

**STATEMENT OF FINANCIAL POSITION
OF FACTORI AD
as at 31.12.2023**

ASSETS	Definition	Current Year Amount (BGN thousands)	Previous Year Amount (BGN thousands)
		1	2
A. NON-CURRENT ASSETS			
Financial Assets	3. 1	1 687	1 706
TOTAL FOR SECTION A:		1 687	1 706
B. CURRENT ASSETS			
Парични средства и еквиваленти	3. 2	-	84
Търговски инвестиции	3. 3	424	316
TOTAL FOR SECTION B:		424	400
TOTAL ASSETS:		2 111	2 106
EQUITY & LIABILITIES			
	Definition	Current Year Amount (BGN thousands)	Previous Year Amount (BGN thousands)
		1	2
A. EQUITY			
Fixed capital	3. 4	1 855	1 855
Reserve Fund	3. 5	244	244
Result of previous period	3. 6	(4)	(279)
Current period result	3. 7	1	275
TOTAL FOR SECTION A:		2 096	2 095
B. Liabilities			
liabilities to staff	3. 8	-	8
Tax liabilities	3.9	15	-
Other liabilities	3.10	-	3
TOTAL FOR SECTION B:		15	11
Total equity and liabilities		2 111	2 106

Date: 29.03.2024

Complier



CEO



According to the report of the independent auditor dated:
29.03.2024 Bozhidar Nachev, registered auditor

0788 **Бождар
Начев**
Регистриран одитор

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
OF "FACTORI" AD
as of 31.12.2023**

index	definition	Amount (thousand BGN)	
		current year	previous year
a		1	2
Financial income		506	50
Income from participations			
Positive differences from changes in exchange rates	3.11	313	16
Income from operations with financial assets and instruments	3.12	193	34
Financial expenses		744	179
Negative differences from changes in exchange rates	3.13	233	7
Other costs of financial operations	3.14	496	166
Other financial expenses	3.15	15	6
Non-financial income	3.16	473	590
Non-financial expenses		234	186
Wages, social security and pensions	3.17	182	95
Expenses for external services	3.18	52	91
Profit/(loss) before taxes	3.19	1	275
Taxes			-
Net profit/(loss) after tax	3.19	1	275

Date: 29/03/2024

Compiler:

CEO:

According to the report of the independent auditor dated:
29.03.2024 Bozhidar Nachev, registered auditor

Зоберч!

**STATEMENT OF CHANGES IN THE EQUITY OF
" FACTORI" AD
as of 31.12.2022**

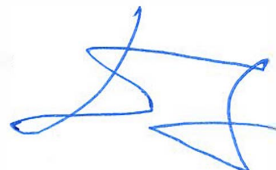
Indicators	Fixed Capital	Reserves	Profit / Loss	Total
	1		3	4
Balance at 31.12.2022	1 855	244	(4)	2 095
Capitalised profit and reserve	-	-	-	-
increase	-	-	-	-
reserve fund			-	-
Net profit for the period	-		1	1
Balance as of 31.12.2023	1 855	244	(3)	2 096

Date: 29/03/2024

Complier :



CEO





0788 Божидар
Начев
Регистриран одитор

According to the report of the independent auditor dated:
29.03.2024 Bozhidar Nachev, registered auditor

**CASH FLOW STATEMENT OF
"FACTORI" AD
as of 31.12.2022**

Index	Current year	Pevious year
Cash flows from operating activities		
Receipts, payments related to commercial counterparties	125	159
Payments related to labor remuneration	(190)	(87)
Other payments from operational activity	(19)	(6)
Net cash flow from operating activities	(84)	66
Cash flows from investing activities		
Other receipts/payments from investment activity		-
Net cash flow from investing activity	-	-
Net cash flow	(84)	66
Cash at beginning of period	84	18
Cash at the end of the period	-	84

Date: 29.03.2024

Complier :



CEO:



According to the report of the independent auditor dated:
29.03.2024 Bozhidar Nachev, registered auditor

30.03.2024

0788 **Бождар
Начев**
Регистриран одитор

ANNUAL ACTIVITY REPORT

of the investment intermediary "FACTORI" AD

1. Statement of the development of the activity and the state of the Investment Intermediary

"FACTORI" AD is a joint-stock company with headquarters and address of management: Sofia, blvd. Cherni Vrah", No 67. The share capital of the company is BGN 1,855,000.

In 2023, the investment intermediary reported a profit of BGN 1 thousand.

FACTORI AD does not report the presence of direct negative impacts on the Company's activities from the armed conflict in Ukraine and the sanctions imposed by the EU against Russia. In this regard, in 2023, due to the war in Ukraine, there were no negative changes in the organization of work processes in the company, in its organizational structure and in the number of staff.

2. Important events and results that occurred after the end of the reporting period and before the date of preparation of the report, which may be relevant for the activity in 2023.

There are no significant events that have occurred after the annual accounting closure that could significantly change the financial position of the company presented in this report.

3. Envisaged development of the company

The main goal set by "FACTORI" AD in 2024 is to attract new customers and make a profit at the end of the year.

4. R&D actions

"FACTORI" AD does not carry out research and development activities.

5. Information under the Commerce Act

In the past 2023, "FACTORI" AD has not acquired its own shares.

The shares of "FACTORI" AD are freely transferable in application of the provisions of the current legislation.

