INDEPENDENT AUDITOR`S REPORT

TO THE SHAREHOLDERS OF

DOVERIE – UNITED HOLDING AD

Report on the Audit of the Non-Consolidated Financial Statements

Opinion

We have audited the Non-Consolidated Financial Statements of **DOVERIE – UNITED HOLDING AD** ('the Company'), containing the Non-Consolidated Statement of Financial Position as at 31 December 2023 and the Non-Consolidated Statement of profit or loss and other comprehensive income, the Non-Consolidated Statement of Changes in Equity and the Non-Consolidated Cash Flow Statement for the year then ended, as well as the explanatory notes to the Non-Consolidated Financial Statements, containing the summary of significant accounting policies.

In our opinion the enclosed Non-Consolidated Financial Statements provide a true and fair view in all significant aspects of the financial position of the Company as of 31 December 2023 and of its financial operating results, and of the cash flows for the year then ended, in compliance with the International Financial Reporting Standards (IFRS), adopted by the European Union (EU).

Basis of the opinion

We conducted our audit in accordance with the International Standards on Auditing. (ISA). Our responsibilities under these standards are further described in the section of our report 'Auditor`s Responsibilities on the Audit of the Non-Consolidated Financial Statements'. We are independent of the Company, pursuant to the International Code of Ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and the ethical requirements of the Independent Financial Audit Act (IFAA), applicable to our audit of the financial statements in Bulgaria, and we have delivered our other ethical responsibilities in accordance with the provisions of IFAA and the IESBA Code. We believe that the audit evidence obtained by us are sufficient and appropriate to provide a basis for our opinion.

Key audit issues

Key audit issues are those issues, which according to our professional judgement have been of the greatest significance in the audit of the Non-Consolidated Financial Statements for the current period. These issues are addressed as part of our audit of the Non-Consolidated Financial Statements as a whole and in the context of the formation of our opinion, and we do not provide a separate opinion on these issues.

Evaluation of investments and receivables from subsidiaries

Notes 2.7. 'Investments in subsidiaries', 2.25. 'Estimates of Key Importance in Applying the Accounting Policies of the Company. Key Estimates and Assumptions of High Uncertainty' to the Non-Consolidated Financial Statements provide information about the accounting policy adopted by the Company, the evaluation of investments and the receivables from related parties as at 31 December 2023.

Note 11 'Investments in subsidiaries', Note 20 'Receivables from related entities'.

Key audit issue	How the key audit issue was addressed in the course of our audit
1.**Evaluation of investments and receivables from subsidiaries.** As disclosed in Notes Nos 11 and 21 to the Non-Consolidated Financial Statements, the Company has investments in subsidiaries and trade receivables from these companies – related parties, to the total amount of BGN 55 361 thousand. (31 December 2022: BGN 53,265 thousand). Some of these subsidiaries have liquidity problems and report negative financial results. When calculating the impairment of investments in subsidiaries and the receivables due from them, significant judgements apply with regard to the evaluation of future debt collection and the recoverable amount of the investments, by analysing and evaluating the return of the overall exposure of the Company towards these entities. For indications of impairment the Company accepts excess of the carrying value of the investment over the share of net assets of the subsidiary and uses the method of discounted future cash flows. A number of factors are taken into account for the calculation such as: renegotiated agreements, expected revenue growth and financial results, established trends. The Company uses independent licensed evaluators in case of significant deviations in the methods. On the basis of the judgement of the management, also, part of the investments in subsidiaries are partially impaired. Due to the circumstances that: a) the process of determining the impairment losses on the Company's exposure to its subsidiaries assumes multiple assessments and a higher level of subjectivity in the forecast assumptions; b) the importance of the reporting entity itself for the Non-Consolidated Financial Statements of the Company, as stated above, we have defined this issue as a key audit issue.	In this regard, our audit procedures have included: • review and assessment analyses made by the Company of the projections of future cash flows from subsidiaries for the previous year compared to their actual performance in the current year and updated projections and business plans for the current year; • analytical procedures on indicators of receivables from these companies during the previous and current years and after the date of the statement of financial position; • review of documents on the facts and circumstances related to the recovery rate and return on investments - financial position of the companies, their contractors and the ability to generate cash flows; • Restatement of significant exposures based on adopted by the Company's management model; • review of the key assumptions in the calculations and analysis of their sensitivity to evaluate the extent of the effect on determined impairment and the carrying amount of the exposure; • review of the completeness and adequacy of disclosures in the Non-Consolidated Financial Statements.

Information Other than the Non-Consolidated Financial Statements and the Auditor's Report Thereon

Management bears the responsibility for the other information. The other information comprises of the Management Report, incl. the Corporate Governance Statement, Report on the Implementation of the Remuneration Policy, prepared by the management in accordance with Chapter Seven of the Accounting Act and the Public Offering of Securities Act, but does not include the Non-Consolidated Financial Statements and our audit report thereon, which we have received before the date of our auditor's report.

Our opinion on the Non-Consolidated Financial Statements does not cover the other information and we do

hlb.bg
HLB Bulgaria, Sofia 1309, 149-151 Konstantin Velichkov Blvd.
TEL.: +359 2 920 22 01 FAX: +359 2 920 36 65 E-MAIL: office@hlb.bg

not express any form of conclusion of certainty about it, unless explicitly stated in our report and to the extent indicated.

In connection with our audit of the Non-Consolidated Financial Statements, our responsibility lies in reading the other information thus assessing whether this other information is materially inconsistent with the Non-Consolidated Financial Statements or with our knowledge gained during the audit or it seems to contain otherwise substantially incorrect reporting.

If based on the work that we have done, we reach a conclusion that there is a substantial incorrect reporting in the other information, we are required to report this fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of the present Non-Consolidated Financial Statements in compliance with the IFRS, adopted by the EU, and is also responsible for the implementation of such an internal control system, determined as relevant by the Management to the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the no-consolidated financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, when applicable, issues related to the going concern assumption and using the accounting basis based on the going concern assumption, unless the Management intends to liquidate the Company or to cease its operations, or if the Management has no other alternative but to do so.

Those charged with general governance are responsible for supervising the financial reporting process of the Company.

Auditor's Responsibility for the Non-Consolidated Financial Statements

Our goals are to obtain reasonable assurance about whether the Non-Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report, which includes our audit opinion. Reasonable assurance is a high level of security, but does not guarantee that an audit conducted in accordance with ISA will always disclose materially incorrect reporting when it exists. Misstatements may occur as a result of fraud or error and are considered material if it could reasonably be expected that they, individually or as a group, could influence the economic decisions of users taken on the basis of these Non-Consolidated Financial Statements.

As part of the audit, in accordance with ISA, we use professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatements in the Non-Consolidated Financial Statements, whether due to fraud or error , develop and implement audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to provide basis for our opinion. The risk of not revealing significant misstatements resulting from fraud is higher than the risk of material misstatements resulting from error, because fraud may involve collusion, forgery, deliberate omissions, statements to deceive the auditor, as well as neglect or circumvention of internal controls.

— Obtain understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Company.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

— Reach a conclusion on the appropriateness of the use by the Management of the accounting basis, based on the going concern assumption and based on the audit evidence obtained, as to whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we reach a conclusion that there is significant uncertainty, we are required to attract attention in our audit report on the disclosures in the Non-Consolidated Financial Statements related to the uncertainty or in the event that these disclosures are inadequate to modify our opinion. Our conclusions are based on audit evidence obtained as at the date

of our audit report. Future events or conditions may, however, cause the Company to cease its operations as a going concern.

— Evaluate the overall presentation, structure and content of the Non-Consolidated Financial Statements, including disclosures, and whether the Non-Consolidated Financial Statements present fundamental transactions and events in a manner that achieves fair presentation.

We communicate with the persons, in charge of the general governance, among other issues, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in the internal control that we have identified during our audit.

We also provide those charged with general management with a statement that we have fulfilled the relevant ethical requirements regarding the independence and that will communicate with them all relationships and other matters that could reasonably be regarded as relevant to our independence, where applicable, and the actions taken to eliminate the threats or the precautions applied.

Among the matters communicated with those charged with the general governance, we determine those issues that have been of greatest significance in the audit of the Non-Consolidated Financial Statements for the current period and which are therefore key audit issues. We describe these issues in our audit report, except in cases where the law or regulations prevent public disclosure of information about this issue or if, in extremely rare cases, we decide that an issue should not be communicated in our report, as could reasonably be expected that the adverse consequences of this action would outweigh the benefits in terms of public interest from this communication.

Report in Relation to Other Legal and Regulatory Requirements

Additional issues for reporting pursuant to the Accounting Act and the Public Offering of Securities Act

In addition to our responsibilities and reporting under ISA, described above in the section 'Information other than the Non-Consolidated Financial Statements and the Auditor's Report thereon', in respect to the Management Report, the Corporate Governance Statement and the Report on the Implementation of the Remuneration Policy, we have fulfilled the procedures added pursuant to ISA as per the 'Guidelines on New and Expanded Audit Reports and Communication from the Auditor' of the Professional Organization of Certified Public Accountants and Registered Auditors in Bulgaria — Institute of Certified Public Accountants (ICPA)'.

These procedures concern checks on the presence and checks on the form and content of such other information to help us form an opinion on whether the other information includes the disclosures and the reports provided for in Chapter Seven of the Accounting Act and the Public Offering of Securities Act (Article 100n, paragraph 10 of POSA in conjunction to Article 100n, paragraph 8, subparagraphs 3 and 4 of POSA, as well as Article 100n, paragraph 13 of POSA in conjunction to Article 116c, paragraph 1 of POSA), applicable in Bulgaria.

Opinion in conjunction with Article 37(6) of the Accounting Act

Based on the procedures performed, our opinion is that:

a) The information included in the Management Report for the financial year, for which the Non-Consolidated Financial Statements are prepared is in line with the Non-Consolidated Financial Statements.

b) The Management Report is prepared in accordance with the requirements of Chapter Seven of the Accounting Act and Article 100n, paragraph 7 of the Public Offering of Securities Act.

c) The Corporate Governance Statement for the financial year, for which the Non-Consolidated Financial Statements have been prepared presents the information required under Chapter Seven of the Accounting Act and Article 100n, paragraph 8 of the Public Offering of Securities Act.

d) The Report on the implementation of the remuneration policy for the financial year for which the financial statements have been prepared is presented and prepared in accordance with the provisions of Article 116c(1) of the Public Offering of Securities Act.

Opinion in relation to Article 100n (10) in relation to Article 100n(8), subparagraphs 3 and 4 of the Public

Offering of Securities Act

Based on the procedures performed and the acquired knowledge and understanding of the Company`s operations and the environment in which it operates, in our opinion, the description of the main features of the internal control and risk management systems of the Company in relation to the financial reporting process, which is part of the Management Report (as element of the Corporate Governance Statement) and the information under Article 10(1), letters 'c', 'd', 'f', 'h' and 'k' of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, do not contain cases of material incorrect reporting.

Additional reporting on the audit of the Non-Consolidated Financial Statements in conjunction with Article 100n(4) subparagraph 3 of the Public Offering of Securities Act

Opinion in conjunction with Article 100(n)(4)(3)(b) of the Public Offering of Securities Act

The information on related party transactions is disclosed in Note 32 to the Non-Consolidated Financial Statements.

On the basis of the audit procedures performed by us with respect to the transactions with related parties as a part of the audit made by us of the Non-Consolidated Financial Statements as a whole, we have not become aware of facts, circumstances or other information that could substantiate a conclusion that the transactions with related parties are not disclosed in the enclosed Non-Consolidated Financial Statement for the year ending 31 December 2023, in all material aspects, in accordance with the requirements of IAS 24 Related party disclosures. The results of our audit procedures on related party transactions are reviewed by us in the context of the formation of our opinion on the Non-Consolidated Financial Statements as a whole and not to express a separate opinion on related party transactions.

Opinion in conjunction with Article 100(n)(4)(3)(c) of the Public Offering of Securities Act

Our responsibilities for the audit of the Non-Consolidated Financial Statements as a whole, described in the section of our report 'Auditor's Responsibility for the Non-Consolidated Financial Statements', include assessing whether the Non-Consolidated Financial Statements present significant transactions and events in a manner that achieves fair presentation. On the basis of the audit procedures performed by us with respect to the material transactions that are fundamental for the Non-Consolidated Financial Statements for the year ending on 31 December 2023, we have not become aware of facts, circumstances or other information, on the basis of which we can draw a conclusion that there are cases of considerably untrustworthy presentation and disclosure in accordance with the applicable requirements of the IFRS adopted by the European Union. The results of our audit procedures on significant for the Non-Consolidated Financial Statements Company transactions and events are reviewed by us in the context of the formation of our opinion on the Non-Consolidated Financial Statements as a whole, and not for expression of separate opinion on these significant transactions.

Reporting on the compliance of the electronic format of the Non-Consolidated Financial Statements included in the annual Non-Consolidated Financial Report on the activities referred to in Article 100n, paragraph 4 of the POSA with the requirements of the ESEF Regulation

In addition to our responsibilities and reporting under ISA, described above in the section 'Auditor's responsibilities for the audit of the Non-Consolidated Financial Statements', we performed the procedures in accordance with the 'Guidance on expressing an auditor's opinion on the application of the European Single Electronic Format (ESEF) to the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)' of the professional organization of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA)'. We performed a commitment for expressing a reasonable level of assurance with respect to the compliance of the electronic format of the consolidated financial statement of DOVERIE – UNITED HOLDING AD for the year ended on 31 December 2022, enclosed in the electronic file '8945008Q3OIEBAOUB529-20221231-BG-CON.zip', with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ('ESEF Regulation'). Based on these requirements, the electronic format of the Non-Consolidated Financial Statements included in the Annual Non-Consolidated Report on the activities referred to in Article 100n, paragraph 4 of the Public Offering of Securities Act must be presented in XHTML format.

The Company's management is responsible for the application of the requirements of the ESEF Regulation upon the preparation of the electronic format of the Non-Consolidated Financial Statement in XHTML.

Our opinion concerns only the electronic format of the Non-Consolidated Financial Statements enclosed in the '8945008Q3OIEBAOUB529-20231231-BG-SEP.xhtml' electronic file and does not cover the other information included in the annual Non-Consolidated Financial Statements for the activity under Article 100n, paragraph 4 of the Public Offering of Securities Act.

On the grounds of the procedures performed, it is our opinion that the electronic format of the Company's Non-Consolidated Financial Statements for the year ending 31 December 2023, contained in the '8945008Q3OIEBAOUB529-20231231-BG- SEP.xhtml' enclosed electronic file, is drawn up in all material aspects in compliance with the requirements of the ESEF Regulation.

Reporting in accordance with Art. 10 of Regulation (EC) No 537/2014 in conjunction with Art. 59 of the Independent Financial Audit Act

According to the Independent Financial Audit Act in conjunction with Art. 10 of Regulation (EU) No 537/2014, we report additionally the information hereunder.

- HLB Bulgaria OOD is appointed as statutory auditor of the Non-Consolidated Financial Statements of **DOVERIE – UNITED HOLDING AD** for the year ending 31 December 2023 by the General Meeting of Shareholders held on 22 June 2023 for a period of one year.
- The audit of the Non-Consolidated Financial Statements of the Company for the year ending 31 December 2023, represents the seventh full year of ongoing commitment to the statutory audit of that undertaking performed by us.
- We confirm that the audit opinion we have expressed is in accordance with the additional report submitted to the Audit Committee of the Company, pursuant to Art. 60 of the Independent Financial Audit Act.
- We confirm that we have not provided outside the audit the services prohibited under Art. 64 of the Independent Financial Audit Act.
- We confirm that during the audit we have maintained out independence from the Company.
- For the period that the statutory audit we made refers to, in addition to the audit, we have also provided the following services to the Company, which are not indicated in the report on the activity or the financial statement of the Company:

Engagement in compliance with the requirements of International Standard on Related Services (ISRS) 4400 (revised) 'Agreed-Upon Procedures Engagements', in pursuance of the requirements established by the Public Offering of Securities Act for a comparison of the historic financial information as at as at 31 December 2021 and as at 31 December 2022, and for the years ending on these dates, submitted in the Prospectus with the Non-Consolidated and Consolidated Financial Statements drawn up in accordance with the International Financial Reporting Standards:

- Prospectus for public offering of an issue of 200 000 convertible interest-bearing unsecured bonds of Doverie – United Holding AD dated 24 November 2023.

Audit company

HLB BULGARIA OOD

Registration number 017

Stoycho Milev
Manager

Evtim Evtimov
Registered auditor, responsible for the audit
Registration number 0882

16 February 2024

TO
The shareholders of
DOVERIE – UNITED HOLDING AD

DECLARATION

Under Article 100n, Paragraph 4, Subparagraph 3 of the Public Offering of Securities Act

We, the undersigned,

1. Stoycho Kirilov Milev, in my capacity as Manager of the **Audit Company**

HLB Bulgaria Ltd, uniform identification code (EIK) 121871342, having its seat and registered address at: City of Sofia 149–151 Konstantin Velichkov Blvd, Floor floor 1, office 2 and correspondence address: City of Sofia 149–151 Konstantin Velichkov Blvd, Floor 1, office 2, and

2. Evtim Petkov Evtimov, in my capacity as a registered auditor (with commission No 0882 from the register at the Institute of Certified Public Accountants under Article 20 of the Independent Financial Audit Act), responsible for the audit engagement on behalf of **audit company** HLB Bulgaria Ltd (with commission No 017 from the register at the Institute of Certified Public Accountants under Article 20 of the Independent Financial Audit Act) at the Institute of Certified Public Accountants, **do hereby declare that**

Audit company HLB Bulgaria Ltd was engaged to make a statutory financial audit of the Non-Consolidated Financial Statements of DOVERIE – UNITED HOLDING AD for 2023 drawn up in accordance with the International Financial Reporting Standards adopted by the EU, a generally accepted name of the accounting base defined in *Subparagraph 8 of the Supplementary Provisions of the Accounting Act* under the name 'International Accounting Standards'. As a result from the audit made by us, we issued an auditor's report on 16 February 2024.

We hereby CERTIFY that as reported in the auditor's report issued by us on the Annual Non-Consolidated Financial Statements of DOVERIE – UNITED HOLDING AD for 2023 issued on 16 February 2024:

1. ***Article 100n, Paragraph 4, Subparagraph 3, letter (a) Auditor's opinion:*** In our opinion the enclosed Non-Consolidated Financial Statements presents fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial results from the activity and its cash-flows for the year ending on this date, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), (*page 1 of the auditor's report*);

2. ***Article 100n, Paragraph 4, Subparagraph 3, letter (b) Information related to the transactions of DOVERIE – UNITED HOLDING AD with related parties.*** Information about the transactions with related parties is duly disclosed in Appendix 32 to the Non-Consolidated Financial Statements. On the basis of the audit procedures performed by us with respect to the transactions with related parties as a part of the audit made by us of the Non-Consolidated Financial Statements as a whole, we have not become aware of facts, circumstances or other information that could substantiate a conclusion that the transactions with related parties are not disclosed in the enclosed Non-Consolidated Financial Statements for the year ending on 31 December 2021, in all material aspects, in accordance with the requirements of IAS 24 Related party disclosures. The results from our audit procedures with respect to the transactions with related parties are taken into account by us in the context of the formation of our opinion on the Non-Consolidated Financial Statements as a whole, rather than for the purpose of expressing an individual opinion on the transactions with related parties (page 6 of the auditor's report).

3. ***Article 100n, Paragraph 4, Subparagraph 3, letter (c) Information related to the material transactions.*** Our responsibilities for an audit of the Non-Consolidated Financial Statements as a whole, which are described in the section of our report entitled 'Auditor's responsibilities for the audit of the Non-Consolidated Financial Statements', include making an assessment whether the Non-Consolidated Financial Statements present the material transactions and events in a way that secures reliable presentation. On the basis of the audit procedures performed by us with respect to the material transactions that are fundamental for the Non-Consolidated Financial Statements for the year ending on 31 December 2023, we have not become aware of facts, circumstances or other information, on the basis of which we can draw a conclusion that there are cases of considerably untrustworthy presentation and disclosure in accordance with the applicable requirements of the IFRS adopted by the European Union. The results from our audit procedures with respect to the Company's transactions and events that are material for the Non-Consolidated Financial Statements are taken into account by us in the context of the formation of our opinion on the Non-Consolidated Financial Statements as a whole, rather than for the purpose of expressing an individual opinion on these material transactions (page 7 of the auditor's report).

The certifications made by the present declaration should only and solely be read in the context of the auditor's report issued by us as a result from the conducted independent financial audit made of the annual Non-Consolidated Financial Statements of DOVERIE – UNITED HOLDING AD for the reporting period ending 31 December 2023, dated 16 February 2024. The present declaration is only intended for the above addressee and is drawn up only and solely in satisfaction of the requirements set forth by Article 100n, Paragraph 4, Subparagraph 3 of the Public Offering of Securities Act (ZPPTsK) and should not be regarded as substituting our conclusions contained in the auditor's report of 16 February 2024 issued by us with respect to the issues covered by Article 100n, Subparagraph 3 of the Public Offering of Securities Act.

For audit company HLB BULGARIA LTD
Registration number 017
Stoycho Milev
Manager
Evtim Evtimov
(Certified Public Accountant responsible for engagement, registered auditor)
Registration number 0882

16 February 2024

City of Sofia



Doverie – United Holding AD

Annual Non-Consolidated Financial

Statements

as at 31 December 2023

CONTENTS

NON-CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 1
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2
NON-CONSOLIDATED CASH FLOW STATEMENT 4
NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 5

NOTES TO THE ANNUAL FINANCIAL NON-CONSOLIDATED STATEMENTS

1. INFORMATION ON THE COMPANY 6
2. SUMMARY OF THE ACCOUNTING POLICY OF THE COMPANY 8
3. REVENUE 44
4. OTHER OPERATING INCOME/ (LOSS) 45
5. COST FOR EXTERNAL SERVICES 46
6. EMPLOYEE EXPENSES 47
7. OTHER OPERATING EXPENSES 47
8. ACCRUED/RECOVERED IMPAIRMENT OF TRADE RECEIVABLES AND LOANS 47
9. FINANCIAL REVENUES/EXPESES NET 48
10. TAXATION 48
11. INVESTMENTS IN SUBSIDIARIES 48
12. ASSETS WITH RIGHT OF USE 51
13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (EQUITY INSTRUMENTS) 51
13.1. UNQUOTED EQUITY INVESTMENT 52
13.2. QUOTED EQUITY INVESTMENT 52
14. NON-CURRENT RECEIVABLES FROM RELATED ENTITIES 52
15. OTHER NON-CURRENT RECEIVABLES 55
16. PROPERTY, PLANT AND EQUIPMENT 56
17. INVESTMENT PROPERTIES 57
18. NON-CURRENT INTANGIBLE ASSETS 57
19. DEFERRED TAX ASSETS 57
20. RECEIVABLES FROM RELATED ENTITIES 58
21. OTHER CURRENT RECEIVABLES 60
22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (DEBT INSTRUMENTS) 61
23. CASH AND CASH EQUIVALENTS 61
24. CAPITAL AND RESERVES 62
25. LIABILITIES TO FINANCIAL INSTITUTIONS 63
26. NON-CURRENT LIABILITIES TO RELATED PARTIES 64
27. LEASING 65
28. LIABILITIES TO RELATED ENTITIES 66
29. TRADE AND OTHER CURRENT LIABILITIES 66
30. PROVISIONS 67
31. CONTINGENT LIABILITIES AND COMMITMENTS 67
32. TRANSACTIONS WITH RELATED PARTIES 68
33. FINANCIAL RISK MANAGEMENT 73
34. INSURED PROPERTY 82
35. EVENTS AFTER THE END OF THE REPORTING PERIOD 82

Doverie – United Holding AD

Annual Non-Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period ending 31 December 2023

(classification of costs by economic elements)

	Note	2023	2022
		BGN '000	BGN '000
Revenue	3	4 817	2 111
Other operating income/loss	4	53	(241)
Costs for external services	5	(545)	(568)
Employee expenses	6	(1 607)	(1 675)
Depreciation		(378)	(333)
Other operating expenses	7	(213)	(226)
Accrued/(recovered) impairment of trade receivables and loans, net	8	(408)	(715)
Financial expenses/revenues net	9	(712)	(958)
Profit/(loss) before tax		**1 007**	**(2 605)**
Profit taxes	10	(15)	(137)
Profit/(loss)		**992**	**(2 742)**
Total comprehensive income		**992**	**(2 742)**
Net profit/(loss) per share		**0,0461**	**(0,1275)**

The Statement of Profit or Loss and Other Comprehensive Income should be considered together with its Notes from page 6 to 82, that are an integral part of the Annual Non-Consolidated Financial Statements.

The annual non-consolidated financial statements were approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

Our auditor's report on the financial statements is issued on 16 February 2024
Audit company:
HLB BULGARIA OOD
Reg. No 017

Stoycho Milev, Manager

Evtim Evtimov
Registered auditor, responsible for the audit
Reg. No 0882

Doverie – United Holding AD

Annual Non-Consolidated Statement of Financial Position

for the period ending 31 December 2023

	Note	31 December 2023	31 December 2022
		BGN '000	BGN '000
ASSETS			
Non-current assets			
Investments in subsidiaries	11	53 261	51 008
Assets with right of use	12	2 658	2 519
Financial assets at fair value through profit or loss	13	77	67
Non-current receivables from related entities	14	23 317	32 488
Property, plant and equipment	16	79	90
Intangible assets	18	13	21
Deferred tax assets	19	332	348
		79 737	**86 541**
Current assets			
Receivables from related entities	20	2 100	2 257
Other current receivables	21	26	29
Financial assets at fair value through profit or loss	22	40	30
Cash and cash equivalents	23	499	820
		2 665	**3 136**
Total assets		**82 402**	**89 677**

Doverie – United Holding AD

Annual Non-consolidated Statement of Financial Position (continuation)

for the period ending 31 December 2023

	Note	31 December 2023 BGN '000	31 December 2022 BGN '000
CAPITAL AND LIABILITIES			
Equity			
Share capital	24	21 500	21 500
Reserves	24	27 346	27 346
Accumulated loss	24	(1 750)	(2 742)
		47 096	**46 104**
Non-current liabilities			
Liabilities to financial institutions	25	11 239	16 227
Liabilities to related entities	26	8 438	12 011
Leasing	27	2 335	2 245
Provisions	30	35	49
		22 047	**30 532**
Current liabilities			
Liabilities to related entities	28	422	29
Liabilities to financial institutions	25	5 055	5 070
Trade and other liabilities	29	7 782	7 942
		13 259	**13 041**
Total liabilities		**35 306**	**43 573**
Total capital and liabilities		**82 402**	**89 677**

The Statement of Financial Position should be considered together with its Notes from page 6 to 82 that are an integral part of the Annual Non-Consolidated Financial Statements.

The annual non-consolidated financial statements were approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

Our auditor's report on the financial statements is issued on 16 February 2024
Audit company:
HLB BULGARIA OOD
Reg. No 017

Stoycho Milev, Manager

Evtim Evtimov
Registered auditor, responsible for the audit
Reg. No 0882

Doverie – United Holding AD

Annual Non-Consolidated Statement of Cash Flow
for the period ending 31 December 2023

	2023 BGN '000	2022 BGN '000
Cash flows from operating activities:		
Cash receipts from customers	299	506
Cash paid to suppliers	(683)	(647)
Cash paid to employees and social security institutions	(1 728)	(1 676)
Taxes paid (exclusive of profit taxes)	-	(88)
Dividends received	1 670	944
Other proceeds/(payments), net	(26)	(6)
Net cash flows from operating activities	*(468)*	*(967)*
Cash flow from investing activities		
Acquisition of investments	(33)	(33)
Receipts from sale of investments	-	37
Loans granted to related entities	(1 689)	(2 239)
Loans repaid to related entities	12 539	2 623
Interests received from related entities	954	424
Net cash flows from investing activities	*11 771*	*812*
Cash flows from financial activities:		
Loans repaid to financial institutions	(5 000)	(14 779)
Loans and deposits received from related entities	4 940	12 000
Deposits and loans repaid to related entities	(9 960)	-
Interests paid to third parties	(364)	-
Interests paid to related entities	(377)	-
Interests and fees paid on bank loans	(424)	(707)
Lease payments	(410)	(377)
Other receipts/(payments) for financial activity, net	(29)	-
Net cash flows used in financial activities	*(11 624)*	*(3 863)*
Net increase in cash and cash equivalents	**(321)**	**(4 018)**
Cash and cash equivalents at the beginning of period	**820**	**4 838**
Cash and cash equivalents at the end of the period	**499**	**820**

The Statement of Cash Flow should be considered together with its Notes
from page 8 to 82, that are an integral part of the Annual Non-Consolidated Financial Statements.

The annual non-consolidated financial statements were approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

Our auditor's report on the financial statements is issued on 16 February 2024
Audit company:
HLB BULGARIA OOD
Reg. No 017
Stoycho Milev, Manager

Evtim Evtimov
Registered auditor, responsible for the audit
Reg. No 0882

Doverie – United Holding AD

Annual Non-Consolidated Statement of Changes in Equity
for the period ending 31 December 2023

(in thousand BGN)

	Share capital	Premiums from issues	Special-purpose reserves	Accumulated profit/ (loss)	Total
Balance as at 31 December 2021	**21 500**	**9 425**	**16 860**	**1 094**	**48 879**
Transfer to reserve			1 061	(1 061)	
Financial result for the period				(2 742)	**(2 742)**
Other changes				(33)	**(33)**
Balance as at 31 December 2022	**21 500**	**9 425**	**17 921**	**(2 742)**	**46 104**
Financial result for the period				**992**	**992**
Balance as at 31 December 2023	**21 500**	**9 425**	**17 921**	**(1 750)**	**47 096**

The Statement of Changes in Equity should be considered together with its Notes
from page 8 to 82, that are an integral part of the Annual Non-Consolidated Financial Statements.

