the first indications is also starting.

The development and outcome of the conflict cannot be predicted at this time, as long as it poses lots of uncertainties and it is very hard to predict its long-term effects both on the global economic and social development of the European Union and of the world as a whole, and — in particular — of Bulgaria and the Group.

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 also exposed to a price risk with respect to the shares held, 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. 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.

The International Rating Agency Fitch Ratings increased the outlooks from stable to positive for the long-term credit rating of Bulgaria in a foreign and local currency. The BBB rating is confirmed. This was announced by the press centre of the Ministry of Finance.

The positive outlook reflects the decrease of the macroeconomic risks resulting from the COVID-19 pandemic, supported by a more resilient economy and a stable policy framework, as well as a continuing secondary process towards adoption of the euro. According to the rating agency, the short-term downside risks resulting from the pandemic and the uncertain outcome of the elections are largely offset by the prospects for significant EU investment funding and the commitment to macroeconomic and fiscal stability, underpinned by the long-term functioning of the monetary council regime and Bulgaria's participation in the Exchange Rate Mechanism II (ERM II).

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.

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. The business model stems from the nature of the financial assets, which
Nostro accounts held for collection	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. The main risks of the business models are consistent to the business
Interbank deposits, held for collection	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. The main risks of the business models are consistent to the business
Treasury bill and bonds, held-to-collect	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. The business model stems from the nature of the financial assets, which
Minimum reserve in NBM, held-to-collect	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. The main risks of the business models are consistent to the business
Loans and advances to customers, held-to-collect	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 ($0 \leq \text{DAYS_PAST_DUE} \leq 31$) 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 ($31 \leq \text{DAYS_PAST_DUE} \leq 89$) 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 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 entire period

- 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 euro). 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.

Granted 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) . (Note 48.3 of consolidated Interim financial statement as at 30 June 2022)

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

Doverie – United Holding AD**Interim Consolidated Report on the Activity for the period ending on 30 June 2022**

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. (Note 48.4 of consolidated Interim financial statement as at 30 June 2022)

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 30 June 2022 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. Asset growth across the entire bank system on an annual basis is 9.8%, and the record profit growth is 74.8%.

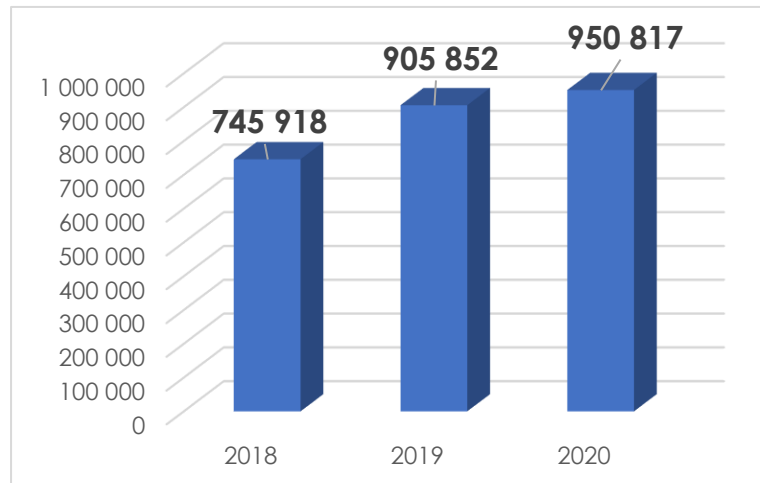
Leading banks in terms of assets as BC ‘Moldova – Agroindbank’ S.A. , BC Moldindconbank S.A. , BC Victoriabank S.A. and Mobiasbanca – OTP Group S.A. , which hold 80% market share. The two most profitable banks in the country are BC ‘Moldova – Agroindbank’ S.A. and BC ‘Moldindconbank’ S.A.

30 June 2022	‘000 BGN	Profit/loss	Market share by assets
BC MOLDOVA - AGROINDBANK S.A.		50 007	32%
BC Moldindconbank S.A.		43 269	20%
B.C. VICTORIABANK S.A.		28 656	14%
OTP bank S.A.		7 745	14%
Other 7 banks		28 782	20%

Retail trade in shops of the type ‘Do It Yourself’

The sector registered a consistent growth for the period 2018—2020. The total sales revenue of the top 20 companies marked a growth of 5% in 2020 on an annual basis, reaching BGN 951 million.

Revenue from sales 2018–2020 BGN'000

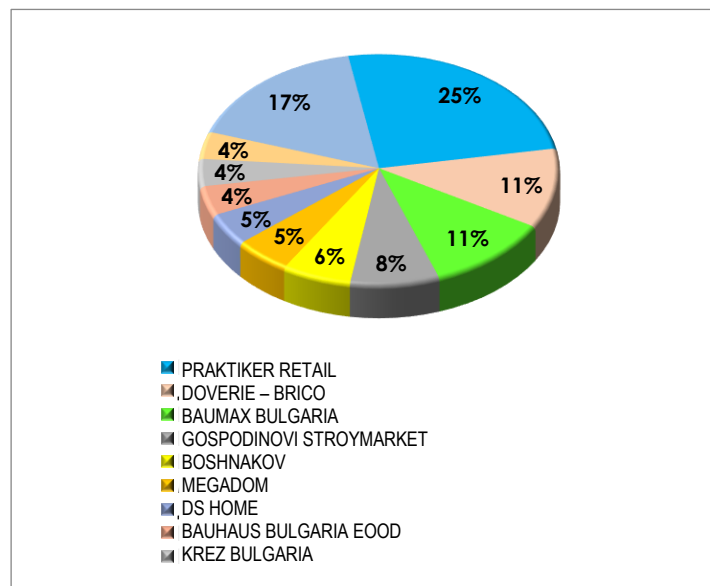


The leading companies by sales revenue for 2020 are Praktiker Retail, Doverie Brico AD and Baumax, which together have a market share of 55% among the top 20 players, while the top 10 companies hold 83%. Most of the companies reported a positive development of the sales revenue on an annual basis in 2020 where the leading Praktiker and Baumax outperformed the average growth in the sector.

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
PRAKTIKER RETAIL	237 901	18%	201 115

DOVERIE – BRICO	106 382	2%	104 002
BAUMAX BULGARIA	106 054	7%	99 445
GOSPODINOVI STROYMARKET	75 921	-4%	78 974
BOSHNAKOV	58 859	-6%	62 764
MEGADOM	48 473	17%	41 537
DS HOME	42 753	-1%	43 293
BAUHAUS BULGARIA EOOD	39 209	12%	35 024
KREZ BULGARIA	36 403	0%	36 350
TEMAX BULGARIA	36 339	-7%	39 216
CERAMIC GROUP	34 856	-5%	36 723
SIKO – S	29 803	-5%	31 237
DOMKO	28 801	-7%	31 040
BAGIRA	17 570	10%	16 004
MAL-MUK HOME	12 793	11%	11 492
CHECHOSAN	9 630	8%	8 904
RUMIK	9 226	9%	8 426
MONTAZHI - 64	7 951	9%	7 314
VALENTINO	6 961	-9%	7 642
VILAZ GROUP	4 932	-8%	5 350
Top 20 Total	950 817	5%	905 852

Market share based on sales revenue, 2020



The most profitable companies (based on EBIT) in the analysed sector for 2020 are Praktiker Retail, Gospodinov Stroymarket, Megadom, Bauhaus, Boshnakov.

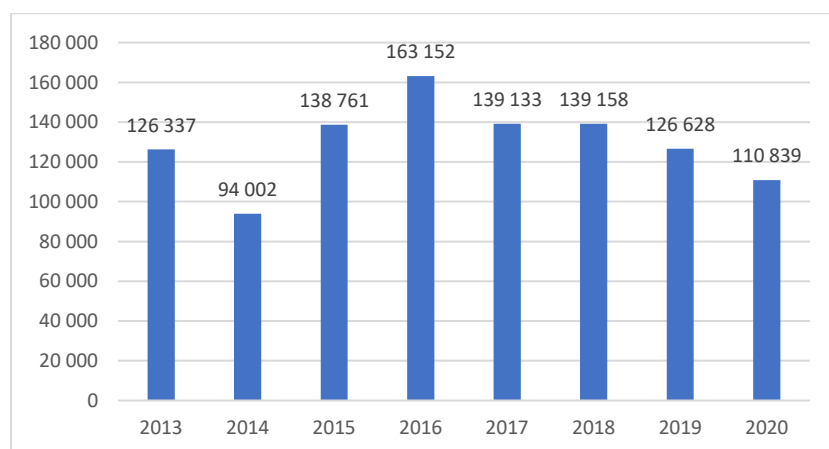
Company	EBIT 2020 ('000 BGN)	Amendment 2020/2019	EBIT 2019 ('000 BGN)
PRAKTIKER RETAIL	24 920	82%	13 698

BAUHAUS BULGARIA EOOD	4 496	33%	3 380
GOSPODINOVI STROYMARKET	4 260	-17%	5 145
MEGADOM	4 122	87%	2 202
BOSHPNAKOV	2 796	-2%	2 854
DOVERIE – BRICO	2 791	-21%	3 555
KREZ BULGARIA	2 674	-19%	3 289
DOMKO	2 592	58%	1 639
DS HOME	1 633	7%	1 527
SIKO – S	1 247	-19%	1 536
RUMIK	1 229	22%	1 006
CERAMIC GROUP	959	-24%	1 267
BAGIRA	918	47%	624
BAUMAX BULGARIA	588	500%	98
MAL-MUK HOME	493	2%	485
TEMAX BULGARIA	483	-47%	918
VALENTINO	367	27%	290
CHECHOSAN	230	10%	210
MONTAZHI - 64	111	50%	74
VILAZ GROUP	52	-46%	97
Top 20 Total	56 961	30%	43 894

Production of wine

The production of wine from grapes marks a growth for the period 2014-2016 year, reaching 163.2 mln litres in 2016. Then, in 2017, 2018, 2019 and 2020, the local production goes down and the official data shows that it reaches 111 mln. litres in 2020. This reason is, on the one hand, the low subsidies /wine grapes do not receive targeted subsidies for production/, worse weather conditions, as well as a significant and growing informal sector that remains unregistered /over 50%/.