6. Branches and offices of the company

"FACTORI" AD does not have registered branches within the meaning of the Commerce Act. The company has an office in Sofia, 12 Mihail Tenev Street, Evrotur Business Center.

7. Information about Financial equipment Used from Enterprise

"FACTORI" AD holds a license for transactions with financial instruments on its own account.

FACTORI AD has adopted and implements an investment strategy for effective management of internal capital and management, monitoring and risk reduction in the investment intermediary and a Policy for Assessment, Organization, Management, Monitoring and Risk Reduction. strategy in the management of its investments and exposures. An investment strategy involves investments in a diversified portfolio that meets certain constraints and guidelines in relation to the total capital base of the investment firm. FACTORI AD follows a strategy for maintaining the internal capital necessary to cover the capital requirements of the risk exposures to an extent that does not jeopardize the normal functioning of the company.

Risks for FACTORI AD related to the financial instruments on own account

Market risk - the possibility of realizing losses due to adverse changes in securities prices, market interest rates, exchange rates, etc.

The main risk for the company's activities is a decrease in the market prices of the financial instruments held . A decrease in share prices leads to revaluation losses and a corresponding decrease in the value of assets. The aspiration of the management of FACTORI AD is to be sufficiently diversified by companies and industries, so that the main risk to be borne is the market risk as a whole and the specific influence of individual companies is minimized.

Currency risk. As of the date of adoption of the report, Bulgaria continues to have a fixed exchange rate to the euro, which significantly eliminates the currency risk for assets invested in Bulgarian leva-denominated assets. Such a risk would arise in the event of a change in the statutory exchange rate of 1 euro to 1.95583 leva.

Interest rate risk. So far, the company has invested in bonds The forecasts of "FACTORI" AD are that in the short and medium term it is possible to reduce interest rates.

Liquidity risk - the possibility of losses from mandatory sales of assets under unfavorable market conditions to meet unexpectedly incurred short-term liabilities. The company manages liquidity risk through

an internal system for daily monitoring and management of liquidity, maintaining sufficient cash availability according to the structure of assets and liabilities, in order to be able to smoothly provide the necessary funds to meet its obligations.

Credit risk – the possibility of reducing the value of a position in a financial instrument in case of unexpected events of a credit nature related to the issuers of financial instruments, the counterparty in exchange and over-the-counter transactions, as well as the countries in which they operate.

With regard to the risk of the counterparty in securities transactions, it is minimal, since in the market where the company operates, the settlement conditions are "delivery against payment".

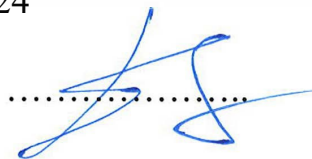
Operational risk – the possibility of realizing losses related to errors or imperfections in the organization's system, insufficiently qualified personnel, adverse external events of non-financial nature, including legal risk.

In order to reduce the risks arising from operational events, the investment intermediary applies policies, rules and procedures that are based on requirements laid down in the Bulgarian and European legislation and good commercial practices.

Concentration risk – the possibility of loss due to improper diversification of exposures to issuers, groups of related issuers, issuers from the same economic sector or geographical area, which may cause significant losses. With regard to this risk, the company has a system of monitoring and control in placelarge exposures to a single issue or issuer.

Date: 29.03.2024

CEO:



**ANNEXES TO THE FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2023
of "FACTORI" AD**

1. Incorporation and registration

"FACTORI" is a joint-stock company, registered with the Sofia City Court under case No. 17486/1997 in Sofia. The company has received a permit No. 41-Sh1/ 29.04.1998. by the FSC for carrying out activities as an investment intermediary and permit No. 096 / 30.07.2004. from the BNB for operating as a financial house.

The registered office and address of management of the company is in the Republic of Bulgaria, Sofia, Lozenets Municipality, bul. "Cherni Vrah" No 67.

The share capital of the company in the amount of BGN 1,855,000 is distributed in 265,000 dematerialized shares with a nominal value of BGN 7 each. The capital has been paid in full.

The official registered website is: www.factory.bg, the e-mail address: factory@abv.bg

The subject of the company's activity is related to:

1. receiving and transmitting orders in relation to securities, including brokering transactions in relation to securities;
2. execution of orders to buy or sell securities on behalf of clients;
3. transactions on own account with securities;
4. management, in accordance with a contract concluded with the client, of an individual portfolio including securities, at its own discretion without special instructions from the client;
5. providing individual investment advice to a client, on its own initiative or at the request of the client, in respect of one or more securities-related transactions ;
6. taking over securities issues and/or offering for initial sale of securities under the conditions of an unconditional and irrevocable obligation to subscribe/acquire the securities on own account;
7. offering for initial sale of securities without an unconditional and irrevocable obligation to acquire the securities on own account.

As well as the performance of the following additional services:

8. storage and administration of securities at the expense of clients, including custodial activities (holding securities and clients' money in a depository institution) and related services

such as management of cash inflows/collateral provided;

9. granting loans for securities transactions, provided that the person granting the loan participates in the transaction under conditions and in accordance with the procedure established by an ordinance;

10 company advice on capital structure, industrial strategy and related issues, as well as advice and services related to mergers and acquisitions;

11. transactions with foreign means of payment, insofar as they are related to the investment services provided;

12. investment research and financial analyses or other forms of general recommendations related to securities transactions;

The company has a one-tier form of management. The bodies of the company are the General Meeting of Shareholders and the Board of Directors.