The Annual Non-Consolidated Financial Statements were approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and
Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

Our auditor's report on the financial statements is issued on 16 February 2024
Audit company:
HLB Bulgaria OOD
Reg. No 017
Stoycho Milev, Manager

Evtim Evtimov
Registered auditor, responsible for the audit
Reg. No 0882

1. INFORMATION ON THE COMPANY

Doverie – United Holding AD is registered at Sofia City Court under company file No 13056 of 1996 and its seat, management address and correspondence address is: 1756 Sofia, 5, Lachezar Stanchev St., building 'A', fl. 7.

Doverie – United Holding AD is public company pursuant to the Public Offering of Securities Act. The website of the company is www.doverie.bg, with inside information published in the 'For Investors' category under 'News' section: https://doverie.bg/за-инвеститори/новини/.

1.1. Ownership and Management

As at 31 December 2023 the distribution of the Company's share capital is as follows:

Share capital	***31.12.2023***	***31.12.2022***
	BGN '000	***BGN '000***
(BGN'000)	21,500	21,500
Number of shares (par value BGN 1.00)	21,499,855	21,499,855
Total number of registered shareholders	146,553	146,668
including legal entities	67	58
individuals	146,486	146,610
Number of shares owned by legal entities	12,606,466	12,312,540
% shareholding of legal entities	*58.64%*	*57.27%*
Number of shares owned by individuals*	8,893,389	9,187,315
% shareholding of individuals	*41.36%*	*42.73%*

*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 more than 5% of the shares	**Number of shares**	**% of capital**
Sopharma AD	5,044,227	23.4617%
Telecomplect AD	1,917,838	8.9202%
KALIMAN-RT AD	1,786,480	8.3093%

Shares from — to	Number of shareholders	% of all shareholders	Number of owned shares	% of all shares
0—100	144,298	98.46	6,469,133	30.09
101—1000	1,944	1.33	420,045	1.95
1001—10000	242	0.17	801,411	3.73
10001—100000	57	0.04	1,572,588	7.31
100001—500000	7	0.00	1,639,735	7.63
500001—1000000	1	0.00	774,574	3.60
1000001—5000000	3	0.00	4,778,142	22.22
Over 5000000	1	0.00	5,044,227	23.46
Total	146,553	100.00	21,499,855	100.00

The company has two-tier management system.

Supervisory Board

The members of the Supervisory Board as at 31 December 2023 are:

Ventsislav Simeonov Stoev — Chairperson of the SB

Ivan Ognyanov Donev — Member

Hristo Gueorguiev Hristov — Member

Management Board

The members of the Management Board at 31 December 2023 are:

Alexandre Gueorguiev Hristov — Executive Director

Anna Ivanova Pavlova — Chairperson of the MB

Petko Kolev Ivanov — Member

The company is represented by Alexandar Georgiev Hristov.

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 — member (independent member)

Anna Pavlova — Member

As at 31 December 2023 the list number of staff in the company is 37 (31 December 2022: 38).

1.2. Subject of activity

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

trade companies and/or in their management; acquisition, management and sale of bonds; acquisition, evaluation and sale of patents, transfer of licenses for the use of patents of companies in which the holding company participates; performing any other trade activity which is not prohibited by law.

1.3. Company structure

Doverie – United Holding AD is a holding joint-stock company. Interests in subsidiaries are presented in Notes 11 and 32.

The Company has no registered branches and/or representative offices in the country or abroad.

Indicator	**2023**	**2022**	**2021**
GDP in mln. BGN*	130,751	165,384	132,744
Actual growth of GDP*	1.8%	3.4%	4.6%
Inflation at the end of the year*	10.5%	15.3%	3.3%
Average exchange rate of US dollar for the year	1.80897	1.86014	1.65377
Exchange rate of US dollar at the end of the period	1.76998	1.83371	1.72685
Basic interest rate at the end of the period	3.80%	1.30%	0.00%
Unemployment rate (at the end of the period)	4.0%	4.3%	4,6%

* NSI — Recent publications 29 December 2023;

* BNB — 31 December 2023

* *GDP — published data for the third quarter of 2023*

2. SUMMARY OF THE ACCOUNTING POLICY OF THE COMPANY

2.1. Grounds for preparation of financial statements

The Annual Non-Consolidated Financial Statements of the Company are prepared in accordance with all International Financial Reporting Standards (IFRSs), which comprise: Financial Reporting Standards and International Financial Reporting Interpretations (IFRS) adopted by the International Accounting Standards Board (IASB) and International Accounting Standards and the Standing Interpretations Committee (SIC) interpretations approved by the International Accounting Standards Committee (IASC), which are effective from 1 January 2023 and which were adopted by the Commission of the European Union.

IFRS adopted by the EU is the common name of the general purpose — accounting framework equivalent to the framework introduced by the definition under § 1, subparagraph 8 of the Additional Provisions of the Accountancy Act under the name
International Accounting Standards (IAS).

Changes in the accounting policy

The Company has applied the following new standards, amendments and interpretations to IFRSs, developed and published by the International Accounting Standards Board that are mandatory for the annual period beginning on 1 January 2023 but have no material effect on the financial result and financial position of the Company:

- **Amamendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies effective from 1 January 2023 adopted by the EU**

The Company discloses material information related to accounting policies in lieu of the main accounting policies. The amendments clarify that accounting policy information is material if users of an entity's financial statements need it to understand other material information in the financial statements and, if an entity discloses immaterial accounting policy information, that information shall not override the material accounting policy information. To support this amendment, the IASB also amended the Practice Statement Making Materiality Judgements on IFRS 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective from 1 January 2023, as adopted by the EU**

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 that help companies distinguish changes in accounting estimates from changes in accounting policies. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as to the current period.

The amendments will help companies improve the quality of accounting policy disclosures so that the information is more useful to investors and other major users of financial statements.

- **Amendments to IAS 12 Income Taxes: Deferred taxes related to assets and liabilities arising from single transactions effective from 1 January 2023, adopted by the EU**

An entity shall apply the amendments to the standard to transactions that occur on or after the beginning of the most recent comparative period presented. The Company shall also recognise deferred taxes at the beginning of the most recent comparative period presented for all temporary differences related to leases and decommissioning obligations and recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, if applicable) at the relevant date.

- **Amendments to IAS 12 Income Taxes: International Tax Reform —Pillar Two Model Rules, effective from 1 January 2023, adopted by the EU**

Amendments to IAS 12 include:

- Exception to the requirement in IAS 12 for an entity not to recognise and disclose information about deferred income tax assets and liabilities related to OECD Pillar Two income taxes. The entity shall disclose that it has applied the exemption.
- A disclosure requirement that requires an entity to separately disclose its current tax expense (revenue) related to Pillar Two income taxes.
- A disclosure requirement that states that, in periods in which Pillar 2 legislation has been enacted or substantively enacted but not yet enacted, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar 2 income taxes arising from that legislation.
- The requirement for an entity to apply the exemption and the requirement to disclose that it has applied the exemption immediately after the amendments are issued and retrospectively in accordance with IAS 8.

- **IFRS 17 Insurance Contracts effective from 1 January 2023 adopted by the EU** IFRS 17 replaces IFRS 4 Insurance Contracts. It requires the application of an ongoing valuation model under which measurements are reviewed each reporting period. Contracts are evaluated using:

- discounted probability-weighted cash flows;
- explicit risk adjustment, and

- contractual service margin, representing the profit from the contract not made, which is recognised as revenue for the period of cover.

The standard permits a choice in recognising changes in the discount rate in either profit or loss or other comprehensive income. The new rules will affect the financial statements and key performance indicators of all companies that issue insurance contracts.

- **Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information effective 1 January 2023 as adopted by the EU**

The amendments relate to the disclosure of comparative information about financial assets presented on initial application of IFRS 17. The amendments are intended to help companies avoid temporary accounting mismatches between financial assets and liabilities under insurance contracts and therefore improve the usefulness of comparative information for users of financial statements.

IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences may result in temporary accounting mismatches between financial assets and liabilities under insurance contracts in the comparative information they present in their financial statements when they first apply IFRS 17 and IFRS 9.

The amendments will help insurers avoid these temporary accounting mismatches and therefore improve the usefulness of comparative information for investors by being able to present comparative information about financial assets.

Standards and clarifications sussed by IASB that are not yet effective and are not applied as of an earlier date by the Company

As at the date of the approval for issue of these annual financial statements, new standards, amendments and explanations related to the existing standards are published but not in effect or not yet adopted by the EU for the financial year starting on 1 January 2023 and have not been applied by the Company from an earlier date. They are not expected to have a material effect on the financial statements of the Company. Management expects all standards and amendments to be adopted in the accounting policy of the Company during the first reporting period, beginning after the date of their coming into effect. The amendments relate to the following: standards:

- **Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities**

as current and non-current, effective no earlier than 1 January 2024, adopted by the EU

The amendments to the classification of liabilities as current or non-current affect only the presentation of liabilities in the statement of financial position, but not the amount or timing of recognition of assets, liabilities, income or expenses or the information that companies disclose about those items. The amendments aim to clarify the following:

- the classification of liabilities as current or non-current should be based on rights existing at the end of the reporting period and the wording in all affected paragraphs should be aligned to clarify

the 'right' to defer settlement of the liability by at least twelve months. It explicitly states that only the rights available 'at the end of the reporting period' should affect the classification of the liability;

- the classification is not affected by the Company's expectation of whether it will exercise its right to defer settlement of the liability; and
- the settlement of liabilities may be effected by the transfer of cash, equity instruments, other assets or services to the counterparty.

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Financial agreements with suppliers, effective from 1 January 2024, not yet adopted by the EU**

The amendments to IAS 7 and IFRS 7 will add disclosure requirements as well as 'guidance' within existing disclosure requirements that require entities to provide qualitative and quantitative information about vendor financing arrangements. These amendments add two disclosure objectives that will require entities to disclose in the notes information that enables users of financial statements to assess how vendor financing arrangements affect the entity's liabilities and cash flows and to understand the effect of vendor financing arrangements on the entity's exposure to liquidity risk and how the entity may be affected if the arrangements are no longer available to it.

- **Amendments to IFRS 14 Deferred price accounts effective 1 January 2016, not adopted by the EU**

IFRS 14 Deferred accounts at regulated prices allows first-time adopters to continue to recognise amounts related to regulated prices in accordance with the requirements of their previous basis of accounting. In order to improve

comparability with the accounts of companies that already apply IFRS and do not recognise such amounts, the standard requires the effect of administered prices to be presented separately

- **Amendments to IFRS 16 Leases: Sale and leaseback obligation effective no earlier than 1 January 2024 adopted by the EU**

The amendments to IFRS 16 require the Company to subsequently measure the seller-lessee's lease liabilities arising from a leaseback in a manner that does not recognise any amount of profit or loss that relates to the right of use that it retains. The new requirements do not preclude a vendor-lessee from recognising in profit or loss a gain or loss relating to the partial or complete termination of a lease. The amendments to IFRS 16 do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective 1 January 2025, not adopted by the EU**

The amendments to IAS 21 on non-exchangeability will specify when a currency can be exchanged for another currency and when it cannot - a currency can be exchanged when an entity is able to exchange that currency for another currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency cannot be exchanged for another currency if the entity can obtain only an insignificant amount of the other currency.

Determining how an entity determines the exchange rate to be applied when a currency is not exchangeable - when a currency is not exchangeable at the measurement date, an entity shall measure the spot exchange rate as the rate that would apply in an orderly transaction between market participants at the measurement date and that would fairly reflect prevailing economic conditions.

Requirement to disclose additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity shall disclose information that would enable users of its financial statements to assess how the lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The changes also include a new annex with guidance on the application of fungibility and a new illustrative example.

- **Amendments to IFRS 10 and IAS 28 - Sale or disposal of assets between an investor and its associate or joint venture**

The amendments clarify the accounting treatment of sales or contribution of assets between an investor and their Associates or Joint Ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or join venture are 'business' (as defined in IFRS 3 Business combinations).

Provided that the non-monetary assets constitute business, the investor shall recognize the full profit or loss from sale or contribution of assets. If the assets do not comply with the business definition, the profit or loss is recognized by the investor only to the extent of the interests of the other investor in the associate or joint venture. The changes apply prospectively.

* In December 2015 the IASB decided to postpone the date of application of this amendment until the time when the IASB ends up its research project under the equity method.

The management expects all the relevant notices to be accepted for the first period starting on or after the date of entry into force of the notice. New standards, amendments and interpretations not adopted in the present year have not been disclosed as they are not expected to have a material impact on the financial statements of the Company.

The presentation of financial statements in accordance with the International Financial Reporting Standards requires the management to make the best estimates, accruals and reasonable assumptions that have an effect on the reported amounts of assets and liabilities, revenue and expense, and the disclosure of contingent receivables and contingent liabilities at the end of the reporting period. These estimates, accruals and assumptions are based on the information available at the end of the reporting period, so the future factual results could be different from them. Objects that imply a higher degree of subjective judgement or complexity of calculations, or where assumptions and accounting estimates are material to the financial statements, are disclosed in Note 2.25.

2.1.1. Going concern

The Annual Non-Consolidated Financial Statements are prepared on a going concern basis, on current accrual basis in accordance with accepted accounting policies,

unchanged throughout the reporting period The geopolitical uncertainties arising from the military conflict in Ukraine and the Israel-Hamas military conflict are taken into account. Consideration is also being paid to the macroeconomic environment, which affects businesses globally through supply chains, import and export restrictions, access to local resources, fluctuations in exchange rates and in the prices of exchange-traded commodities. Although these effects cannot be assessed, they already indicate extremely serious effects on the overall global economy. Price shocks are expected to have an impact globally. The continuation of the military conflict reinforces the significance of the economic damage. They are expected to affect all sectors of the economy, both in Bulgaria and the EU. The military action has received widespread international condemnation and multiple countries have imposed sanctions on assets and operations owned by the Russian state and certain individuals. In the short term, its assessment is that as long as the company has no direct trading relationships with counterparties in Russia and Ukraine, there are no effects and no exposures affected.
There is no decision to restructure the company at the end of the reporting period.

2.2. Consolidated Financial Statements

The company has started the process of preparing Annual Consolidated Financial Statements for the period ending 31 December 2023 in accordance with IFRS in force for 2023, which will include the current separate financial statements. According to the planned dates, the management expects the Annual Consolidated Financial Statements for the period ending 31 December 2023 to be approved for issue no later than 29 February 2024 by the Management Board of the company, after which the report will be available to third parties.

2.3. Comparative data

The company presents comparative information in these financial statements for the end of the current period and the end of the previous financial year.

When necessary, comparative data is reclassified in order to achieve comparability with changes in performance in the current year.

2.4. Functional currency and recognition of exchange differences

The functional and reporting currency of presentation of the financial statements of the company is the Bulgarian Lev. Since 1 July 1997, the Bulgarian lev has been fixed in accordance with the BNB Act to the German mark in ratio of BGN 1: DEM 1. 1, and by the introduction of EUR as the official currency of the European Union – to the Euro in ratio BGN 1.95583: EUR 1.

Upon initial recognition, a foreign currency transaction is recorded in the functional currency by applying to the amount in foreign currency the exchange rate at the time of the transaction or transaction. Cash, receivables and liabilities, such as monetary reporting items, denominated in a foreign currency, are reported in the functional currency using the exchange rate published by BNB for the last working day of the relevant month. As at 31 December 2023, they are valued in BGN using the closing exchange rate of BNB.

Non-monetary items in the statement of financial position initially denominated in a foreign currency are reported in the functional currency using the historical exchange rate at the date of the transaction and are not subsequently revalued at the closing rate.

The effects of exchange differences related to the settlement of foreign currency transactions or the reporting of foreign currency transactions at rates different from those for which they were initially recognized are included in the statement of comprehensive income at the time of their occurrence and they are treated as 'financial revenue/expenses'.

2.5. Revenue

A Revenue from contracts with customers.

General

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the client in an amount that reflects the remuneration the Company expects to be entitled to in exchange for those goods or services.

Generally, the Company has come to the conclusion that it is the principal in its revenue arrangements, as the company usually controls the goods or services before transferring them to the customer.

The Company recognizes revenue when (or by) it satisfies the performance obligation, under the terms of the contract, by transferring the promised product or service to the customer. An asset (product or service) is transferred when (or as) a customer obtains control over that asset.

Clients' contracts typically include a single performance obligation.

Disclosures for material accounting judgements, estimates and assumptions related to revenue from contracts with customers are provided in Note 2.25.

Measurement

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

When (or as) a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

The Company considers whether there are other commitments in the contract that are separate performance obligations for which part of the transaction price should be allocated.

When determining the transaction price, the impact of variable remuneration is taken into account, the existence of significant components of funding, non-monetary consideration and consideration owed to the client (if any).

Approach for recognizing major types of revenue under contracts with customers

Revenue from services

Revenue from provided services is recognized in the reporting period in which the services are provided. An entity transfers control of the services over time and, therefore, satisfies a performance obligation and recognises revenue over time. If, at the end of the reporting period, the service under the contract is not fully realized, revenue is recognized on the basis of the actual service provided by the end of the reporting period as a proportion of the total services to be provided since the client receives and consumes the benefits simultaneously. The customer pays the services provided on the basis of the clauses stipulated in the specific contract, the usual time for payment of the remuneration is up to 30 days after the services are provided. In cases where the services provided by the company exceed the payment, am asset under the contract is recognized. If payments exceed the services provided, a liability under the contract is recognized.

Revenue from sales of short-term assets

Revenues from sales of short-term assets and material are recognized when the control of the assets sold is transferred. Delivery occurs when the assets have been shipped to the customer, the risks of potential losses are transferred to the buyer and either he has accepted the assets in accordance with the sales contract. The usual payment term is up to 30 days after delivery.

Balances on contracts with customers

Trade receivables

Receivable is the right of the Company to receive remuneration in certain amount, which is unconditional (i.e., before the payment of the remuneration becomes due, it is only necessary a certain period of time to pass). Please refer to the accounting policies for financial assets set out in Note 2.24.1 Financial assets.

Assets under contracts

The contract asset is the right of the company to receive remuneration in return for the goods or services it has transferred to the client, but which is not unconditional (accrual for receivable). If, through the transfer of the goods and/or the provision of the services, the company fulfils its obligation before the client pays the relevant remuneration and/or before the payment becomes due, a contract asset is recognized for the earned remuneration (which is conditional). Recognized contract assets are reclassified as a trade receivable when the right to remuneration becomes unconditional.

Contract liabilities

As a liability under a contract, the company presents the payments received by the client and/or an unconditional right to receive a payment before fulfilling its contractual obligations. Contract liabilities are recognized as revenue when (or by) it has been settled.

Assets and liabilities under contract are presented to other receivables and liabilities in the statement of financial position. They are included in the group of current assets when their maturity is within 12 months or in a normal operating cycle of the company and the rest are non-current. Assets and liabilities arising from a contract are presented net in the statement of financial position even if they are the result of different contractual obligations for performance of the contract.

After initial recognition, trade receivables and contract assets are reviewed for impairment in accordance with IFRS 9 *Financial Instruments*.

B. Other revenue

Dividend revenue is recognized when the right to receive it is recognized. Interest income from the use by other entities of interest-bearing assets of
the Company is recognized using the effective interest method on the total carrying amount of the financial assets except for financial assets which are impaired

(Phase 3), for which interest income is calculated by applying the effective interest rate on their amortized cost (the total carrying amount adjusted for the provision for expected credit losses).

The effective interest rate is the interest that exactly discounts the expected future cash payments or proceeds for the period of the expected life of the financial instrument or, when appropriate, for a shorter period, to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Revenue from granted loans servicing fees is recognized as revenue by the service provision.

Rental revenue/operating lease/ is recognized on a time basis over the term of the contract in accordance with IFRS 16 Leases.

2.6. Costs

Costs are recognized at the time of their occurrence and based on the principles of accrual and comparability.

Financial costs consist of interest costs on loans and financial leases, obligation loan charges, bank charges and other direct costs on loans and bank guarantees.

Deferred costs (prepaid expenses) are deferred for recognition as current expense over the period in which the contracts to which they relate are being performed.

2.7. Investments in subsidiaries

The Company classifies as investments in subsidiaries the shares and interest held by it in other companies over which it exercises control. It is assumed that there is control when the company:

- owns directly or indirectly through subsidiaries more than half of the voting rights in an undertaking;
- holds half or less than half of the voting rights in an undertaking and:
    - holds more than half of the voting rights by virtue of an agreement with other investors;
    - has the power to manage the financial and operating policies of the undertaking by virtue of a statutes or agreement;
    - has the power to appoint or dismiss the majority of the members of the Board of Directors or an equivalent governing body, and the control of the entity is through that board or body; or

- has the power to cast the majority of the votes at meetings of the Board of Directors or an equivalent governing body, and the control of the entity is through that board or body.

Long-term investments representing shares and interests in subsidiaries are stated in the financial statements at cost of acquisition (cost price) less any impairment losses. Shares of most subsidiaries are not traded on stock exchanges or sales are very restricted which creates practical difficulties for the application of alternative valuation methods to reliably determine their fair value.

Long-term investments held by the company are subject to impairment testing at the end of each reporting period. When the impairment is established and its amount is determined, it is reflected in the statement of comprehensive income in 'other revenue and losses'.

In the case of purchase and sale of investments in subsidiaries, 'trading date' is applied (date of execution of the transaction).

Investments in subsidiaries are derecognised when the legal basis
for that occurs.

2.8. Investment in associates

Investments in shares and interest in the capital of companies in which Doverie – United Holding AD has significant influence are classified as investments in associates.

Significant influence is the right to participate in decision-making related to the financial and operating policy of the investee, but it is not control or joint control over that policy. A significant influence is deemed to exist when the company holds 20% or more of the votes in the investee, directly or indirectly (through subsidiaries), unless there is evidence to the contrary.

Long-term investments representing shares and interests in associates are stated in the financial statements at cost of acquisition (cost price) less any impairment losses. Similarly, these equity instruments, in most cases, are not traded on stock exchanges or stock sales on stock markets are minimal in size, which makes it difficult to reliably determine their fair valuesbased on alternative valuation methods. Long-term investments held by the company in associates are subject to impairment testing at the end

of each reporting period. When the conditions for impairment are determined and its amount is determined, it is reflected in the statement of comprehensive income.

In the case of purchase and sale of investments in associates, 'trading date' is applied (date of execution of the transaction). Investments in associates are derecognised when the legal basis for that occurs.

2.9. Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are presented in the financial statements at revalued amount, less accumulated amortization and impairment losses. The company has adopted a period of 3 years for the revaluation of tangible fixed assets.

The revaluation (to fair) value of property, plant and equipment is determined initially by independent evaluators at 31 December 2001. Management has reviewed the property, plant and equipment as at 31 December 2022 for subsequent evaluation and has determined that the carrying amount of the tangible fixed assets can be assumed to be their fair value and has decided not to have an evaluation carried out by a licensed valuer for 2022. Next valuation will be applied as at 31 December 2025.

Initial valuation

Upon initial acquisition, property, plant and equipment are measured at cost, which includes the purchase price (cost price), customs duties and all direct costs necessary to bring the asset into working condition. Direct costs include: costs for site preparation, costs for initial delivery and handling, installation costs, professional fees for people involved with the project, unrecoverable tax, etc.

A tangible asset acquired by the company is recognized in the group of property, plant and equipment when it is expected to be used in the company's activity (for rent, for the provision of other services or for administrative purposes) for a period longer than one year.

When acquiring property, plant and equipment under deferred payment terms, the purchase price is equivalent to the present value of the liability discounted on the basis of the interest rate on the loan resources attracted by the company with a similar maturity and purpose.

Subsequent measurement

The company's approach to the subsequent measurement of property, plant and equipment is the revalued value model under IAS 16, less any subsequent depreciation and accumulated impairment losses.

Revaluation of property, plant and equipment is carried out by licensed valuers normally over a period of 3 years. When their fair value changes substantially in shorter time intervals, the revaluation may be performed at shorter periods.

Where the new fair value of tangible fixed assets measured through the 'depreciated replacement cost method' exceeds their carrying amount, the book value and accumulated amortization are increased *pro rata* by the increase index, and the difference between the fair value and the carrying amount of assets forms a new component of the revaluation reserve presented net of deferred tax effects.

For tangible fixed assets for whose valuation 'market approach' is applied using 'market analogue method', the book value is reduced against accumulated amortization, and by the increase in the fair value of the asset in relation to its carrying amount at the measurement date, the latter is increased (against a revaluation reserve), which becomes the new book value of the assets.

When the carrying amount of assets exceeds the new fair value, the difference between the two amounts is recognized in the statement of comprehensive income, unless revaluation reserve has been formed in prior periods for the asset. The difference is then treated as a reduction of that reserve, unless it exceeds its amount, and the excess is included as an expense in the statement of comprehensive income. (Note 2.25.4)

Depreciation methods

The Company uses straight line depreciation method for the fixed tangible assets. Depreciation of assets begins on the first day of the month following the date of entry. Land is not subject to depreciation. The useful life by asset groups is determined in accordance with: the physical wear and tear, the specificity of the equipment, the future intentions for use and the assumed obsolescence, as follows:

- machinery, plant and equipment — from 2 to 20 years;
- computers — from 1 to 2 years;
- means of transport — from 2 to 4 years;
- inventories — from 2 to 4 years.

The determined useful life of fixed assets is reviewed at the end of each year and, when significant deviations from the expected useful life of the asset are identified, it is corrected prospectively.

Subsequent costs

Repairs and maintenance costs are recognized as current in the period in which they are incurred. Subsequent costs related to property, plant and equipment that have the nature of replacement of certain nodes and aggregates or of reorganization and reconstruction are capitalized to the carrying amount of the asset and its residual useful life is reviewed at the date of capitalization. At the same time, the non-amortized portion of the replaced components is written off from the carrying amount of the assets and is recognized in the current expense for the reorganization period.

Impairment of assets

The carrying amounts of tangible fixed assets are reviewed for impairment when there are events or changes in circumstances that indicate that their carrying amount may be permanently different from their recoverable amount. If there are such indicators that the estimated recoverable amount is lower than their carrying amount, the latter is adjusted to the recoverable amount of the assets. The recoverable amount of tangible fixed assets is the higher of the two: fair value less costs to sell or value in use. For the determination of the value in use of assets, future cash flows are discounted to their present value using a pre-tax discount factor that reflects the current market conditions and estimates of the time value of the money and the risks specific to the asset. Impairment losses are recognized in the statement of comprehensive income unless a revaluation reserve is formed for the asset. The impairment is then treated as a reduction of that reserve, unless it exceeds its amount, and the excess is included as an expense in the statement of comprehensive income.

Profit and loss from sale

Tangible fixed assets are derecognised from the statement of financial position when they are permanently out of use and no future economic benefits are expected or they are sold. Profit or loss from sales of individual assets from ‘property, plant and equipment’ group are determined by comparing the sale revenues and the carrying amount of the asset at the date of sale. They are stated net to ‘other

operating income/(loss), net' in the statement of comprehensive income. The portion of the 'revaluation reserve' related to the asset sold is transferred directly to 'retained earnings'.

2.10. Intangible assets

The intangible assets are presented in the financial statements at cost of acquisition (cost price) reduced by the accumulated depreciation and impairment losses. Software licenses for software products are included.

The company applies a straight-line method of amortization of intangible assets over a useful life of 2—3 years.

The carrying amount of intangible assets is reviewed for impairment when there are events or changes in circumstances that indicate that the carrying amount may exceed their recoverable amount. Then the impairment is included as an expense in the statement of comprehensive income.

2.11. Investment properties

Investment properties are those properties that are held for long periods by the company for rental income and/or because of the internal increase in their value. They are reported in the statement of financial position at their fair value. Profit or loss from changes in the fair value of investment property are recognized in the statement of comprehensive income in 'Other operating income/(loss), net' for the period in which they have occurred. Realized revenue from investment properties is presented in the same item in the financial statements.

Investment properties are derecognised from the statement of financial position when they are permanently out of use and no future economic benefits are expected or they are sold. Profit or loss from sales of individual assets from 'investment properties' group are determined by comparing the sale revenue and the carrying amount of the asset at the date of sale. They are stated net to 'other operating income/(loss), net' in the statement of comprehensive income.

Transfers to and from 'investment property' group are made when there is a change in the use of a property. In the case of a transfer from 'investment property' to 'property for use in own business', the asset is recorded in its new group at a historical cost that is its fair value at the date of the transfer. In contrast, when there is a transfer to 'investment property' from 'property for use in own business', the asset is measured at its fair value at the date of

the transfer and the difference to its carrying amount is treated and presented as a 'revaluation reserve' component of equity.

2.12. Non-current assets held for sale

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all of the assets and liabilities of the group) should be measured in accordance with the applicable IFRSs. In the original classification as held for sale, non-current assets or disposal groups are recognized at the lower of the carrying amount and the fair value less costs to sell.

Impairment losses on initial recognition as held for sale are recognized in the statement of comprehensive income, even for assets measured at fair value, such as gains and losses on subsequent revaluation.

From the date of classifying an asset/group of tangible fixed assets in this group, its (their) depreciation is suspended.

From the date on which the criteria for classifying the asset/group of net assets as held for sale are no longer satisfied, classification of the asset(s) as asset(s) held for sale is suspended and the it(they) is(are) valued at the lower of its (their) carrying amount before the asset(s) has(have) been classified as held for sale, adjusted by amortization and/or revaluations that would have been recognized, if the asset(s) has(have) not been recognized as held for sale, and its(their) recoverable amount.

2.13. Trade and other receivables

Trade receivables represent the right of the company to receive remuneration at a certain amount, which is unconditional.