Production of wine from grapes in BGN'000, 2013-2020

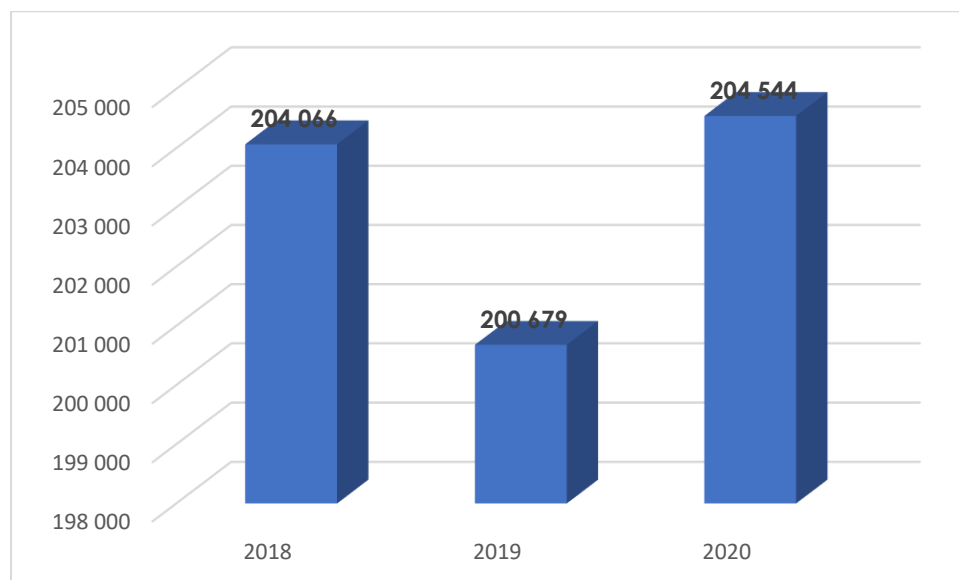


Exports of wine from grapes have been stable in value for the 2015—2019 period, reaching EUR 35.3 million in 2019 (10% growth on annual basis compared to 2018), but in 2020 a significant

decline of 12% growth on annual basis to EUR 30.5 million has been recorded /the main reason is the coronavirus pandemic and closing of pubs/. Exports are mainly directed to Poland (26%), Sweden (20%), Czech Republic (8%), UK (6%).

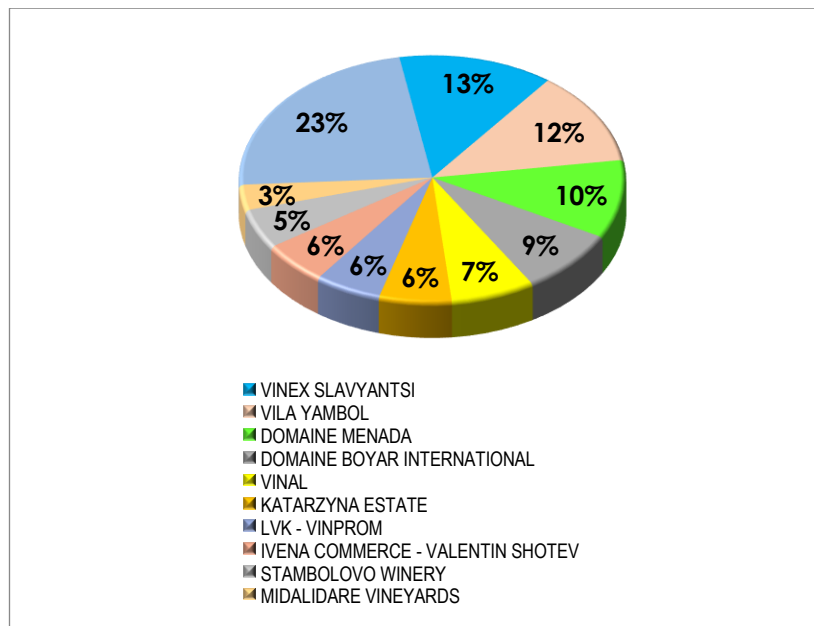
The import of wine from grapes marks a steady growth in value for the period 2015-2019, reaching approximately EUR 21 mln in 2019 or a 6% growth on an annual basis. For 2020, a slight decrease in imports compared to 2019 is registered /due to the pandemic/ to a level of EUR 20.2 million. The main exporters of wine for Bulgaria are France (29%), Italy (27%), New Zealand (9%), Germany (10%) and Spain (9%).

The sector registers steady performance for the period 2018—2020 and the total sales revenue of the top 20 companies slightly decrease by 2% in 2020 on an annual basis, reaching BGN 204 million.



The leading companies by sales revenue for 2020 are Vinex Slavyantsi, Vila Yambol Domaine Menada and Domaine Boyar, which together have a market share of 45% among the top 20 players, while the top 10 companies hold 77%.

Market share by sales revenue, 2020



The performance of companies in 2020 versus 2019 is diversified. In the group of top 20 producers, half have registered revenue growth, but the rest have registered declines /main reason: pandemic and closing of pubs/.

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
VINEX SLAVYANTSI	26 915	9%	24 647
VILA YAMBOL	25 229	8%	23 349
DOMAINE MENADA	20 971	10%	18 999
DOMAINE BOYAR INTERNATIONAL	17 151	-16%	20 354
VINAL	14 397	24%	11 587
KATARZYNA ESTATE	12 404	-2%	12 679
LVK - VINPROM	11 420	-5%	11 992
IVENA COMMERCE - VALENTIN SHOTEV	11 358	21%	9 359
STAMBOLOVO WINERY	10 542	8%	9 727
MIDALIDARE VINEYARDS	6 807	-5%	7 184
ANGELS ESTATE	5 995	18%	5 078
LOVICO LOZARI	5 932	-23%	7 722
LOGODAJ VINERY	5 795	-20%	7 287
POLMOS	5 785	-4%	6 035
BALKANTABACO	5 528	-19%	6 837
EDOARDO MIROGLIO	5 270	9%	4 835
MIDALIDARE ESTATES	4 049	-15%	4 768
VINPROM - SVISHTOV	3 299	11%	2 982
BULGARIAN WINE OOD	2 909	13%	2 576
TERRA TANGRA	2 788	4%	2 682
Top 20 Total	204 544	2%	200 679

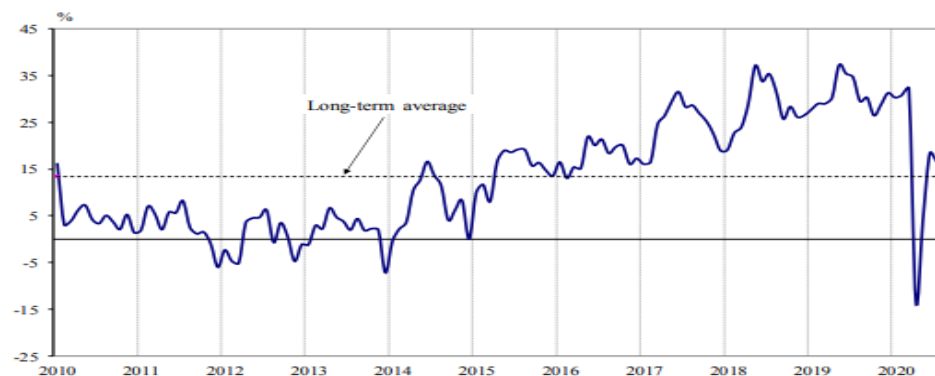
The most profitable companies (based on EBIT) in the analysed sector for 2020 are Vila Yambol, Domaine Boyar and Vinal.

Company	EBIT 2020 (' 000 BGN)	Amendment 2020/2019	EBIT 2019 (' 000 BGN)
VILA YAMBOL	2 281	-5%	2 398
DOMAINE BOYAR INTERNATIONAL	1 845	-3%	1 893
VINEX SLAVYANTSI	1 397	2117%	63
MIDALIDARE ESTATES	841	1582%	50
STAMBOLOVO WINERY	776	53%	506
VINAL	768	-32%	1 131
IVENA COMMERCE - VALENTIN SHOTEV	523	-38%	846
KATARZYNA ESTATE	510	-1%	517
TERRA TANGRA	370	4%	357
BULGARIAN WINE OOD	326	-33%	485
POLMOS	223	758%	26
LVK - VINPROM	191	-31%	275
LOGODAJ VINERY	189	-38%	304
LOVICO LOZARI	181	-25%	241
BALKANTABACO	81	-84%	518
MIDALIDARE VINEYARDS	- 653	-97%	- 332
VINPROM - SVISHTOV	- 734	-2%	- 718
EDOARDO MIROGLIO	- 751	31%	- 1 082
DOMAINE MENADA	- 1 013	30%	- 1 453
ANGELS ESTATE	- 1 837	-338%	- 419
Top 20 Total	5 514	-2%	5 606

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 2020 the indicator sharply aggravated but in the next months it is slowly recovering and by the beginning of 2021 is at the pre-pandemic level.

Business climate in the construction sector, 2010—2020



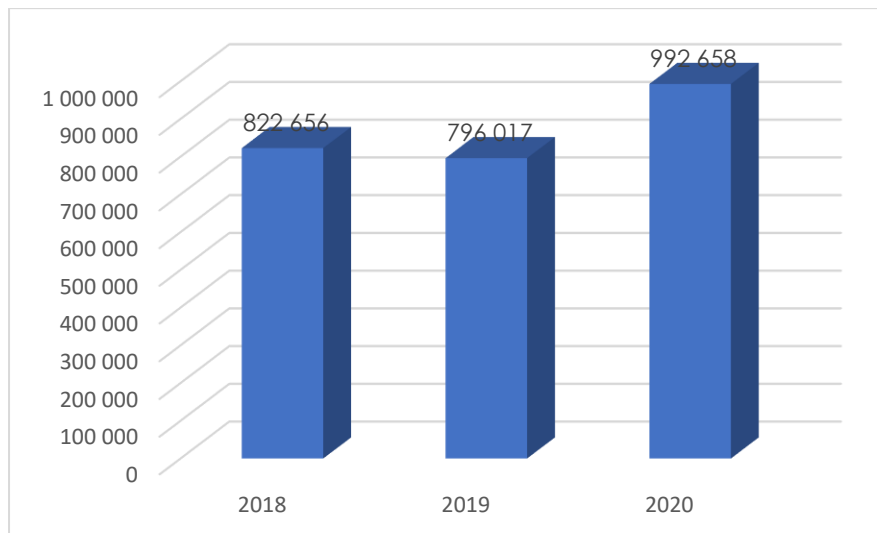
The main highlights in residential building in Sofia from the first months of 2021 are:

- ✓ The housing market has made a very strong start of 2021. Activity was higher than both the early 2020 pre-pandemic and the same period of 2019, and at times was even euphoric. It seems that the housing market has overcome the pandemic crisis and continues its upward cycle of development.
- ✓ Rising transaction volumes, increased demand and price growth marked the first months of the year amid new waves of the pandemic.
- ✓ The new market tendencies brought by the pandemic continue to be relevant this year, unfolding on a larger scale and becoming more intense due to people's better awareness and increasing awareness of their new housing needs.
- ✓ Buyers have readjusted to the new reality and are taking a very pragmatic and calm approach to choosing a property, assessing their needs and options well and making decisions relatively quickly. Own home plays an increasingly important role in families' goals and plans. Alongside this, the role of property as a safe asset that people turn to for investing their savings in times of uncertainty and crisis was once again reinforced.
- ✓ 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.
- ✓ Available mortgage financing at low interest rates, continued income growth and a relatively stable economic environment continue to influence.
- ✓ According to Bulgarian Properties, new deals in Sofia in the first quarter of 2021 will grow by 20% compared to the first quarter of 2020 and around 10% compared to 2019.
- ✓ The data of the Registry Agency show that in the first quarter of 2021, 6,683 property sales were registered compared to 5,285 for the same period of 2020.
- ✓ The average price of apartments purchased in the first quarter of 2021 is EUR 1,150 per sq.m, compared to EUR 1,120 in the same period of 2020. This represents a price increase of 2.7%.
- ✓ The average total price of the purchased apartments is EUR 109,530, compared to an average of EUR 100,260 in 2020.