2. Accounting policy

2.1 Basis for the preparation of the financial statements

The Company maintains its current accounting and prepares its financial statements in accordance with the requirements of the Accountancy Act and in accordance with the applicable International Financial Reporting Standards (IFRS).

These financial statements have been prepared in accordance with the historical cost principle, modified in certain cases by the revaluation of certain assets and liabilities at their fair value.

All data of the financial statements are in thousands. leva.

For accounting purposes, an accounting product authorized by the FSC has been used, giving a true and honest reflection of the company's activities and guaranteeing the reliability of the information provided in the financial statements.

After the preparation of the annual financial statements, no material events have occurred.

The financial statements are:

(a) Statement of Comprehensive Income:

The statement of comprehensive income has been prepared in accordance with the requirements of IAS 1 - Presentation of Financial Statements. The statement is prepared according to the nature of the expenses.

6) Statement of financial position:

The statement of financial position has been prepared in accordance with the requirements of IAS 1 – Presentation of Financial Statements. The statement has been prepared distinguishing between current and non-current assets and liabilities.

(c) a statement of cash flows:

- cash flow accounting method - direct method;
- change in the policy for determining the composition of cash and cash equivalents – none;

(d) Statement of Equity:

The share capital of the company in the amount of BGN 1,855,000 is distributed in 265,000 dematerialized shares with a nominal value of BGN 7 each. The capital has been paid in full.

2.2 General

When carrying out the reporting of the enterprise and the preparation of the financial statements, the following principles have been applied: current accrual, going concern, priority of content over form, prudence, comparability of income and expenses, preservation of the accounting policy from transitional reporting periods.

2.3. Machinery, equipment and equipment

Property, plant, plant and equipment are measured initially at cost, including the cost of acquisition as well as all direct costs of bringing the asset into working order.

Subsequent costs associated with an individual tangible fixed asset are added to the carrying amount of the asset when the entity is likely to have economic benefits that exceed the initially measured effectiveness of the existing asset. Any other subsequent expenditure shall be recognised as an expense in the period in which it is incurred.

The selected materiality threshold for the tangible fixed assets of the Company is BGN 700 (seven hundred).

Depreciation shall be calculated using the straight-line method on the estimated useful life of individual assets, as follows :

Asset group	Useful life of Suitability (years)
Buildings, facilities, transmission facilities U-wa	25
Computers	2
Machinery & EquipmentVane	3.3
Transport	4
Business Inventory	6.7
OtherFTA	6.7

Depreciation begins in the month following the month in which the asset is acquired or put into use.

2.4. Intangible fixed assets

Intangible fixed assets are initially valued at cost. In the case of a stand-alone acquisition, it is equal to its purchase price, as well as all duties paid, non-refundable taxes and direct costs incurred in connection with the preparation of the asset for operation. When an intangible asset is acquired as a result of a business combination, its cost is equal to its fair value on the acquisition day.

The ex-post measurement is carried out on the basis of the recommended approach, i.e. cost of acquisition less accumulated depreciation and impairment losses. Impairments incurred are recorded as an expense and are recognised in the income statement for the relevant period.

Subsequent costs that arise in relation to intangible assets after initial recognition are recognised in the profit and loss account in the period when they are incurred, unless they are likely to help the asset generate more than the initial projected future economic benefits or when These costs can be reliably estimated and attributed to the asset. In these two cases, the costs are added to the cost of the asset.

Depreciation shall be calculated using the straight-line method on the estimated useful life of individual assets, as follows:

Asset Group	Useful period before expiration (years)
Software	2
Patents	10
Other intangible assets	6,7

Depreciation begins in the month following the month in which the asset is acquired or put into use.

2.5. Foreign Currency Transactions

The financial statements are prepared in Bulgarian leva. The BGN cash holdings are their nominal value. Upon acquisition, foreign currency is earned at acquisition price.

Transactions in foreign currency shall be recorded at initial recognition in the reporting currency, and the official exchange rate between the reporting currency and the foreign currency as of the date of the transaction, announced by the BNB, shall be applied to the amount in foreign currency.

2.6. Revenue and expenses

Revenues are reported in compliance with the accounting principle of accrual.

2.7. Financial assets

Financial assets, excluding hedging instruments, can be divided into the following categories: loans and receivables originally incurred in the entity, financial assets held for trading, investments held to maturity and financial instruments. Financial assets are classified into different categories depending on the purpose for which they were acquired. Their belonging to the relevant category shall be reviewed for each reporting period.

Financial assets are recognised at the date of the transaction.

Financial assets are initially recognised at cost, which is the fair value of the consideration paid and the associated transaction costs.

Financial assets are reported in the reports at a market price determined by exchange transactions on BSE-Sofia. Provided that they are not traded on BSE-Sofia, the historical value of the asset is used.

Held-to-maturity investments are financial instruments with fixed or determinable payments and a specified maturity date. Investments are defined as held to maturity if the intention of the Company's management is to hold them until maturity.

Investments held to maturity are subsequently measured at amortised cost using the effective interest method. If it is impossible to estimate them using the effective interest method, they are valued at the expected value that will be obtained at their maturity.

Financial assets held for trading are assets that are acquired for profit as a result of short-term fluctuations in price or dealer margin. Derivative financial assets, unless they are specifically designated and effective hedging instruments, are classified as held for trading. Financial assets held for trading are initially recognised at cost, which is the fair value of the consideration paid. After initial recognition, financial instruments in this category are measured at fair value, except for those for which there are no quotes at the market price in an active market whose fair value cannot be reliably determined. The latter are measured at amortised cost using the effective interest rate method or at cost if they do not have a fixed maturity. At a fixed maturity they are measured at the value that will be obtained at maturity.