Trade receivables are presented and reported at fair value based on the value of the original invoice issued (cost price) less the amount of impairment for non-collectable amounts.

Please refer to the accounting policies for financial assets set out in Note 2.24.Financial instruments — initial recognition and subsequent measurement.

2.14. Cash and cash equivalents

Cash includes cash and current accounts, and cash equivalents — short-term deposits with banks whose original maturity is less than 3 months.

For the purposes of the cash flows statement:

- proceeds from interest and fees on granted loans are included in cash flows from operating activities;
- the cash flows associated with granted loans (principal) are included as cash flows used in investment activities;
- the proceeds from dividends from subsidiaries are included in cash flows from operating activities;
- proceeds from customers and payments to suppliers are presented gross, including VAT (20%);
- the paid VAT on purchases of fixed assets is stated as 'other proceeds (payments)', net of cash flows from operating activities, in so far as it is participating and is reimbursed together in the operating flows of the company for the relevant period (month).

2.15. Interest-bearing loans and other borrowings

All loans and other borrowings are initially stated at cost (nominal amount) that is considered as the fair value of the transaction received, net of direct costs associated with these loans and borrowed funds. After initial recognition, interest-bearing loans and other borrowed funds are subsequently measured at amortized cost determined using the effective interest method. The depreciable value is calculated by taking into account all types of fees, commissions and other costs, including discount or premium associated with these loans. Profit and loss are recognized in the profit and loss statement as 'financial expenses', net, during the depreciation period or when the liabilities are written off or reduced.

Please refer to the accounting policies for financial assets set out in Note 2.24.Financial instruments — initial recognition and subsequent measurement.

2.16. Capitalization of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the value of that asset. A qualifying asset is an asset that necessarily requires at least a 12-month period to become ready for its intended use or sale.

The amount of borrowing costs that can be capitalized in the value of a qualifying asset is determined by the coefficient /rate/ of capitalization. The capitalisation coefficient is the weighted average of borrowing costs

attributable to the company's loans outstanding during the period, excluding loans made specifically to acquire a qualifying asset.

Capitalization of borrowing costs as part of the value of a qualifying asset begins when the following conditions are met: asset costs are incurred, borrowing costs are incurred and activities are in progress to prepare the asset for its intended use or sale.

Borrowing costs are also reduced by any investment income from the temporary investment of funds from these loans.

2.17. Liabilities to suppliers and other liabilities

Liabilities to suppliers and other current liabilities are stated at the cost of the original invoices (price cost), which is considered as the fair value of the transaction that will be paid in the future against the goods and services received.

When liabilities to suppliers are deferred beyond normal credit terms, they are reported at the present value of the liability discounted on the basis of the interest rate on the funds borrowed by the company with a similar maturity and purpose, and the difference between the present value and the total amount of payments is reported as financial costs (interest).

2.18. Leasing

The company as a lessee

As regards all new contracts entered into on or after 1 January 2019, the company assesses whether the contract is or contains a lease. The lease shall be defined as a ‘contract or a part of a contract entitling to the use of an asset (the main asset) for period of time in exchange for payment’. In order to apply this definition, the company assesses whether the contract meets three key assessments, which are whether:

· the contract contains a certain asset that is either explicitly identified in the contract or is implicitly specified, as it is identified at the time the asset is made available to the Company;

· the company is entitled to receive in essence all economic benefits from the use of the defined asset throughout the entire period of use, due consideration being given to its rights in the defined scope of the contract;

· the company has the right to direct the use of the defined asset throughout the entire period of use. The company assesses whether it has the right to direct ‘how and for what purpose’ the asset will be used throughout the entire period of use.

Valuation and recognition of a lease as a leaseholder

On the date of commencement of the lease, the company recognizes an asset for a right of use and a lease liability in the balance sheet. A right-of-use asset is valued at prime cost, which consists of the initial valuation of the of the lease liability, all initial direct costs incurred by the company, valuation of all costs of dismantling and removal of the assets in the end of the lease and any lease payments made before the lease commencement date (excl. any received incentives).

The company depreciates the assets with right of use on a linear basis from the date of commencement of the lease to the earlier of the end of useful life of the asset with right of use or the end of the lease term. The company also carries out an impairment review of the asset with right of use when there are such indicators.

As at the commencement date, the Company values the lease liability at the present value of the lease payments not made as at this date, discounted, by using the rate of interest included in the lease contract, if such rate can be immediately determined the Company's loan differentiated rate of interest.

Lease payments included in the valuation of the lease obligation consist of fixed payments, variable payments on the basis of an index or percentage, amounts expected to be payable in accordance with a guarantee for a residual value and payments ensuing from options that are reasonably secure to be exercised.

After the initial date the Company values the lease liability by increasing the carrying amount in order to reflect the lease liability interest, and decreasing the carrying amount in order to reflect the lease payments made, and revaluing the carrying amount of the liability in order to reflect the revaluations or the changes of the lease contract or in order to reflect the adjusted lease payments that are in essence fixed.

The company is exposed to potential future increases in the variable lease payments on the basis of an index or a rate of interest, which are not included in the lease liability until their entry into force. When the adjustments to the lease payments enter into force, on the basis of an index or rate of interest, the lease liability is revalued and adjusted against the asset with right of use.

When the lease liability is revalued, the respective adjustment is reflected in the asset with right of use or in the profit and loss if the asset with right of use is already reduced to zero.

The company has chosen to report the short-term lease contracts and lease contracts, the main assent under which has a low value, by using exemptions from the requirements for recognition. Instead of recognition of an asset with right of use and a lease

liability, the payments related to them are recognized as a cost in the profit or loss on a straight-line basis over the lease term.

The assets with right of use are included in the statement of financial position in property, plant and equipment, and the lease liabilities are included in trade and other liabilities.

The company as a lessor

The Group accounting policy, under IFRS 16 has not changed since the reference period.

As a lessor, the Company classifies its lease contracts as operating or financial lease

The lease is classified as financial lease if it transfers in essence all risks and benefits relating to the title to the main assets and is classified as operating lease if it does not do so.

2.19. Pension and other liabilities to personnel under social and labour law

The labour and social security relations with the employees in the individual companies are based on the provisions of the Labour Code and the provisions of effective social security legislation.

Short-term income

Short-term income for employees in the form of wages, bonuses and social benefits and benefits (required for settlement within 12 months of the end of the period in which the employees was hired or has fulfilled the necessary conditions) is recognized as an expense in the statement of comprehensive income (in profit or loss for the year), unless an IFRS requires that amount to be capitalized in the rice cost of an asset for the period of employment and/or the requirements for receiving it are met, and as current obligation (after deducting all amounts already paid and applicable deductions) to the extent of their undiscounted amount.

As at the date of the financial statements, the company estimates the expected costs on accumulated compensable leave that is expected to be paid as a result of the unused right of accumulated leave.

Bonuses and bonus schemes

According to the Statutes, 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'.

Long-term retirement benefits

Defined contribution plans

The main obligation of the employer is to make compulsory insurance for the hired personnel for Pensions Fund, additional mandatory pension insurance, fund 'General disease and maternity', Unemployment Fund, Labour Accident and Occupational Disease Fund and health insurance.

These social security pension plans applied by the company in its capacity of employer are defined contribution plans. Under these plans, the employer pays monthly contributions to the state pension funds, Fund 'General disease and maternity', Unemployment Fund, Labour Accident and Occupational Disease Fund, as well as to universal and professional pension funds — based on statutory rates and has no legal or constructive obligation to make additional contributions to the funds in cases where they do not have sufficient funds to pay to the persons concerned the amounts they have earned for the period of their service. The obligations regarding the health insurance are analogous.

The social security contributions are defined by the Law on State Social Security Budget and the Law on the budget of NHIF for the relevant year. Contributions are shared between the employer and the insured person at a ratio that changes annually and is set in Article 6, paragraph 3 of the Social Security Code. The total amount of the contribution for the Pensions Fund, additional mandatory pension insurance, fund 'General disease and maternity', Unemployment Fund and health insurance in 2023 is as follows:

- *for the period 01 January 2023 — 31 December 2023*

32.30% (distributed in ratio employer: insured person 18.52:13.78) for those working under the third category of employment.

In addition, at its own expense, the employer makes a social security contribution to Labour Accident and Occupational Disease Fund, which is differentiated for the various entities from 0.4% to 1.1%, depending on the economic activity of the entity.

The group does not have a private and voluntary private insurance fund.

Contributions due by the company under defined benefit plans for social and health insurance are recognized as current expense in the statement of comprehensive income (profit

or loss) unless an IFRS requires that amount to be capitalized at the price cost of an asset and as current liabilities at undiscounted amount, together and during the period of employment and the accrual of the respective income of the employees with whom the contributions are linked.

The companies insures every employee, on the basis of a contract with a voluntary health insurance company, for pre-hospital and hospital medical services.

Defined benefits plans

According to the Labour Code, the company, in its capacity of employer in Bulgaria, is obliged to pay to the staff at retirement age an indemnity which, depending on the length of service in the entity, may vary between 2 and 6 gross salaries at the date of termination of the employment relationship. According to their characteristics, these schemes are unfunded defined benefit plans.

The calculation of these liabilities necessitates the participation of qualified actuaries in order to determine their present value at the end of the reporting period, at which they are recognised in the statement of financial position, adjusted with the amount of the unrecognised actuarial gains and losses, while the change in value including the recognised actuarial gains and losses are recognised in the statement of comprehensive income. Taking into account the amount and materiality of the liabilities compared to the value of the actuarial work, the calculations can also be made by the company.

Income at employment termination

According to the provisions of the Labour Code, the employer has the obligation to pay, upon termination of the employment contract, the following compensations:

- failure notice — for the period of the failure notice;
- due to the closure of the entity or part of thereof, staff cuts, reducing the workload and work stoppage for more than 15 days and other — one gross monthly salary;
- upon termination of employment due to illness — the amount of the gross salary of the employee for two months on condition that the employee has at least five years of service and has not received compensation on the same grounds;
- for unused paid annual leave — for the respective years for the period recognized as service period.

After payment of the said benefits, the employer has no other obligations to the employees.

The company recognizes employee retirement benefit obligations before retirement when a binding commitment is demonstrated based on

a publicly announced plan, including to restructure, to terminate the employment contract with the persons concerned without being able to cancel it or at formal issue of the documents of voluntary resignation. Benefits at resignation payable more than 12 months are discounted and presented in the statement of financial position at their present value.

2.20. Provisions

Provisions are recognized when the company has a present (constructive or legal) liability as a result of a past event and it is probable that the repayment/settlement of that liability is related to an outflow of resources. Provisions are measured on the basis of the best estimate of the management at the end of the reporting period for the expenses necessary to settle the respective liability. The estimate is discounted when the liability maturity is long-term. When it is expected that part of the resources to be used to settle the liability will be recovered by a third party, the company recognizes a receivable if there is a high degree of certainty that it will be received, its value can be reliably established and income (credit) on the same item in the statement of comprehensive income, where the provision itself is presented.

2.21. Share capital and reserves

Doverie – United Holding AD is established as a joint-stock company. Being a joint-stock company it is obliged to register in the Trade Register a certain amount of ***share capital*** which to serve as a collateral of the creditors of the company for the execution of their receivables to it. Shareholders are responsible for the company's liabilities up to the amount of their shareholding in the capital and can only claim repayment of this interest at a liquidation or insolvency proceedings. The company recognizes its registered capital at nominal value of the shares registered in the court.

Pursuant to the requirements of the Commerce Act and the Statutes the company is also **'*Reserve Fund*'**, and the sources of the Fund can be:

- at least one-tenth of the profit to be paid until the fund reaches one-tenth of the share capital or higher part upon decision of the General Assembly;
- funds received over the nominal value of the shares upon issue (premium reserve);
- the amount of the additional payments made by the shareholders against the advantages granted to them for the shares;
- other sources provided by decision of the General Assembly.

Funds from the Fund may only be used to cover annual loss and losses from previous years. When the fund reaches the specified in the Statutes minimum amount, the excess funds can be used to increase the share capital.

Revaluation reserve is formed by the positive difference between the carrying amount of property, plant and equipment and their fair values at the dates of revaluation. The effect of deferred taxes on the revaluation reserve is reflected directly on the account of this reserve. The revaluation reserve is transferred to 'accrued earnings' when the assets are fully depreciated or leave the company's patrimony.

2.22. Profit taxes

Current profit taxes are determined in accordance with the requirements of Bulgarian tax legislation — the Corporate Income Tax Act. The nominal tax rate for 2023 is 10% (2022: 10%).

Deferred profits taxes are determined using the liability method in respect of all temporary differences at the end of the reporting period that exist between the carrying amounts and the tax bases of the separate assets and liabilities.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable they to reverse and to generate in the future sufficient taxable profit or taxable temporary differences, which can be deducted by these deductible temporary differences.

The carrying amount of all deferred tax assets is reviewed at the end of each reporting date and is reduced to the extent that they are likely to reverse and generate enough taxable income with which they can be deducted.

Deferred taxes related to items that are recognized directly in equity or other balance sheet item shall also be accounted directly to the relevant equity component or balance sheet item.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied during the period over which the assets will be realized or the liability will be settled on the basis of the applicable tax laws or the tax laws that are expected to be effective with large degree of certainty.

As at 31 December 2023, the deferred profit taxes are assessed at a rate of 10% (31 December 2022: 10%).

2.23. Net earnings per share

Net earnings per share are calculated by dividing the net profit or loss for the period to be distributed among the holders of ordinary shares to the weighted average number of ordinary shares held in the period.

The weighted average number of shares is the number of ordinary shares held at the beginning of the period, adjusted by the number of ordinary shares redeemed, and the newly issued shares during the period multiplied by the medium-term factor. This factor expresses the number of days the specific shares were held in relation to the total number of days during the period.

Net gains on reduced-value shares are not calculated as there are no issued potential dilutive shares.

2.24. Financial Instruments

A financial instrument is any contract that generates a financial asset in an entity and a financial liability or equity instrument in another entity.

2.24.1. Financial assets

Initial recognition and measurement

The company initially recognizes a financial asset at the time it becomes a party to a contractual arrangement and classifies it according to the business model for managing financial assets and the characteristics of the contracted cash flows.

The company's business model for financial assets management refers to the way in which it manages its financial assets to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The classification of financial assets upon their initial acquisition depends on the characteristics of the contractual cash flows of the financial asset and the business model of the company for their management. Except for trade receivables that do not have a significant component of finance or for which the company has applied a materially feasible measure, the company initially assesses the financial asset at fair value plus transaction costs, in the case of financial assets that are not carried at fair value through profit or loss. Trade receivables that do not have a significant component of finance and for which the company has applied a materially feasible measure are measured at the transaction price determined in accordance with

IFRS 15. Please refer to the accounting policy in Note 2.5 Revenue from contracts with customers.

In order to be classified and measured at amortized cost of acquisition or at fair value in Other comprehensive income, the financial asset is required to generate cash flows that represent 'only payments on the principal and the interest' on the outstanding amount of the principal. This evaluation is called the 'only payments on the principle and the interest test' and is performed at the level of the instrument concerned.

The company's business model for financial assets management refers to the way in which it manages its financial assets to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

Purchases or sales of financial assets the terms of which require delivery of the assets over a period of time normally established by a statutory provision or practice in the relevant market (regular purchases) are recognized on the trading date (transaction). i.e. on the date on which the company has committed to buy or sell the asset.

In cases where a company does not generate current cash inflows and is the owner of assets whose sale is the sole source of repayment, the exposure is treated as part of the investment and is tested for impairment under IAS 36.

Subsequent measurement

For the purposes of subsequent measurement, the financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at fair value in other comprehensive income with 'recycling' of cumulative profit or loss (debt instruments)
- Financial assets designated as such at fair value in other comprehensive income without 'recycling' of cumulative profit and loss on their disposal (equity instruments)

During the current period, the company reports financial assets in two of these categories — financial assets at amortized cost and financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most significant for the company. The management of the Company has determined that financial assets representing cash in bank accounts, trade receivables, other non-current receivables (i.e. receivables from related entities, commercial loans receivables, etc.) are held by the company, in order to receive the agreed cash flows and it is expected they to result in cash flows representing only payments on principal and interest (applied business model). These financial assets are classified and subsequently measured at amortized cost.

The company measures the financial assets at amortized cost, if both of the following conditions are met:

- The financial asset is held within a business model that has the purpose of holding it in order to obtain the contractual cash flows from it

and

- The terms of the contract for the financial asset result in cash flows at specific dates which represent only payments on principal and interest on the outstanding amount of the principal

Financial assets at amortized cost (loans and other provided financial resources) are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. The depreciable value is calculated by taking into account all types of charges, commissions and other income. Interest income on granted loans is recognized during the amortization period and is presented in the profit and loss statement in item 'revenues'. Impairment costs and reversed impairments associated with the financial assets measured at amortized cost, including trade receivables under IFRS 15, are recognized in the statement of profit or loss in 'other income/(loss) from operations'.

Profit and loss are recognized in profit or loss when the asset is written-off, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated at their initial recognition as at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading, if they are acquired for sale or re-acquisition within a short period of time. Financial assets with cash flows that are not only principal and interest payments are classified and measured at fair value through profit or loss regardless of the business model. Regardless of the criteria for debt instruments that are to be classified at

amortized cost of acquisition or at fair value in Other comprehensive income as described above, debt instruments may be designated as such at fair value through profit or loss on their initial recognition, if the accounting mismatch is substantially eliminated or significantly reduced.

Financial assets at fair value through profit or loss are reported in the statement of financial position at fair value, net changes in fair value being recognized in the profit and loss statement.

This category includes loans to related parties and unquoted and quoted on stock exchanges equity instruments that the company has not irrevocably chosen to classify as such at fair value in Other comprehensive income. Dividends on such equity instruments are also recognized as other revenue in the profit or loss statement when the entitlement to receive payment is established.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the statement of financial position of the company), mainly when:

- the rights to receive cash flows from the asset have expired or
- the rights to receive cash flows from the asset are transferred or the Company has undertaken to pay in full the received cash flows without significant delay to a third party through a transfer agreement; where either (a) the Company has transferred substantially all the risks and benefits of ownership of the asset; or (b) the Company has not transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control on it.

When the Company has transferred its rights to receive cash flows from the asset or has entered into a transfer agreement, it assesses whether and to what extent it has retained the risks and benefits of ownership. When the Company has not transferred, nor retained substantially all risks and benefits of the financial asset ownership, nor has transferred the control on it, it continues to recognize the transferred asset to the extent of its continuing involvement in it. In such case, the Company also recognizes the related liability. The transferred asset and the related liability are measured on a basis that reflects the rights and liabilities that the Company has retained.

Continued interest in the form of a guarantee on the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the Company may be required to pay.

Impairment of financial assets

The Company recognizes a provision for expected credit losses (ECL) for all debt instruments that are not carried at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due under the terms of the contract and all cash flows that the Company expects to receive discounted by approximation to the original effective interest rate. 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) .

All loans granted within the group and to third parties shall be examined:

- in a three-year historical period;
- in case of discounting of the cash-flows by an effective interest rate;
- an adjustment to the historic probability of non-performance with an estimate of future development;
- calculation of the impairment loss.

With respect to trade receivables, the Company applies a simplified approach for calculating ECL. Therefore, it does not track credit risk changes, but instead it recognizes a provision for losses based on ECL for the entire duration of the instrument at each reporting date. The Company has created a provisioning matrix that is based on historical experience in credit losses, adjusted by predictive factors specific to debtors and the business environment.

All these trade receivables are examined by:

- an analysis of the collection rate of the sales for the previous financial year broken down by periods of payment;
- calculation of the historical percentage of non-collection rate;

- an adjustment to the historic probability of non-performance with an estimate of future development;
- calculation of the impairment loss.

2.24.2. Financial liabilities and equity instruments

The Company classifies debt and equity instruments either as financial liabilities or as equity, depending on the nature and the terms of a contract with the respective counterparty regarding those instruments.

Initial recognition and measurement

The Company recognizes in the statement of financial position a financial liability only when it becomes a party to contractual clauses of the financial instrument. Initial recognition occurs at the settlement date and is carried at fair value plus, in case of financial liabilities that are not carried at fair value through profit or loss, costs directly attributable to the acquisition or issue of the financial liability. Loan management fees are deferred over the period of borrowing using the effective interest method and are included in the amortized cost of the loans.

Upon initial recognition, financial liabilities are classified as such at fair value in the profit or loss or as financial liabilities measured at depreciated value. Initially, all financial assets are recognized at fair value and in the case of loans and borrowings and obligations, less the costs directly related to the transaction.

The financial liabilities of the Company include trade and other liabilities, loans and borrowings, including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities designated at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, and financial liabilities designated at initial recognition as such — at fair value through profit or loss.

Financial liabilities are classified as held for trading, if they are acquired for the purpose of repurchasing in the near future. Profit or loss on liabilities held for trading are recognized in profit and loss statement.

Financial liabilities designated at initial recognition as such at fair value through profit or loss are designated as such at the date of initial recognition only if the IFRS 9 criteria have been met. The company has not designated financial liabilities as such at fair value through profit or loss.

Financial liabilities measured at amortized cost (loans and borrowings)

This category is of the utmost importance for the Company. After their initial recognition, the Company assesses the interest bearing loans and borrowings using the method of the effective interest rate (EIR). Profit and losses are recognized in profit or loss when the liability is derecognised, as well as through the amortization process on the basis of the effective interest rate.

The amortized value is calculated by taking into account any discounts or premiums at the acquisition and fees or costs that are an integral part of the effective interest rate. Depreciation through the effective interest rate is included in the profit and loss statement as a financial costs.

This category mainly concerns interest-bearing loans and borrowed funds.

Derecognition

The company derecognises a financial liability only when it settles the liability, the liability expires or the creditor waives its rights.

Where an existing financial liability has been replaced by another by the same lender under substantially different conditions or the terms of an existing liability have been materially changed, such an exchange or change is treated as a write-off of the original liability and recognition of a new liability. The difference in the appropriate carrying amounts is recognized in the profit and loss statement.

The difference between the carrying amount of a financial liability, settled or transferred to another party, and the amount paid for settlement, including money and the transfer of non-monetary assets, is recognized in profit or loss for the period.

Compensation of financial instruments

Financial assets and financial liabilities are offset and the net amount is recognized in the statement of financial position, if there is a legally enforceable right to offset the amounts recognized and the Company intends to settle on a net basis to realize the assets and settle the liabilities simultaneously.

2.25. Critical judgements when applying the company's accounting policy. Key estimates and assumptions with high uncertainty.

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent liabilities as of the balance sheet date and on the reported revenues and expenses for the period. The uncertainties associated with these assumptions and estimates could lead to actual results, which could require a material adjustment in the carrying values of the relevant assets or liabilities in subsequent reporting periods.

2.25.1. Impairment of investments in shares and interest in subsidiaries and associates

Long-term investments in subsidiaries and associates are measured at cost of acquisition (price cost) less impairment losses.

At each balance sheet date, the management assesses whether there are indicators of impairment of its investments.

The company's management has adopted as indicators for impairment of investments in subsidiaries and associates:

- a decision to declare a winding-up procedure of the relevant company whose net assets are not sufficient to cover their liabilities. The amount of the impairment in this case is up to 100% of the carrying amount of the investments after deduction of the amount for which there is unconditional evidence of recovery;
- prices of the Bulgarian Stock Exchange for sale of shares;
- an excess of the carrying amount of the investment over the share in the net assets of the subsidiary or associate. Where the company applies 'cost of acquisition' method for the subsequent reporting of tangible fixed assets, net assets are restated taking into account the revaluation effect of tangible fixed assets at fair value that is determined by an authorized valuer. (Notes 2.7 and 2.8)
- revenue method of discounted cash flows.

2.25.2. Impairment of financial assets

Provision for expected credit losses for trade receivables

The company uses a provisioning matrix for the calculation of ECL for the trade receivables. Provisioning percentages are based on the past due days.

The provisioning matrix is initially based on the default rates observed by the Company historically. The company refines the matrix to correct historical experience with credit losses by including forecast information. For example, if forecasts of economic conditions (for example, gross domestic product) are expected to deteriorate in the coming year, which may lead to a higher number of arrears in the manufacturing sector, historical rates of arrears are corrected. Historical rates of arrears are updated at each reporting date and changes in estimates are analysed.

Approach for impairment of granted loans, trade receivables and receivables from related parties with a financing element

The company applies an individual approach for impairment of receivables with an element of financing and granted loans. The impairment model is based on the cash flows agreed in the financial instrument conditions, as well as the assumptions and estimates of expected cash flows and the realization of the financial asset adopted by the management in the preparation of the financial statements.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of each shortage of money) over the expected term of the financial instrument. Monetary deficiency is the difference between the cash flows payable to the Company in accordance with the contract and the cash flows that the Company expects to receive. Since the expected credit losses account for the amount and timing of payments, an expected credit loss is recognized even if the Company expects the asset to be fully paid, but later than the due date.

The assessment of the correlation between historical past due rates, forecasts for economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and the predicted economic conditions. The company's historical experience with credit losses and the economic forecasts may also be unrepresentative of actual defaults by the client in the future.

2.25.3. Revalued property, plant and equipment

The company has accepted the revaluation of property, plant and equipment to their fair value to be performed at a period of three years by independent licensed valuers. Last revaluation is performed on 31 December 2022.

In these revaluations, the following approaches and valuation methods are applied to measure the fair value of the individual types of tangible fixed assets:

- 'Market approach' through 'Market analogue method' — for buildings and non-specialized equipment for which there is a real market, market analogues and a basis of comparability, their market value is assumed by a comparative method;
- 'Cost (assets) based approach' through 'Depreciated replacement cost method' — for specialized machinery, equipment and facilities for which there is no real market, the depreciated replacement cost is assumed to be the fair value with the hypothesis that they are used in the technologically linked process (cost / asset based approach — depreciated replacement cost method).

The main sources of information used in the calculations and judgements for determining the fair values are: internal data and opinions of the management of the company on the operational status of the assets, intention to sell specific assets, repairs, prospects for asset use, published prices for realized real estate transactions, bid data from producers, traders and importers of new specialized machinery and equipment, as well as of second-hand machinery.

As at 31 December 2023, the company has reviewed the buildings, machinery and equipment for subsequent evaluation. The assessment is no grounds for applying a new assessment (Note 16)

2.25.4. Impairment of property, plant and equipment

As at the date of each report, the management of the company organizes an impairment review of the property, plant, equipment and vehicles.

2.25.5. Fair value measurement of financial instruments

The Company determines the fair value of the financial instruments on the basis of available market information or, if not available, through appropriate valuation models. The fair value of financial instruments that are actively traded on organized financial markets is determined on the basis of quoted bid prices at the end of the last business day of the reporting period.

When the fair value of financial assets and the financial liabilities reported in the statement of financial position can not be determined on the basis of quoted prices in active markets, the management uses techniques to measure the fair value of financial instruments. In applying valuation techniques, the management uses as much as possible market data and assumptions that market participants would adopt in assessing a financial instrument.

When no applicable market data is available, the management uses its best estimate of the assumptions that market participants would make. These estimates may differ from the actual prices that would be determined in a fair market transaction between informed and willing parties at the end of the reporting period.

2.25.6. Revenue from contracts with customers

When recognizing revenues, the management makes different estimates, estimates and assumptions that affect the reported revenue, expense, assets and contracts liabilities, and their corresponding disclosures. The key judgements and assumptions that affect the amount and timing of recognizing revenue from contracts with customers are related to the timing of satisfaction of the obligations and the timing of the performance obligations, a judgement of whether the company is a principal or an agent, determination of the method of valuation of the variable remuneration — right of return, volume concessions, obligations to the client, etc. options, assessment of the existence of a significant financial component in the contract.

3. REVENUE

	2023 BGN '000	***2022 BGN '000***
Revenue from sale of services	227	201
Revenue from interest and fees on loans granted	820	966
Dividends	3,770	944
Total	**4,817**	**2,111**

Interest and fees revenues are from long-term and short-term loans granted to companies from Doverie – United Holding AD Group, as well as trade loans granted to third parties. The terms of the loans granted are presented in Notes
Nos 14 and 20

Dividend revenue is from the following companies:

	2023 BGN '000	***2022 BGN '000***
United Health Insurance Fund Doverie AD	1,000	740
Occupational Health Doverie EOOD	29	53
MC Doverie AD	641	151
Doverie Invest EAD	2,100	
	3,770	**94**

Revenue from contracts with customers is mainly related to revenue from management services to subsidiaries.

Revenue types	***2023 BGN '000***	***2022 BGN '000***
Revenue from sale of services	227	201
Total revenue under contracts with clients	**227**	**201**
Time to recognize revenue		
Services transferred over time	227	201
Total revenue from contracts with customers	**227**	**201**

Contractual balances

	2023 BGN '000	***2022 BGN '000***
Trade receivables from related parties (Note 20)	-	56
	-	**56**

Trade receivables are not interest-bearing and are usually settled between 30 and 90 days.

4. OTHER OPERATING INCOME/ (LOSS)

***Other operating income and loss* include:**	***2023 BGN '000***	***2022 BGN '000***
Revenue from sale of tangible fixed assets	31	28
Carrying amount	(1)	-
Income from sale of tangible fixed assets	**30**	**28**
Subsequent evaluation of investments in subsidiaries	(5)	(353)
Sale of investment property/net	-	39
Fair value measurement of financial assets (net)	10	15
IFRS 16		12
Profit/Loss from revaluation of compensatory instruments	10	5
Other	8	13
Total	**53**	**(241)**

Information on transactions with shares of subsidiaries is disclosed in detail in Note 11.

Subsequent valuation of investments

As at 31 December 2023, the management has reviewed for existence of conditions for impairment of its investments in shares and interests in subsidiaries and associates and minority interests, as well as in investment property.