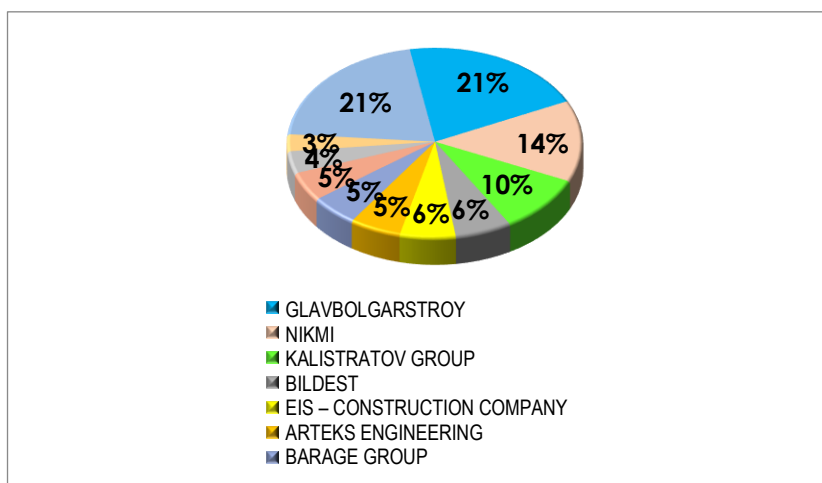
The leading companies by sales revenue for 2020 are Glavbolgarstroy, Kalistratov, NIKMI, which together have a market share of 45% among the top 20 players, while the top 10 companies hold 79%.

Revenues of the top 20 players in the market are expected to grow by 25% on an annual basis in 2020 compared to 2019, reaching BGN 993 million.

Change in the turnover of the leading 20 companies in BGN thousand, 2018—2020



Market share by sales revenue, 2020



Most of the companies reported an increase of the sales revenue on an annual basis.

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
GLAVBOLGARSTROY	205 545	2%	201 778
KALISTRATOV GROUP	96 602	38%	69 804
NIKMI	137 959	120%	62 683
BILDEST	61 473	6%	58 002
ARTEKS ENGINEERING	55 943	14%	49 144
MIKS CONSTRUCTION	48 964	4%	46 945
ULTRASTROY	28 591	66%	17 224
BARAGE GROUP	51 947	27%	40 977
AT ENGINEERING 2000	37 268	0%	37 288
MIRAT GROUP	27 322	-4%	28 504

CONTRACT CITY	19 971	-29%	28 114
AGROGROUP EXACT	26 780	6%	25 156
BARAGE CONSTRUCTION	24 930	0%	24 940
OONATO BUILD	23 780	9%	21 771
JUNG PROJECT	25 878	23%	21 006
BUILD STROY	23 467	33%	17 701
NIVEL	18 543	9%	16 936
EIS - CONSTRUCTION COMPANY	60 370	467%	10 639
BOKAL ENGINEERING	15 790	36%	11 585
HYDROIZOMAT	1 535	-74%	5 820
Top 20 Total	992 658	25%	796 017

The most profitable companies based on EBIT in the analysed sector for 2020 are Glavbolgarstroy, Arteks, Ultrastroy.

Company	EBIT 2020 ('000 BGN)	Amendment 2020/2019	EBIT 2019 ('000 BGN)
GLAVBOLGARSTROY	14 465	11%	12 987
ARTEKS ENGINEERING	9 061	14%	7 934
ULTRASTROY	6 805	294%	1 727
KALISTRATOV GROUP	3 586	-14%	4 170
EIS - CONSTRUCTION COMPANY	2 619	375%	551
BILDEST	2 487	-10%	2 751
MIRAT GROUP	1 904	-31%	2 754
BOKAL ENGINEERING	1 441	513%	235
JUNG PROJECT	1 214	-30%	1 742
BARAGE GROUP	1 148	427%	218
MIKS CONSTRUCTION	988	-76%	4 182
OONATO BUILD	772	418%	149
AGROGROUP EXACT	760	-66%	2 264
NIVEL	758	18%	642
AT ENGINEERING 2000	162	145%	66
BARAGE CONSTRUCTION	130	-89%	1 202
HYDROIZOMAT	10	-98%	414
BUILD STROY	- 57	-165%	88
CONTRACT CITY	- 208	-104%	4 835
NIKMI	- 4 436	-185%	5 200
Top 20 Total	43 609	-19%	54 111

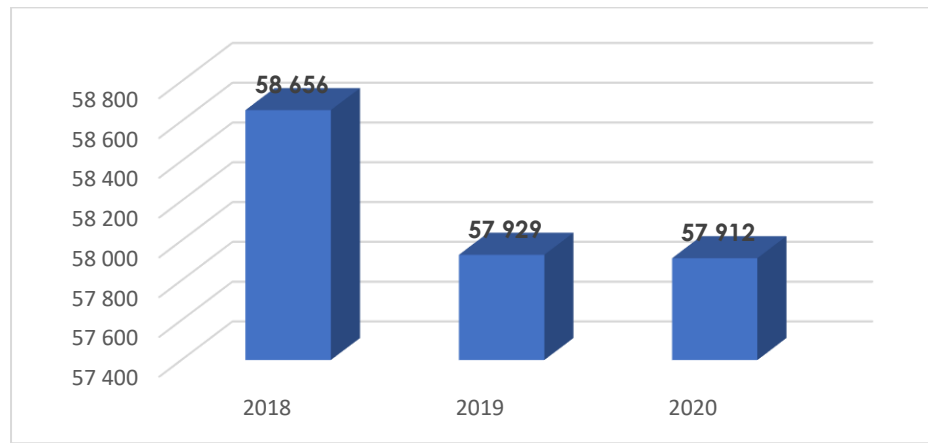
House building – Ruse

The trend of the housing market in Ruse is similar to that in Sofia. The post-pandemic decline has been overcome and there is an upward trend.

In the second quarter of 2021, construction of 25 residential buildings has started, which is almost twice as many as in the same period of 2020.

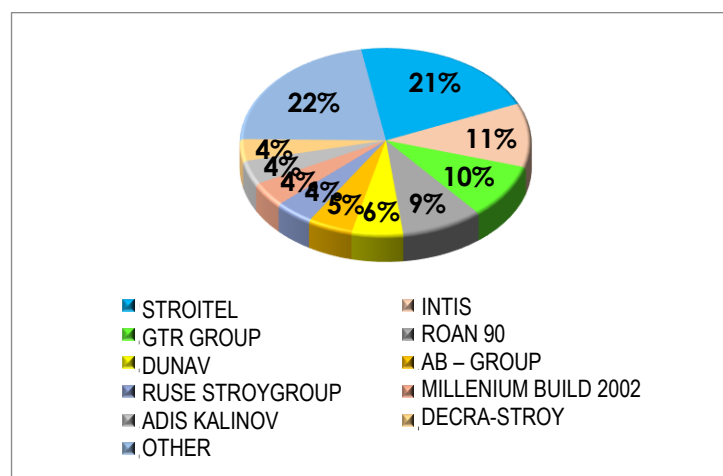
The leading companies marked a retain in the period 2018—2020 and the total revenue of the top 20 players reached BGN 58 million, registering on annual basis.

Change in the turnover of the leading 20 companies in BGN thousand, 2018—2020



The leading companies by sales revenue for 2020 are Stroitel, Intis and GTR GROUP, which together have a market share of 42% among the top 20 players, while the top 10 companies hold 78%.

Market share by sales revenue, 2020



Most of the companies reported a positive development of the sales revenue on an annual basis. Most notable is the growth of the G.T.R. Group.

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
STROITEL	12 333	-4%	12 853
INTIS	6 426	18%	5 467
GTR GROUP	5 468	325%	1 287
ROAN 90	5 240	-9%	5 780
DUNAV	3 284	30%	2 535
AB - GROUP	2 910	-9%	3 190
RUSE STROYGROUP	2 484	-8%	2 705

MILLENNIUM BUILD 2002	2 454	-5%	2 574
ADIS KALINOV	2 383	-9%	2 631
DECRA-STROY	2 192	-47%	4 120
PM INVEST GROUP	1 645	11%	1 486
POLISTROY - 2001	1 547	-60%	3 823
ARGOSAD-2005 BG	1 531	12%	1 369
BVS STROY	1 368	25%	1 097
INVESTSTROY - RUSE	1 346	11%	1 209
EXTREME	1 233	8%	1 141
ASTRA-8	1 139	-18%	1 394
TARGET ENGINEERING CONSTRUCTION BG	1 062	35%	788
NIKS-2002	954	1%	947
GIK ENGINEERING	913	-40%	1 533
Top 20 Total	57 912	0%	57 929

The most profitable companies in the sector in Ruse, based on an EBIT result, for 2020 are Stroitel, AB-Group, Roan 90.

Company	EBIT 2020 (‘000 BGN)	Amendment 2020/2019	EBIT 2019 (‘000 BGN)
STROITEL	1 684	3%	1 639
AB - GROUP	470	144%	193
ROAN 90	415	-48%	794
EXTREME	372	65%	226
BVS STROY	349	115%	162
RUSE STROYGROUP	341	48%	230
DECRA-STROY	288	-58%	682
TARGET ENGINEERING CONSTRUCTION BG	282	97%	143
NIKS-2002	219	564%	33
DUNAV	215	24%	174
GIK ENGINEERING	163	-16%	194
MILLENNIUM BUILD 2002	132	20%	110
ADIS KALINOV	128	62%	79
INVESTSTROY - RUSE	124	244%	36
ASTRA-8	104	76%	59
POLISTROY - 2001	101	-1%	102
ARGOSAD-2005 BG	11	38%	8
PM INVEST GROUP	3	114%	- 21
GTR GROUP	- 26	-179%	33
INTIS	- 409	-19%	- 345
Top 20 Total	4 966	10%	4 531

Hospital care in Bulgaria

The market of private hospitals in Bulgaria

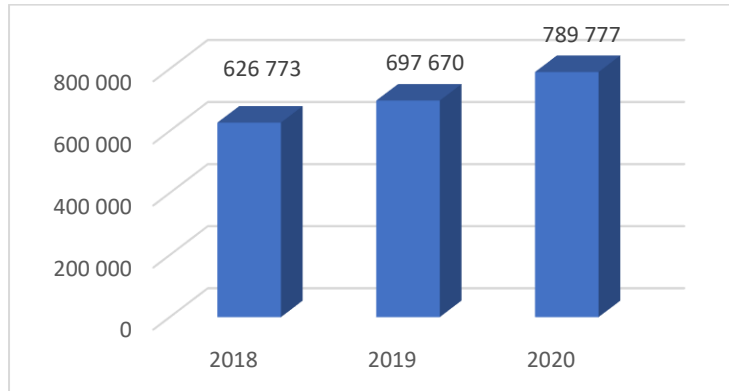
The active private hospitals in the country in 2020 are 115 (114 in 2019).