Financial assets available for sale are those financial assets that are not loans and receivables incurred in the entity, investments held to maturity or financial assets held for trading. Financial assets in this category are subsequently measured at fair value, except for those for which there are no quotations at the market price in active markets whose fair value cannot be reliably determined. The latter are measured at amortised cost using the effective interest rate method or at cost if they do not have a fixed maturity.

Loans and receivables initially incurred by the Company are financial assets created by the entity through the direct provision of money, goods or services to a debtor. They are non-derivative financial instruments and are not quoted on an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method reduced by the amount of impairment.

A change in their value is reflected in the Profit and Loss Statement for the period.

Trade receivables are depreciated when there is objective evidence that the Company will not be able to collect the amounts due to it in accordance with the original terms of the transaction. The amount of the impairment is defined as the difference between the carrying amount of the claim and the present value of future cash flows.

2.10 Cash and cash equivalents

The company reports as cash and cash available cash , cash in bank accounts, deposits, short-term and highly liquid investments, which are easily negotiable in cash equivalent and contain an insignificant risk of change in their value.

2.11 Capital

The share capital of the Company reflects the nominal value of the issued shares.

The premium reserve includes the premium received on issued shares. Issuance costs are not included in the value of the additional capital.

The revaluation reserve consists of gains and losses related to the revaluation of certain categories of financial assets, properties, buildings, plant and equipment. The financial result includes the current financial result for the period and the accumulated gains and uncovered losses determined by the Profit and Loss Account.

2.12 Pension and other liabilities to staff

The Company has not developed or implemented employee remuneration plans after leaving or other long-term remuneration and remuneration plans after leaving either in the form of compensation with shares or equity shares.

The Company reports short-term liabilities for compensable leaves arising on the basis of unused paid annual leave in cases where the leaves are expected to occur within 12 months after the date of the reporting period during which the employees have performed the work related to these leaves. Short-term liabilities to the staff include wages, salaries and social security contributions.

2.13 Financial liabilities

Financial liabilities include bank loans and overdrafts, commercial and other liabilities and financial lease obligations.

Financial liabilities are recognised when there is a contractual obligation to pay sums of money or another financial asset to the

another entity or a contractual obligation to exchange financial instruments with another entity on potentially adverse terms. All interest-related expenses are recognised as finance expenses in the Profit and Loss Account. The bank loans are taken for the purpose of long-term support of the Company's activities. They are reflected in the balance sheet of the Company, net of the costs of obtaining the loan.

Financial costs as a premium payable on debt settlement or its redemption, and the direct costs of the transaction are charged in the Profit and Loss Account on an accrual basis, using the effective interest method, and are added to the carrying amount of the financial liability to the extent that they are not settled at the end of the period in which they occurred.

Financial lease liabilities are valued at an initial less the capital element of the lease installment.

Trade liabilities are recognised initially at nominal value and subsequently measured at amortised cost less payments to settle the obligation.

Dividends payable to shareholders of the Company are recognised when dividends are approved at a Shareholders' Meeting.

2.14 Other provisions, contingent assets and contingent liabilities

Provisions representing current liabilities of the Company arising from past events, the settlement of which is expected to necessitate an outflow of cash from resources, are recognised as liabilities of the Company. Provisions are recognised when the following conditions are met:

- The Company has current liabilities as a result of past events;
- it is probable that a flow of resources will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision represents the best estimate of the cash outflows of resources necessary to settle the present liability at the balance sheet date. In determining this best estimate, the Company takes into account the risks and the degree of uncertainty surrounding many of the events and circumstances, as well as the effect of changes in the value of cash over time, when they have a significant effect. Provisions are reviewed at each book date and their value is adjusted to reflect the best

estimate at the balance sheet date. If it is no longer likely that an outflow of resources will be needed to settle the obligation, the provision should be written off.

The Company does not recognise contingent assets because their recognition may result in the recognition of income that may never be realised.

3. Explanatory notes to financial statements

3.1. Financial assets:

Financial assets	value
BTA Bank - GDR	533 518.89
Republic of Greece	1 018 009.52
Alfa Bulgaria AD	135 764.00
Total Investment Portfolio	1687 292.41

Total financial assets: BGN 1,687 thousand.

3.2. Cash and equivalents

The Authority has cash in the amount of 0 thousand BGN

3.3. Commercial investments

Commercial investments	value
Ecodrink OOD	159 900.00
Bulgarian Investment Group SPV	2 834.85
Alpha Bulgaria AD - warrant	261 508.50
Total Trading Portfolio	424 243.35

Total trade investments: BGN 424 thousand.

3.4. Fixed capital.

The share capital of the company in the amount of BGN 1,855,000 is distributed in 265,000 dematerialized shares with a nominal value of BGN 7 each. The capital has been paid in full.

The share capital corresponds to the current court registration.

3.5. Reserve Fund

The company has established a Reserve Fund in accordance with the requirements of Article 10, Paragraph 1 of the MFIA.

The reserves are determined in the statutory amount.

At the end of the reporting period, the company has a Reserve Fund in the amount of BGN 244 thousand.