Subsequent valuations of investments in shares and interest are disclosed in detail in Note 11, and those of investment property — in Note 17.

Compensatory notes (130,452 units) are valued at exchange price of 0,3080 at the date of this report or up to BGN 40 thousand. /Note 22/

These financial statements present subsequent valuation of the investment in Exclusive Property REIT at a stock price per share of BGN 1.90 or BGN 76 thousand for the 40 000 shares held /Note 13.2/

5. COST FOR EXTERNAL SERVICES

	2023 BGN '000	***2022 BGN '000***
Communication services	(16)	(17)
Legal services	(99)	(89)
Translation services	(11)	(11)
Consulting services	(47)	(18)
Local tax and fees	(1)	(3)
Commissions on the sale of investment properties	-	(6)
Subscriptions	(66)	(53)
Vehicles	(16)	(10)
Advertisement	(1)	(1)
Training	(1)	(1)
Insurances	(20)	(15)
Rents	(50)	(43)
Software update and support	(18)	(18)
Hosting	(3)	-
Audit	(87)	(93)
Construction works	-	(76)
Accounting services	-	(10)
Archiving	(3)	(3)
Bank service fees	(57)	(71)
Fees to the Central Depository, BSE and FSC	(15)	(6)
Membership contributions in employer' organisations	(4)	(4)
Licensed valuations	(9)	(8)
Commissions	-	(6)
Other	(21)	(6)
Total	**(545)**	**(568)**

6. EMPLOYEE EXPENSES

	2023 BGN '000	*2022 BGN '000*
Remunerations under employment contract	(1,107)	(1,137)
Executive Director	(84)	(63)
Remunerations of the Management Board	(54)	(54)
Remunerations of the Supervisory Board	(108)	(89)
Audit Committee	(25)	(25)
Accruals for unused paid leave	60	(41)
Civil law contracts	(32)	(21)
Compensation	(40)	(8)
Social securities	(172)	(185)
Social benefits	(37)	(40)
Provisions for benefits at retirement	(8)	(12)
Total	**(1,607)**	**(1,675)**

7. OTHER OPERATING EXPENSES

	2023 BGN '000	*2022 BGN '000*
Representation expenses	(8)	(7)
Office materials and stationeries	(15)	(14)
Business trips	(2)	(1)
Donations and sponsorships	(6)	(5)
Unrecognised tax credit under VAT	(127)	(159)
Tax at source	(4)	(3)
Tangible non-durable assets	(9)	
Advertising materials		
Non-operating costs	(8)	
Fuel and energy	(30)	(34)
Other	(4)	(3)
Total	**(213)**	**(226)**

8. ACCRUED/RECOVERED IMPAIRMENT OF TRADE RECEIVABLES AND LOANS

Changes in provisions for expected credit losses for trade receivables and loans granted are described below:

Debt instruments at amortized cost	**Balance 01 January**	**Accrued for the period**	**Reversed**	**Balance 31 December**
	BGN '000	**BGN '000**	**BGN '000**	**BGN '000**
Impairment of trade receivables related parties	(25)	(23)		(48)
Impairment of trade receivables Non-related parties	(5)		1	(4)
Impairment of non-current loans related parties	(1,413)	(267)	46	(1,634)
Impairment of current loans related parties	(224)	(229)	64	(389)
	(1,667)	**(519)**	**111**	**(2,075)**

9. FINANCIAL REVENUES/EXPESES NET

	2023 BGN '000	***2022 BGN '000***
Financial expenses		
Interests under bank loans	(365)	(622)
Liabilities under lease contracts	(11)	(6)
Interest under IFRS 16	(91)	(88)
Interest on loans and deposits to related parties	(438)	(51)
Interest on loans and deposits to third entities	(214)	(190)
Revenue from transactions with financial instruments	407	-
Currency exchange gain or loss	-	(1)
Total	**(712)**	**(958)**

10. TAXATION

	31.12.2023 BGN '000	***31.12.2022 BGN '000***
Current tax		
Deferred tax		
Occurrence and reverse application of temporary differences	(15)	(137)
Total tax (costs) savings recognized in the statement of comprehensive income	**(15)**	**(137)**

11. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2023 investments in *subsidiaries* are presented in the statement of financial position at cost price less any impairment.

Subsidiary	*31 December 2023 BGN '000*	*% of interest*	*31 December 2022 BGN '000*	*% of interest*
Doverie Capital AD, Sofia	13,404	*77.13%*	13,404	*77.13%*
Industrial Holding Doverie AD, Sofia	19,322	100.00%	16,669	87.44%
United Health Insurance Fund Doverie AD, Sofia	4,729	*98.15%*	4,729	*98.15%*
Homogen EAD, Sofia	-	-	396	*89.67%*
Occupational Health Doverie EOOD, Sofia	10	100.00%	10	100.00%
Medical Center Doverie AD, Sofia	428	*99.76%*	427	*99.76%*
Multiprofile Hospital for active treatment Doverie AD, Sofia	1,043	*7.45%*	954	*7.45%*
Bulgarian wine OOD	182	*3.84%*	182	*3.84%*
Doverie Care EAD (Veko EOOD)	7,066	*100.00%*	7,160	*100.00%*
Doverie Invest EAD	7,000	*100.00%*	7,000	*100.00%*
Caretech EOOD	77	*100.00%*	77	*100.00%*
	53,261		**51,008**	

Changes in investments of subsidiaries are presented in the table below:

	31.12.2023 BGN '000	*31.12.2022 BGN '000*
Cost of acquisition		
Carrying amount as at 1 January	**51,008**	**51,328**
Derecognised/sold	(396)	
Acquisition/increase of interest	2,654	33
Subsequent valuation for the period	(5)	(353)
Carrying amount as at 31 December 2023	**53,261**	**51,008**

The subsequent measurement is disclosed in Note 4.

As at 30 December 2023, the shares and interests held in subsidiaries are increased by BGN 2,654 thousand for Industrial Holding – Doverie AD and decrease of BGN 396 thousand for Homogen AD. The transactions are intra-group. A subsequent valuation test has been applied for the period resulting in an impairment charge of BGN 94 thousand for Doverie Care EAD and a reintegration of BGN 89 thousand for the investment of MHAT Doverie AD.

As at 31 December 2022, the shares and interests held in subsidiaries are increased by BGN 33 thousand for Industrial Holding — Doverie AD.

During the period the investments of Doverie Care EAD were impaired by BGN 330 thousand and of Caretech EOOD — by BGN 23 thousand.

In addition, through its participations in subsidiaries, Doverie – United Holding AD holds a total direct and indirect participation:

- 100.00% of the capital of Industrial Holding Doverie AD;
- 100.00% of the capital of Doverie Capital AD;
- 100.00% of the capital of MHAT Doverie AD;
- 100.00% of the capital of MC Doverie AD;
- 81.82% of the capital of Dunav AD;
- 93.34% of the capital of Hydroizomat AD;
- 71.93% of the capital of Doverie Brico AD;
- 91.97% of the capital of Maritsatex AD;
- 69.61% of the capital of Vratitsa AD in bankruptcy;
- 98.88% of the capital of Bilyana Triko AD;
- 100% of the capital of Bulgarian Wine OOD;

Indirect participation through subsidiaries (Note 32)

For investments in subsidiaries, fair values can not be determined insofar as most of the subsidiaries are not traded on stock exchanges or sales are very restricted, on one hand and on the other hand — due to group restructuring which creates practical difficulties for the application of alternative valuation methods to reliably determine their fair value.

The management conducted an impairment review of investments in subsidiaries as at 31 December 2023 In cases where the subsidiary applies a cost of acquisition method for subsequent recognition of tangible fixed assets, the net assets are restated as the tangible fixed assets are measured at fair value that is determined by a licensed valuer. The company uses valuation reports on the fair value of the tangible fixed assets. All the procedures described in the policy under item 2.25 are applied in the impairment test.

As at 31 December 2023, ***the impaired investments in subsidiaries*** are:

Subsidiary	*Report value BGN'000*	*Impairment BGN'000*	*Carrying amount BGN'000*
Multiprofile Hospital for Active Treatment Doverie AD	1,099	56	1,043
Doverie Care EAD	9,070	2,004	7,066
Caretech EOOD	100	23	77
	10,269	**2,083**	**8,186**

12. ASSETS WITH RIGHT OF USE

	31.12.2023 BGN '000	*31.12.2022 BGN '000*
Book value		
Balance as at 31 December	**3,442**	**3,154**
Indexing	270	132
Balance as at 1 January (adjusted)	**3,712**	**3,286**
Acquired assets	223	227
Written-off assets	(86)	(71)
Balance as at 31 December	**3,849**	**3,442**
Accumulated depreciation		
Balance as at 1 January	**923**	**689**
Transfer		
Accrued depreciation for the period	354	305
Written-off depreciation	(86)	(71)
Balance as at 31 December	**1,191**	**923**
Carrying amount as at 1 January	2,519	2,465
Carrying amount at 31 December	**2,658**	**2,519**

Reclassification

- *Amounts recognized in the profit and loss statement/the statement of profit and loss and other comprehensive income*

The accrued costs related to the recognized asset with right of use in the current period are, as follows: depreciation costs in the amount of BGN 354 thousand and interest costs in the amount of BGN 91 thousand.

- *The total cash flow for lease in 2023 is, as follows:*

Payments in relation to lease contracts — BGN 410 thousand.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (EQUITY INSTRUMENTS)

13.1. UNQUOTED EQUITY INVESTMENT

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

Company	*31 December 2023 BGN '000*	*% of interest*	*31 December 2022 BGN '000*	*% of interest*
Melco International AD, Sofia	1	0.03%	1	0.03%
	1		**1**	

13.2. QUOTED EQUITY INVESTMENT

Company	*31 December 2023 BGN '000*	*% of interest*	*31 December 2022 BGN '000*	*% participation*
Exclusive Property REIT	76	*0.42%*	66	*0.42%*
	76		**66**	

Evaluation at fair value

In the present financial statements, the investment in Exclusive Property REIT is valued and presented at fair value at a stock price per share of BGN 1.90 or BGN 76 thousand for the 40,000 shares held /Note 13/.

The hierarchy of fair values is presented in Note 33.

14. NON-CURRENT RECEIVABLES FROM RELATED ENTITIES

As at 31 December 2023, non-current receivables from related entities are:

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Doverie Invest EAD	205426924	22,900	30 March 2020; Annex 08 May 2020	Repayment of liabilities to Sopharma	31 January 2027	2.8 until 22 April 2021 2.4% after the first year until 31 January 2027	14,345	14,345		Promissory note for BGN 27,480 thousand
Doverie Care EAD	204956297	6,310	01 February 2022	Novation of old loan agreements	31 January 2027	3.00%	6,922	6,922		Promissory note for BGN 9,060 thousand
Doverie Care EAD	204956297	15	18 August 2022	Purchase of raw materials	18 August 2027	3.00%	15	15		Promissory note for BGN 18 thousand
Hydroisomat AD	121732517	2,200	07 June 2021	Purchase of real estate and execution of construction	07 June 2026	3.00%	1,400	1400		Promissory note for BGN 2,640 thousand
Caretech EOOD	206496893	300	07 December 2021	Purchase of new machinery	07 December 2026	3.00%	140	140		Promissory note for BGN 360 thousand
Bulgarian wine OOD	123576718	687	01 December 2027	Novation of old loan agreements	01 December 2027	3.00%	495	495		Promissory note for BGN 825 thousand
Total:							**23,317**	**23,317**	**-**	

As at 31 December 2022, ***non-current receivables from related entities are****:*

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Doverie Invest EAD	205426924	22,900	30 March 2020; Annex 08 May 2020	Repayment of liabilities to Sopharma	31 January 2027	2.8% until 22 April 2021 2.4% after the first year until 31 January 2027	17,411	17,215	196	Promissory note for BGN 27,480 thousand
Doverie Invest EAD	205426924	6,330	30 August 2021; Annex 30 August 2022	Repayment of loan funds to Sopharma	31 August 2024	2.90%	6,420	6,330	90	Promissory note for BGN 7,596 thousand
Doverie Invest EAD	205426924	800	01 December 2021	Special Investment Objective	01 December 2026	2.90%	811	800	11	Promissory note for BGN 960 thousand
Doverie Care EAD	204956297	6,310	01 February 2022	Novation of old loan agreements	31 January 2027	3.00%	5,500	5,500	0	Promissory note for BGN 7574 thousand
Doverie Care EAD	204956297	15	18 August 2022	Purchase of raw materials	18 August 2027	3.00%	15	15		Promissory note for BGN 18 thousand
Hydroisomat AD	121732517	2,200	07 June 2021	Purchase of real estate and execution of construction	07 June 2026	3.00%	2,000	2000		Promissory note for BGN 2,640 thousand
Caretech EOOD	206496893	300	07 December 2021	Purchase of new machinery	07 December 2026	3.00%	145	141	4	Promissory note for BGN 360 thousand
Bulgarian wine OOD	123576718	687	01 December 2027	Novation of old loan agreements	01 December 2027	3.00%	487	487		Promissory note for BGN 825 thousand
Total:							**32,789**	**32,488**	**301**	

The Company has developed a written credit policy for the main lending rules, which includes:

Purpose of loans: financing of investment projects and of the current activity in the companies.

Annual interest rate: for regular principal — between 2.4% and 3.5% at the date of conclusion of the contract; for overdue principal — annual interest rate on regular loans increased by ten percent. Grace period for interest does not apply.

Loan collateral: (as at the date of conclusion of the contract): includes a pledge on tangible fixed assets, a pledge on inventory and promissory notes of 120% of the principal. Collateral is insured for the benefit of the lender. Collaterals for the loans granted are disclosed in Note 31.

Each loan agreement has an individual repayment schedule with fixed amounts and maturities of repayment instalments. Default of maturity is considered to be default of the period.

In case of objective difficulties in servicing a particular loan, the borrowing subsidiary submits to the Management Board of Doverie – United Holding AD a motivated proposal to renegotiate the loan terms and conditions. The Management Board approves or rejects the submitted request by decision.

15. OTHER NON-CURRENT RECEIVABLES

As at 31 December 2023 and 31 December 2022, there are no new ***receivables from third entities on long-term loans granted****.*

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings		*Machinery, facilities, equipment and vehicles*		*Costs for acquisition and other*		*Total*	
	31 December 2023 BGN '000	*31 December 2022 BGN '000*	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Book value								
Balance as at 1 January	**39**	**39**	**623**	**626**	**187**	**191**	**849**	**856**
Balance as at 1 January (adjusted)	**39**	**39**	**623**	**626**	**187**	**191**	**849**	**856**
Acquired			4	7	223	120	**227**	**127**
Transfer between accounts						(5)	**-**	**(5)**
Written-off			(15)	(10)	(223)	(119)	**(238)**	**(129)**
Balance as at 31 December	**39**	**39**	**612**	**623**	**187**	**187**	**838**	**849**
Accumulated depreciation								
Balance as at 1 January	**-**	**-**	**600**	**598**	**159**	**156**	**759**	**754**
Balance as at 1 January (adjusted)	**-**	**-**	**600**	**598**	**159**	**156**	**759**	**754**
Accrued depreciation for the period			10	13	4	4	**14**	**17**
Written-off depreciation			(14)	(11)		(1)	**(14)**	**(12)**
Balance as at 31 December	**-**	**-**	**596**	**600**	**163**	**159**	**759**	**759**
Carrying amount as at 1 January	**39**	**39**	**23**	**28**	**28**	**35**	**90**	**102**
Carrying amount as at 1 January (adjusted)	**39**	**39**	**23**	**28**	**28**	**35**	**90**	**102**
Carrying amount at 31 December	**39**	**39**	**16**	**23**	**24**	**28**	**79**	**90**

Other information

As at 31 December 2023, the tangible fixed assets comprise assets (machines and equipment) that are fully amortized but continue to be used in the economic activity with book value of BGN 256 thousand. (31 December 2022 – BGN 310 thousand).

17. INVESTMENT PROPERTIES

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Balance as at 1 January		**173**
Written-off		(173)
Balance at the end of the period		**-**

18. NON-CURRENT INTANGIBLE ASSETS

Software			***Property rights***	
	31 December 2023 BGN '000	*31 December 2022 BGN '000*	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Book value				
Balance as at 1 January	**22**	**27**	**90**	**90**
Acquired	2			
Written-off		(5)		
Balance as at 31 December	**24**	**22**	**90**	**90**
Accumulated depreciation				
Balance as at 1 January	**21**	**24**	**70**	**61**
Accrued depreciation for the year	1	2	9	9
Written-off depreciation		(5)		
Balance as at 31 December	**22**	**21**	**79**	**70**
Carrying amount as at 1 January	**1**	**3**	**20**	**29**
Carrying amount at 31 December	**2**	**1**	**11**	**20**

19. DEFERRED TAX ASSETS

	31 December 2023 BGN '000	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*	*31 December 2022 BGN '000*
	Temporary difference	Tax	Temporary difference	Tax
Property, plant and equipment	16	2	10	1
Subsequent valuation of investments shares	26	3	26	3
Total deferred tax liabilities	**42**	**5**	**36**	**4**
Impairment of investment in subsidiaries and associates	(2,084)	(208)	(2,078)	(208)
Impairment of receivables IFRS 9	(51)	(5)	(30)	(3)
Impairment of loans IFRS 9	(870)	(87)	(980)	(98)
Compensatory bond	(9)	(1)	(20)	(2)
Accruals for unused leave	(176)	(18)	(236)	(24)
Accrued liability provisions	(35)	(4)	(49)	(5)
IFRS 16	(149)	(15)	(122)	(12)
Total deferred tax assets	**(3,374)**	**(337)**	**(3,515)**	**(352)**
Net deferred assets	**(3,332)**	**(332)**	**(3,479)**	**(348)**

An asset on deferred tax for land property of 1,853 square meters town of Vratsa, depreciated as of 31 December 2016 by BGN 39 thousand, is not reflected. Management's judgement is that no reversal of the impaired asset related to a sustained decline in prices in Northwest Bulgaria is expected.

Deferred tax asset is not recognized either for the tax loss for 2017, 2018, 2019, 2020, 2021 and 2022 respectively amounting to BGN 205 thousand, BGN 238 thousand, BGN 225 thousand, BGN 270 thousand, BGN 313 thousand, BGN 253 thousand The management's assessment is that recovery is not expected.

20. RECEIVABLES FROM RELATED ENTITIES

As of 31 December, ***current receivables from related entities*** include:

Type of receivable	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Receivables on long-term loans net of impairment, including		**301**
Interest and fees		*301*
Receivables on short-term loans net of impairment, including		**1,900**
Principal		*1,900*
Receivables from dividends	2,100	
Trade receivables, net of impairment		56
Total	**2,100**	**2,257**

Receivables on granted short-term loans from related entities

As at 31 December 2023, ***receivables from related entities on granted short-term loans*** have been repaid:

As at 31 December 2022, ***receivables from related entities on granted short-term loans*** are presented in the following table:

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Doverie □– Capital AD	130362127	4000	30 November 2021	Refinancing for repayment of debts	30 November 2022, with an option until 30 November 2026	3.00%	1,900	1,900		Promissory note for BGN 4,800 thousand
Total:							**1,900**	**1,900**	**-**	

Impairment review

As at the date of the financial statements, a subsequent measurement under IFRS 9 'Financial Instruments' was made in accordance with the policies adopted in Note 2.25.2. and a provision for expected credit losses is recognized. Changes in impairment are presented in Note 8 Accrued/recovered impairment of trade receivables and loans.

The purpose of the loans granted is for working capital. Collaterals on granted short-term loans are disclosed in Note 31.

Trade receivables from related entities

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Doverie Care EAD		15
Bulgarian wine OOD		41
	-	**56**

Trade receivables from related entities have arisen in respect of transactions for services rendered. Receivables are in BGN and are interest-free.

The Company has established a custom credit period for trade receivables for which it does not charge interests to counterparties — related parties — up to 360 days. The delay after this period was accepted by the company as an indicator of impairment.

Impairment review

As at the date of the financial statements, a subsequent measurement under IFRS 9 'Financial Instruments' was made. Changes in impairment are presented in Note 8 Accrued/recovered impairment of trade receivables and loans.

21. OTHER CURRENT RECEIVABLES

Type of receivable:	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Suppliers of advances		1
Costs paid in advance	19	18
Refundable taxes	5	10
Other	2	
Total	**26**	**29**

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (DEBT INSTRUMENTS)

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Compensatory bond	40	30
Total	**40**	**30**

The Company classifies the compensatory instruments held by it as financial assets at fair value through profit or loss. These are compensatory notes issued under the Law on Indemnification of the Owners of Nationalized Property and their nominal value is BGN 130 thousand (31 December 2022 — BGN 130 thousand).

Compensatory notes have been evaluated and presented in the statement of financial position at market price as at 31 December 2023. BGN 0.3080 for BGN 1 nominal. The reported revaluation gains are included in the statement of comprehensive income in 'Other operating income/(loss)'.

23. CASH AND CASH EQUIVALENTS

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Cash in current accounts	496	816
Cash at hand	3	4
Total	**499**	**820**

The cash and cash equivalents available at 31 December 2023 are in the accounts of the company in UniCredit Bulbank AD and CB Allianz Bulgaria AD. Cash and cash equivalents are allocated:

- in Bulgarian leva — BGN 497 thousand
- in currency — BGN 2 thousand.

The Company applies the standardized approach for calculating the expected credit losses of cash in banks, and the credit rating of the financial institutions in which the Company has deposited its cash is used to determine the default loss in the model parameters. These credit ratings are mainly awarded by the following institutions: Moody's, Standard and Poor's, Fitch,

Credit rating of financial institutions:	
CB Allianz Bulgaria AD	BBB+
Unicredit Bulbank AD	BBB

The review of expected credit losses on cash does not indicate any indication of expected credit losses.

24. CAPITAL AND RESERVES

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Share capital	21,500	21,500
Legal reserves	2,150	2,150
Additional reserves	15,771	15,771
Share premium	9,425	9,425
Accumulated profit /loss	(1,750)	(2,742)
Total	**47,096**	**46,104**

Share capital

As at 31 December 2023 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.

Statutory reserves are formed by a distribution of profits and include distributions for the Reserve Fund.

Additional reserves are formed from profit distributions in accordance with the decisions of the General Meeting of Shareholders.

The revaluation reserve is formed on the basis of the revaluations of tangible fixed assets with the assistance of independent licensed valuers. It contains the positive difference between the carrying amount of the tangible fixed assets and their new fair value.

Accumulated profit and loss	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Retained profit/uncovered loss	(2,742)	
Current profit / loss	992	(2,742)
Total	**(1,750)**	**(2,742)**

Net earnings per share

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Weighted average number of shares	21,499,855	21,499,855
Net profit for the year (BGN'000)	992	(2,742)
Net earnings per share (BGN)	**0,0461**	**(0.1275)**

25. LIABILITIES TO FINANCIAL INSTITUTIONS

UniCredit Bulbank AD		***31 December 2023*** ***BGN '000***
Contract dated 26 March 2020		
Utilised on 22 April 2020		
Loan amount		30,000
Loan	Investment	
Purpose of the loan	Repayment of obligations of DUH AD to Sopharma AD and financing of the lending of loans by the Borrower to subsidiaries, the funds from which shall serve for repayment of their loans granted by Sopharma AD.	
Interest rate	Sum of the variable interest index applicable to the respective interest period and a MARGIN to the Interest Index amounting to 1.90%. The Interest Index applicable as at the contract date is an Average Deposit Index (ADI)	
Joint and several debtors	Sopharma AD Doverie Invest EAD	
Repayment	After the expiration of the one-year grace period, which starts counted from the date of expiation of the final date of utilisation (i.e. after 26 April 2021) in 24 equal quarterly instalments (of BGN 1,250,000 each)	
Repayment deadline		31 January 2027
Obligation under principals		16,250
Non-current		11,250
Current		5,000
Prepaid bank charges		(11)
Accrued interest		55
		16,294

Total liability

UniCredit Bulbank AD		***31 December 2022*** ***BGN '000***
Contract dated 26 March 2020		
Utilised on 22 April 2020		
Loan amount		30,000
Loan	Investment	
Purpose of the loan	Repayment of obligations of DUH AD to Sopharma AD and financing of the lending of loans by the Borrower to subsidiaries, the funds from which shall serve for repayment of their loans granted by Sopharma AD.	
Interest rate	Sum of the variable interest index applicable to the respective interest period and a MARGIN to the Interest Index amounting to 1.90%. The Interest Index applicable as at the contract date is an Average Deposit Index (ADI)	
Joint and several debtors	Sopharma AD Doverie Invest EAD	

Repayment	After the expiration of the one-year grace period, which starts counted from the date of expiation of the final date of utilisation (i.e. after 26 April 2021) in 24 equal quarterly instalments (of BGN 1,250,000 each)
Repayment deadline	31 January 2027
Obligation under principals	21,500
Non-current	16,250
Current	5,000
Prepaid bank charges	(23)
Accrued interest	70
Total liability	**21,297**

26. NON-CURRENT LIABILITIES TO RELATED PARTIES

Liabilities as at 31 December 2023

- Liability on deposit granted from Industrial Holding Doverie AD

Agreed amount of loan:	BGN 14,940 thousand
Interest rate:	4.40%
Maturity:	31 December 2025
Loan currency	BGN
Liability as at 31 December 2023, including:	BGN 7,042 thousand
Principal	BGN 6,980 thousand
Interests — current portion	BGN 62 thousand

As at the date of preparation of the financial statements, a liability of BGN 1,458 thousand was incurred to United Health Insurance Fund Doverie ZAD AD as a result of the acquisition of 150,000 shares in the capital of Industrial Holding Doverie AD.

Liabilities as at 31 December 2022

- Liability on loan granted from Sopharma AD

Agreed amount of loan:	BGN 2,000 thousand
Interest rate:	3.09%
Maturity:	31 December 2024
Loan currency	BGN
Liability as at 31 December 2022, including:	BGN 2,011 thousand
Principal	BGN 2,000 thousand
Interest — Non-current portion	BGN 11 thousand

- Liability on deposit granted from Industrial Holding Doverie AD

Agreed amount of loan:	BGN 10,000 thousand
Interest rate:	4.40%
Maturity:	31 December 2024
Loan currency	BGN
Liability as at 31 December 2022, including:	BGN 10,029 thousand
Principal	BGN 10,000 thousand
Interests — current portion	BGN 29 thousand

27. LEASING

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Leasing	2,335	2,245
Total	**2,335**	**2,245**

As at 31 December 2023, the Company recognizes liabilities under a financial lease contract for seven passenger cars used for administrative purposes and a contract for rent of office space of 710 sq.m.

The total carrying amount of the liabilities under the contracts is:

Term	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Within 1 year	421	364
Over 1 year	2,335	2,245
Total	**2,756**	**2,609**

Minimal lease payments:	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Within 1 year	421	364
Over 1 year	2,759	2,694
Future financial costs under financial lease	(424)	(449)
Current value of the liabilities	**2,756**	**2,609**

Lease payments due within 12 months are presented in the balance sheet as a current portion of non-current financial lease liabilities and the amount is included in 'trade and other current liabilities'. (Note 29).

28. LIABILITIES TO RELATED ENTITIES

Liability type	*31 December 2023 BGN '000*	*31 December 2022 BGN '000*
Received deposits	**62**	**29**
interests	*62*	*29*
Liabilities under share purchase agreements	*360*	
Total	**422**	**29**

29. TRADE AND OTHER CURRENT LIABILITIES

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Liability under trade loans from third parties	6,456	6,606
Liabilities to suppliers and advances	1	1
Liabilities to personnel for unused leave	187	254
Current part of liabilities on financial lease	83	44
IFRS 16	338	320
Liability for tax on expenses and VAT, personal income tax	4	3
Other	713	714
Total	**7,782**	**7,942**

- Liability on granted loan from Telecomplect AD

Agreed amount of loan:	BGN 6,337 thousand
Interest rate:	4.5%
Maturity:	04 April 2024
Loan currency	BGN
Liability as at 31 December 2023, including:	BGN 6,456 thousand
Principal	BGN 6,337 thousand
Interests — current portion	BGN 119 thousand

Other —BGN 668 thousand represents a liability for unexercised rights in relation to the 2021 share issue; BGN 2 thousand accrued overhead expenses and BGN 43 thousand audit liability.

Until the date of preparation of the company's financial statements, audits and revisions were carried out as follows:

- VAT — until 28 February 2023
- full tax audit — until 31 December 2012.
- National Social Security Institute — full financial audit until 28 February 2017.

30. PROVISIONS

As at 31 December 2023, the Company has assessed the amount of expected staff costs at retirement age at BGN 35 thousand. As a basis for the calculation of benefits, 2 gross monthly salaries at the date of termination of the employment relationship and 6 gross monthly salaries at the discretion of the company for 10 years or more were adopted.

The calculation of the amount of these liabilities requires the involvement of qualified actuaries, in order to determine their present value at the date of the financial statements at which they are presented in the statement of financial position adjusted by the amount of the unrecognised actuarial gains and losses, and respectively, the change in their value, including recognized actuarial gains and losses — in the statement of comprehensive income. Taking into account the mall amount of the liabilities compared to the value of the actuarial work, the calculations are made by the company.

31. CONTINGENT LIABILITIES AND COMMITMENTS

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

- Bulgarian wine OOD — a promissory note amounting to BGN 825 thousand.
- Doverie Care EAD — promissory note amounting to BGN 9,875 thousand
- Doverie Invest EAD — promissory note amounting to BGN 27,480 thousand.
- Doverie Capital AD — promissory note amounting to BGN 2,640 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 — 05 September 2024 and Investment loans with maturity 21 June 2027 amounting to BGN 1,400 thousand.
- under a bank loan agreement of Bulgarian Wine OOD amounting to BGN 300 thousand, maturity 25 March 2024, BGN 332 thousand with maturity 25 August 2027, and an overdraft amounting to BGN 100 thousand with maturity 24 September 2024.
- Under an overdraft agreement amounting to BGN 2,075 thousand of Doverie Care EAD with maturity 25 July 2025;

- Pledge of 3,750 shares from the capital of Doverie Capital AD.