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They account for 36% of all the hospitals in the country. The sector reports a constant growth for the period 2018—2020 and the total revenue of the top 20 players reached BGN 790 million, registering 13% growth on annual basis (the growth for the preceding year is 20%). This strong growth is also largely due to the additional funding associated with the pandemic.

Change in the turnover of the leading 20 companies in BGN thousand, 2018—2020

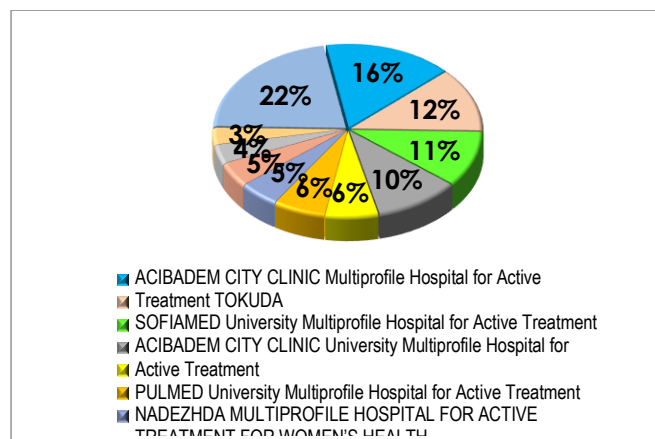


The leading companies by sales revenue for 2020 are Tokuda Hospital, City Clinic, Pulmed and Sofiamed, which together have a market share of 40% among the top 20 players, while the top 10 companies hold 78%.

Ranking by sales for 2020

Company	Turnover 2020
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	125 575
SOFIAMED University Multiprofile Hospital for Active Treatment	96 636
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	83 581
PULMED University Multiprofile Hospital for Active Treatment	82 141
NADEZHDA MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT FOR WOMEN'S HEALTH	50 591
SERDICA Multiprofile Hospital for Active Treatment	50 036
KASPELA University Multiprofile Hospital for Active Treatment	38 722
HEART AND BRAIN Multiprofile Hospital for Active Treatment	36 183
MEDICA University Multiprofile Hospital for Active Treatment RUSE	28 250
VIRGIN MARY University Multiprofile Hospital for Active Treatment	25 330
Top 10 Total	617 045
OTHER	172 732
Total	789 777

Market share by sales revenue, 2020



The biggest growth in percentage in the turnover among the leading companies in the sector for the period 2019—2020 is marked by Heart and Brain Multiprofile Hospital for Active Treatment (34%), Sofiamed University Multiprofile Hospital for Active Treatment (28%) and Sveta Sofia Multiprofile Hospital for Active Treatment (+18%).

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	125 575	9%	115 367
SOFIAMED University Multiprofile Hospital for Active Treatment	96 636	28%	75 740
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	83 581	7%	78 065
PULMED University Multiprofile Hospital for Active Treatment	82 141	17%	70 197
NADEZHDA MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT FOR WOMEN'S HEALTH	50 591	20%	42 304
SERDICA Multiprofile Hospital for Active Treatment	50 036	14%	43 724
KASPELA University Multiprofile Hospital for Active Treatment	38 722	17%	33 200
HEART AND BRAIN Multiprofile Hospital for Active Treatment	36 183	34%	27 094
MEDICA University Multiprofile Hospital for Active Treatment RUSE	28 250	15%	24 652
VIRGIN MARY University Multiprofile Hospital for Active Treatment	25 330	5%	24 069
CENTRAL ONCO HOSPITAL Multiprofile Hospital for Active Treatment	23 934	9%	21 975
THRACIA Multiprofile Hospital for Active Treatment	21 906	-10%	24 436
BURGASMED Multiprofile Hospital for Active Treatment	20 019	12%	17 838
SELENA University Specialised Obstetrician Hospital	17 551	10%	15 961
UNI HOSPITAL MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT	16 462	16%	14 201
EUROHOSPITAL PLOVDIV University Multiprofile Hospital for Active Treatment	16 416	8%	15 216
SAINT SOFIA Multiprofile Hospital for Active Treatment	15 567	18%	13 209
PULSE Multiprofile Hospital for Active Treatment	14 841	4%	14 317
AVIS - MEDICA Multiprofile Hospital for Active Treatment	13 833	3%	13 434
DOVERIE Multiprofile Hospital for Active Treatment	12 203	-4%	12 671
Top 20 Total	789 777	13%	697 670

The most profitable companies (based on EBIT) in the analysed sector for 2020 are Virgin Mary, City Clinic, Tokuda, Sofiamed and Pulmed.

Company	EBIT 2020 ('000 BGN)	Amendment 2020/2019	EBIT 2019 ('000 BGN)
VIRGIN MARY University Multiprofile Hospital for Active Treatment	8 402	11%	7 547
ACIBADEM CITY CLINIC University Multiprofile Hospital for Active Treatment	8 073	119%	3 682
ACIBADEM CITY CLINIC Multiprofile Hospital for Active Treatment TOKUDA	6 752	71%	3 959
PULMED University Multiprofile Hospital for Active Treatment	5 985	32%	4 534
SOFIAMED University Multiprofile Hospital for Active Treatment	5 756	-7%	6 206
EUROHOSPITAL PLOVDIV University Multiprofile Hospital for Active Treatment	3 247	17%	2 785
BURGASMED Multiprofile Hospital for Active Treatment	3 037	-12%	3 453
SELENA University Specialised Obstetrician Hospital	2 820	35%	2 095
UNI HOSPITAL MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT	1 579	77%	891
AVIS - MEDICA Multiprofile Hospital for Active Treatment	1 517	173%	555
CENTRAL ONCO HOSPITAL Multiprofile Hospital for Active Treatment	1 463	1440%	95
SAINT SOFIA Multiprofile Hospital for Active Treatment	1 201	3%	1 166
MEDICA University Multiprofile Hospital for Active Treatment RUSE	986	-69%	3 211
NADEZHDA MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT FOR WOMEN'S HEALTH	648	-22%	833
SERDICA Multiprofile Hospital for Active Treatment	497	642%	67
PULSE Multiprofile Hospital for Active Treatment	467	-47%	889
KASPELA University Multiprofile Hospital for Active Treatment	433	-35%	663
THRACIA Multiprofile Hospital for Active Treatment	295	-19%	364
DOVERIE Multiprofile Hospital for Active Treatment	225	-16%	267
HEART AND BRAIN Multiprofile Hospital for Active Treatment	- 6 768	27%	- 9 233
Top 20 Total	46 615	37%	34 029

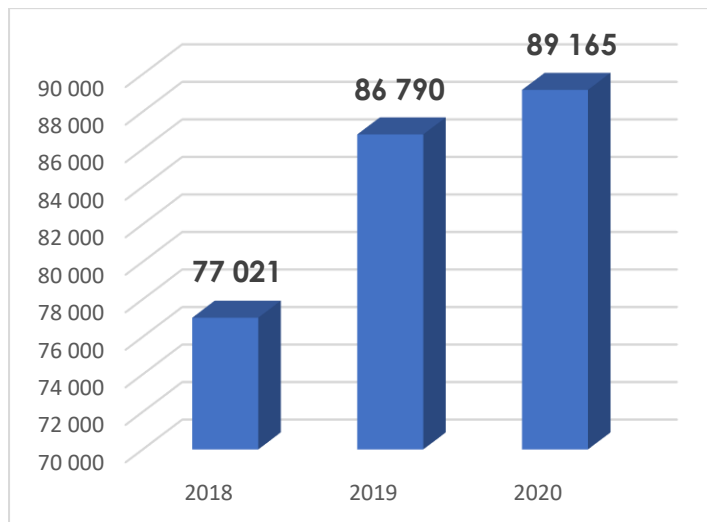
Private Medical Centers

The number of private medical centres in the country is constantly growing, reaching 752 in 2020. 14 more than the previous year.

The sector registers a growth for the period 2018—2020 and the total sales revenue of the top 20 companies increased by 3% in 2020 on an annual basis, reaching BGN 89 million.

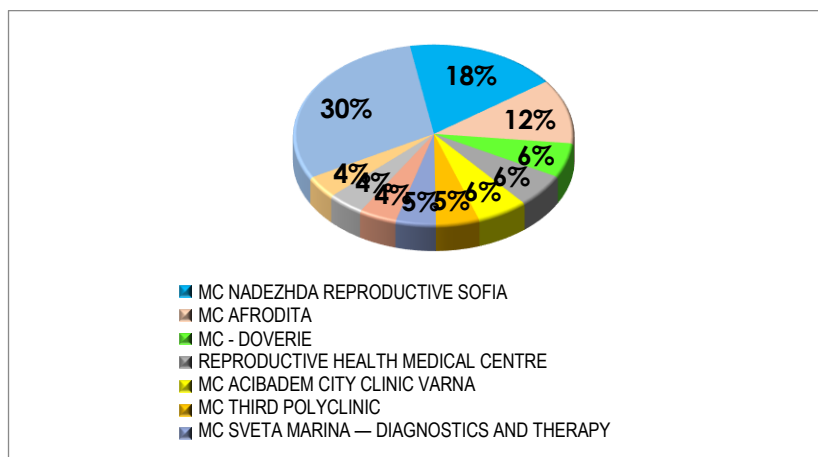
Most of the medical centres are concentrated in the big cities in the country — Sofia, Varna, Plovdiv, Stara Zagora.

Change in the turnover in BGN thousand, 2018—2020



The leading companies by sales revenue for 2020 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, 2020



The leading medical centre per sales revenue for 2020 is MC Nadezhda Reproductive Sofia (BGN 15,910 thousand), followed by MC ‘Afrodita’ (BGN 10,564 thousand), MC DOVERIE (BGN 5,507 thousand) and MC REPRODUCTIVE HEALTH (BGN 5,360 thousand).