3.6. Financial result from the previous period.

Loss from the previous period in the amount of BGN 4 thousand

3.7. Financial result from the current period.

Profit from the current period in the amount of BGN 1 thousand

3.8. Obligation to staff.

As of 31.12.2023. The company has no obligations to the staff.

3.9. Tax liabilities.

As of 31.12.2023. The company has tax liabilities in the amount of BGN 15 thousand.

3.10. Other obligations.

As of 31.12.2023. The company has no other liabilities.

3.11. Positive differences from changes in exchange rates.

As of 31.12.2023, the positive differences from changes in exchange rates amounted to BGN 313 thousand.

3.12. Income from operations in financial assets and instruments.

Towards 31.12.2023 d. Revenue from
Operations with Financial Assets and
instruments amount to BGN 193 thousand.

3.13. Negative differences from changes in exchange rates.

As of 31.12.2023, the negative differences from changes in exchange rates amounted to BGN 233 thousand.

3.14. Expenses from operations in financial assets and instruments.

As of 31.12.2023, the expenses from operations with financial assets and instruments amount to BGN 496 thousand.

3.15. Other financial costs.

As of 31.12.2023, the expenses from operations with financial assets and instruments amount to BGN 15 thousand.

3.16. Non-financial revenue.

As of 31.12.2023, the company has realized non-financial income in the amount of BGN 473 thousand.

3.17. Salaries, social security and pensions

Remuneration under an employment contract: BGN 171 thousand.

Social and pension insurance: BGN 11 thousand.

Total salaries, social and pension insurance: BGN 182 thousand

3.18. External Service Costs

As of 31.12.2023, the costs for external services amounted to BGN 52 thousand.

3.19. Profit/(loss)

The company has made a profit of BGN 1 thousand.

Management is responsible for compiling and presenting the information in this financial statement.

Effect of the conflict between Russia and Ukraine and the dynamic macroeconomic environment on the Company's financial statements in 2023

On February 24, 2022 The Russian Federation has launched an armed invasion of Ukraine. As a result, in the coming days, Russia was imposed economic and financial sanctions by the European Union and a number of other countries, which, in addition to an effect on Russia itself, are expected in the medium and long term to lead to many real and potential negative consequences for the global economy and, in particular, Many of these effects are instantaneous, while others are expected to materialize more slowly over time. For many of the potential negative effects, it is extremely difficult to make accurate predictions, and their final effect may be more tangible or not, depending on the situation. further escalation of events and the nature of the future status quo in international relations.

FACTORI AD does not take into account the presence of direct negative impacts from

the war in Ukraine and the sanctions imposed by the international community against Russia on the activities of the Company.

The company takes into account the risk of escalation of the conflict and an increase in volatility in the financial markets.

No events occurred between the end of the reporting period and the preparation of the financial statements

CEO: 

Compiler: 

Date: 29.03.2024

ANNUAL DISCLOSURE OF INFORMATION BY "FACTORI" AD for 2023 according to the requirements of the Markets in Financial Instruments Act, Ordinance 50 of 19.06.2015 on the capital adequacy, liquidity of investment intermediaries and supervision of their compliance and the requirements of Part Six of Regulation No 2019/2033 of the European Parliament and of the Council

Investment intermediary "FACTORI" AD (the Company) is entered in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency with UIC: 121550393, with seat and address of management in the city of Sofia. Sofia, Lozenets District, bul. 67 Cherni Vrah Str., phone +359897889493, e-mail: factori@abv.bg, website: www.factory-bg.com

"FACTORI" AD holds a license to operate as an investment intermediary in accordance with Decision No. 41-IP/29.04.1998. of the State Securities Commission. In accordance with Decision No RG-03-0160/17.05.2007. FACTORI AD has been issued a new full license by the Financial Supervision Commission (FSC) to operate as an investment intermediary within the European Union, the European Economic Area and in third countries. The company is a member of Central Depository AD.

The share capital of the Company is BGN 1,855,000, divided into 265,000 shares with a nominal value of BGN seven each, and each share gives the right to one vote in the General Meeting of Shareholders, the right to a dividend and a liquidation share, proportional to the number of shares owned.

There are no special conditions for the transfer of shares.

In accordance with the license issued by the FSC to operate as an investment intermediary, FACTORI AD performs the following services and activities within the European Union and the European Economic Area and in third countries:

A. Main investment services and activities:

1. receiving and transmitting orders in relation to one or more financial instruments;
2. execution of orders on behalf of clients;
3. own account transactions in financial instruments;
4. portfolio management;
5. investment advice;
6. taking over the issuance of financial instruments and/or offering of financial instruments under the conditions of an unconditional and irrevocable obligation to subscribe/acquire financial instruments on own account;

7. offering for initial sale of financial instruments without an unconditional and irrevocable obligation to acquire the financial instruments on own account (placement of financial instruments).

B. Additional services:

1. custody and administration of financial instruments on behalf of clients, including custodial activities and related services such as cash and collateral management, with the exception of centralised securities account keeping pursuant to point 2 of Section A of the Annex to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories as well as amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012;
2. granting loans to investors for their transactions with one or more financial instruments, provided that FATORI AD participates in the transaction;
3. advice to undertakings on the capital structure, industrial strategy and related matters, as well as advice and services related to the transformation and acquisition of undertakings;
4. provision of services related to foreign means of payment, insofar as they are related to the investment services provided;
5. investment research and financial analyses or other forms of general recommendations related to transactions in financial instruments;
6. services related to the underwriting of financial instruments.