32. TRANSACTIONS WITH RELATED PARTIES

Shareholders

Detailed information on the shareholding structure of the company is presented in Note 1.

Subsidiaries

As at 31 December 2023, the Company exercises direct control and indirect control through other companies in the capital of the following subsidiaries (grouped by economic sector):

Portfolio

United Health Insurance Fund Doverie AD			**98.15%**
	DUH AD	58,887	98.15%
Occupational Health Doverie EOOD	DUH AD	500	**100.00%**
Industrial Holding — Doverie AD			**100%**
	DUH AD	1,736,610	100%
Doverie — Capital AD			**100%**
	DUH AD	6,170	77.13%
	IHD AD	1830	22.87%
Doverie — Brico AD			**71.93%**
	Doverie — Capital AD	11,868	71.93%
Multiprofile Hospital for Active Treatment Doverie AD			**100%**
	DUH AD	112,805	7.45%
	IHD AD	1,400,699	92.55%
MC Doverie AD			**100%**
	DUH AD	419,000	99.76%
	IHD AD	1000	0.24
Maritsatex AD			**91.97%**
	IHD AD	431,247	91.97%

Vratitsa AD in insolvency			**69.60%**
	IHD AD	262,121	69.60%
Bilyana Triko AD	Doverie Capital AD	2,833,809	**98.88%**
Bulgarian wine OOD			**100%**
	IHD AD	91,038	96.16%
	DUH AD	3,639	3.84%
Dunav AD			**81.82%**
	Doverie Capital AD	81,733	81.82%
Hydroisomat AD			**93.34%**
	IHD AD	2,789,536	93.31%
	Homogen AD	820	0.03%
Doverie Care EAD	DUH AD	25,000	**100.00%**
Doverie Invest EAD	DUH AD	7,000,000	**100.00%**
Moldindconbank S.A.	Doverie Invest EAD	3,885,536	**78.21%**
Caretech EOOD	DUH AD	100,000	**100%**

Related parties through key management personnel and through a shareholder with significant influence

Related entities	***Type of relation***	***Country***
Green Project Investments OOD	Company linked through key management personnel	Bulgaria
Sredets AD	Company linked through key management personnel	Bulgaria
Electric Source Investments EOOD	Company linked through key management personnel	Bulgaria
Capital Invest International EOOD	Company linked through key management personnel	Bulgaria
VLS AD	Company linked through key management personnel	Bulgaria
VES electroinvest systems EOOD	Company linked through key management personnel	Bulgaria
Eco Solar Invest OOD	Company linked through key management personnel	Bulgaria
Imprimart S.R.L.	Company linked through key management personnel	Moldova
Telso AD	Company linked through key management personnel	Bulgaria

Mineralcommerce AD	Company linked through key management personnel	Bulgaria
Sopharmacy MC S.R.L.	Company linked through key management personnel	Moldova
Pharmaplant AD	Company linked through key management personnel	Bulgaria
Publish 360 EOOD	Company linked through key management personnel	Bulgaria
Web radio and TV EOOD	Company linked through key management personnel	Bulgaria
Web Finance EOOD	Company linked through key management personnel	Bulgaria
Farm Cosmetic Prim S.R.L.	Company linked through key management personnel	Moldova
Utilbright AD	Company linked through key management personnel	Bulgaria
Hizha Kuker EOOD	Company linked through key management personnel	Bulgaria
Sopharma AD	Company, shareholder with significant influence	Bulgaria
Sopharma Trading AD	Company linked through shareholder with significant influence	Bulgaria
Pharmalogistics AD	Company linked through shareholder with significant influence	Bulgaria
Sopharma Poland OOD	Company linked through shareholder with significant influence	Poland
Electroncommerce EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharma Warsaw SP Z.O.O.	Company linked through shareholder with significant influence	Poland
OOO Sopharma Ukraine	Company linked through shareholder with significant influence	Ukraine
TOO Sopharma Kazakhstan	Company linked through shareholder with significant influence	Kazakhstan
Phito Palauzovo AD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 2 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 3 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 4 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 5 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 6 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 7 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 8 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 9 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 10 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 11 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 12 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 13 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 14 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 15 EOOD	Company linked through shareholder with significant influence	Bulgaria

Sopharmacy 16 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 17 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 18 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 19 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 20 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 21 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 22 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 23 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 24 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 25 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 26 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 27 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 28 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 29 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 30 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 31 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 32 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 33 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 34 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 35 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 36 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 37 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 38 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 39 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 40 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 41 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 42 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 43 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 44 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 45 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 46 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 47 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 48 EOOD	Company linked through shareholder with significant influence	Bulgaria

Sopharmacy 49 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 50 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 51 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 52 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 53 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 54 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 55 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 56 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 57 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 58 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 59 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 60 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 61 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 62 EOOD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 63 EAD	Company linked through shareholder with significant influence	Bulgaria
Sopharmacy 64 EOOD	Company linked through shareholder with significant influence	Bulgaria
Momina Krepost AD	Company linked through shareholder with significant influence	Bulgaria
Pharmachim EOOD	Company linked through shareholder with significant influence	Serbia
PAO Vitamini	Company linked through shareholder with significant influence	Ukraine
Veta Pharma AD	Company linked through shareholder with significant influence	Bulgaria
Sopharma Trading DOO	Company linked through shareholder with significant influence	Serbia

Transactions with related parties

	31 December 2023 BGN '000	***31 December 2022 BGN '000***
Granted loans	(1,689)	(2,239)
Repaid loans	12,539	2,623
Revenue from interest and fees on loans granted	820	966
Purchase of investments	(33)	
Dividends received	3,770	944
Paid rents	(50)	(43)
Revenue from services	227	201
Received loans	4,940	12,000
Paid loans	(9,960)	
Accrued costs for interest on received loans	(439)	(241)
Received services, including:	(43)	(27)
- additional voluntary health insurance	(9)	(10)

The related party estimates in the table above are presented in a comprehensive manner and include all aspects of the relationship with the company in 2023 and 2022. The conditions under which the transactions are executed do not deviate from the market conditions for such transactions.

Estimates with related entities are disclosed in Notes 14, 20, 26 and 28

33. FINANCIAL RISK MANAGEMENT

Financial assets	***Note***	***31 December 2023 BGN '000***	***31 December 2022 BGN '000***
Financial assets at fair value through profit or loss		**117**	**97**
Unquoted shares	*13.1.*	1	1
Quoted shares	*13.2.*	76	66
Quoted debt instruments	*22.*	40	30
Debt instruments at amortized cost		**25,417**	**34,746**
Receivables from related entities	*14.;20.*	25,417	34,745
Receivables from customers and suppliers	*21.*	-	1
Cash and cash equivalents	*23.*	**499**	**820**
Total financial assets		**26,033**	**35,663**

Financial liabilities		***31 December 2023 BGN '000***	***31 December 2022 BGN '000***
Liabilities to financial institutions	*25*	*16,294*	*21,297*
Liabilities to related parties	*26;28*	*8,860*	*12,040*
Trade liabilities	*29*	*6,456*	*6,606*
Liabilities on leasing	*27*	*2,756*	*2,609*
Total financial liabilities at amortised cost		**34,366**	**42,552**

Disclosure of changes in liabilities arising from financial activities, including changes arising from cash flows and non-monetary changes.

Liabilities arising from financial activities	**On 1 January**	**Cash flows from financial activities**		**Changes of a non-monetary nature — book-entry**		**On 31 December**
		Proceeds	**Payments**	**Acquired (increases)**	**Other changes**	
Long-term loan from financial institutions	(16 227)			(12)	5 000	(11 239)
Short-term loans from financial institutions	(5 070)		5 424	15	(5 424)	(5 055)
Leasing liabilities	(2 609)		410	(455)	(102)	(2 756)
Long-term trade loans and deposits from related parties	(12 011)	(4 940)	9 960	(1 447)		(8 438)
Short-term trade loans — related parties	(29)		377	(770)		(422)
Short-term trade loans — third parties	**(6 606)**		364	(214)		(6 456)
Total liabilities from financial activities:	**(42 552)**	**(4 940)**	**16 535**	**(2 883)**	**(526)**	**(34 366)**

In the course of its usual business, the company is exposed to various financial risks, the most important of which are: interest rate risk- bound cash flows, market risk (including currency risk, fair value risk and price risk), credit risk and liquidity risk. Overall risk management focuses on the difficulties in forecasting financial markets and minimizing potential negative effects that may affect the financial performance and the company's performance. Financial risks are currently identified, measured and monitored through various control mechanisms introduced to determine adequate prices for the company's services and borrowed capital and to adequately assess the market circumstances of its investments and the forms of maintenance of the free liquid assets, without allowing undue concentration of a risk.

Risk management in the company is routinely carried out by the company's operating management, according to the policy defined by the Management Board.

The Management Board has adopted the basic principles of general financial risk management and management of specific risks, such as currency, price, interest, credit and liquidity, and the risk of using derivative and non-derivative (mainly) instruments.

The different types of risks to which the company is exposed in the course of its business operations and the approach taken to manage those risks are described below.

Market risk

Currency risk

The Company is not exposed to significant currency risk because all its operations and transactions are denominated in Bulgarian leva and/or Euro and the latter's exchange rate is fixed to BGN by law.

Price risk

The Company is not exposed to price risk due to negative changes in the prices of the services subject to its operations because under the contractual relations with clients they are subject to periodic analysis and discussion for revision and updating to market changes and to the extent that they are specific and for a specific circle, predominantly related parties, where there are established procedures for periodic updating to market changes.

The Company is exposed to price risk in respect of the shares held by it classified as available-for-sale financial assets and the compensatory instruments at fair value.

Credit risk

Credit risk is mainly the risk that the borrowers, customers and other counterparties of the company will not be able to pay fully and within the usual time limits the amounts they owe for trade and credit receivables. The latter are presented in the balance sheet net, after deducting the accrued impairment for expected credit losses.

The credit risk for the Company arises from trade receivables and also from its core business of investment management, including lending to related parties and third parties, commitments on loans and guarantees. The company has developed policies, procedures and rules for controlling and monitoring the behaviour of credit risk.

The Company's main financial assets are receivables from loans, investments in shares, cash and deposits and bank accounts, trade and other short-term receivables.

Long-term and short-term receivables of Doverie – United Holding AD are mainly formed by credit and trade receivables from companies from the holding structure. Receivables are controlled by the company's financial and accounting department, following the established policies and procedures adopted by the Management Board. The Company has developed written basic rules and principles for credit policy in the economic group 'Doverie – United Holding' AD and procedures for assessing the creditworthiness, authorization, utilisation, guaranteeing and payment of the liabilities by the subsidiaries. Daily reviews are performed of the open positions by company and individual amounts to them, as well as proceeds received, then reconciliation and analyses are made.

Receivables on granted loans are secured by special pledges of assets, as well as promissory notes covering 120% of the principal. An overview of the amount of collaterals and their compliance with company receivables and the availability of insurance coverage in favour of the company is currently being reviewed.

Cash, including payment transactions, is limited to reputable banks and banks with good reputation and liquidity (Note 23).

Trade receivables

Expected credit losses are calculated on the date of each reporting period — as at 31 December 2023 and 31 December 2022. (Note 2, Note 2.24.1, Note 2.25.2)

31 December 2023	**Days of delay**					
	(0-30 days) Not overdue	**31—60 days**	**61—180 days**	**181—360 days**	**>360 days**	**Total**
	BGN '000	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***
Trade receivables from related parties						
Percentage of impairment for credit losses	**0.00%**	**0.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total carrying amount	0	0	2	3	43	48
Impairment for expected credit losses	(0)	(0)	(2)	(3)	(43)	(48)
Trade receivables non-related parties						
Percentage of impairment for credit losses	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**	**100.00%**
Total carrying amount	0	0	0	0	4	4
Impairment for expected credit losses	(0)	(0)	(0)	(0)	(4)	(4)

31 December 2022	**Days of delay**					
	(0-30 days) Not overdue	**31—60 days**	**61—180 days**	**181—360 days**	**>360 days**	**Total**
	BGN '000	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***
Trade receivables from related parties						
Percentage of impairment for credit losses	**6.25%**	**6.67%**	**6.25%**	**29.41%**	**100.00%**	**30.86%**
Total carrying amount	16	15	16	17	17	81
Impairment for expected credit losses	(1)	(1)	(1)	(5)	(17)	(25)
Trade receivables non-related parties						
Percentage of impairment for credit losses	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**	**100.00%**
Total carrying amount	0	0	0	0	4	4
Impairment for expected credit losses	(0)	(0)	(0)	(0)	(4)	(4)

Loans granted

31 December 2023	Total exposure	Impairment for expected credit losses	Net exposure	Percentage of impairment for credit losses
	BGN '000	BGN '000	BGN '000	BGN '000
Loans from related parties — non-current	24 951	(1634)	23 317	6.55%
Loans from related parties — current	389	(389)		100.00%

31 December 2022	Total exposure	Impairment for expected credit losses	Net exposure	Percentage of impairment for credit losses
	BGN '000	BGN '000	BGN '000	BGN '000
Loans from related parties — non-current	33 966	(1478)	32 488	4.36%
Loans from related parties — current	2 361	(160)	2 201	6.78%

Liquidity risk

The liquidity risk is expressed in the negative situation where the company will not be able to meet unconditionally all its liabilities according to their maturity.

It maintains a conservative liquidity management policy, which constantly maintains an optimal liquidity reserve, a good ability to finance its business, including by providing and maintaining adequate credit facilities and facilities, constantly monitoring the actual and projected cash flows under periods ahead and maintaining a balance between the maturity of assets and liabilities of the company. The Company maintains cash necessary for current payments within the forthcoming month. The main sources of funding are bank loans, bond issues and shares.

31 December 2023	Carrying amount	Agreed cash-flows	from 1 to 3 m	from 3 to 12 m	from 1 to 5 years
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	16,294	16,881	1,362	3,956	11,563
Liabilities to related parties	8,860	8,988	18	409	8,561
Trade liabilities	6,456	6,625	72	6,553	
Liabilities on leasing	2,756	3,145	126	376	2,643
Total	**34,366**	**35,639**	**1,578**	**11,294**	**22,767**

31 December 2022	Carrying amount	Agreed cash flows	from 1 to 3 m	from 3 to 12 m	from 1 to 5 years
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	21,297	22,274	1,427	4,028	16,819

Liabilities to related parties	12,040	13,024	123	369	12,532
Trade liabilities	6,606	6,670	317	6,353	
Liabilities on leasing	2,609	3,058	92	275	2,691
Total	**42,552**	**45,026**	**1,959**	**11,025**	**32,042**

Risk of interest-bearing cash flows

The Company has a significant portion of interest-bearing assets representing loans granted under Article 280 of the Commerce Act to subsidiaries, jointly controlled and significantly influenced companies. Loans provided are typically at fixed interest rates.

According to the credit policy adopted by the Management Board of the Company, a clause is included at the conclusion of the credit agreements, according to which Doverie – United Holding AD, in its capacity of lender, reserves the right to change the amount of the interest and commissions at any time if the prevailing market conditions impose this. In this respect, interest rates on loans provided by banks with similar parameters are reviewed, requiring official information from at least three first-class banks. If necessary, the Management Board of the Company decides on the change of the applied interest rates on the loans it provides. Therefore, revenue and operating cash flows are largely independent of changes in market interest rates.

At the same time, the company is also not exposed to interest rate risk from its long-term and short-term liabilities because they are at fixed interest rate. Long-term bond financing is at fixed interest rate for the entire loan period, which is lower than market interest rates on long-term loans and is not subject to periodic updates to changes in financial markets.

Current liabilities of the company are mainly borrowed at a negotiated fixed interest rate or interest-free trade liabilities to suppliers.

31 December 2023	***Interest-free BGN thousand***	***At floating interest rate thousand BGN***	***At fixed interest rate thousand BGN***	***Total thousand BGN***
Financial assets	616		25,417	**26,033**
Financial liabilities	-	16,294	18,072	**34,366**

31 December 2022	***Interest-free BGN thousand***	***At floating interest rate thousand BGN***	***At fixed interest rate thousand BGN***	***Total thousand BGN***
Financial assets	918		34,745	**35,663**
Financial liabilities	-	23,906	18,646	**42,552**

The management of the company is currently monitoring and analysing its exposure to changes in interest rates. Various refinancing scenarios, renewal of existing positions and alternative financing are simulated. Calculations are made for significant interest-bearing items.

Capital risk management

By the equity management, the company aims to create and maintain opportunities to continue to operate as a going concern and to ensure the appropriate return on shareholders' investments, economic benefits to the other stakeholders and participants in its business, and to maintain an optimal capital structure, to reduce the cost of capital.

The company is currently monitoring the capital adequacy and structure on the basis of the debt ratio. This ratio is calculated between the net debt capital and the total amount of the capital. Net debt is defined as the difference between all borrowed funds (short-term and long-term) as stated in the statement of financial position and cash and cash equivalents. The total amount of capital is equal to equity and net debt capital.

The following table presents debt ratios on the basis of the capital structure:

	31 December 2023 BGN '000	***31 December 2022 BGN '000***
Total debt capital, incl.:	***31,610***	***39,943***
Bank loans	*16,294*	*21,297*
Liabilities to related entities	*8,860*	*12,040*
Trade and other liabilities	*6,456*	*6,606*
Reduced by cash and cash equivalent	(499	(820)
Net debt capital	***31,111***	***39,123***
Total equity	***47,096***	***46,104***
Total equity	***78,207***	***85,227***
Debt Ratio	***39,78%***	***45,90%***

Fair values

The Company determines fair value under IFRS 13 using the following hierarchy that reflects the significance of the factors used to determine fair value:

- Level 1: quoted prices (non-adjusted) in active markets for similar assets or liabilities;
- Level 2: inputs other than quoted prices included in level 1 that can be found for the asset or liability either directly (i.e. as quotes) or indirectly (i.e. derived from quotes);
- Level 3: inputs on the asset or liability that is not based on available market information (unavailable inputs).

The table below is an analysis of the financial instruments measured at fair value using the valuation methods used.

31 December 2023	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***
Financial assets at fair value through profit or loss	**117**	**116**	**116**		
Unquoted shares	*1*				
Quoted shares	*76*	*76*	*76*		
Quoted debt instruments	*40*	*40*	*40*		
Debt instruments at amortized cost	**25,417**	**25,417**			**25,417**
Receivables from related entities	25,417	25,417			25,417
Cash and cash equivalents	**499**	**499**	**499**		
Total financial assets	**26,033**	**26,032**	**615**		**25,417**
Financial liabilities					
Bank loans	*16,294*	*16,294*			*16,294*
Liabilities to related parties	*8,860*	*8,860*			*8,860*
Trade liabilities	*6,456*	*6,456*			*6,456*
Liabilities on leasing	*2,756*	*2,756*		*2,756*	
Total financial liabilities at amortised cost	**34,366**	**34,366**		**2,756**	**31,610**

31 December 2022	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***	***BGN '000***
Financial assets at fair value through profit or loss	**97**	**96**	**96**		
Unquoted shares	*1*				
Quoted shares	*66*	*66*	*66*		
Quoted debt instruments	*30*	*30*	*30*		
Debt instruments at amortized cost	**34,746**	**34,746**			**34,746**
Receivables from customers and suppliers	1	1			1
Receivables from related entities	34,745	34,745			34,745
Cash and cash equivalents	**820**	**820**	**820**		
Total financial assets	**35,663**	**35,662**	**916**		**34,746**
Financial liabilities					
Bank loans	*21,297*	*21,297*			*21,297*
Liabilities to related parties	*12,040*	*12,040*			*12,040*
Trade liabilities	*6,606*	*6,606*			*6,606*
Liabilities on leasing	*2,609*	*2,609*		*2,609*	
Total financial liabilities at amortised cost	**42,552**	**42,552**		**2,609**	**39,943**

The management estimates that the fair valuesof cash and short-term deposits, trade receivables, trade liabilities, other current liabilities approximates their carrying amount largely due to the short maturity of these instruments.

Receivables on loans with a fixed interest rate is estimated by the Company based on the model, with parameters effective interest rate, country-specific macroeconomic factors, individual creditworthiness of the customer and the risk characteristics of the financial instrument. Based on this assessment, provisions for the expected losses from these receivables are taken into account.

The fair values of quoted equity instruments are based on quotations of BSE at the reporting date.

Fair values of non-tradable equity investments are evaluated by a licensed valuer using the net asset value method and discounted cash flows. The measurement

requires the management to make some assumptions about model input data, including estimated cash flows, discount rate, credit risk. The probabilities of the various estimates within the scope can be reasonably assessed and used by the management to evaluate the fair value of these unquoted equity investments.

For equity investments that are presented in the financial statements at cost of acquisition, the management has judged that the acquisition cost is an appropriate estimate of the fair value because of the lack of up-to-date and reliable information about fair value measurement.

The fair value of financial liabilities, long-term borrowings and finance lease liabilities and other non-current financial liabilities are measured by discounting future cash flows using interest currently available for debt under similar conditions, credit risk and residual financial asset.

34. INSURED PROPERTY

As at 31 December 2023 the Company has insurances of fixed assets with standard insurance coverage and full insurance of motor vehicles.

35. EVENTS AFTER THE END OF THE REPORTING PERIOD

No events occurred after the date of the Annual Non-Consolidated Financial Statements until 14 February 2024, which would require additional disclosures in addition to what has been disclosed.

The Annual Non-Consolidated Financial Statements for the period ending 31 December 2023 is approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

Report on the activity of Doverie – United Holding AD

for the period ending 31 December 2023

(Annual Non-Consolidated Financial Statements)

I. General information on the company

1. Registration and subject of activity

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 St., 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 trade companies and/or in their management; acquisition, management and sale of bonds; acquisition, evaluation and sale of patents, transfer of licenses for the use of patents of companies in which the holding company participates; performing any other trade activity which is not prohibited by law.

2. Capital and share structure

As at 31 December 2023 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 trade register of the court.

The management is not aware of the existence of restrictions of the transfer of the shares of the company, or restrictions concerning the holding thereof or a need of receipt of an approval from the company or another shareholder. The organizational documents of the company or individual agreements does not provide for possibilities between the companies and its management bodies and/or employees for the payment of an indemnification upon leaving or discharge without a legal ground or upon termination of the employment for reasons related to tender bidding.

As at 31 December 2023 the distribution of the Company's share capital is as follows:

Share capital	*31 December 2023*	*31 December 2022*
	BGN '000	*BGN '000*
(BGN'000)	21,500	21,500
Number of shares (par value 1.00 BGN)	21,499,855	21,499,855
Total number of registered shareholders	146,553	146,668
including legal entities	67	58
individuals	146,486	146,610
Number of shares owned by legal entities	12,606,466	12,312,540
% shareholding of legal entities	*58.64%*	*57.27%*
Number of shares owned by individuals*	8,893,389	9,187,315
% shareholding of individuals	*41.36%*	*42.73%*

*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 more than 5% of the shares	Number of shares	% of capital
Sopharma AD	5,044,227	23.4617%
Telecomplect AD	1,917,838	8.9202%
KALIMAN-RT AD	1,786,480	8,3093%

Shares from — to	Number of shareholders	% of all shareholders	Number of owned shares	% of all shares
0-100	144,298	98.46	6,469,133	30.09
101-1000	1,944	1.33	420,045	1.95
1001-10000	242	0.17	801,411	3.73
10001-100000	57	0.04	1,572,588	7.31
100001-500000	7	0.00	1,639,735	7.63
500001-1000000	1	0.00	774,574	3.60
1000001-5000000	3	0.00	4,778,142	22.22
Over 5000000	1	0.00	5,044,227	23.46
Total	146,553	100.00	21,499,855	100.00

3. Management bodies of the joint-stock company, management and representation

The company has two-tier management system.

Supervisory Board

The members of the Supervisory Board as at 31 December 2023 are:

Ivan Ognyanov Donev	Member
Ventsislav Simeonov Stoev	Member
Hristo Georgiev Hristov	Member

Management Board

The members of the Management Board at 31 December 2023 are:

Alexandre Gueorguiev Hristov — Executive Director

Anna Ivanova Pavlova — Chairperson of the MB

Petko Kolev Ivanov — Member

The company is represented by Alexandar Georgiev Hristov.

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 — member (independent member)

Anna Pavlova – Member

As at 31 December 2023 the list number of staff in the company is 37 (31 December 2021: 38).

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 annual financial statements

Item III and item IV contain a description of the activity and condition of the Company and clarify the Annual Non-Consolidated Financial Statements.

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

The remunerations and the other short-term incomes of the Supervisory Board, the Management Board, the Executive Director and the Audit Committee are, as follows:

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Executive Director	84	63
Remunerations of the Management Board	54	54
Remunerations of the Supervisory Board	108	89
Audit Committee	25	25
Total	**271**	**231**

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

Bonuses and bonus schemes

According to the Statutes, 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. Hristo Georgiev Hristov — 45 pcs.
d. Alexandre Hristov — does not hold
e. Anna Ivanova Pavlova — does not hold
f. Petko Kolev Ivanov — does not hold

The company does not have issued bonds

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

The Statutes of the company 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

VENTSISLAV SIMEONOV STOEV — CHAIRPERSON OF THE SUPERVISORY BOARD

Education:

Secondary — 9 Uniform Polytecnical 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 directly more than 25%;
- TELECOMPLECT AD — holds directly 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 INTERNATINOAL 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%;
- 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%;
- 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;
- 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.

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%.
- UTILBRIGHT AD — 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;
- UTILBRIGHT AD — Member of the Board of Directors and Executive Director;
- 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.

HRISTO GEORGIEV HRISTOV — MEMBER OF THE SUPERVISORY BOARD

Education:

Higher legal education, Master's Degree — major ‘Law’ — Sofia University ‘St. Kliment Ohridski’, city of Sofia.

Relevant professional experience:

Entrepreneur with over 15 years of experience in digital media and commerce. Founder of the largest digital media company in Bulgaria — Net Info AD, subsequently acquired by MTG and Nova Broadcasting Group EOOD. Executive Director of Darik Radio AD, Darik Holding AD, HR Capital AD, member of the boards of Most Finance Management AD,
Biodit AD, Convenience AD (the company managing the eBag.bg e-commerce platform), Eight Investments AD (the company that developed the Healee telehealth platform), etc. Member of the management bodies of Endeavour Bulgaria, Union of Bulgarian National Electronic Media Association, Darik Foundation, etc. Mentor at the Founder Institute.

Business address:

City of Sofia, Oborishte District 82 Knyaz Al. Dondukov Blvd.

Hristo Georgiev Hristov holds directly/indirectly a considerable share (more than 25%) of the capital of the following companies:

- PUBLISH 360 EOOD — holds directly more than 25%;
- WEB FINANCE EOOD — holds directly more than 25%;
- HR CAPITAL AD — holds directly and indirectly more than 25%;
- WEB RADIO AND TV — holds indirectly more than 25%;
- ATG DESIGN INVEST OOD — holds indirectly more than 25%;
- FACECOM OOD — holds indirectly more than 25%.
- DARIK DIGITAL AD — holds indirectly more than 25%;
- HIZHA KUKER EOOD — holds indirectly more than 25%.

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

- PUBLISH 360 OOD — Manager;
- WEB RADIO AND TV EOOD — Manager;
- DARIK RADIO AD — Member of the Board of Directors and Executive Director;
- DARIK HOLDING AD — Member of the Board of Directors and Executive Director;
- HR CAPITAL AD — Member of the Board of Directors and Executive Director;
- CONVENIENCE AD — Member of the Board of Directors;
- BIODIT AD — Member of the Board of Directors;
- RECURSIVE MEDIA AD — Member of the Board of Directors;
- DARIK DIGITAL AD — Member of the Board of Directors;
- EGOIST.BG AD — Member of the Board of Directors;
- WEB FINANCE EOOD — Manager;
- HIZHA KUKER EOOD — Manager;
- ENDEAVOUR BULGARIA Association — Member of the Management Board and representing the association;
- DARIK FOUNDATION — Member of the Management Board;
- UNION OF BULGARIAN NATIONAL ELECTRONIC MEDIA Association — Chairperson of the Management Board and representing the Association;
- SCHOOL TRUST TO 35 SCHOOL FOR FOREIGN LANGUAGES DOBRI VOYNIKOV Association — Member of the Board of Trustees;
- CEDAR FOUNDATION — Member of the Board of Directors;

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

a) sentenced for a fraud;

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

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

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

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

Family ties:

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

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:

Since 1983 she has worked successively in Mineralbank AD, CrystalBank AD and Touristsportbank AD as an accountant, deputy chief accountant and chief accountant, and from May to December 1996 she was the Director of the Bank Regulators Department of TB Balkanbank AD. Since January 1997 until presently she has been a chief accountant and head of the Financial Office of United Bulgarian Privatisation Fund

Doverie AD, 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;

- 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. Since 2007 he had worked as a

'legal advisor' in Doverie – United Holding AD, and since 2010 until 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 Hydroisomat AD. From January 2017 to 30 September 2019 he is also a manager of Hydroisomat — 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:

- HYDROISOMAT 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, Tokio, 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 been 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, Sopharmacy 64 AD and Izbata 21 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;
- DOVEIRE INVEST EAD — 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.

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 Statutes

The resolutions on the appointment and dismissal of members of the Supervisory Board are adopted in an open vote and by a majority of the shares represented at the General Meeting of Shareholders.

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

Meeting.

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

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

As at 31 December 2023 there are no concluded contracts that go beyond the activity of the company or considerably depart from the market conditions.