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
MC NADEZHDA REPRODUCTIVE SOFIA	15 910	1%	15 738
MC AFRODITA	10 364	7%	9 696
MC - DOVERIE	5 507	6%	5 219
REPRODUCTIVE HEALTH MEDICAL CENTRE	5 360	-5%	5 632
MC ACIBADEM CITY CLINIC VARNA	5 259	1%	5 183
MC THIRD POLYCLINIC	4 460	64%	2 724
MC SVETA MARINA — DIAGNOSTICS AND THERAPY	4 120	8%	3 824
MC M&T HEALTHCARE Bulgaria	3 895	6%	3 682

MC EUROPEAN CARDIOLOGY	3 741	-24%	4 919
MC PLAMA	3 579	-12%	4 070
MEDICAL CENTRE COMAC MEDICAL	3 527	42%	2 491
MC - CLINICAL INSTITUTE OF REPRODUCTIVE MEDICINE	3 248	-5%	3 405
MC Pentagon 2012	2 870	23%	2 334
MEDICAL CENTRE TRANSHLIX	2 763	27%	2 171
MEDICAL CENTER 1 — PLOVDIV	2 653	49%	1 780
SPECIALIZED MEDICAL AID AMBULATORY - MC POLIMED	2 526	-6%	2 696
MC ST. IVAN RILSKI	2 463	-2%	2 523
MC AMERIMED	2 392	2%	2 344
NEW LIFE - GINAECOLOGY MEDICAL CENTRE	2 351	-16%	2 810
PLASTIC SURGERY MEDICAL CENTRE DR NIKOLAY GEORGIEV	2 177	-39%	3 549
Top 20 Total	89 165	3%	86 790

The highest amounts of profit before tax for 2020 in absolute terms is marked by MC NADEZHDA REPRODUCTIVE SOFIA, followed by MC Avicena and MC Afrodita.

Company	EBIT 2020 (`000 BGN)	Amendment 2020/2019	EBIT 2019 (`000 BGN)
MC M&T HEALTHCARE Bulgaria	3 316	62%	2 041
MC NADEZHDA REPRODUCTIVE SOFIA	2 931	-14%	3 395
MC AFRODITA	1 610	-7%	1 736
MEDICAL CENTRE TRANSHLIX	1 135	97%	576
MC THIRD POLYCLINIC	1 030	2843%	35
MC Pentagon 2012	896	44%	623
MC ACIBADEM CITY CLINIC VARNA	692	225%	213
MC AMERIMED	688	-23%	899
MEDICAL CENTER 1 — PLOVDIV	640	102%	317
REPRODUCTIVE HEALTH MEDICAL CENTRE	567	0%	566
MC - CLINICAL INSTITUTE OF REPRODUCTIVE MEDICINE	347	-20%	435
MC ST. IVAN RILSKI	278	-28%	385
SPECIALIZED MEDICAL AID AMBULATORY - MC POLIMED	257	-16%	307
MC - DOVERIE	124	41%	88
NEW LIFE - GINAECOLOGY MEDICAL CENTRE	116	-68%	359
PLASTIC SURGERY MEDICAL CENTRE DR NIKOLAY GEORGIEV	82	8%	76
MEDICAL CENTRE COMAC MEDICAL	24	-51%	49
MC EUROPEAN CARDIOLOGY	18	700%	- 3
MC PLAMA	- 2	-100%	998
MC SVETA MARINA — DIAGNOSTICS AND THERAPY	- 129	-393%	44
Top 20 Total	14 620	11%	13 139

Voluntary health insurance

In 2021, the accrued premium income of sickness and accident insurances in Bulgaria reached BGN 133 million in total, a growth on an annual basis by 12%.

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There is a monopoly of the NHIF in the field of compulsory health insurance. In the future, with demonopolisation, the potential for market development is huge.

Premium income from sickness insurance for 2021 total BGN 79 million and BGN 54 million from accident insurance.

The leading insurance funds by market share for 2021 in sickness insurance are: Generali Insurance AD (25.5%), **United Health Insurance Fund Doverie AD (23.9%)**, IC Bulgaria Insurance AD (14.6%), IC Euroins AD (8.5%).

The leading insurance funds by market share for 2021 in accident insurance are: Generali Insurance AD (19.7%), DZI General Insurance AD (16.8%), IC Euroins AD (15.3%), IC Bulstrad AD (10%), IC Armeec (6.5%), IC Allianz (5.1%)

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, FI Health and Bulgaria Insurance.

Company	2016	2017	2018	2019	2020	2021
ZAD BULSTRAD LIFE	20.70%	24.70%	26.70%	39.80%	37.50%	0.00%
United Health Insurance Fund Doverie AD	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ZAD BULGARIA AD	87.60%	86.10%	79.20%	73.40%	72.00%	72.60%
GENERALI INSURANCE AD	10.00%	6.00%	6.70%	6.90%	8.00%	0.00%
ZK UNICA LIFE AD	12.80%	12.50%	12.00%	13.60%	0.00%	0.00%
DZI LIFE INSURANCE EAD	8.80%	12.20%	14.70%	10.00%	9.40%	0.00%
FIHEALTH INSURANCE AD	88.10%	80.40%	83.40%	80.70%	80.50%	77.80%
INSURANCE COMPANY EUROINS AD	2.10%	2.80%	2.50%	3.20%	3.00%	2.00%
ZAD ALLIANZ BULGARIA LIFE	1.80%	2.20%	3.20%	4.50%	0.00%	0.80%
INSURANCE COMPANY MEDICO-21 AD	98.90%	98.80%	99.70%	98.00%	98.60%	0.00%

Production of detergents and household chemicals

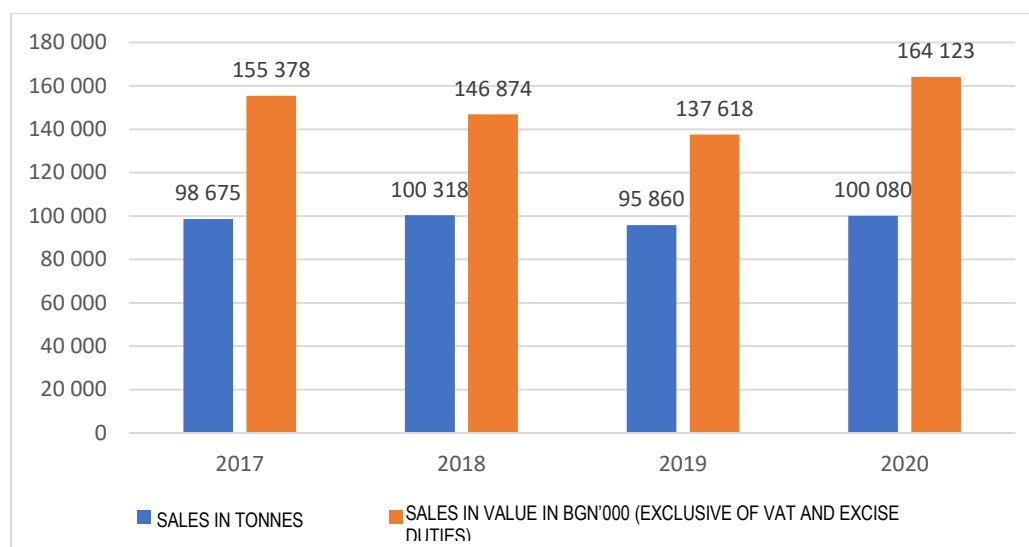
The production of detergents and household chemicals marks a growth for the period 2018—2020 year, reaching 105.5 thousand tonnes in 2020. The growth on an annual basis in 2020 compared to 2019 is 12%.

The sales of detergents and household chemicals grow up in 2020 in value, reaching 100 thousand tonnes (5% on an annual basis) and BGN 164 million (20% growth on an annual basis) respectively.

Development of sales of detergents and household chemicals from local producers, 2018—2020

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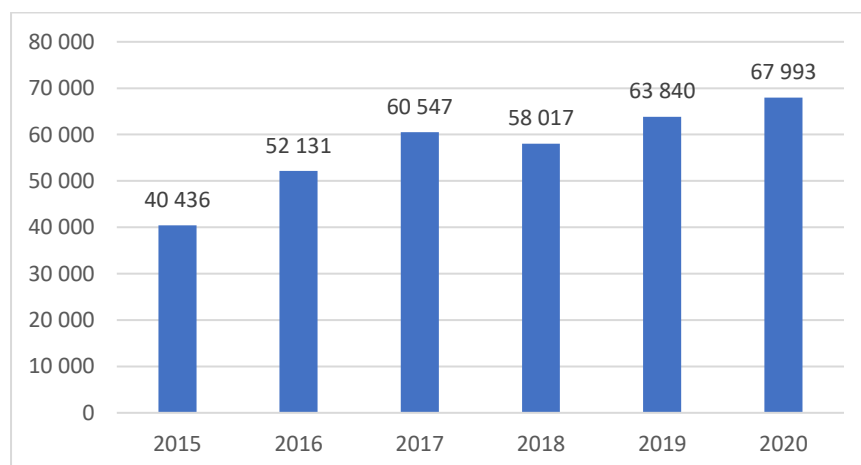
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The export of detergents and household chemicals marks a growth in terms of value for the period 2015—2020 year, reaching EUR 68 million but the volumes remain relatively unchanged approximately 70 thousand tonnes.

Main export destinations are Romania (41%), Ukraine (19%) and Italy (6%).

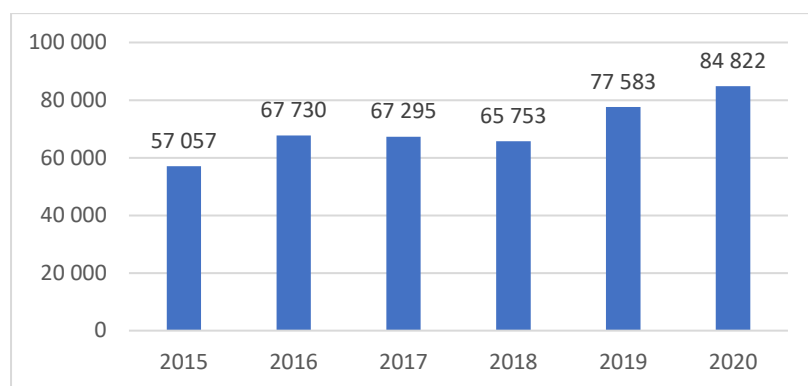
Export development in EUR thousand, 2015—2020



The import of detergents and household chemicals also marks a growth for the period 2015—2020 year, reaching EUR 85 million and 76 thousand tonnes in 2020.