C. Transactions with foreign means of payment in cash and by non-cash means. As of

31.12.2023, the total number of employees in the company is 6 employees.

Turnover: For the calendar year 2023, the information can be found in the company's annual financial statements, published on the official website of FATORI AD.

Financial result of the activity before tax: For the calendar year 2023, the information can be found in the annual financial statements of the company, published on the official website

Taxes accrued on the financial result: For the calendar year 2023, the information can be found in the annual financial statements of the company, published on the official website of "FATORI" AD

State subsidies received: In 2023, the company did not receive state subsidies.

Return on assets: For the calendar year 2023, the information can be found in the company's annual financial statements, published on the official website of "FACTORI" AD

This disclosure has been prepared on an individual basis on the basis of information from the audited annual financial statements of the Company as at 31.12.2023.

INFORMATION ON RISK MANAGEMENT

The risk analysis and management policy is an integral part of the overall investment policy of "FACTORI" AD. The main task of the management team has always been associated with the pursuit of growth of the company's assets and constant capital growth, which will ensure stability and contribute to building and maintaining trust among our customers and partners.

Strategies and processes for managing different categories of risks:

The risk factors that affect the activities of "FACTORI" AD are specified in more detail in the audited annual financial statements of the Company as of 31.12.2023, published on the official website of FACTOR AD, as well as in the adopted Policy for Risk Assessment, Organization, Management, Monitoring and Risk Reduction in FACTOR AD, which is available in its entirety on the official website of FACTOR AD

The process of identifying, managing and monitoring the different types of risk aims to reduce the impact of external and internal risk factors on the activity of the investment intermediary, including the risks arising from the macroeconomic environment, and details can be found in the Policy for Assessment, Organization, Management, Monitoring and Risk Reduction in FACTORI AD.

" FACTORI " AD agrees to follow a moderately conservative strategy in the management of its investments and exposures. An investment strategy involves investments in a diversified portfolio that meets certain constraints and guidelines in relation to the total capital base of the investment intermediary.

"FACTORI" AD agrees to follow a strategy for maintaining internal capital necessary to cover the capital requirements of risk exposures to an extent that does not jeopardize the normal functioning of the company.

INFORMATION ON GOVERNANCE RULES

The participations of the members of the management body of "FACTORI" AD in the management of other companies or cooperatives as procurators, managers or members of the Boards are disclosed in the

the audited individual annual financial statements, published on the official website of the investment intermediary.

"FACTORI" AD implements a Policy for Promoting Diversity, Selection and Evaluation of the Members of the Management Bodies and the Persons Occupying Key Positions in "FACTORI" AD, taking into account the suitability of the Management Body, including at least the following aspects:

1. education and professional experience;
2. Gender;
3. age;
4. geographical origin, when the investment intermediary carries out activities outside the territory of the Republic of Bulgaria;
5. career planning and measures to ensure equal treatment and opportunities for people of different genders.

An investment firm shall ensure the suitability of each member of its management body, or supervisory body, and shall carry out an initial and ex-post assessment of their suitability individually and collectively. In the selection of members in the management body, diversity is ensured, taking into account the candidate's educational level, professional field and experience, psychological, intellectual and volitional qualities, social knowledge and skills, organizational skills and motivation. The members of the management body shall have the knowledge, qualifications and skills necessary to ensure the proper and prudent management of the investment firm. They meet the regulatory requirements and enjoy a good reputation so as not to jeopardize the management of the intermediary. A good reputation exists where there is no evidence to the contrary and the conduct of the person does not give rise to any doubts as to its ability to ensure sound and prudent management of the investment firm. The necessary knowledge, skills and professional experience correspond to the specifics of the activities carried out by the investment intermediary and the main risks to which it is or may be exposed. Experience as a criterion for assessing the suitability of the managing intermediaries includes both theoretical experience gained through education and training, as well as practical experience gained during previous positions. Other criteria relevant to the functioning of the management of the investment firm, including potential conflicts of interest, are the ability to dedicate sufficient time to ensure the proper performance of the tasks assigned to them, the necessary knowledge and expertise, and the ability to perform their duties impartially and without undue influence from others. Equal treatment and development opportunities for people of different genders shall be ensured, as well as an equal presence of persons of different genders in the governing bodies.

The policy of increasing the number of representatives of the underrepresented sex in the governing bodies is carried out in accordance with the following principles:

1. All candidates shall have equal opportunities and shall be treated without discrimination;
2. Everyone can present their knowledge, skills, experience;
3. In the selection of candidates, it is evaluated objectively and impartially;
4. Equal opportunities for women and men for members of a governing body;
5. Striving for balanced representation of women and men in governing bodies;
6. Equal treatment as regards the pay of women and men in governing bodies.

The strategic objective of the IP is to promote equality between women and men in management bodies, to prevent discrimination on the basis of sex, and if such is found, to eliminate it. Effective and sustainable development of the company is achieved by providing conditions for growth and personal development of working women under the same conditions as their male colleagues.

Despite the policy of increasing the number of representatives of the under-represented sex in management, the choice to appoint a member of the management or control body cannot be reduced solely to his or her gender. Such practice may affect other suitability criteria that the applicant must meet. As well as such practices, they undermine the competences and independence of the member concerned and of the management body as a whole. They also affect the collective suitability of the governing body.

The company provides conditions for sustainable growth of its employees without discrimination, including gender.