III. Review of the company's activity

The main spheres of activity of Doverie – United Holding AD are, as follows:

- acquisition and sale of shareholdings in other companies;
- management of companies, over which the company exerts control;
- establishment of new companies;
- financing of the activity of the holding group companies.

Acquisition and sale of shareholdings in other companies

During the period 218,199 shares of the capital of Industrial Holding Doverie AD were acquired and 43,040 shares of Homogen AD were sold. The transactions are intra-group.

Management of companies, over which Doverie – United Holding AD exerts control

Doverie – United Holding AD bets on the management of the subsidiary structures. The activities in this respect are expressed in rendering assistance and competent expert help in their business planning, financial and technological support, installation, repair and putting into operation of equipment and facilities, activities intended to decrease the production costs, development and production of new products, improvement of the existing products, quality enhancement, marketing and sales, organizational behaviour, human resources, public relations.

Financing of the activity of the companies, in which Doverie – United Holding AD exerts control

Doverie – United Holding AD finances the companies, in which it has long-term interest by increasing their capitals and by providing investment and working loans.

Structure of the investment portfolio

United Health Insurance Fund Doverie AD			**98.15%**
	DUH AD	58,887	98.15%
Occupational Health Doverie EOOD	DUH AD	500	**100.00%**
Industrial Holding — Doverie AD			**100%**
	DUH AD	1,736,610	100%
Doverie — Capital AD			**100%**
-	DUH AD	6,170	77.13%
	IHD AD	1830	22.87%
Doverie — Brico AD			**71.93%**
	Doverie — Capital AD	11,868	71.93%
Multiprofile Hospital for Active Treatment Doverie AD			**100%**
	DUH AD	112,805	7.45%
	IHD AD	1,400,699	92.55%
MC Doverie AD			**100%**
	DUH AD	419,000	99.76%
	IHD AD	1,000	0.24
Maritsatex AD			**91.97%**
	IHD AD	431,247	91.97%
Vratitsa AD in insolvency			**69.60%**
	IHD AD	262,121	69.60%
Bilyana Triko AD	Doverie Capital AD	2,833,809	**98.88%**
Bulgarian wine OOD			**100%**
	IHD AD	91,038	96.16%
	DUH AD	3,639	3.84%
Dunav AD			**81.82%**
	Doverie Capital AD	81,733	81.82%

Hydroisomat AD			**93.34%**
	IHD AD	2,789,536	93.31%
	Homogen AD	820	0.03%
Doverie Care EAD	DUH AD	25,000	**100.00%**
Doverie Invest EAD	DUH AD	7,000,000	**100.00%**
Moldindconbank S.A.	Doverie Invest EAD	3,885,536	**78.21%**
Caretech EOOD	DUH AD	100,000	**100%**

IV. Information under Article 39 of the Accounting Act

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

Systematized financial information for Doverie – United Holding AD

Indicator	*2023*	*2022*
Revenue from main activity (BGN'000)	4,817	2,111
Profit / loss before tax (BGN'000)	1,007	(2,605)
Net profit from the activity (BGN'000)	992	(2,742)
Amount of the assets (BGN'000)	82,402	89,677
Net assets (BGN'000)	47,096	46,104
Number of shares (thousands)	21,499,855	21,499,855
Current assets (BGN'000)	2,665	3,136
Current liabilities (BGN'000)	13,259	13,041

Main risks involved in the Company's business and the environment it operates in

The company is exposed to operating risk, which is inherent in its investment and business activities;

A considerable part of the Company's investment activity is dependent on the regulatory authorities' approval;

Potential risk could arise for the company from a change in the tax legislation and in case of different treatment of the tax legal provisions applicable to the Company.

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

Analysis of the statement of profit and loss and other comprehensive income

	31 December 2023 BGN'000	31 December 2022 BGN'000	change	%
Revenue	4,817	2,111	2,706	56.18
Other operating income/loss	53	(241)	294	554.72
Costs for external services	(545)	(568)	23	(4.22)
Employee expenses	(1,607)	(1,675)	68	(4.23)
Depreciation	(378)	(333)	(45)	11.90
Other operating expenses	(213)	(226)	13	(6.10)
Accrued/(recovered) impairment of commercial receivables and loans	(408)	(715)	307	
Financial expenses	(712)	(958)	246	(34.55)
Profit / loss before tax	**1,007**	**(2,605)**	**3,612**	**358.69**
Profit taxes	(15)	(137)	122	
Profit/loss	**992**	**(2,742)**	**3,734**	**376.41**

The main income sources are dividends from subsidiaries, which is the economic philosophy of a holding structure.

Considering the specificity of the activity of the holding company, the impact of the change in the prices on the amount of the revenues from the activity may only be considered upon determination of the price of the loan funds granted by the Holding and the fees for consultancy and other services. The interest rates under the loans of the subsidiaries are conformed with the market interest rates as at the moment of granting thereof. The fees for the services provided by Doverie – United Holding AD

depend on the nature and terms of the assistance rendered, as well as the remuneration for similar services in the consultancy business. There are no other factors, including unusual or infrequent events or new developments that affect materially the revenues from the activity of the Holding.

As long as Doverie – United Holding AD does not have production activity and the share of the tangible assets of the company in the total volume of its assets is insignificant, the inflation does not have any significant impact on the revenues and costs of the Holding. The impact of the changes in the foreign exchange rates on the non-consolidated revenues of the Holding is also insignificant.

The activity of Doverie – United Holding AD is subject to the effective governmental, economic, tax, monetary and political factors, which have an impact on all business subjects in the country. Being a public company, the Holding performs its activity in accordance with the Public Offering of Securities Act and all regulations related to the implementation thereof.

	31 December 2023 BGN '000	***31 December 2022 BGN '000***
Revenue from sale of services	227	201
Revenue from interest and fees on loans granted	820	966
Dividends	3,770	944
Total	**4,817**	**2,111**

Revenue from contracts with customers is mainly related to revenue from management services to subsidiaries.

Analysis of the statement of financial position

	31 December 2023 BGN'000	**31 December 2022 BGN'000**	change	%
ASSETS				
Non-current assets				
Investment in subsidiaries, associates & other entities	53,261	51,008	2,253	4.23
Assets with right of use	2,658	2,519	139	5.23
Financial assets at fair value through profit or loss	77	67	10	12.99
Non-current receivables from related entities	23,317	32,488	(9,171)	(39.33)
Property, plant and equipment	79	90	(11)	(13.92)
Intangible assets	13	21	(8)	(61.54)
Deferred tax assets	332	348	(16)	(4.82)
	79,737	**86,541**	(6,804)	(8.53)

Current assets				
Receivables from related entities	2,100	2,257	(157)	(7.48)
Other current receivables	26	29	(3)	(11.54)
Financial assets at fair value through profit or loss	40	30	10	25.00
Cash and cash equivalents	499	820	(321)	(64.33)
	2,665	**3,136**	**(471)**	**(17.67)**
Total assets	**82,402**	**89,677**	**(7,275)**	**(8.83)**
CAPITAL AND LIABILITIES				
Equity				
Share capital	21,500	21,500		.00
Reserves	27,346	27,346		.00
Accumulated profit/(loss)	(1,750)	(2,742)	992	(56.69)
	47,096	**46,104**	**992**	**2.11**
Non-current liabilities				
Bank loans	11,239	16,227	(4,988)	(44.38)
Liabilities to related entities	8,438	12,011	(3,573)	
Other non-current liabilities	2,335	2,245	90	3.85
Provisions	35	49	(14)	(40.00)
	22,047	**30,532**	**(8,485)**	**(38.49)**
Current liabilities				
Liabilities to related entities	422	29	393	93.13
Current part of bank loans	5,055	5,070	(15)	(.30)
Trade liabilities	7,782	7,942	(160)	(2.06)
	13,259	**13,041**	**218**	**1.64**
Total liabilities	**35,306**	**43,573**	**(8,267)**	**(23.42)**
Total capital and liabilities	**82,402**	**89,677**	**(7,275)**	**(8.83)**

Investment in subsidiaries

Subsidiary	*31 December 2023 BGN '000*	*% of interest*	*31 December 2022 BGN '000*	*% of interest*
Doverie Capital AD, Sofia	13,404	*77,13%*	13,404	*77.13%*
Industrial Holding Doverie AD, Sofia	19,322	100,00%	16,669	87.44%
United Health Insurance Fund Doverie AD, Sofia	4,729	*98,15%*	4,729	*98.15%*
Homogen EAD, Sofia	-	-	396	*89.67%*
Occupational Health Doverie EOOD, Sofia	10	100.00%	10	100.00%
Medical Center Doverie AD, Sofia	428	*99,76%*	427	*99.76%*
Multiprofile Hospital for active treatment Doverie AD, Sofia	1,043	*7,45%*	954	*7.45%*
Bulgarian wine OOD	182	*3,84%*	182	*3.84%*
Doverie Care EAD (Veko EOOD)	7,066	*100,00%*	7,160	*100.00%*
Doverie Invest EAD	7,000	*100,00%*	7,000	*100.00%*
Caretech EOOD	77	*100,00%*	77	*100.00%*
	53,261		**51,008**	

Liabilities under bank loans

UniCredit Bulbank AD		***31 December 2023 BGN '000***
Contract dated 26 March 2020 Utilised on 22 April 2020		
Loan amount		30,000
Loan	Investment	
Purpose of the loan	Repayment of obligations of DUH AD to Sopharma AD and financing of the lending of loans by the Borrower to subsidiaries, the funds from which shall serve for repayment of their loans granted by Sopharma AD.	
Interest rate	Sum of the variable interest index applicable to the respective interest period and a MARGIN to the Interest Index amounting to 1.90%. The Interest Index applicable as at the contract date is an Average Deposit Index (ADI)	
Joint and several debtors	Sopharma AD Doverie Invest EAD	
Repayment	After the expiration of the one-year grace period, which starts counted from the date of expiation of the final date of utilisation (i.e. after 26 April 2021) in 24 equal quarterly instalments (of BGN 1,250,000 each)	
Repayment deadline		31 January 2027
Obligation under principals		16,250
Non-current		11,250
Current		5,000
Prepaid bank charges		(11)
Accrued interest		55
Total liability		**16,294**

Amount of the loans granted to related parties as at the end of the period under review and information for their maturity date

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Doverie Invest EAD	205426924	22,900	30 March 2020; Annex 08 May 2020	Repayment of liabilities to Sopharma	31 January 2027	2.8 until 22 April 2021 2.4% after the first year until 31 January 2027	14,345	14,345		Promissory note for BGN 27,480 thousand
Doverie Care EAD	204956297	6,310	01 February 2022	Novation of old loan agreements	31 January 2027	3.00%	6,922	6,922		Promissory note for BGN 9,060 thousand
Doverie Care EAD	204956297	15	18 August 2022	Purchase of raw materials	18 August 2027	3.00%	15	15		Promissory note for BGN 18 thousand
Hydroisomat AD	121732517	2,200	07 June 2021	Purchase of real estate and execution of construction	07 June 2026	3.00%	1,400	1400		Promissory note for BGN 2,640 thousand
Caretech EOOD	206496893	300	07 December 2021	Purchase of new machinery	07 December 2026	3.00%	140	140		Promissory note for BGN 360 thousand
Bulgarian wine OOD	123576718	687	01 December 2027	Novation of old loan agreements	01 December 2027	3.00%	495	495		Promissory note for BGN 825 thousand
Total:							**23,317**	**23,317**	**-**	

Information for pending court, administrative or arbitration proceedings

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.

3. Important events that occurred after the date, as at which the annual financial statements is drawn up (Article 39, Subparagraph 3 of the Accounting Act)

No significant events occurred after the date on which this Annual Report was prepared up to the date of its approval.

4. 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 Company will publish a forecast in the annual consolidated report on the activity as at 31 December 2023.

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

Doverie – United Holding AD does not perform a research and development activity.

6. 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 does not have redeemed own shares. In the

current period own shares have not been acquired and sold.

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

Doverie – United Holding AD does not have registered branches.

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

Business sectors

Being a holding company, Doverie – United Holding AD (the Holding) 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 Risk

In the course of its usual business, the company is exposed to various financial risks, the most important of which are: market risk (which includes a currency risk, risk of a change in the fair value and a price risk), credit risk, liquidity risk and risk of interest-bound cash-flows. Overall risk management focuses on the difficulties in forecasting financial markets and minimizing potential negative effects that may affect the financial performance and the company's performance. Financial risks are currently identified, measured and monitored through various control mechanisms introduced to determine adequate prices for the company's services and borrowed capital and to adequately assess the market circumstances of its investments and the forms of maintenance of the free liquid assets, without allowing undue concentration of a risk.

Risk management in the company is routinely carried out by the holding's management, according to the policy defined by the Management Board. The Management Board has adopted the basic principles of general financial risk management and management of specific risks, such as currency, price, interest, credit and liquidity, and the risk of using non-derivative instruments.

Market risk

a. Currency risk

The Company is not exposed to significant currency risk because all its operations and transactions are denominated in Bulgarian leva and/or Euro as long as the latter's exchange rate is fixed to BGN by law.

b. Price risk

The Company is not exposed to price risk due to negative changes in the prices of the services subject to its operations because under the contractual relations with clients they are subject to periodic analysis and discussion for revision and updating to market changes and because they are specific and for a specific circle, predominantly related parties, where there are established procedures for periodic updating to market changes.

The Company is exposed to price risk in respect of the shares held by it classified as available-for-sale.

Credit risk

The main financial assets of the company are cash in hand and in bank accounts, trade and other short-term receivables, lease receivables and credit receivables.

Credit risk is mainly the risk that the subsidiaries will not be able to pay fully and within the usual time limits the amounts they owe for trade, lease and credit receivables. The established policy and the procedures adopted by the Management Board 'Key principles for credit policy' in the economic group Doverie – United Holding AD and procedures for assessing the creditworthiness, authorization, utilisation, guaranteeing and payment of the liabilities by the subsidiaries is followed. Daily reviews are

performed of the open positions by company and individual amounts to them, as well as proceeds received, then reconciliation and analyses are made. Receivables are secured by special pledges of assets, as well as promissory notes covering 120% of the principal. An overview of the amount of collaterals and their compliance with company receivables and the availability of insurance coverage in favour of the holding is currently being made.

The company does not have considerable concentration of credit risk. Cash, including payment transactions, is limited to reputable banks and banks with good liquidity.

Liquidity risk

The liquidity risk is expressed in the negative situation where the company will not be able to meet unconditionally all its liabilities according to their maturity. It maintains a conservative liquidity management policy, which constantly maintains an optimal liquidity reserve, a good ability to finance its business, including by providing and maintaining adequate credit facilities and facilities, constantly monitoring the actual and projected cash flows under periods ahead and maintaining a balance between the maturity of assets and liabilities of the company. The Company maintains cash necessary for current payments within the forthcoming month. One of the main sources of funding are bank and trade loans, bond issues and shares.

Risk of interest-bearing cash flows

The Company has a significant portion of interest-bearing assets representing loans granted under Article 280 of the Commerce Act to subsidiaries. They are typically at fixed interest rates. According to the credit policy adopted by the Management Board of the company, a clause is included at the conclusion of the credit agreements, according to which the lender reserves the right to change the amount of the interest and commissions at any time if the prevailing market conditions impose this. In this respect, interest rates on loans provided by banks with similar parameters are reviewed, requiring official information from at least three first-class banks. If necessary, the Management Board of the Company decides on the change of the applied interest rates on the loans it provides. Therefore, revenue and operating cash flows are largely independent of changes in market interest rates.

At the same time, the company is also not exposed to interest risk with respect to its long-term and short-term liabilities because they are at fixed interest rate and the long-term financing is in the form of bond loans at a fixed interest rate, for the entire loan period, lower than the applicable ones and not subject to periodical update in line with the changes occurring on the financial markets.

Capital risk management

By the equity management, the company aims to create and maintain opportunities to continue to operate as a going concern and to ensure the appropriate return on shareholders' investments, economic benefits to the other stakeholders and participants in its business, and to maintain an optimal capital structure, to reduce the cost of capital.

The company monitors on a current basis the security and structure of the capital on the basis of

the indebtedness ratio, and namely the net debt capital to the total amount of the capital.

V. Information under Note 2 to Article 10, subparagraph 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, item 1.

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 revenue distributed under the separate categories is specified in section IV item 2 hereof.

The company does not have revenue made on foreign markets.

For the current period there is no client whose relative share is 10 per cent of the sales revenues.

The company 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 company has accepted that significant transactions are transactions are result or may be reasonable expected to result in a change of 3% or more of the financial result before tax and/or in the assets and liabilities. There were no transactions meeting this criterion in 2023.

4. Information about the transactions entered into by and between the issuer and related parties, over the reporting period, proposals for the conclusion of such transactions, as well as transactions that are beyond its usual activity or considerably depart from the market conditions, to which the issuer or its subsidiary is a party, with an indication of the value of the transactions, the nature of the relationship and any information required to assess the impact on the issuer's financial condition.

Information about the transactions entered into by and between Doverie – United Holding AD and related parties in the reporting period is specified in Note 32 to the Annual financial statement ‘Transactions with related parties’. In the reporting period transactions are entered into in the usual course of business and they are performed on an arm's length basis.

Transactions with related parties

	31 December 2023 BGN '000	*31 December 2022 BGN '000*
Granted loans	(1,689)	(2,239)
Repaid loans	12,539	2,623
Revenue from interest and fees on loans granted	820	966
Purchase of investments	(33)	
Sale of investments		
Dividends received	3,770	944
Paid rents	(50)	(43)
Revenue from services	227	201
Received loans	4,940	12,000
Paid loans	(9,960)	
Accrued costs for interest on received loans	(439)	(241)
Received services, including:	(43)	(27)
- additional voluntary health insurance	(9)	(10)

5. Information for events and indicators a nature that is unusual for the issuer, which have material impact on its activity, and the revenues made and costs incurred by it; assessment of the impact thereof on the results in the current period

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 financial result, are not conducted.

6. Information for off-balance transactions — nature and business objective, indication of the financial impact of the transactions on the activity if the risk and benefits from these transactions are significant for the issuer and if the disclosure of this information is significant for the assessment of the financial condition of the issuer.

The conditional engagement assumed and granted by the company are kept by the company off-balance. As at 31 December 2023 the conditional engagements assumed and granted by the company are indicated in the Annual financial statement in Note 31 'Conditional obligations and engagements'.

7. 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 also in the notes to the Annual financial statements No 11 Investments in subsidiaries, No 13 Financial assets at fair value in the profits or losses.

Information about investments in intangible assets and real estates is indicated in the notes to the Annual financial statement No 16 Property, plant and equipment, No 18 Intangible assets and No 17 Investment

properties.

8. Information about the loan contracts entered into by the issuer, by its subsidiary 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.

Information for the loan contracts entered into by Doverie – United Holding AD in its capacity of a borrower is set out in Section IV. Information under Article 39 of the Accounting Act, item 2 to the present report.

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

Information for the loan contracts entered into by Doverie – United Holding AD in its capacity of a lender is set out in Section IV. Information under Article 39 of the Accounting Act, item 2 to the present report.

Information for the loan contracts entered into by subsidiaries of Doverie – United Holding AD in their capacity of lenders:

Loans granted by Industrial Holding – Doverie AD as at 31 December 2023

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Bulgarian wine OOD	123576718	150	14 March 2012; Annex dated 01 December 2022	Renewal of old liabilities	01 December 2027	3.00%	145	141	4	Promissory note for BGN 175 thousand

Loans and deposits granted by Doverie – Capital AD as at 31 December 2023

1. **Loans granted by Doverie – Capital AD**

Company	*UIC*	*Agreed amount of loan BGN'000*	*Date of Contract (including supplementary agreements)*	*Purpose of the loan*	*Repayment term*	*Interest %*	*Total loan receivables BGN'000*	*including principal BGN'000*	*Interest BGN'000*	*Pledged collateral*
Dunav AD	827182859	1,315	Contract dated 01 December 2022	For working capital	up to 01 December 2025	3.00%	1,315	1,315	-	Promissory note for BGN 1,578 thousand

Doverie Invest EAD	205426924	1,550	Contract dated 05 March 2019		31 December 2025	3.00%	1,532	1,532	-		Promissory note for BGN 13,620 th ousand
Doverie Invest EAD	205426924	2,300	Contract dated 29 May 2019 and latest Annex dated 05 December 2019		29 May 2025	3.00%	2,300	2,300	-		Promissory notes for BGN 3,960 tho usand
Doverie Invest EAD	205426924	2,728	Contract dated 08 June 2020		08 June 2021 with an extension option up to 5 years	3.00%	2,528	2,528	-		Promissory note for BGN 3,274 tho usand
Total:							**7,675**	**7,675**	-		

2. Loans granted by Bilyana Triko AD

Company	***UIC***	***Agreed amount of loan BGN'000***	***Date of Contract (including supplementary agreements)***	***Purpose of the loan***	***Repayment term***	***Interest %***	***Total loan receivables BGN'000***	***including principal BGN'000***	***Interest BGN'000***	***Pledged collateral***
ET Paskal Moskov	201983331	450	05 April 2019/05 April 2020/15 June 2020/17 December 2020/15 June 21/15 December 2021/15 December 2022	working capital	31 December 2023	5.00%	423	414	0	Contractual mortgage — BGN 619 thousand
Total:							**423**	**414**	**0**	

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

In the reporting period changes have not been made in the company's issued share capital

11. Analysis of the ratio between the achieved financial results reflected in the financial statement for the financial year, and the earlier published estimates for these results.

The estimate is made on an annual consolidated basis and a comparison will be made on this basis to the reported results in the next annual consolidated report on the activity.

12. 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 company 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 33 'Financial risk management' to the annual financial statement of the Company.

13. 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. The investment programme for 2023 is implemented by the separate companies with financing ensured by bank loans, loans from the parent company and own working capital.

14. 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.

15. 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 a Corporate Management Declaration in accordance with Article 100n, Paragraph 8 of the Public Offering of Securities Act, which will be a separate report as at 31 December 2023. (annual basis)

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

In 2023 there are no changes in the Management and Supervisory Board.

17. ***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 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) 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	36,000		36,000
Ventsislav Simeonov Stoev	36,000		36,000
Hristo Georgiev Hristov	36,000		36,000
Alexandre Gueorguiev Hristov	18,000		18,000
Anna Ivanova Pavlova	18,000		18,000
Petko Kolev Ivanov	18,000		18,000

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

None

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

None

- 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	8,400		8,400
Ivan Pantaleev Dimov	8,400		8,400
Elena Stefanova Golemanova	8,400		8,400

18. 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

19. Information for the arrangements known to the company (including after the end of the final period) 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

20. 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 own 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.

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

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

VI. Approval of the Annual Non-Consolidated Financial Statements and the Annual Non-Consolidated Report on the Activity

The Annual Non-Consolidated Financial Statements and the Report on the Activity are approved on 14 February 2024 by:

Anna Pavlova

Chairman of the Management Board and Chief Accountant

Alexandre Hristov

Executive Director

Petko Ivanov

Member of the Management Board

Corporate Governance Statement

pursuant to Article 100n, paragraph 8 of the Public Offering of Securities Act and Article 40 of the Accounting Act

1. Information as to whether the issuer complies with the Corporate Governance Code approved by the Financial Supervision Commission or any other corporate governance code as appropriate:

In October 2007 a working group of Bulgarian experts — representatives of the business circles in the country, the Bulgarian Stock Exchange AD, governmental and non-governmental organizations and the academic community, adopted a National Corporate Governance Code. The Code was approved by the National Corporate Governance Commission and was subsequently amended and supplemented in February 2012, April 2016 and July 2021 In its current version, the Code has been approved by the Financial Supervision Commission by Resolution No 850-CCU dated 25 November 2021.

The National Corporate Governance Code is consistent with the regulatory framework without repeating it. It contains recommendations for Bulgarian public companies to implement best practices and principles of corporate governance, including in the area of sustainable development. Its rules and regulations are standards for the governance and supervision of public companies that have proven their effectiveness over the years.

Taking into consideration the above circumstances, on 09 January 2008, Doverie – United Holding AD has signed a statement that it adopts the National Corporate Governance Code and that it will perform its activities pursuant to its provisions. Doverie – United Holding AD shall enclose every year to its annual financial statements information about the implementation of the National Corporate Governance Code.

2. Information on corporate governance practices applied by the issuer in addition to the respective Code;

In addition to the National Corporate Governance Code, Doverie – United Holding AD does not apply other corporate governance practices that are part of other codes.

3. Explanation by the issuer which parts of the National Corporate Governance Code are not complied with and the reasons for that

The information is provided in the 'Comply or Explain' report — Implementation of the National Code of Corporate Governance as at 31 December 2023. The Company strives to comply with the recommendations of the Code and in the event of deviation its management provides explanations as to the reasons for this.

4. Description of the main features of the internal control and risk management systems of the issuer in relation to the financial reporting process:

Financial management and control is a process integrated in the operations of the company, implemented by management and employees. It is a set of activities and procedures implemented by management in order to provide reasonable assurance that the objectives of the company will be achieved through:

1. Compliance with laws, regulations and contracts;

2. Reliability and comprehensiveness of financial and operational information;

3. Economy, efficiency and effectiveness of operations;

4. Safeguarding of assets and information.

The system of financial management and control is structured within the following interrelated elements:

1. Control environment: It includes personal integrity and professional ethics of management and employees; management philosophy (approach) and work style; organizational structure, ensuring segregation of duties, hierarchy and clear rules, rights, obligations and reporting levels; policies and practices in human resources management; personnel competence.

2. Risk Management: The process of identifying, assessing and monitoring the risks that may affect the achievement of the company's objectives, and putting in place the necessary control activities to mitigate these risks to an acceptable level. In addition, risk management requires implementation of systematic monitoring and status reporting. This is the way to monitor whether risks are managed successfully, weather the controls actually minimize the risks involved and whether the objectives threatened by these risks are achieved, ensuring transparency and accountability of the company's activities.

3. Control activities: Rules, procedures and actions aimed at reducing the risks in achieving the objectives of the company and contributing to the implementation of the management decisions. They are: ***preventive actions*** — prevent occurrence of adverse events; ***disclosing actions*** — establish the occurrence of adverse events and advise the immediate superior; ***corrective actions*** — aim to correct the effects of adverse events that have occurred.

The control actions conclude procedures and activities related to:

1. Resolution, approval and authorization procedures;

2. Division of responsibilities;

3. Double signatory system;

4. Preliminary control;

5. Procedures for complete, true, accurate and timely accounting of all operations;

6. Monitoring procedures;

7. Review of procedures, actions and operations;

8. Anti-corruption procedures;

9. Rules for access to assets and information;

10. Human resources management procedures;

11. Procedures for documenting, archiving and storage of information;

12. Data comparison.

4. Information and telecommunication: Information is the set of data about events that are important for the implementation of all levels of activity in the Company. The effective information shall be timely, relevant, current, accurate, true and accessible and shall be brought down to the employees of all hierarchical levels in an appropriate form and within appropriate deadlines.

Communication is a two-way flow of information in the downlink and uplink on all information channels of the company — horizontally and vertically — in order to raise awareness and to help achieving the objectives of the organization. As communication plays an important role in the management and control of activities, it is necessary to create appropriate conditions and procedures for its implementation.

5. Monitoring: Comprehensive overview of the organization, which aims to provide assurance that controls are functioning as intended and remain effective over time. It is performed mainly as work in progress, but it needs additional special assessments. Procedures are in place:

- for ongoing monitoring — this is internal control monitoring integrated into the normal, recurring daily activities of the company. It is performed continuously in real time and dynamically respond to changing conditions;

- Special *ad hoc* assessments — performed after the events and their scope and frequency depend on the risk assessment and the effectiveness of the ongoing monitoring.

All monitoring results, incl. deficiencies, identified during ongoing monitoring, special assessments or by internal audits, are reported to the management and/or the persons that may take the necessary measures to resolve the problems.

5. Information under Article 10, paragraph 1, letters 'c', 'd', 'f', 'h' and 'i' of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids:

Article 10(1), letter 'c': Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:

For the period 1 January – 31 December 2023 the Company received no notifications pursuant to Article 145 of the Public Offering of Securities Act (POSA).

Article 10(1), letter 'd': The holders of any securities with special control rights and a description of those rights:

Doverie – United Holding AD has no shareholders with special control rights.

Article 10(1), lettera 'f': Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities:

There are no restrictions on the voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights associated with the shares are separated from the possession of the company's shares.

Article 10(1), letter 'h': The rules governing the appointment and replacement of board members and the amendment of the articles of association:

The appointment and dismissal of members of the Management and Supervisory Boards is pursuant to the provisions of the Commerce Act (CA), POSA and the Statutes of the company.

Supervisory Board

The General Meeting of Shareholders elects and dismisses the members of the Supervisory Board, determines the remuneration, the bonuses and the guarantees with respect to their management.

The mandate of the Supervisory Board members is five years, and of the first Supervisory Board — 3 (three) years. The members of the Supervisory Board may be re-elected without restrictions.

The members of the Supervisory Board shall be individuals with legal capacity who meet the requirements of Article 234, paragraph 2 of the Commerce Act and Article 116a, paragraph 1^1 of the Public Offering of Securities Act (POSA). At least one-third of the members of the Supervisory Board should be independent persons within the meaning of Article $116a^1$, paragraph 2 of the Public Offering of Securities Act (POSA).

Management Board

The Supervisory Board appoints and dismisses the members of the Management Board, determines the individual remuneration and the guarantees with respect to their management and pursuant to the decision of the General Meeting of Shareholders, determines their rights and obligations in terms of management and representation of the Company and controls their activity.

The mandate of the Management Board members is 5 (five) years. The members of the Management Board may be re-elected without restrictions.

The members of the Management Board should be individuals with legal capacity who meet the requirements of Article 234, paragraph 2 of the Commerce Act and Article 116a, paragraph 1^1 of the Public Offering of Securities Act (POSA).