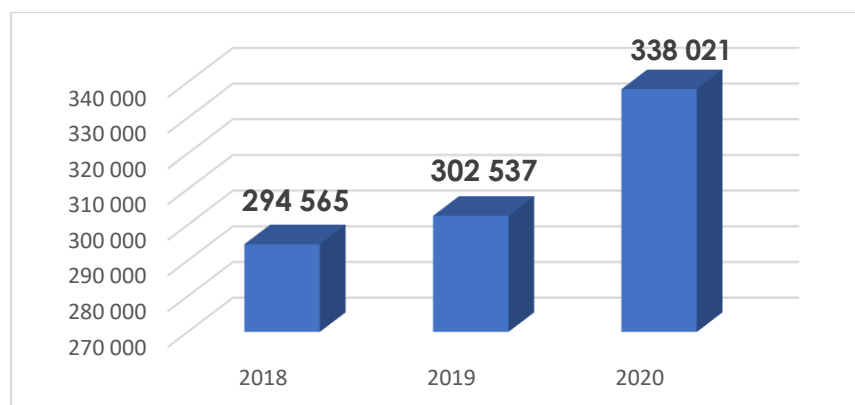
Main countries of origin of import are Romania (38%), Italy (12%) and Turkey (10%) and Poland (6%).

Import development in EUR thousand, 2015—2020



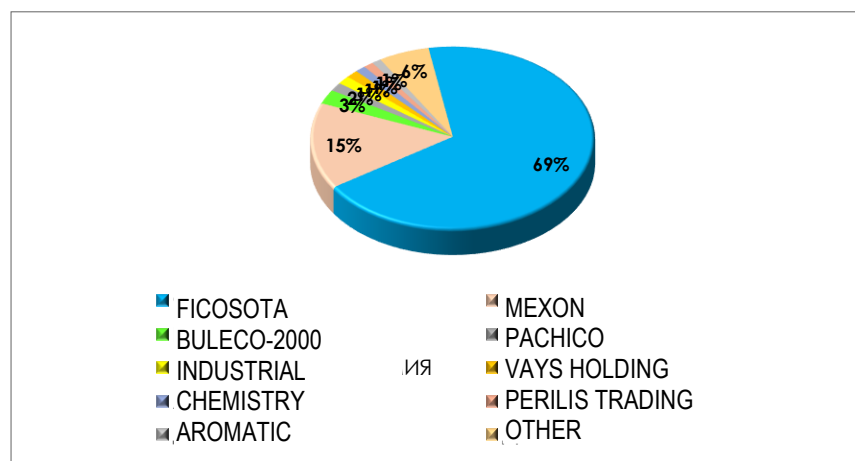
The sector registered a consistent growth for the period 2018—2020. The total sales revenue of the top 20 companies marked a growth of 12% in 2020 on an annual basis, reaching BGN 338 million.

Change in the turnover in BGN thousand, 2018—2020



Leading companies by sales revenue for 2020 are Ficosota, Mexon and HMI Company.

Market share by sales revenue, 2020



The biggest growth in the turnover in percentage for the period is marked by HMI Company (+204%), PRESTIGE 2007 (+115%) and Vays Holding (+101%).

Company	Turnover 2020	Amendment 2020/2019	Turnover 2019
FICOSOTA	214 781	2%	211 237
MEXON	47 896	13%	42 349
HMI COMPANY	24 495	204%	8 053
BULECO-2000	8 009	23%	6 526
PACHICO	4 713	47%	3 213
INDUSTRIAL CHEMISTRY	4 655	71%	2 718
VAYS HOLDING	4 321	101%	2 149
AROMATIC	3 788	27%	2 991
PERILIS TRADING	3 602	21%	2 965
DOVERIE – CARE	3 361	40%	2 393
CAPRICORN CHEMICALS GROUP	2 929	29%	2 273
VICTORY-2000	2 908	3%	2 835
PRESTIGE 2007	2 288	115%	1 065
COBRA PRO	2 283	42%	1 603
CARRIBEAN	2 042	4%	1 964
MOSKOV & SON	1 675	-47%	3 133
ENERGY	1 587	-20%	1 973
H.E.L.A. HIM	1 114	38%	806
VEK - HOTEL CONSUMABLES	920	-22%	1 175
EMERI	654	-41%	1 116
Top 20 Total	338 021	12%	302 537

The highest profits before tax in absolute terms for 2020 is marked by Ficosota, Mexon and HMI Company.

Company	EBIT 2020 (‘000 BGN)	Change 2019/2018	EBIT 2019 (‘000 BGN)
FICOSOTA	36 347	38%	26 339
HMI COMPANY	6 428	522%	1 033
MEXON	4 923	222%	1 529
VAYS HOLDING	1 243	614%	174
BULECO-2000	838	100%	420
PERILIS TRADING	772	273%	207
PRESTIGE 2007	667	574%	99
INDUSTRIAL CHEMISTRY	631	38%	458
CAPRICORN CHEMICALS GROUP	549	117%	253
AROMATIC	512	95%	262
PACHICO	493	848%	52
COBRA PRO	413	121%	187
H.E.L.A. HIM	408	196%	138
MOSKOV & SON	271	-16%	322
VEK - HOTEL CONSUMABLES	226	104%	111
ENERGY	219	-22%	280
EMERI	100	35%	74
VICTORY-2000	79	-55%	176
CARRIBEAN	66	-7%	71

DOVERIE – CARE	- 2 337	22%	- 2 981
Top 20 Total	52 848	81%	29 204

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 Interim Consolidated Financial Statements (Article 247, Paragraph 1 of the Commercial Act)

Analysis of the statement of profit and loss

(in thousand BGN)

	30 June 2022	30 June 2021	change	%
Interest revenue from banking operations	77,650	44,596	33,054	42.57
<u>Interest expenses from banking operations</u>	<u>(16,271)</u>	<u>(11,027)</u>	<u>(5,244)</u>	<u>32.23</u>
<i>Net interest income</i>	<i>61,379</i>	<i>33,569</i>	<i>27,810</i>	<i>45.31</i>
Fee and commission revenue from banking operations	37,181	28,667	8,514	22.90
<u>Expenses for fees and commissions from banking operations</u>	<u>(15,438)</u>	<u>(10,227)</u>	<u>(5,211)</u>	<u>33.75</u>
<i>Net fee and commission income</i>	<i>21,743</i>	<i>18,440</i>	<i>3,303</i>	<i>15.19</i>
Other net operating revenue	3,638	1,648	1,990	54.70
Exchange rate differences from banking operations	10,680	8,348	2,332	21.84
<u>Charged impairment/ reversal of impairment from banking operations</u>	<u>(6,611)</u>	<u>(2,583)</u>	<u>(4,028)</u>	<u>60.93</u>
Total net income from banking operations	<u>90,829</u>	<u>59,422</u>	<u>31,407</u>	<u>34.58</u>
Income from insurance operations	14,215	12,931	1,284	9.03
<u>Expenses for insurance operations</u>	<u>(11,722)</u>	<u>(9,936)</u>	<u>(1,786)</u>	<u>15.24</u>
Net income from insurance operations	<u>2,493</u>	<u>2,995</u>	<u>(502)</u>	<u>(20.14)</u>

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Revenue from other business sectors	86,218	66,271	19,947	23.14
Expenses from other business sectors	(53,980)	(41,471)	(12,509)	23.17
Net income from other business sectors	32,238	24,800	7,438	23.07
Operating and administrative expenses	(63,098)	(50,214)	(12,884)	20.42
Other financial revenue/expenses, net	(2,626)	(2,941)	315	(12.00)
Depreciation and impairment	(8,816)	(11,247)	2,431	(27.57)
Other operating income/loss	(104)	405	(509)	489.42
Operating profit	50,916	23,220	27,696	54.40
Profit from the acquisition and disposal of subsidiaries		1,864	(1,864)	
Profit before tax	50,916	25,084	25,832	50.73
Profit taxes	(6,247)	(3,647)	(2,600)	41.62
Profit from continuing businesses	44,669	21,437	23,232	52.01
Profit/loss from ceased operations		2	(2)	
Net profit for the period of reference	44,669	21,439	23,230	52.00
Profit/loss from associates				
Net profit for the period of reference	44,669	21,439	23,230	52.00
Net profit attributable to:				
	34,326	16,317		
Equity holders of the parent			18,009	52.46
Non-controlling participations	10,343	5,122	5,221	50.48
	44,669	21,439		

Analysis of the statement of financial position

<i>(in thousand BGN)</i>	30 June 2022	31 December 2021	change	
				%
ASSETS				
Property, plant and equipment	101,516	101,945	(429)	-0.42%
Assets with right of use	32,192	33,319	(1,127)	-3.50%
Investment properties	13,508	13,773	(265)	-1.96%
Goodwill	5,140	5,140		0.00%
Other intangible assets	8,718	7,717	1,001	11.48%
Financial assets at fair value through profit or loss	6,788	7,177	(389)	-5.73%
Financial assets at amortised cost	338,887	398,600	(59,713)	-17.62%
Financial assets at fair value through other comprehensive income	1,929	2,020	(91)	-4.72%
Loans to bank customers	1,148,838	1,099,210	49,628	4.32%
Other bank assets	20,874	13,437	7,437	35.63%
Assets for sale	7,649	7,667	(18)	-0.24%
Deferred tax assets	5,124	5,130	(6)	-0.12%
Trade receivables	6,747	5,486	1,261	18.69%
Inventories	49,613	41,195	8,418	16.97%
Receivables under insurance contracts	8,020	5,160	2,860	35.66%
Cash and cash equivalents	833,057	855,225	(22,168)	-2.66%
Total assets	2,588,600	2,602,201	(13,601)	-0.53%
EQUITY AND LIABILITIES				
Capital attributable to equity holders of the parent				
Share capital	21,500	21,500		0.00%
Reserves	38,125	38,672	(547)	-1.43%

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Accumulated profit/(loss)

	295,418	261,038	34,380	11.64%
	355,043	321,210	33,833	9.53%
Non-controlling participations	117,396	107,464	9,932	8.46%
Total equity	472,439	428,674	43,765	9.26%
Insurance reserves	11,714	7,673	4,041	34.50%
Bank customer deposits	1,681,412	1,845,658	(164,246)	-9.77%
Funds borrowed by the bank from other financial institutions	34,234	31,895	2,339	6.83%
Liabilities to related parties	63,855	62,775	1,080	1.69%
Liabilities of trade companies to financial institutions	45,089	52,559	(7,470)	-16.57%
Liabilities under share purchase agreements				
Leasing	31,838	32,857	(1,019)	-3.20%
Provisions for employee benefits	8,045	9,406	(1,361)	-16.92%
Deferred tax	5,599	5,773	(174)	-3.11%
Trade and other liabilities	57,134	45,740	11,394	19.94%
Payables under direct insurance operations	896	502	394	43.97%
Correspondent accounts (LORO)	97,515	328	97,187	99.66%
Other specific liabilities to banks	78,830	78,361	469	0.59%
Total liabilities	2,104,447	2,165,854	(61,407)	-2.92%
Total capital and liabilities	2,588,600	2,602,201	(13,601)	-0.53%