CAPITAL REQUIREMENTS

"FACTORI" AD maintains constant internal capital in the amount, type and distribution so that it is adequate to cover the risks to which it is or may be exposed, depending on the degree and nature of these risks and the maintenance of current and future activities. The Company shall implement reliable and effective strategies and processes to continuously assess and maintain the amount and allocation of internal capital so that it is adequate to cover the risks to which it is or may be exposed, depending on the extent and nature of those risks.

More information on this item can be found in the audited annual financial statements of FACTORI AD.

REMUNERATION POLICY

"FACTORI" AD has adopted a Remuneration Policy (the Policy).

Taking into account the nature, scale and complexity of its activities, the structure of its internal organization and the scope of the investment services and activities provided, when applying the remuneration policy, the investment intermediary is guided by the following basic principles:

1. the remuneration policy shall be clearly documented and proportionate to the scale, internal organisation and nature, as well as to the scope and complexity of the investment firm's activities;
2. the remuneration policy is gender-neutral;
3. the remuneration policy shall take into account prudent and effective risk management and encourage such behaviour;
4. the remuneration policy is consistent with the investment firm's business strategy and objectives and takes into account the long-term consequences of the investment decisions taken;
5. The remuneration policy shall include measures to avoid conflicts of interest, promote responsible business conduct and promote risk awareness and prudent risk-taking.

Remuneration shall be formed in such a way as not to undermine the independence of employees, and they shall not be placed in a situation where the approval of a transaction, decision-making or advice on matters concerning risk and financial control are directly related to the increase in remuneration or its payment. The remuneration shall be formed in such a way that there is no direct link between the remuneration of the persons performing mainly one activity and the remuneration of the persons performing mainly another activity for the investment intermediary, or the income realized by the latter. The amount of the remuneration is determined in the individual contract, in accordance with the applicable labor and/or social security legislation. The minimum amount of the basic salary is equal to the statutory minimum monthly social security income for the respective profession.

Remuneration is divided into fixed and variable, and the two types of remuneration components can include monetary incentives (e.g. cash, shares and other financial instruments, pension contributions, etc.) and non-monetary incentives (e.g. health insurance, social incentives, etc.).

Summary information on remuneration, according to the requirements of Art. 31, para. 1 and Art. 32, para. 1 of Ordinance No. 50 and Art. 51, para. 1, letters "c" and "d" of Regulation (EU) 2019/2033:

Professions	Count Employees	Amount of BGN	Of which variable remuneration / BGN amount
Professionals	6	170 909	0
Total	6	170 909	0

The company does not pay guaranteed variable remuneration to its employees.
"FACTORI" AD does not benefit from the derogation provided for in Art. 32, par. 4 of Directive (EU) 2019/2034.

The remuneration policy of "FACTORI" AD is gender-neutral.

There are no appointed persons in "FACTORI" AD who meet the conditions under Art. 32, para. 1 of the Ordinance No. 50.

"FACTORI" AD complies with the requirements of the provisions under Art. 64, para. 2, Art. 134 of the Markets in Financial Instruments Act and Art. 22 – 32 of Ordinance No. 50.

Annex VI — TEMPLATES FOR DISCLOSURE OF OWN

CAPITAL Name: FACTORI AD as of date: 31.12.2023

DISCLOSURE OF INFORMATION BY INVESTMENT FIRMS			
No of template	Code for template	Name	References to Legislation
		EQUITY	
1	I CC1	COMPOSITION OF THE REQUIRED EQUITY	paragraph 1(c)
2		RECONCILIATION OF EQUITY WITH AUDITED (CERTIFIED) FINANCIAL STATEMENTS MAIN CHARACTERISTICS OF EQUITY	Article 49(1)(a)
3	I CCA		Article 49(1)(b)

Template EU IF CC1.01 — Composition of required own funds (investment firms other than small and non-interconnected firms)

Name: FACTORI AD as of date:

31.12.2022

		A	B
		Values	Source based on the reference numbers/letters of the balance sheet items in the audited financial statements
Common Equity Tier 1 (CET1): instruments and reserves			
1	EQUITY	2 095	
2	TIER 1 CAPITAL	2 095	
3	COMMON EQUITY TIER 1	2 095	
4	Equity instruments paid out in full	1 855	EQUITY & LIABILITIES/Equity & Reserves/Equity
5	Premium reserves from issuances		
6	Retained earnings	1	
7	Accrued other comprehensive income		
8	Other reserves	244	EQUITY AND LIABILITIES/Capital and reserves/other reserves
9	Minority participation recognized in CET1		
10	CET1 corrections due to prudential filters		
11	Other means		
12	(-)06Z0 DEDUCTIONS FROM COMMON EQUITY TIER 1		
13	CET1's own instruments1		
14	Direct positions in CET1 instruments		
15	Indirect positions in CET1 instruments		
16	{—}Synthetic positions in CET1 instruments		
17	Losses for the current financial year	0	
18	(—)reputation		
19	Other intangible assets		
20	Deferred tax assets that are based on future profits and are not due to temporary differences, excluding related tax liabilities		
21	Non-financial sector qualifying shareholding exceeding 15 % of equity		
22	Total qualifying holdings in undertakings other than financial sector undertakings exceeding 60 % of equity		
23	CET1 instruments of financial sector undertakings in which the institution does not have significant investments		
24	CET1 instruments of financial sector undertakings in which the institution has significant investments		
25	Pension fund assets with a predetermined pension amount		