The Statutes of Doverie – United Holding AD shall be amended and supplemented by a resolution of the General Meeting of Shareholders adopted by a majority of 2/3 (two thirds) of the shares represented. The current Statutes of the Company is published in the Commercial Register under No 20231110161837 and are available on the Company's website: www.doverie.bg, under 'About us' category, 'Documents' section.

Article 10(1), lettera 'i' The powers of board members, and in particular the power to issue or buy back shares:

Pursuant to the Statutes of Doverie – United Holding AD, the Supervisory Board of the company has the following competences:

- representing the company only in its relationship with the Management Board;

- approving the rules of procedure of the Management Board and adopting the report on its activity at least once per every three months.

- approving the authorization of one or more persons of the Management Board to represent and carry out the operational management of the company;

- approving the adoption by the Management Board of resolutions, for which the law has defined specific requirements for their validity;

- approving the annual financial statements, the report on the activity and the proposal for the distribution of profits and adopting resolutions for convening a general meeting;

- when deemed necessary, the Management Board with the approval of the Supervisory Board may propose to the General Meeting of Shareholders to approve predefined resolutions, transactions or actions that pursuant to the Statutes are within the competence of the Management Board.

Pursuant to the Statutes of Doverie – United Holding AD, the Management Board of the company has the following powers:

- convening the general meeting; defining the manner of conduct of the general meeting and the manner of exercising the right to vote for each individual meeting of the general meeting, as the relevant information shall be made available to the shareholders in the invitation to convene the general meeting;

- adopting rules for voting at the general meeting of shareholders by electronic means, by correspondence and by a proxy;

- with the approval of the Supervisory Board, empowers one or more executive directors to represent and carry out the operational management of the company;

- may adopt resolutions on all matters where the Statutes or the law does not provide for the exclusive competence of the General Meeting or the Supervisory Board.

- When deemed necessary, with the approval of the Supervisory Board, it may propose to the General Meeting to approve predefined solutions, transactions or actions that pursuant to the Statutes are within the competence of the Management Board.

The provisions of the Public Offering of Securities Act apply to make decisions in connection with transactions under Article 114 of POSA. The conclusion of the above transactions requires the express authorization by the General Meeting, respectively the prior approval of the Management Board of the Company.

In its latest version, the Statutes authorize the Management Board within 5 (five) years from the entry of this amendment to the Statutes in the Commercial Register (10 November 2023) to increase the Company’s capital up to an amount not exceeding BGN 100,000,000 (one hundred million) by issuing

new ordinary or preference shares. Within the same 5-year period,

the Management Board is also entitled to adopt resolutions for the issuance of warrants giving the right to subscribe for shares from a future capital increase up to a total nominal amount of BGN 100,000,000, in which cases the Management Board is also empowered to adopt conditional resolutions pursuant to Article 113, paragraph 2, subparagraph 2 of the Public Offering of Securities Act (POSA). Within the said 5-year period, the Management Board shall also have the right to adopt resolutions for the issuance of bonds, including convertible bonds, with a total nominal value of not more than BGN 100,000,000, and shall accordingly be empowered to increase the Company's capital by issuing new shares to be subscribed by the holders of the Company's convertible bonds.

In the aforementioned cases, the prescribed threshold of up to BGN 100,000,000 shall apply in aggregate to the sum of the values of all capital increases, including shares that have been/will be issued through the exercise of warrants or the conversion of bonds.

Pursuant to the Statutes of Doverie – United Holding AD, the Company may repurchase its shares in accordance with the applicable legislation using the procedure and the manner provided therein. To date, the company has not made any decisions for redemption of shares and the Management Board has not been empowered by the General Meeting of Shareholders to do so.

6. Composition and operation of the management and supervisory bodies and their committees

Doverie – United Holding AD has a two– tier management system.

The Supervisory Board comprises of three members elected by the General Meeting. The Supervisory Board adopts rules of procedure and elects a chairperson among its members.

The chairperson convenes the meetings of the Supervisory Board at his/her discretion and at the request of the members of the Supervisory Board or the Management Board.

The resolutions of the Supervisory Board are adopted by a majority of its members.

The Supervisory Board members may adopt resolutions without being present, if all members in writing have agreed upon the respective resolution.

The Supervisory Board has the right to set up committees to support its work.

The Management Board comprises of three members elected by the Supervisory Board. The Management Board adopts the rules of procedure, which is approved by the Supervisory Board.

The Management Board meets at least once a month. It may adopt resolutions if the majority of the members are present in person. The resolutions are adopted by simple majority. Minutes are drafted for each meeting of the Management Board and for the decisions made and they are signed by all attending members.

The Management Board may adopt resolutions without being present, if all members in writing have agreed upon the respective resolution.

7. Description of the diversity policy, applied to the management and supervisory bodies of the issuer

The structure of the management and supervisory bodies of the issuer is is laid down in the Statutes and is appropriate to the nature, scale and complexity of the company. The members of the management and supervisory bodies of the issuer are selected and evaluated based on different criteria such as education, professional experience, reputation and management skills.

The company does not apply a diversity policy in relation to criteria such as age, gender, etc. in respect of members of its management and supervisory bodies, as it considers that they do not have a determining influence on the management and performance of the company.

The shareholders and the members of the Supervisory Board of Doverie – United Holding AD have the right to choose which persons to participate in the supervisory and management bodies of the company, respectively, guided by the criteria described above – education, experience, reputation and management skills, business ethics, teamwork, etc. This ensures a management and control system based on transparency and independence, which is a key element of the company's sound functioning.

14 February 2024
City of Sofia

Alexandre Hristov

Executive Director

Anna Pavlova

Chief Accountant and Chairperson of

the Management Board

Petko Ivanov

Member of the Management Board

MANAGEMENT STATEMENT

The present document is drawn up in accordance with Article 100n of the Public Offering of Securities Act effective from 03 June 2016 and refers to the Annual Non-Consolidated Financial Statements for the period ending 31 December 2023.

The Management Board of Doverie – United Holding AD confirms on the basis of all of its knowledge and beliefs that:

- The Annual Non-Consolidated Financial Statements are drawn up in accordance with the International Accounting Standards and the International Financial Reporting Standards adopted in the Commission of the European Union; As an issuer whose securities are admitted to trading on a regulated market in the EU, the Company has an obligation to prepare annual individual financial statements for the year ending 31 December 2023 in accordance with the ESEF requirements arising from Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.
- The statement of profit and loss and other comprehensive income gives a fair view in all aspects of materiality of the Holding's activity and financial results as at 31 December 2023.
- The statement of financial position reflects correctly the property status in all materiality aspects of the Holding's assets and liabilities as at 31 December 2023;
- The cash-flow and equity statements as at the date of the annual financial statements are presented in accordance with the requirements of the effective accounting legislation and provide a fair view of the movement of cash-flows and of the changes in the Holding's equity;
- The applied disclosure is conformed with the qualitative characteristics of the financial statements in all material aspects;
- The Holding's management reviews on a current basis the assessments and key assumptions having an impact in the application of the financial policies for the presentation of the amount of the assets, liabilities, revenues and costs. They are based on the accumulated experience and factors determining them and are not visible from other sources. The actual results may differ from these evaluations;
- The Management Board does not have information about departures from and violations of the Bulgarian legislation and the undertaken arrangements, which could if found bring about serious sanctions or losses for Doverie – United Holding AD and, being such, should be reflected or disclosed in the financial statements, including as a basis for the arising of future or present losses or obligations from unforeseen

events;

- Doverie – United Holding AD has not participated — except for the transactions reflected in the financial statements — in other transactions through members of the supervisory and management bodies, as well as the executive director or employees, any of which would be of direct or indirect interest for any them. None of the listed persons has declared such information.

The annual non-consolidated financial statements were approved on 14 February 2024 by:

Anna Pavlova
Chairman of the Management Board and Chief Accountant

Alexandre Hristov
Executive Director

Petko Ivanov
Member of the Management Board

R E P O R T

ON THE IMPLEMENTATION OF THE REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF DOVERIE – UNITED HOLDING AD

The Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Doverie – United Holding AD (the Remuneration Policy) is adopted at an Extraordinary General Meeting of Shareholders on 29 September 2020. According to the policy, upon determination of the remunerations of the members of the Management Board and the members of the Supervisory Board, the company's activity is guided by the principles of Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Commission Recommendation 2009/385/EC of 30 April 2009 complementing Recommendations 2004/913/EC and 2005/162/EC as regards the regime for the remuneration of directors of listed companies, implemented by Ordinance No 48 of 20 March 2013 on Remuneration Requirements issued by the Financial Supervision Commission (Ordinance No 48).

This report represents a separate document to the Annual Financial Statements for 2023 and reflects the actual implementation of the criteria for the formation of the remuneration of the members of the Management Board and Supervisory Board of the Holding set in Ordinance No 48. Every shareholder of shareholder's representative participating in the regular general meeting discussing the report may make recommendations on it. In case recommendations are made, the company shall point out in the next remuneration policy implementation report how the recommendations from the preceding report have been taken into account.

The remuneration policy implementation report shall be published on the webpage of the company after the conduction of the general meeting, at which the annual financial statement was approved and shall be freely accessible for a period of 10 years.

The purpose of the Policy on the Remunerations of the Management Board and Supervisory Board members of Doverie – United Holding AD shall be to establish objective and clear principles for determining the remuneration of the corporate boards of the Company with the aim to attract and retain qualified and loyal members and to motivate them to work in the interest of the Company and the shareholders.

The Policy shall be subject to review by the public company at least once every four years and whenever amendments and/or additions to the Policy are necessary or required to achieve the objectives set out in Article 5 of the Policy.

Information on the way of implementation of the Remuneration Policy in 2023.

1. Information on the process of decision-making upon determining the remuneration policy, including if applicable, information on the mandate and composition of the Remuneration Committee, the names of external consultants whose services have been used in determining the Remuneration Policy;

The remuneration policy has been developed by the Supervisory Board of Doverie – United Holding AD in accordance with the requirements of the current legislation and the Statutes of the company. Proposals for its amendment and supplement, revision or adoption of a new one shall be prepared by the Supervisory Board and adopted by the General Meeting of Shareholders. The present policy is effective from 29 September 2020 when it was adopted by a resolution of an Extraordinary General Meeting of Shareholders of the company.

During the reporting period the Company does not have a Remuneration Committee. External consultants are not used for the development of the Remuneration Policy.

2. Information on the relative weight of variable and fixed remuneration of the members of the management and supervisory bodies:

All members of the Management Board and the Supervisory Board, as well as the Executive Director of Doverie – United Holding AD shall receive a fixed remuneration, the specific amount of which is determined by the General Meeting of Shareholders of the Company, in accordance with the requirement of Article 116c, paragraph 1 of the Public Offering of Securities Act (POSA). The remuneration shall be paid under the terms and conditions of the Management Contracts.

The amount of the fixed remuneration is determined in a way that allows the implementation of a flexible policy on the part of the company about the variable remuneration (when the Policy provides for the receipt of any), including a possibility of non-payment of the variable remuneration if the criteria for the results from the activity are not met, as well as when there is considerable aggravation of the company's financial status.

In accordance with the Statutes of Doverie – United Holding AD, in case of a positive financial result /net profit/, the Executive Director is entitled to receive a one-time remuneration of 1% /one percent/ of the net annual profit of the Company. For the financial year 2021, by resolution of the General Meeting of Shareholders dated 30 June 2022, it was agreed to pay to the Executive Director a one-off remuneration of BGN 11 thousand (1% of the Company's net profit for 2021) in accordance with Article 40, paragraph 6 of the Statutes and Article 9, paragraph 6 of the Policy. As at 31 December 2023 the amount has been accrued but not paid.

3. Information on the performance criteria based on which the company may offer shares, options on shares or other variable remuneration and explain how the criteria of Article 14(2) and Article 14(3) of Ordinance No 48 contribute to long-term interests of the company;

Pursuant to Article 10 of the Remuneration Policy, provision of remuneration to the Management and Supervisory Board members in the form of company's shares, share options or other rights to acquire shares is not provided for. Remunerations based on changes in the prices of the company's shares are not provided for either.

4. Explanation of the methods applied to assess whether the performance criteria are met:

No assessment methods are applied as no performance criteria are provided.

5. Explanation of the relationship between remuneration and performance:

All members of the Management Board and the Supervisory Board of Doverie – United Holding AD receive fixed monthly remuneration, which amount is determined by the General Meeting of Shareholders of the Company. The remuneration is paid pursuant of the terms and conditions of the Management Contracts.

In accordance with Article 40, paragraph 6 of the Statutes of the Company in case of a positive annual financial result, the Executive Director is entitled to receive a one-time remuneration of 1% (one percent) of the net annual profit of the Company. For the financial year 2021, by resolution of the General Meeting of Shareholders dated 30 June 2022, it was agreed to pay to the Executive Director a one-off remuneration of BGN 11 thousand in accordance with Article 40(6) of the Statutes and Article 9(6) of the Policy. As at 31 December 2023 the amount has been accrued but not paid.

6. Basic payments and justification of the annual bonus scheme and/or any other non-monetary benefits:

Doverie – United Holding AD does not apply an annul bonus scheme and/or other non-monetary benefits.

7. Description of the main features of the supplementary voluntary pension insurance scheme and information on paid and/or payable by the Company contributions in favour of the respective management or supervisory body member for the respective financial year, where applicable:

Doverie – United Holding AD does not pay for its own account supplementary voluntary pension insurance contributions of the members of the Management Board and the Supervisory Board.

8. Information for periods of delay in the payment of variable remuneration:

Pursuant to Article 9, paragraph 7 of the Policy, the payment of 40% of the Executive Director's one-off remuneration shall be deferred over a period of three years. Payment of the deferred portion of the variable remuneration shall be made on a pro rata basis in equal monthly instalments.

In accordance with Article 40, paragraph 6 of the Statutes of the Company in case of a positive annual financial result, the Executive Director is entitled to receive a one-time remuneration of 1% (one percent) of the net annual profit of the Company. For the financial year 2021, by resolution of the General Meeting of Shareholders dated 30 June 2022, it was agreed to pay to the Executive Director a one-off remuneration of BGN 11 thousand in accordance with Article 40, paragraph 6 of the Statutes and Article 9, paragraph 6 of the Policy. As at 31 December 2023 the amount has been accrued but not paid.

9. Information on the compensation policy upon termination of the contracts:

In case of early termination of a Management Agreement with a Management Board member, respectively with the Executive Director, the total amount of the remunerations due in relation to the early termination, as well as the payments related to the period of notice or provided for in the clause prohibiting the performance of competitive activity, may not exceed the amount of annual fixed remunerations paid to the person for two years. Indemnifications of the said type shall not be due if the termination of the agreement is due to unsatisfactory results and/or to culpable behaviour on the part of a Management Board member or of the Executive Director, respectively.

10. Information for the period in which the shares may not be transferred and the options on shares may not be exercised in the case of variable remuneration based on shares:

Doverie – United Holding AD does not contemplate remunerations in the form of Company's shares, share options or other rights to acquire shares.

11. Information on the policy to maintain a certain number of shares until the end of the mandate of the members of the management and supervisory bodies after expiration of the period under Article 13, subparagraph 10 of Ordinance No 48;

Doverie – United Holding AD does not have apply such a policy as it does not provide such type of remuneration.

12. Information on the contracts of the members of the management and supervisory bodies, including the duration of each contract, the notice period for termination and details on compensations and/or other payments due in the event of early termination:

The members of the Supervisory Board of the company as at 31 December 2023 are:

Ventsislav Simeonov Stoev — Chairperson

Ivan Ognyanov Donev — Member;

Hristo Georgiev Hristov — Member

The resolutions on the appointment and dismissal of members of the Supervisory Board are adopted in an open vote and by a majority of the shares represented at the General Meeting of Shareholders of the company.

The manner in which the mandate of the members of the Supervisory Board shall be determined: 5 years from the date of the General Meeting of Shareholders at which the resolution in question was passed. The mandate entered into the Commercial Register is up to 30 June 2027.

The members of the Management Board of the company as at 31 December 2023 are:

Anna Ivanova Pavlova — Chairperson of the Management Board:

Contract term – equal to the mandate of the Management Board entered into the Commercial Register, namely until 17 October 2027.

The contract is terminated with the expiration of the validity term, as well as by mutual consent expressed in writing. Early termination of the contract may be initiated by Doverie – United Holding AD, pursuant to the conditions described in the Contract. In turn, the trustee may terminate the contract with one month written notice.

Upon termination of the contract due to expiry of the mandate and dismissal, as well as in the event of early termination of the contract compensation is not payable.

Alexandre Gueorguiev Hristov — member of MB and Executive Director:

– Contract term of a member of the Management Board — equal to the mandate of the Management Board entered into the Commercial Register, namely until 17 October 2027.

The contract is terminated with the expiration of the validity term, as well as by mutual consent expressed in writing. Early termination of the contract may be initiated by Doverie – United Holding AD, pursuant to the conditions described in the Contract. In turn, the trustee may terminate the contract with one month written notice.

Upon termination of the contract due to expiry of the mandate and dismissal, as well as in the event of early termination of the contract compensation is not payable.

– Term of the contract of the Executive Director — until the date of entry in the Commercial Register of the termination of his powers.

The Contract may be terminated by mutual consent of the parties expressed in writing. Early termination of the contract may be initiated by Doverie – United Holding AD with one month written notice. In turn, the trustee may terminate the contract with at least three months written notice.

In case of early termination of the contract, no compensation shall be due.

Petko Kolev Ivanov — Member of the Management Board

Contract term – equal to the mandate of the Management Board entered into the Commercial Register, namely until 17 October 2027.

The contract shall remain in force until the date of entry in the Commercial Register of the termination of the holder's powers. It may be also terminated by mutual consent expressed in writing. Early termination of the contract may be initiated by Doverie – United Holding AD, pursuant to the conditions described in the Contract. In turn, the trustee may terminate the contract with one month written notice.

Upon termination of the contract due to expiry of the mandate and dismissal, as well as in the event of early termination of the contract compensation is not payable.

13. The full amount of the remuneration and the other financial incentives of the members of the management and supervisory bodies for the respective financial year: By resolution of the General Meeting of Shareholders of 08 July 2014, the monthly remuneration of the members of the Management Board and Supervisory Board
is determined as follows:

- Gross monthly remuneration of each member of the Supervisory Board to the amount of BGN 3,000.
- Gross monthly remuneration of each member of the Management Board to the amount of BGN 1,500.

By resolution of the General Meeting of Shareholders of 29 June 2018 the gross monthly remuneration of the executive member is determined at BGN 3500, which is separate from the remuneration as a member of the Management Board. By resolution of the General Meeting of

Shareholders of 30 June 2022 the gross monthly remuneration of the Executive Director is determined at BGN 7,000.

Remuneration of key management personnel

	31 December 2023	*31 December 2022*
	BGN '000	***BGN '000***
Remuneration of the Executive Director	84	63
Remunerations of the Management Board	54	54
Remunerations of the Supervisory Board	108	89
Total	**246**	**206**

In accordance with Article 40, paragraph 6 of the Statutes of the Company in case of a positive annual financial result (net profit), the Executive Director is entitled to receive a one-time remuneration of 1% (one percent) of the net annual profit of the Company. For the financial year 2021, by resolution of the General Meeting of Shareholders dated 30 June 2022, it was agreed to pay to the Executive Director a one-off remuneration of BGN 11 thousand in accordance with Article 40, paragraph 6 of the Statutes and Article 9, paragraph 6 of the Policy. As at 31 December 2023 the amount has been accrued but not paid.

Other financial incentives have not been paid.

14. Information about the remuneration of each person who has been a member of a management or supervisory body in a public company for a certain period of time during the relevant financial year:

a) The full amount paid and/or remuneration awarded to the person for the relevant financial year:

Gross remuneration of BGN 18 thousand was accrued to each member of the Management Board of the holding in the financial year 2023. The amounts are paid as at 31 December 2023.

Gross remuneration of BGN 36 thousand was accrued to each member of the Supervisory Board of the holding for the financial year 2023. The amounts are paid as at 31 December 2023.

b) The remuneration and the other material and non-material incentives received by the individual from companies in the same group:

Anna Pavlova — gross remuneration of BGN 21 thousand;

Alexandre Hristov — gross remuneration of BGN 94 thousand;

Petko Ivanov — gross remuneration of BGN 35,6 thousand;

Ventsislav Stoev — gross remuneration of BGN 144 thousand;

Ivan Donev — gross remuneration of BGN 96 thousand.

c) remuneration received by the individual in the form of profit sharing and/or bonuses and the reasons for awarding them:

None.

d) any additional payments for services provided by a person, outside his/her normal functions when such payments are eligible under the concluded contract:

None

e) paid and/or accrued compensation for termination of his/her functions in the last financial year:

None.

f) overall assessment of all non-cash benefits, assimilated to remunerations, outside those specified in letters 'a' to 'e':

None

g) information on all loans, payment of social contributions and guarantees by the company or its subsidiaries or other companies that are subject to consolidation in its annual financial report, including data on the remaining, outstanding interests:

None

15. Information on the shares, options on shares and/or other schemes for incentives based on shares:

a) number of the options on shares or shares offered by the Company in the relevant financial year and the terms and conditions thereon:

None

b) number of the exercised options on shares in the relevant financial year and for each of them the number of shares and the option exercise price or the interest under the share-based incentive scheme at the end of the financial year:

None

c) number of non-exercised options on shares at the end of the financial year, including data with regard to their price and the date and conditions for exercising the rights:

None

d) any changes in the terms and conditions of existing options on shares, approved during the financial year:

None

16. Annual change in the remuneration, the company's results and the average amount of the remunerations on a full-time basis of the employees in the company who are not directors, in the previous at least five financial years, presented together in a way allowing comparison:

thousand BGN

Year	2017	2018	Change 2018 versus 2017	2019	Change 2019 versus 2018	2020	Change 2020 versus 2019	2021	Change 2021 versus 2020	2022	Change 2022 versus 2021	2023	Change 2023 versus 2022
Gross remuneration of all members of the MB per year	74	54	-20	54	0	54	0	58	4	54	-4	54	0
Gross remuneration of all members of the SB per year	108	108	0	108	0	108	0	93	-15	89	-4	108	19
Gross remuneration of the Executive Director per year *	0	21	21	42	21	42	0	42	0	63	21	84	21
Average remuneration per member of the MB, SB and of the Executive Director per year	30	26	-4	29	3	29	0	28	-2	29	2	35	6
Results of the company — net profit	-1,620	-1,892	-272	1,500	3,392	1,966	466	1,094	-872	-2,742	-3,836	992	3,734
Gross remuneration on the grounds of full time of employees in the company who are not directors per year	796	842	46	859	17	900	41	1,029	129	1,137	108	1,107	-30
Average remuneration on the grounds of full time of employees in the company who are not directors per year	24	26	2	27	1	26	-1	27	1	30	3	30	0

31 December 2023, the amount has been accrued but not paid, accordingly the company has not exercised its option to claim repayment of the said amount.

18. Information for all departures from the procedural for the implementation of the remuneration policy in relation to extraordinary circumstances under Article 11(13) of Ordinance No 48, including clarification of the nature of the extraordinary circumstances and indication of the specific components that are not applied;

The Remuneration Policy of Doverie – United Holding AD does not specify extraordinary circumstances, under which the company has the right not to apply a part of the policy on a temporary basis.

As at the date of this report, the Supervisory Board of Doverie – United Holding AD has not identified any need for amendments and/or supplements to the Remuneration Policy for the Members of the Management Board and the Members of the Supervisory Board of Doverie – United Holding AD, adopted by resolution of the General Meeting of Shareholders on 29 September 2020. In this regard, the Company will apply the Remuneration Policy unchanged in the financial year 2024.

The disclosure of the Remunerations Policy and Practices shall be made in compliance with the requirements of Ordinance No 48. Doverie – United Holding AD publicly discloses the Remuneration Policy and any subsequent changes in clear and simple terms without disclosing sensitive commercial information or other information representing statutorily protected secret.

The present report is drawn up by the Management Board of Doverie – United Holding AD on the grounds of Article 100n, paragraph 4, subparagraph 5 of the Public Offering of Securities Act, Articles 12 and 13 of Ordinance No 48 and constitutes an independent document to the company's annual financial statements for 2023. The report contains a programme for the implementation of the Remuneration Policy for the next financial year as well as comprehensive information on the remuneration, including all benefits in any form, granted, paid or payable during the previous year to current and former members of the Management Board and Supervisory Board and to the Executive Director in accordance with the Remuneration Policy implemented during the year.

14 February 2024
City of Sofia

Alexandre Hristov	Anna Pavlova	Petko Ivanov



‘COMPLY OR EXPLAIN’ REPORT

Implementation of the National Corporate Governance Code as at 31 December 2023

DOVERIE – UNITED HOLDING AD

Doverie – United Holding AD compiles a Programme for Good Corporate Governance and every year since 2003 the Holding has reported its activities with regard to good corporate governance in the Report on the Activity.

In October 2007, a working group of Bulgarian experts adopted a National Corporate Governance Code (the Code), which was subsequently adopted by the National Corporate Governance Commission. In this respect, on 09 January 2008, Doverie – United Holding AD has signed a statement that it adopts the National Corporate Governance Code and that it will perform its activities pursuant to its provisions.

Compliance with the Code is reported on a 'comply or explain' basis, whereby the recommendations of the Code are followed and, in the event of deviation or non-compliance, the Company's management provides explanations as to why.

This report provides information on the implementation of the National Corporate Governance Code by Doverie – United Holding AD.

The actions of the management and the employees of Doverie – United Holding AD are aimed at strengthening the principles of good corporate governance, enhancing the confidence of shareholders, investors and those, interested in the management and the operations of the holding.

The amendments and supplements to the Code adopted by the National Corporate Governance Commission in February 2012, April 2016 and July 2021 take into account the changes in the regulatory framework that have occurred since its adoption. At the end of 2014, in order to improve corporate governance reports, an Annex to the Code on the content of 'Comply or Explain' reports was also adopted in relation to the European Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (based on the 'comply or explain' principle).

The 2021 version of the Code includes supplements in line with EU and Republic of Bulgaria's sustainable development policy. The goals set out in the Green Deal, the Taxonomy Regulation, the Corporate Sustainability Reporting Directive are taken into account. The provisions of the Code are also consistent with the 2015 UN Sustainable Development Goals and the 2011 UN Guiding Principles on Business and Human Rights. In its latest version, the Code was approved by Decision No 850 —КК У of 25 November 2021 of the Financial Supervision Commission.

CONTENTS

CHAPTER ONE 4
CORPORATE BOARDS 4
CHAPTER TWO 12
AUDIT AND INTERNAL CONTROL 12
CHAPTER THREE 13
PROTECTION OF SHAREHOLDERS' RIGHTS 13
CHAPTER FOUR 17
DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION 17
CHAPTER FIVE 19
STAKEHOLDERS SUSTAINABLE DEVELOPMENT 19

Chapter One

CORPORATE BOARDS

Two-tier management system -

The Supervisory Board and the Management Board jointly act in the interest of the shareholders and take into consideration the interests of the stakeholders.

Doverie – United Holding AD applies this practice.

1. MANAGEMENT BOARD

1.1. FUNCTIONS AND TASKS

1.1.1. Should manage the company in accordance with the established company visions, goals and strategies in the best interest of all shareholders.

Doverie – United Holding AD applies this practice.

1.1.2. Should monitor the performance of the company and initiate changes in the management of its activities, when necessary.

Doverie – United Holding AD applies this practice.

1.1.3. Should treat equally all shareholders acting in their interest and in a diligent manner.

Doverie – United Holding AD applies this practice.

1.1.4. The members of the Management Board shall base their actions on common principles of integrity and managerial and professional competence. The Management Board shall adopt and follow a Code of Conduct.

Doverie – United Holding AD applies this practice. The Code of Conduct of the employees of the Holding was approved by Resolution of the Management Board of 20 November 2006.

1.1.5. The Management Board, in carrying out its functions, shall strive to achieve the Sustainable Development Goals. It shall develop and implement the stakeholder engagement policy approved by the Supervisory Board.

Doverie – United Holding AD applies this practice. Approval of a stakeholder engagement policy is envisaged.

1.1.6. Shall set up and control the establishment and proper functioning of a corporate risk management system, including internal control and internal audit, while informing the Supervisory Board about its actions in a timely manner.

Doverie – United Holding AD applies this practice. Internal Control and Risk Management Policy in the Company has been approved. In accordance with the requirements of Article 107 of the Independent Financial Audit Act (IFAA), a new Audit Committee was elected by resolution of the General Meeting of Shareholders of 14 June 2017, and the Rules (Statutes) of the Audit Committee of Doverie – United Holding AD were approved. The Audit Committee comprises of three members and two of them are independent members.

1.1.7. The Management Board encourages the implementation of and ensures compliance by subsidiaries with the sustainability principles adopted at group level, where applicable.

Doverie – United Holding AD applies this practice.

1.1.8. Shall establish the company's financial and information system and shall ensure its reliable functioning according to the directions set by the Supervisory Board.

Doverie – United Holding AD applies this practice. The established financial and information system of the Company is being updated in a timely manner with regard to the legislative changes, IFRS, as well as the changes in Doverie Group.

1.1.9. Shall coordinate with the Supervisory Board its work on the company's business plan, carrying out of material transactions and implementing any other operations and actions required by the company's constitutional documents.

Doverie – United Holding AD applies this practice. The decisions of the Management Board are coordinated with the Supervisory Board in compliance with the provisions of the Commerce Act (CA), Public Offering of Securities Act (POSA) and the Statutes of the Company.

1.1.10. Shall inform and report to the Supervisory Board on its actions. For that purpose MB shall provide the requested information in the format and within the established deadlines.