LOANS TO BANK CUSTOMERS

	30 June 2022	31 December 2021
	BGN '000	BGN '000
Loans	1,184,913	1,128,855
Other financial assets	9,349	8,060
Loans, total	1,194,262	1,136,915
Minus: Discount for loss of value of loans	(45,414)	(37,696)
Minus: Discount for loss of value of other financial assets	(10)	(9)

1,148,838	1,099,210

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

	30 June 2022	31 December 2021
	BGN '000	BGN '000
		38,054
Agriculture	46,935	
Extractive industry	94	31
		82,579
Manufacturing industry	78,710	
		1,124
Electricity generation, heating, gas, water	1,561	
		67
Water distribution, sewerage	773	
		30,008
Construction	26,446	
		6,587
Trade, maintenance and repair of motor vehicles	8,493	
		19,869
Wholesale of grain, seeds and animal feeds	13,192	
		73,485
Food trade	72,053	
		34,962
Trade in pharmaceutical products	35,636	
		25,238
Trade in construction materials	25,721	
		12,638
Trade in fuel	13,592	
		50,943
Trade in other goods	57,626	
		16,661
Transportation	17,624	
		6,285
Hotel and restaurant management	6,292	
		13,516
Information and telecommunication	12,232	
		79,035
Financial activity, insurance	89,796	
		325,109
Dealing in real estate	351,659	
		2,899
Professional, scientific and technical service activities	2,729	

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		792
Administrative services ad spot	712	
		8,317
Public administration	9,041	
		820
Education	516	
		292,452
Separate loans	306,746	
		6,284
Health and social care	5,707	
		462
Leisure activities	427	
		638
Other services	600	
	1,184,913	1,128,855

Financial assets at amortised cost

	30 June 2022	31 December 2021
	BGN '000	BGN '000
Financial assets at amortised cost (government securities)	363,968	411,000
Minus: Impairment allowance	(25,081)	(12,400)
	338,887	398,600

Investments in government securities at 30 June 2022 represent:

- Treasury bills to the amount of BGN 358,164 thousand equivalence with maturity from 91 to 2557 days and government bonds from 1–5 years, issued by the Ministry of Finance of Republic of Moldova with an interest rate between 5.61% and 19.50% per annum.
- Government bonds to the amount of BGN 5,804 thousand equivalence with maturity from 1,241 to 6,387 days, issued by the Ministry of Finance of Republic of Bulgaria with an interest rate between 0.80% and 2.30% per annum.

At 30 June 2022 there aren't any pledged government securities.

Financial assets at fair value through profit or loss**Unquoted equity investment**

	30 June 2022	%	31 December 2021	%
	BGN '000	participation	BGN '000	participation
Mr. Bricolage	9		9	

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Engineering and Development Company AD	2,704	8,30	2,704	8,30
Melko International AD	1	0,03	1	0,03
Bilyana Trading AD	8	15,00	8	15,00
Hydroizomat AD	1		1	
	<u>2,723</u>		<u>2,723</u>	

Quoted equity investment

	30 June 2022 BGN '000	% participation interest	31 December 2021 BGN '000	% participation interest
Exclusive Property REIT	56	0.42	56	0.42
Sopharma AD	556	0,09		
Sopharma Trading AD	2,084	2.98	4,306	2.98
Doverie – United Holding AD	1,271	0,81		
ImPulse 1 AD	67	0.84	67	0,84
Compensatory bond	31		25	
	<u>4,065</u>		<u>4,454</u>	

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Property, plant and equipment

	Land		Buildings		Plants and equipment		Transport vehicles		Inventories		In progress		Others, including biological assets		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	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
<i>Book value</i>																
Balance as at 1 January	32,252	30,294	56,748	57,037	47,665	46,632	2,454	3,023	12,189	11,804	2,429	913	3,745	3,604	157,482	153,307
Difference resulting from revaluation	-	-	(17)	393	(23)	313	(4)	38	(1)	12	(4)	39	-	-	(49)	795
Balance as at 01 January (recalculated)	32,252	30,294	56,731	57,430	47,642	46,945	2,450	3,061	12,188	11,816	2,425	952	3,745	3,604	157,433	154,102
Acquired	29	2,134	-	164	1,993	3,724	545	926	689	557	4,589	3,366	63	259	7,908	11,130
Effect from revaluation to fair value	-	(2)	-	(36)	-	(397)	-	(15)	-	(5)	-	-	-	(31)	-	(486)
Written-off	(218)	(161)	(1,053)	(513)	(160)	(2,236)	(170)	(1,571)	(53)	(204)	(4,401)	(1,538)	(4)	(133)	(6,059)	(6,356)
Written-off book value of assets on sale of subsidiaries	-	(13)	-	(297)	-	(465)	-	(26)	-	(35)	-	-	-	-	-	(836)
Transfer to property, plant and equipment	-	-	266	-	1,563	94	-	79	-	60	(221)	(351)	5	46	1,613	(72)
Balance as at 30 June 2022	32,063	32,252	55,944	56,748	51,038	47,665	2,825	2,454	12,824	12,189	2,392	2,429	3,809	3,745	160,895	157,482
<i>Accumulated depreciation</i>																
Balance as at 1 January	-	-	16,549	15,034	27,532	25,342	443	1,272	9,667	9,280	-	-	1,346	1,180	55,537	52,108
Reclassification to IFRS 16 on 01 January	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 January (recalculated)	-	-	16,549	15,034	27,532	25,342	443	1,272	9,667	9,280	-	-	1,346	1,180	55,537	52,108
Accrued depreciation for the year	-	-	803	1,610	2,812	4,661	220	457	353	649	-	-	109	282	4,297	7,659
Effect from revaluation to fair value	-	-	-	-	-	(149)	-	(2)	-	(1)	-	-	-	-	-	(152)
Written-off depreciation	-	-	(64)	(15)	(148)	(1,862)	(188)	(1,259)	(53)	(249)	-	-	(2)	(116)	(455)	(3,501)
Written-off depreciation of assets on sale of subsidiaries	-	-	-	(80)	-	(460)	-	(25)	-	(12)	-	-	-	-	-	(577)
Balance as at 30 June 2022			17,288	16,549	30,196	27,532	475	443	9,967	9,667	-	-	1,453	1,346	59,379	55,537
Carrying amount as at 1 January	32,252	30,294	40,182	42,003	20,110	21,290	2,007	1,751	2,521	2,524	2,425	913	2,399	2,424	101,896	101,199
Balance as at 30 June 2022	32,063	32,252	38,656	40,199	20,842	20,133	2,350	2,011	2,857	2,522	2,392	2,429	2,356	2,399	101,516	101,945

Investment properties

	30 June 2022 BGN ‘000	31 December 2021 BGN ‘000
Balance as at 1 January	13,773	13,755
Written-off	(265)	(216)
Evaluation to fair value	-	234
Balance as at 30 June	13,508	13,773

	<i>Land</i>	<i>Office space</i>	<i>Production facilities</i>	<i>Social facilities</i>	<i>Total</i>
Balance as at 01 January 2021	8,498	3,315	1,819	123	13,755
Written-off	(3)	(182)	(31)	-	(216)
Fair value through profit or loss — not realised	214	20	-	-	234
Balance as at 31 December 2021	8,709	3,153	1,788	123	13,773
Written-off	-	(187)	(76)	(2)	(265)
Balance as at 30 June 2022	8,709	2,966	1,712	121	13,508

- Studios in a residential building, Plovdiv — BGN 68 thousand (31 December 2020 — BGN 68 thousand) and stores, Plovdiv — sold (31 December 2021 — BGN 63 thousand) and BGN 42 thousand (31 December 2020 — BGN 42 thousand)
- Properties in a residential building, Plovdiv totalling BGN 35 thousand / outlets with a total floor area of 33.41 sq.m. / and totalling BGN 20 thousand
- 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 196 thousand
- Surveyed plot of land in Dobrich, amounting to BGN 472 thousand, owned by Doverie Capital AD. (for 31 December 2021: BGN 472 thousand).
- ‘Business Centre’ investment property, located in the city of Ruse, 10 Captain Evstati Vinarov St., consisting of a land plot with identifier 634.2.492 with an area of 1,181 sq.m. together with the constructed in it 3 separate sites representing a building on 4 floors with identifier 634.2.492.1 with a floor area of 643 sq.m. and having a total floorage of 3,170 sq.m. with 22 administrative

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premises per floor, a separate site — ‘restaurant’ having a total floorage of 240 sq.m. and a separate site — ‘sports hall’ located in the basement with a floor area of 294.50 sq.m. According to the reference provided, identifiable sites of the property are leased to 60 tenants. The value of the property is BGN 2,176 thousand.

- Land/zoned property (ZP) with a total area of 59,267 sq.m., amounting to BGN 6,378 thousand, located in Plovdiv, 144, Vasil Levski St.
- Buildings with total area of 6,431 sq.m., amounting to BGN 678 thousand, located in Plovdiv, 144, Vasil Levski St.
- 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 – United Holding AD

On 12 July 2022 a change was registered in the Commercial Register on the account of Doverie – United Holding AD, namely Mr. Hristo Georgiev Hristov was registered as a member of our Supervisory Board.

Doverie Brico AD

The Pernik store has been handed over by the landlord to carry out finishing works, which are the responsibility of Doverie – Brico AD, in accordance with the signed lease agreement.

Pursuant to the tripartite agreement, in connection with the sale of the Varna store to a new owner, the bank guarantee in the amount of EUR 133 thousand (BGN 261 thousand) valid until 31 March 2023 was terminated on 8 July 2022 and a new guarantee in the same amount was established in favour of the new landlord valid until 30 June 2023.

Moldindconbank S.A.

In accordance with the resignation of Mr. Nikolay Borisov — Chairman of the Board of the Bank, a resolution of the Board of the Bank has been adopted as at 30 May 2022 by which Ms. Tsvetanka Krumova was appointed to temporarily perform the functions of the Chairman of the Board of the Bank until the approval of a new candidate for this post by the National Bank of Moldova.

In January, a national immunization plan against COVID-19 was approved. According to the Decree No 245 of 28 July 2022 of the Parliament of the Republic of Moldova, the state of emergency has been extended on the entire territory of the Republic of Moldova for a period of 60 days starting from 8 August 2022. This decision will not materially affect the Bank's operations. It is worth noting that since the beginning of the year, the number of Covid-19 cases in Moldova has registered some growth. The management of the bank monitors actively the development of the events and is ready to take all the required measures for the maintenance of the continuity of the bank's activity, for the protection of the employees and for the respecting of the customers' and shareholders' interests.