Doverie – United Holding AD applies this practice. The Management Board informs and reports to the Supervisory Board on its actions on joint meetings, providing periodic information (quarterly unconsolidated and consolidated financial statements, annual financial statements) as well as other regulated information.

1.2. STRUCTURE AND COMPETENCE

1.2.1. The structure and the number of members of the Management Board should guarantee the effective performance of the company.

Doverie – United Holding AD applies this practice. The Management Board consists of a Chairperson and two members (one of them is an Executive Director) with appropriate education, experience and competence, and they guarantee the effective performance of the Company.

1.2.2. Upon proposing new members of the Management Board, the principles of compliance of the candidates' competencies with the nature of the company's activities shall be followed.

Doverie – United Holding AD applies this practice.

1.2.3. Management Contracts concluded with the members of the Management Board shall stipulate the responsibilities and tasks, the criteria and level of the remuneration, the duty of loyalty to the Company, and the conditions for their dismissal.

Doverie – United Holding AD applies this practice.

1.2.4. The competences, rights and responsibilities of the members of the Management Board shall comply with the law, the constitutional documents of the Company, and good professional and management practice. In addition, the Management Board members should be kept informed of the new trends in corporate governance and sustainable development.

Doverie – United Holding AD applies this practice.

1.3. REMUNERATION

1.3.1. In accordance with the law and good corporate governance practices, the amount and structure of the remuneration of the members of the Management Board should take into account the following:

1.3.1.1. The responsibilities and the contribution of each of the members of the Management Board to the Company's performance and results;

1.3.1.2. The ability to attract, select and retain qualified and loyal managers;

1.3.1.3. The need to have the interests of the members of the Management Board aligned with the long-term interests of the Company.

The Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Doverie – United Holding AD (the Remuneration Policy), adopted by Resolution of the General Meeting of Shareholders on 29 September 2020, has been developed in accordance with the provisions of Ordinance No 48 of 20 March 2013 on Remuneration Requirements (Ordinance No 48) and establishes clear and objective principles for the remuneration of the members of the Management Board.

In accordance with the Policy, all members of the Management Board of Doverie – United Holding AD receive permanent remuneration, the specific amount of which is determined by the General Meeting of Shareholders of the Company in accordance with the requirement of Article 116c, paragraph 1 of the Public Offering of Securities Act (POSA). The remuneration is paid under the terms and conditions of the Management Contracts, concluded between the Management Board members and the holding.

In accordance with Article 40, paragraph 6 of the Statutes in case of a positive annual financial result (net profit), the Executive Director is entitled to receive a one-time remuneration of 1% (one percent) of the net annual profit of the Company.

1.3.2. It is recommended that the remuneration of the members of the Management Board should consist of a fixed and a variable component.

1.3.2.1. The structure and type of variable remuneration should be specifically defined or definable and should be linked with clear and specific criteria and indicators with respect to the Company's performance and/or the meeting of goals set by the Supervisory Board.

1.3.2.2. The Company may offer to the Management Board member variable remuneration such as shares, options on shares, and other appropriate financial instruments.

Doverie – United Holding AD does not apply this practice. The remuneration of the Management Board members consists of one component — fixed remuneration. Until now the members of the Management Board have not been offered shares, options on shares or other appropriate financial instruments.

1.3.3. The disclosure of the remuneration of the members of the Management Board is in accordance with the law and the constitutional documents of the Company. Shareholders should have easy access to the policy, adopted by the Company concerning the determination of the remunerations and the bonuses of the Management Board members, as well as to the information about the annual remunerations and additional incentives received by them.

Doverie – United Holding AD applies this practice. Information on annual remuneration received of the Board of Directors is presented with the Company's annual financial statements —in the Annual Report on the Activity as well as in the Report on the Implementation of the Remuneration Policy. Doverie – United Holding AD shall publicly disclose its Remuneration Policy and any subsequent changes thereto in a clear and accessible manner in accordance with the requirements of Article 11(7) of Ordinance No 48 — on the Company's website: www.doverie.bg, under 'About us' category, 'Documents' section.

1.4. CONFLICT OF INTERESTS

1.4.1. The members of the Management Board should avoid and prevent any real or potential conflict of interests.

Doverie – United Holding AD applies this practice.

1.4.2. The procedures for avoiding and disclosing conflicts of interests should be stipulated in the constitutional documents of the Company.

Doverie – United Holding AD will apply this practice. Approval of the Rules for the Avoidance and Disclosure of Conflicts of Interest of the Company's Corporate Boards is envisaged.

1.4.3. The members of the Management Board should immediately disclose any conflicts of interests and provide shareholders with access to information on transactions between the company and its subsidiaries, on the one hand, and members of the Management Board or persons related to them, on the other hand.

Doverie – United Holding AD applies this practice.

1.4.4. The Management Board and the Supervisory Board guarantee that all related party transactions shall be approved and carried out in such a way, which ensures effective management of conflict of interest and protects the interest of the company and its shareholders.

Doverie – United Holding AD applies this practice.

1.4.5. Each conflict of interests should be disclosed to the Supervisory Board. The members of the Management Board should inform the Supervisory board on having any direct, indirect or third-party-related material interest in any transaction or event, which could directly influence the company.

Doverie – United Holding AD applies this practice.

2. SUPERVISORY BOARD

2.1. FUNCTIONS AND TASKS

2.1.1. In accordance with the segregation of functions within the two-tier management system, the Supervisory Board must appoint the Management Board of the company, provide it with strategic guidance, oversee and control its activities.

Doverie – United Holding AD applies this practice.

2.1.2. The Supervisory Board shall provide guidance to the Management Board on defining the vision, the goals, the strategy of the Company and the interests of the shareholders and stakeholders, including in the context of sustainable development, and shall control their implementation. It is recommended that the vision, objectives and strategies are established in accordance with the economic, social and environmental priorities of the company.

Doverie – United Holding AD applies this practice.

2.1.3. The Supervisory Board shall provide guidance to the Management Board concerning the development and implementation of the risk management system, including the internal control, internal audit, and the financial information systems of the Company, and shall control their proper functioning.

Doverie – United Holding AD applies this practice.

2.1.4. The Supervisory Board must ensure compliance with the law and the rules set in the constitutional and other internal documents of the company.

Doverie – United Holding AD applies this practice.

2.1.5. The Supervisory Board shall carry out its activity by effective information exchange with the Management Board.

Doverie – United Holding AD applies this practice.

2.1.6. It is recommended that the Supervisory Board shall evaluate the performance of the Management Board as a whole and the work of each of its individual members at least once per year.

Doverie – United Holding AD applies this practice.

2.1.7. The Supervisory Board shall treat equally all shareholders and stakeholders, shall act faithfully in their best interest and in a diligent manner.

Doverie – United Holding AD applies this practice.

2.1.8. When performing their duties, the members of the Supervisory Board should have access to all the necessary information about the company's activities.

Doverie – United Holding AD applies this practice.

2.2. APPOINTMENT AND DISMISSAL OF THE MEMBERS OF THE MANAGEMENT BOARD

2.2.1. The Supervisory Board shall appoint and dismiss the members of the Management Board in compliance with the legal requirements, constitutional documents of the Company, the best corporate governance standards, while respecting the principles of continuity and sustainability of the work of the Management Board.

Doverie – United Holding AD applies this practice.

2.3. STRUCTURE AND COMPETENCE

2.3.1. The members of the Supervisory Board should carry out their tasks independently and impartially in the best interest of the company.

Doverie – United Holding AD applies this practice. The Company complies with the requirement of Article 116a[1](2) of the POSA that at least one third of the members of the Supervisory Board be independent persons.

2.3.2. The number of the members of the Supervisory Board, including the number of independent members and the proper segregation of tasks among them, shall be stipulated in the constitutional documents of the Company.

Doverie – United Holding AD applies this practice.

2.3.3. The independent member of the Supervisory Board shall act impartially and independently in the best interests of the company and all its shareholders. It is recommended to limit the number of the consecutive terms of the independent SB members.

Doverie – United Holding AD applies this practice.

2.3.4. The members of the Supervisory Board should have appropriate knowledge and experience required to hold such position. At least one of the members should have financial competences. In addition, the Supervisory Board members should be kept informed of the new trends in corporate governance and sustainable development.

Doverie – United Holding AD applies this practice.

2.3.5. After their election the new members of the Supervisory Board have to be familiarized with the basic legal and financial issues related to the activities of the Company. Professional training of the members of the Supervisory Board should be their constant priority.

Doverie – United Holding AD applies this practice.

2.3.6. The members of the Supervisory Board should have sufficient time to carry out their tasks and duties. It is recommended that the constitutional documents of the Company should limit the number of the companies in which the members of the Supervisory Board may hold management positions.

Doverie – United Holding AD applies this practice.

The company may not limit the activity of the members of the Supervisory Board.

2.3.7. It is recommended that the procedures for selecting new Supervisory Board members should take into account the requirements for continuity and should ensure sustainability in the functioning of the Supervisory Board.

Doverie – United Holding AD applies this practice.

2.4. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

2.4.1. The Supervisory Board, with the assistance of the Remuneration Committee, where one has been established, shall develop a clear and specific remuneration policy for the members of the Management Board and the Supervisory Board, which shall be approved by the General Meeting of Shareholders. The policy sets out the principles for the amount and structure of remuneration. It should comply with the regulatory requirements in terms of structure and content.

Doverie – United Holding AD applies this practice. The Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Doverie – United Holding AD (the Remuneration Policy) was developed by the Supervisory Board and adopted by Resolution of the General Meeting of Shareholders on 29 September 2020. The Policy has been prepared in accordance with the provisions of Ordinance No 48 of 20 March 2013 on Remuneration Requirements (Ordinance No 48) and establishes clear and objective principles for the remuneration of the members of the Management Board and the Supervisory Board.

2.4.2. It is recommended that the remuneration of the members of the Supervisory Board should be based on their activity and responsibilities and should not relate to the company’s results.

Doverie – United Holding AD applies this practice. All members of the Supervisory Board of Doverie – United Holding AD receive fixed remuneration, which amount is determined by the General Meeting of Shareholders of the company.

2.4.3. The remuneration of the independent members shall be their basic salary without variable remuneration and shall reflect their individual participation in meetings, their performance level in regard with their assigned tasks to control the operations of the executive management and to participated effectively in the work of the company.

Doverie – United Holding AD applies this practice.

2.4.4. The variable remuneration of the Supervisory Board members should not include stock options.

Doverie – United Holding AD applies this practice. The Remuneration Policy of the company does not provide for remuneration to the Supervisory Board members in the form of company's shares, share options or other rights to acquire shares. Remunerations based on changes in the prices of the company's shares are not provided for either.

2.4.5. The disclosure of the remuneration of the members of the Supervisory Board shall be in accordance with the law and the constitutional documents of the Company. Shareholders should have easy access to information concerning the remuneration.

Doverie – United Holding AD applies this practice. Information on annual remuneration received of the Supervisory Board members is presented with the Company's annual financial statements —in the Annual Report on the Activity as well as in the Report on the Implementation of the Remuneration Policy. Doverie – United Holding AD shall publicly disclose its Remuneration Policy and any subsequent changes thereto in a clear and accessible manner in accordance with the requirements of Article 11(7) of Ordinance No 48 — on the Company's website: www.doverie.bg, under 'About us' category, 'Documents' section.

2.5. CONFLICT OF INTERESTS

2.5.1. The members of the Supervisory Board should avoid and prevent any real or potential conflict of interests.

Doverie – United Holding AD applies this practice.

2.5.2. The procedures for avoiding and disclosing conflicts of interests should be stipulated in the constitutional documents of the Company.

Doverie – United Holding AD will apply this practice. Approval of the Rules for the Avoidance and Disclosure of Conflicts of Interest of the Company's Corporate Boards is envisaged.

2.5.3. The members of the Supervisory Board should immediately disclose any conflicts of interests and provide shareholders with access to information on transactions between the company and its subsidiaries, on the one hand, and members of the Supervisory Board or persons related to them, on the other hand.
Doverie – United Holding AD applies this practice.

2.6. COMMITTEES

2.6.1. The work of the Supervisory Board should be assisted by committees. The Supervisory Board should assess the need for setting up committees in accordance with the specific operations of the company.
Doverie – United Holding AD applies this practice in accordance with the current needs of the company.

2.6.2. Depending on the requirements of the existing legislation and based on the criteria defined therein, the Supervisory Board approves the proposal the Management Board has made to the General Meeting of Shareholders of the company to elect an audit committee, whose composition shall comply with the legal requirements and the specific needs of the company.
Doverie – United Holding AD applies this practice. In accordance with the requirements of Article 107 of the Independent Financial Audit Act (IFAA), a new Audit Committee was elected by resolution of the General Meeting of Shareholders on 14 June 2017. The Rules (Statutes) of the Audit Committee of Doverie – United Holding AD have been approved by the General Meeting of Shareholders and are published on the company's website: www.doverie.bg, under 'About us' category, 'Documents' – Audit Committee section

2.6.3. The committees should be set up according to written pre-established structure, scope of tasks, way of functioning and reporting procedures.
Doverie – United Holding AD applies this practice.

Chapter Two
AUDIT AND INTERNAL CONTROL

1. The corporate boards shall propose to the General Meeting the selection of an auditor based on a written recommendation from the Audit Committee.
Doverie – United Holding AD applies this practice. An Audit Committee was elected by resolution of the General Meeting of Shareholders on 14 June 2017 and it is responsible for the selection procedure of the registered auditor. The Audit Committee's written recommendation for the appointment of the registered auditor shall be presented at the annual General Meeting of Shareholders in accordance with the requirements of Article 108 of the Independent Financial Audit Act (IFAA). The auditors are appointed by the General Meeting for each financial year.

2. Corporate boards with the assistance of the Audit Committee shall ensure compliance with applicable law with regard to independent financial audit.

Doverie – United Holding AD applies this practice.

3. The principle of rotation should be applied in proposing and appointing an external auditor.

Doverie – United Holding AD applies this practice.

4. The audit committee supervises the internal audit process and monitors the overall relations with the external auditor, including approval of non-audit services, provided by the latter.

Doverie – United Holding AD applies this practice.

5. The Company should develop and implement an internal control system, which should identify any risks associated with the operation of the company and should help their effective management. Such system should also ensure the effective functioning of the reporting and the disclosure of information systems.

Doverie – United Holding AD applies this practice. An Internal Control and Risk Management Policy has been adopted at Doverie – United Holding AD in accordance with the requirements for the establishment of an internal control system.

Chapter Three

PROTECTION OF SHAREHOLDERS' RIGHTS

1. PROTECTION OF SHAREHOLDERS' RIGHTS

Corporate boards shall ensure equal treatment of all shareholders, including minority and foreign shareholders, and should be responsible to protect their rights and to facilitate the exercise of these rights within the limits permitted by the applicable legislation and pursuant to the provisions of the constitutional documents of the company. Corporate boards shall ensure that all shareholders are informed of their rights, the company's financial performance and corporate events through the company's disclosure system and the company's website.

Doverie – United Holding AD applies this practice.

2. GENERAL MEETING OF SHAREHOLDERS

2.1. All shareholders should be informed about the rules for convening and conducting General Meetings of Shareholders, including voting procedures. Corporate boards should provide sufficient and timely information concerning

the date and venue of the General Meeting, as well as complete information on the matters to be discussed and resolved at the meeting.

Doverie – United Holding AD applies this practice.

2.2. It is recommended that corporate boards should maintain a database of contacts of its shareholders holding 5% or more of the company's capital, allowing direct messages to be sent to them or to a person they designate.

Doverie – United Holding AD applies this practice.

2.3. During the General Meeting of the Shareholders, the corporate boards should ensure that each shareholder is in possession of the right to express opinion and ask questions.

Doverie – United Holding AD applies this practice.

2.3.1. Shareholders who have the right to vote should have the opportunity to exercise their voting rights directly or through the use of a proxy at the General Meeting of Shareholders, and where the constitutional documents of the Company stipulate that - by correspondence and/or electronic means.

Doverie – United Holding AD applies this practice. In accordance with the Statutes of the company effective from 26 January 2021, the General Meeting Of Shareholders may also be conducted by the use of electronic means, by one or more of the forms provided for in the Public Offering of Securities Act, as well as by a combination of a physical-attendance session and any of these forms. In addition, the voting right in the General Meeting may also be exercised by correspondence — by mail, including e-mail, courier, etc. The Management Board shall adopt the rules for voting by electronic means and by correspondence and shall determine the manner in which voting rights are to be exercised and how they are to be exercised for each individual session of the General Meeting.

2.3.2. Corporate boards shall exercise effective control and ensure that necessary arrangements are made for the voting by correspondence or voting of the authorized representatives (proxies) in accordance with the instructions of the shareholders or in accordance with the law.

Doverie – United Holding AD applies this practice. The rules for voting at a General Meeting Of Shareholders by a proxy and by correspondence shall be adopted by the Management Board and shall be attached to the invitation of the convening of the General Meeting.

2.3.3. Corporate boards shall establish rules for the organisation and conduct of regular and extraordinary General Meetings of Shareholders. These rules shall guarantee the equal treatment of all shareholders and the right of each shareholder to express their opinion about the items on the agenda of the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice.

2.3.4. Corporate boards shall establish the rules and procedures for the conduct of the General Meeting of Shareholders in a manner which does not make voting procedure unnecessarily difficult or expensive.

Doverie – United Holding AD applies this practice.

2.3.5. Corporate boards shall take actions to encourage the participation of all shareholders at the General Meeting of Shareholders, including by allowing the use of technical means (including internet) whenever possible and necessary.

Doverie – United Holding AD applies this practice. Article 27a of the Statutes of the company, effective from 26 January 2021, provides for the possibility that the General Meeting Of Shareholders be also conducted by the use of electronic means, by one or more of the forms provided for in the Act, as well as by a combination of a physical-attendance session and any of these forms. According to the Statutes, the rules for voting by electronic means are adopted by the Management Board, which also determines the method of voting for each individual session of the General Meeting. The information shall be provided in the invitation for the convening of the specific General Meeting.

2.3.6. It is recommended that all members of the corporate boards attend the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice.

2.4. Written materials for the General Meeting of Shareholders

2.4.1. Documentation and reference materials related to the agenda of the General Meeting of Shareholders should be clear, accurate and not misleading the shareholders. All proposals concerning major corporate events shall be presented as separate items on the agenda of the General Meeting of Shareholders, including the proposal for profit distribution.

Doverie – United Holding AD applies this practice.

2.4.2. The company shall maintain a special section on its website describing the rights of shareholders and their participation in the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice. The invitation and materials as well as the Protocols of the General Meetings of Shareholders are published within the statutory deadlines on the company's website: www.doverie.bg in the 'For Investors' category, 'General Meetings of Shareholders' section. Through the Contact Form in the 'Contacts' category on the website the shareholders may inform themselves about any issues regarding their participation in the General Meeting of the Shareholders.

2.4.3. Corporate boards shall assist shareholders, entitled under current law, to include additional items and to propose resolutions on items already included in the agenda of the General Meeting.

Doverie – United Holding AD applies this practice.

2.5. Corporate boards shall guarantee the right of all shareholders to be informed about the resolutions that have been made by the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice. The protocols of the General Meeting shall be published on the Company's website within the statutory deadlines: www.doverie.bg, section 'For Investors' category, 'General Meetings of Shareholders' section and in the information media X3News. They are also provided to the Financial Supervision Commission (FSC) and the Bulgarian Stock Exchange (BSE).

3. EQUAL TREATMENT OF SHAREHOLDERS OF THE SAME CLASS

3.1. All shareholders of the same class should be treated equally.

3.2. All shares of the same class should give equal rights to the shareholders of the same class.

3.3. Corporate boards shall guarantee that sufficient information is provided to the investors about the rights attached to the shares of each class prior to their acquisition.

Doverie – United Holding AD applies this practice. The shares of the Company are ordinary, registered, dematerialized, freely transferable shares of one class with one voting right at the General Meeting of Shareholders, right to dividend and right to liquidation share.

4. CONSULTATION BETWEEN SHAREHOLDERS ABOUT MAIN SHAREHOLDER RIGHTS

4.1. Within the limits of the applicable law and according to the company's constitutional documents, the corporate board may not hinder shareholders, including institutional investors, to consult each other on matters, related to their main shareholder rights in a manner, which does not allow misuse.

Doverie – United Holding AD applies this practice.

5. CONTROLLING RIGHTS SHAREHOLDERS' TRANSACTIONS AND ABUSIVE TRANSACTIONS

5.1. Corporate boards shall not allow transactions of shareholders with controlling rights, which violate the rights and/or legal interests of other shareholders, including when the controlling shareholders are negotiating with themselves.

The management of Doverie – United Holding AD is not aware of circumstances about shareholders with special controlling rights.

Chapter Four

DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION

1. Corporate boards shall establish the information disclosure policy in compliance with legal requirements and the constitutional documents.

Doverie – United Holding AD applies this practice.

2. In accordance with the established policies under item 1, the corporate boards shall create and maintain a financial and non-financial information disclosure system.

Doverie – United Holding AD applies this practice.

3. The financial and non-financial information disclosure system should guarantee equal access to information to shareholders, investors, and other stakeholders and should not allow for any misuse of inside information.

Doverie – United Holding AD applies this practice. The disclosure of information to the FSC, the BSE and the public shall be made simultaneously — through the X3News specialized information media. The information shall also be published on the company's website. With regard to inside information, the Company shall fully comply with the requirements of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

4. Corporate boards shall guarantee that the financial and non-financial information disclosure system provides complete, timely, true and comprehensive information that allows for objective and well-informed decision-making and assessment.

Doverie – United Holding AD applies this practice.

5. Corporate boards shall promptly disclose information about the capital structure of the company and agreements that lead to effective control, according to the company's disclosure rules.

Doverie – United Holding AD applies this practice.

6. Corporate boards shall establish and oversee the compliance with the internal rules for the preparation of the interim and annual reports and the proper disclosure of information.

Doverie – United Holding AD applies this practice. The Company shall present all interim and annual financial statements and other regulated information in a timely and exhaustive manner in accordance with the requirements of the Public Offering of Securities Act and its implementing regulations. The information shall be provided simultaneously to the FSC, the BSE and the public through the X3news information media and it shall also be published on the company's website: www.doverie.bg.

7. Corporate boards shall adopt internal rules which provide timely disclosure of any significant periodic and ad-hoc information about the company, its management, corporate boards, operations and shareholding structure.

Doverie – United Holding AD applies this practice.

8. Where applicable, corporate boards shall adopt rules that ensure disclosure on an annual basis of non-financial information in accordance with national law and applicable European law. In this regard, corporate boards should include in their annual reports information on how and to what extent the company's activities qualify as environmentally sustainable, such as: what proportion of its turnover is the result of products and services that are related to economic activities that qualify as environmentally sustainable; what proportion of its capital expenditure, where applicable, and what proportion of its operating expenses is related to assets or processes associated with economic activities that qualify as environmentally sustainable. When the corporate board prepares a separate report on non-financial reporting, this information should be included in the report.

Doverie – United Holding AD applies this practice. The Company discloses non-financial information on a consolidated annual basis.

9. It is recommended that the company should set up and maintain a corporate website as part of a well-functioning information disclosure system with approved content, scope and frequency of information disclosure. It is recommended that the official information posted on the website should include at minimum:

- basic, identifying information about the company and its business model;
- up-to-date information about the shareholding structure, where applicable;
- constitutional documents of the company and adopted policies, pertaining to the operations and the functioning of the company;
- information about the structure and composition of the managing and supervisory bodies of the company as well as basic information about their members, including information about any committees;
- financial statements for the last ten years at least;
- materials for upcoming General Meetings of the Shareholders as well as any additional materials which have been submitted in compliance with the law; information about resolutions of the General Meetings of Shareholders for the last five years at least, including information about the dividends distributed by the company for that period;
- information about external auditors;

- information about up-coming events;
- information about the shares issued and other financial instruments;
- any information that is material to the company's activities;
- information about shareholders' rights, including sufficient information on the shareholders' right to request the inclusion of matters and to propose resolutions on matters already included in the agenda of the General Meeting under the provisions of Article 223a of the Commerce Act;
- contact details of the company's Investor Relations Director.

9.1. It is recommended that the company should also maintain an English version of its corporate website with identical content.

Doverie – United Holding AD applies this practice. The website of the Company: www.doverie.bg has been updated in 2019. The English version of the website is not fully corresponding to the Bulgarian version.

10. The company should periodically disclose information about its corporate governance. The disclosure of corporate governance information shall be effected in line with the

'comply or explain' principle. This principle requires to explain the reasons for not complying with individual provisions of the Code.

Doverie – United Holding AD applies this practice. The Company presents this Report as a separate document to the annual financial statements.

11. Corporate boards shall provide disclosure of any material periodic and ad-hoc information about the company through channels that provide equal and timely access to relevant information by users.

Doverie – United Holding AD applies this practice. The information shall be disclosed through the X3news specialized information media and it shall also be published on the company's website.

Chapter Five

STAKEHOLDERS. SUSTAINABLE DEVELOPMENT

1. Sustainable development is about achieving a balance between social and environmental principles, such as socially justifiable and environmentally sound economic development. It aims to meet the needs of the current generation without compromising the ability of future generations to meet their own needs.

2. Corporate boards should be committed to establishing specific actions and policies on company sustainability, including the disclosure of climate and social aspects of their activitties.

Doverie – United Holding AD applies this practice.

3. Corporate boards shall ensure effective interaction with the company's stakeholders. In addition, corporate boards shall provide guidance, shall approve and oversee the stakeholder engagement policy. The stakeholder group shall include certain interested parties and groups of individuals who are directly influenced by the company and who are in a position to influence the company themselves, including suppliers, customers, employees, creditors, public pressure groups and others. The company shall identify the stakeholders who are interested in its activities, based on their scale and sphere of influence and impact, as well as their role and relationship to the company's sustainable development.

Doverie – United Holding AD applies this practice. Approval of a stakeholder engagement policy is envisaged.

4. Corporate boards shall comply with existing laws in its stakeholder engagement policy . The corporate bodies shall guarantee respect for stakeholders' rights, established by law or by virtue of mutual agreement with the company. Good corporate governance practice requires taking into consideration the interests of stakeholders with regard to the principles of transparency, accountability, business ethics and protection of human rights.

Doverie – United Holding AD applies this practice.

5. Corporate bodies shall provide stakeholders with sufficient information about their legal rights.

Doverie – United Holding AD applies this practice.

6. It is recommended that corporate boards shall establish specific rules for addressing the interests of stakeholders to ensure appropriate stakeholder engagement when decisions requiring their input are made. These rules should ensure balance between company development and the economic, social and ecological improvement of the environment in which the company operates.

Doverie – United Holding AD will apply this practice. Written rules are envisaged to be developed.

7. Corporate boards shall maintain effective relations with the company's stakeholders. The company should periodically and in compliance with the legal provisions and good international practice for disclosure of non-financial information provide information about economic, social and environmental issues of concern to stakeholders, such as: fighting corruption; work with employees, suppliers and clients; company's social responsibility; environmental protection and human rights violations.

Doverie – United Holding AD applies this practice. The Company shall submit a consolidated non-financial statement to its annual consolidated financial statements in accordance with the requirements of the Public Offering of Securities Act and the Accounting Act.

8. Corporate boards shall guarantee the right of prompt and regular access of stakeholders to relevant, sufficient and reliable information about the company when stakeholders participate in the process of corporate governance.

Doverie – United Holding AD applies this practice.

14 February 2024

City of Sofia Executive Director: _____

(Alexandre Hristov)

INFORMATION ON THE PUBLIC COMPANY

in accordance with to Annex No 3 to Article 10, subparagraph 2 of Ordinance No 2 of 09 November 2021 on initial and subsequent disclosure of information in public offerings of securities and their admission to trading on a regulated market

1. Information on securities not admitted to trading on a regulated market in the Republic of Bulgaria or another Member State:

As at 31 December 2023 the share capital of Doverie – United Holding AD is BGN 21,499,855, divided in 21,499,855 ordinary, registered, book-entry, freely transferable shares with a nominal value of BGN 1, with voting rights in the General Meeting, dividend rights and liquidation share. All shares are of the same class and are admitted to trading on the Bulgarian Stock Exchange, Main Market, Standard Share Segment, with stock code DUH.

2. Information on direct or indirect ownership of 5 percent or more of the voting rights at the General Meeting of Shareholders of the company, including details on shareholders, the size of their holding and the manner in which shares are held:

As of 31 December 2023, the shareholders holding 5% or more of the Company's capital are as follows:

Shareholder	***Number of owned shares***	***Percentage of capital***	***Manner of possession***
Sopharma AD, UIC: 831902088	5 044 227	23.4617%	Direct

Shareholder	*Number of owned shares*	*Percentage of capital*	*Manner of possession*
Telecomplect AD, UIC: 831643753	1 917 838	8.9202 %	Direct
Kaliman – RT AD, UIC: 121120513	1 786 480	8.3093 %	Direct

3. Shareholders with special controlling rights and description of these rights.

Doverie – United Holding AD has no shareholders with special control rights.

4. Agreements between shareholders, known to the company, that might lead to restrictions in the transfer of shares or of voting rights.

Agreements between shareholders that might lead to restrictions in the transfer of shares or of voting rights are not known to the Company.

5. Significant contracts of the Company which take effect, which are amended or terminated due to a change in the control of the company in a mandatory tender offer and the effects thereof, except where disclosure of this information may cause serious damage to the company; exemption under the preceding sentence shall not apply in cases where the company is obliged to disclose information under the law.

Doverie – United Holding AD has not concluded significant contracts which take effect, which are amended or terminated due to a change in the control of the Company in a mandatory tender offer.

The Annual Non-Consolidated Financial Statements are approved for publishing on

14 February 2024 by

Anna Pavlova

Chief Accountant and Chairperson of the Management Board

Alexandre Hristov

Executive Director

Petko Ivanov

Member of the Management Board