At the end of February 2022, a military conflict on the territory of Ukraine with Russia began, which continues to the date of issuance of this financial statement. As a result from this, the leading financial markets all over the world are shaken and the problems with the supply chains caused by the COVID-19 pandemic are expected to be further complicated as a consequence of this conflict on the territory of Ukraine. More and more extensive economic sanctions are imposed on the Russian Federation on the part of the European Union, the USA and other countries. Predictions are therefore made for a considerable increase in the prices of oil, gas, electricity and other raw materials, as well as an increased inflation on a global level. The establishment of the first indications is also starting.

The management of the company has determined this event as non-adjusting within the meaning of IAS 10. There are no effects reported in the present financial statement as it is estimated that there are no such effects established.

At this stage, the management monitors and makes on an on-going basis analyses and evaluations of possible consequences and effects of the conflict on the company, its activity, assets and prospects. In the short term, his assessment is that insofar as the company does not maintain close economic ties and exchange of goods and services with Russia and Ukraine there are no direct effects and exposures affected. The indirect influence on its activity, assets and markets is assessed by the management through the anticipated considerable increase of the prices of oil, gas and other raw materials, as well as the rise in inflation.

The development and outcome of the conflict cannot be predicted at this time, as long as it poses lots of uncertainties and it is very hard to predict its long-term effects both on the global economic and social development of the European Union and of the world as a whole, and – in particular – of Bulgaria and the company.

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 Commerce Act)

The Group has adopted a policy for presentation of forecasts on an annual consolidated basis. Such a policy is presented in the annual consolidated financial statements for the period ended 31 December 2021.

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. One of the companies, part of the economic group of Doverie – United Holding AD, United Health Insurance Fund Doverie ZAD AD holds licences for insurance operations and another — 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 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. 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 Commerce Act (Article 39, Subparagraph 6 of the Accounting Act)*

Doverie – United Holding AD has not redeemed own shares.

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

Doverie – United Holding AD does not have registered branches.

V. *Information under Annex 2 to Article 10, Paragraph 1 and Article 11, Paragraph 1 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 entities 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 Interim 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 Interim 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 Interim Consolidated Financial Statements – Note '42. '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*

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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.

Loans granted by Doverie United Holding AD as at 30 June 2022

- **Long-term**

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<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest%</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
<i>Doverie Invest EAD</i>	<i>205426924</i>	<i>22,900</i>	<i>30 March 2020; Annex 08 May 2020</i>	<i>Repayment of liabilities to Sopharma</i>	<i>31 January 2027</i>	<i>2.8% until 22 April 2021, 2.4% after the first year until 31 January 2027</i>	<i>17,249</i>	<i>17,215</i>	<i>35</i>	<i>Promissory note for BGN 27,480 thousand</i>
<i>Doverie Invest EAD</i>	<i>205426924</i>	<i>6,330</i>	<i>30 August 2021</i>	<i>Repayment of loan funds to Sopharma</i>	<i>31 August 2023</i>	<i>2.90%</i>	<i>6,345</i>	<i>6,330</i>	<i>15</i>	<i>Promissory note for BGN 7,596 thousand</i>
<i>Doverie Invest EAD</i>	<i>205426924</i>	<i>800</i>	<i>01 December 2021</i>	<i>Special Investment Objective</i>	<i>01 December 2026</i>	<i>2.90%</i>	<i>802</i>	<i>800</i>	<i>2</i>	<i>Promissory note for BGN 960 thousand</i>
<i>Doverie Care EAD</i>	<i>204956297</i>	<i>5,662</i>	<i>01 February 2022</i>	<i>Novation of old loan agreements</i>	<i>31 January 2027</i>	<i>3.50%</i>	<i>5,076</i>	<i>5,015</i>	<i>61</i>	<i>Promissory notes for BGN 6990 thousand</i>
<i>Hydroizomat AD</i>	<i>121732517</i>	<i>2,200</i>	<i>07 June 2021</i>	<i>Purchase of real estate and execution of construction</i>	<i>07 June 2026</i>	<i>3.00%</i>	<i>2,000</i>	<i>2000</i>		<i>Promissory note for BGN 2,640 thousand</i>
<i>Caretech EOOD</i>	<i>206496893</i>	<i>300</i>	<i>07 December 2021</i>	<i>Purchase of new machinery</i>	<i>07 December 2026</i>	<i>3.00%</i>	<i>143</i>	<i>141</i>	<i>2</i>	<i>Promissory note for BGN 360 thousand</i>
<i>Total:</i>							<i>31,616</i>	<i>31,501</i>	<i>115</i>	

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- **short-term**

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Bulgarian wine OOD	123576718	216	01 April 2011; Annex dated 30 November 2021	For current activity	01 January 2022, with an option until 01 January 2023	3.00%	230	178	52	Promissory note for BGN 368 thousand
Bulgarian wine OOD	123576718	332	14 September 2011; Annex dated 30 November 2021	For working capital	01 January 2022, with an option until 01 January 2023	3.00%	335	260	75	Promissory note for BGN 377 thousand
Doverie – Capital AD	130362127	4000	30 November 2021	Refinancing to repay liabilities	30 November 2022, with an option until 30 November 2026	3.00%	3000	3000		Promissory note for BGN 4,800 thousand

Total:

3565

3438

127

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Loans granted by Industrial Holding Doverie AD as at 30 June 2022

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Bulgarian wine OOD	123576718	150	14 March 2012; Annex dated 30 November 2021	Renewal of old liabilities	01 January 2022, with an option until 01 January 2023	3.00%	167	124	43	Promissory note for BGN 175 thousand

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Darik Holding AD	130526625	1000	19 October 2015; Annex dated 11 October 2021		19 October 2022	3.10%	602	600	2	Promissory note for BGN 600 thousand

Loans and deposits granted by Doverie Capital AD as at 30 June 2022

1. Loans granted by Doverie – Capital AD

Doverie – United Holding AD
Interim Consolidated Report on the Activity for the period ending on 30 June 2022

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Dunav AD	827182859	1,658	Contract — 01 February 2016 and latest Annex dated 20 December 2018.	For working capital	up to 01 January 2023	3.00%	1,315	1,315	-	Promissory note for BGN 2,601 thousand
Doverie Invest EAD	205426924	11,350	Contract dated 05 March 2019		31 December 2025	3.00%	1,553	1550	3	Promissory note for BGN 13,620 thousand
Doverie Invest EAD	205426924	2,300	Contract — 29 May 2019 and latest Annex dated 05 December 2019.		29 May 2025	3.00%	2,306	2300	6	Promissory note for BGN 3,960 thousand
Doverie Invest EAD	205426924	2,728	Contract dated 08 June 2020		08 June 2021 with an extension option up to 5 years	3.00%	2,735	2728	7	Promissory note for BGN 3,274 thousand
Total:							7,909	7,893	16	

Doverie – United Holding AD
Interim Consolidated Report on the Activity for the period ending on 30 June 2022
2. Deposits granted by Doverie – Capital AD

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Industrial Holding Doverie AD	121683066	4,611	Contract — 01 February 2016 and latest Annex dated 29 September 2021.		31 December 2023	0.60%	4,616	4,616	-	-
Total:							4,616	4,616	0	

3. Loans granted by Bilyana Triko AD

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>Including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
ET Paskal Moskov	201983331	450	05 April 2019/05 April 2020 /05 June 2020/17 December 2020 15 June 2021/15 December 2021	working capital	31 December 2022	4.00%	459	450	9	Contractual mortgage — BGN 619 thousand.
Total:							459	450	9	

Loans granted by Doverie Care EAD as at 30 June 2022

Doverie – United Holding AD

Interim Consolidated Report on the Activity for the period ending on 30 June 2022

<i>Company</i>	<i>UIC</i>	<i>Agreed amount of loan BGN'000</i>	<i>Date of Contract (including supplementary agreements)</i>	<i>Purpose of the loan</i>	<i>Repayment term</i>	<i>Interest %</i>	<i>Total loan receivables BGN'000</i>	<i>including principal BGN'000</i>	<i>Interest BGN'000</i>	<i>Pledged collateral</i>
Caretech EOOD	206496893	42	13 September 2021	Investments in tangible fixed assets	08 September 2022	3.50%	33	32	1	

Accepted collaterals on loans granted by companies over which Doverie – United Holding AD exercises control:

- Bulgarian wine OOD — a promissory note amounting to BGN 745 thousand.
- Doverie Care EAD — promissory note amounting to BGN 6,990 thousand
- Doverie Invest EAD — promissory note amounting to BGN 36,036 thousand.
- Hydroizomat AD — promissory note amounting to BGN 2,640 thousand
- Doverie Capital AD — promissory note amounting to BGN 4.800 thousand
- Caretech EOOD — promissory note amounting to BGN 360 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 500 thousand, maturity — 10 August 2022.
- 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 September 2022.
- Under an overdraft agreement amounting to BGN 2,075 thousand of Doverie Care EAD with maturity 19 October 2022 and investment loan for BGN 3,774 thousand maturing 25 January 2023;
- Pledge of 2,650 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.*

No issue of shares was materialized during the reporting period.

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.*

The Group has adopted to forecast and report results on an annual basis. The information is disclosed in the Report on the Activity to the annual consolidated financial statements for the period ending 31 December 2021.

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 48 '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 entities 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 reporting period there are changes in the company's management bodies. On 19 May 2022, Petko Kolev Ivanov was entered as a member of the Management Board in the Commercial Register on the account of Doverie – United Holding AD.

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
Ivan Ognyanov Donev	18,000		18,000
Ventsislav Simeonov Stoev	18,000		18,000
Alexandre Gueorguiev Hristov	9,000		9,000
Anna Ivanova Pavlova	9,000		9,000
Hristo Georgiev Hristov	8,607		8,607
Petko Kolev Ivanov	2,130		2,130

- b) conditional or deferred remunerations arisen in the period, 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

- amount of the remunerations accrued and paid by the Company to the members of the Audit Committee

	Gross remuneration	Profit distribution	Total
Anna Ivanova Pavlova	4,200		4,200
Ivan Pantaleev Dimov	4,200		4,200
Elena Stefanova Golemanova	4,200		4,200

- 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 Commerce 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.**

Since 08 April 2021 Investor Relations Director is performed by Vanya Atanassova, with correspondence address at: 5 Lachezar Stanchev str., building 'A', floor 7, 1756 Sofia, phone: +02/9845635(11), e-mail: v.atanasova@doverie.bg.

VI. Approval of the Interim Consolidated Financial Statements and the report on the activity

The Interim Consolidated Financial Statements ending on 30 June 2022 was approved for publication on 5 August 2021 by:

Anna Pavlova
Chairperson of the Management Board

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board