26	Other deductions		
27	CET1: other elements per kg of pitala, deductions and adjustments		
28	ADDITIONAL TIER 1 CAPITAL		
29	Fully paid-up, directly issued equity instruments		
30	Premium reserves from issuances		
31	TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 CAPITAL		
32	Own instruments of CA1		
33	Direct positions in CA1 instruments		
34	Indirect positions in AC1 instruments		
35	Synthetic positions in AC1 instruments		
36	(—)CA1 instruments of financial sector undertakings in which the institution does not have significant investments		
	Instruments of the CA1 of financial sector undertakings in which the institution has significant investments		
38	Other deductions		
39	Additional Tier 1 capital; other capital items, deductions and adjustments		
40	SECOND-TIER CAPITAL		
41	Fully paid-up, directly issued equity instruments		
42	Premium reserves for issues		
43	(-; WHAT ARE THE DEDUCTIONS FROM THE CAPITAL OF THE SECOND TIER		
44	(—)k2's own tools		
45	Direct positions in k2 instruments		
46	(—)indirect positions in K2 instruments		
47	{—}Synthetic positions in K2 instruments		
48	K2 instruments of financial sector undertakings in which the institution does not have significant investments		
49	T2 instruments of financial sector undertakings in which the institution has significant investments		
50	Tier 2 capital: other items of capital, deductions and adjustments		

Template EU IF CC1.02 Composition of Required Own Funds (Small and Unrelated Investment Firms)

		A	B
		Values	Source based on the reference numbers/letters of the balance sheet items in the audited financial statements
Common Equity Tier 1 (CET1): instruments and reserves			
1	EQUITY		
2	TIER 1 CAPITAL		

3	COMMON EQUITY TIER 1		
4	Equity instruments paid out in full		
5	Premium reserves from issuances		
6	Retained earnings		
7	Accrued other comprehensive income		
8	Other reserves		
9	CET1 corrections due to prudential filters		
10	Other means		
11	TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
12	Losses for the current financial year		
13	(—)Reputation		
14	Other intangible assets		
15	Deferred tax assets that are based on future profits and are not due to temporary differences, excluding related tax liabilities		
16	Qualifying holdings outside the financial sector exceeding 15 % of equity		
17	Total qualifying holdings in undertakings other than financial sector undertakings exceeding 60 % of equity		
18	Other deductions		
19	CET1: other elements of capital, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL		
21	Fully paid-up, directly issued equity instruments		
22	Premium reserves from issuances		
23	TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 CAPITAL		
24	Additional Tier 1 capital: other capital items, deductions and adjustments		
25	SECOND-TIER CAPITAL		
26	Fully paid-up, directly issued equity instruments		
27	Premium reserves from issuances		
28	TOTAL DEDUCTIONS FROM CLASS 2 CAPITAL		
29	Tier 2 capital: other items of capital, deductions and adjustments		

Template Eucca.oz — Composition of Required Equity (Capital Test for the Group)

but

		Values	Source based on the reference numbers/letters of the balance sheet items in the audited financial statements
Common Equity Tier 1 (CET1): instruments and reserves			
1	OWN CAPTAIN		
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1		
4	Equity instruments paid out in full		
5	Premium nets from emissions		
6	Retained earnings		
7	Retained earnings from previous years		
8	Allowable Profit or Zaoffa		
9	On the upan other comprehensive income		
10	Other Reserves		
11	CET1 corrections due to prudential filters		
12	Other means		
13	TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
14	CET1		
15	Losses for the current financial year		
16	— Rapation		
17	(—)You don't have any assets		
18	Deferred tax assets that are based on future earnings and are not attributable to temporary differences, excluding related tax liabilities		
19	Qualifying participation outside the financial sector exceeding 15% of equity		
20	Total qualifying holdings in undertakings other than financial sector undertakings exceeding 60 % of equity		
21	CET1 instruments of companies in which the institution does not have significant investments		
22	Pension assets Pension Amount Barely Determined		
23	deductions		
24	CET1: other elements of capital, deductions and adjustments		
25	ADDITIONAL TIER 1 CAPITAL		
26	Fully paid-up, directly issued equity instruments		

27	Emission reserves		
28	TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 CAPITAL		
29	Own instruments of CA1		
30	(—)K1 instruments of the sectors in which the institution does not have significant investment		
31	Other deductions		
32	Additional Tier 1 capital: other capital items, deductions and adjustments		

33	SECOND-TIER CAPITAL		
34	Fully paid-up, directly issued equity instruments		
35	Emission reserves		
36	TOTAL DEDUCTIONS FROM TIER II CAPITAL		
37	(—)K2's own instruments		
38	(—)Institutions of K2 of the enterprises of the financial sector, in which the institutions There are no significant investments		
39	Tier 2 capital: other items of capital, deductions and adjustments		

Template EU ICC2: Equity: reconciliation of the required equity with the balance sheet in the audited financial statements

Name: FACTORI AD as of date: 31.12.2022

Flexible sample.

The information in the rows shall be reported in accordance with the balance sheet included in the audited financial statements of the investment firm.

The columns shall be kept fixed unless the accounting and regulatory scope of the investment firm's consolidation is the same, in which case the values shall be entered only in column 'a'.

		A	B	C
		Balance sheet according to published [audited financial Reports	Within the regulatory scope of the consolidation of a	Reference to EU IF CC1
		Towards the end of the period	Towards the end of the period	
Assets — presented by asset class in accordance with the balance sheet in the published/audited financial statements				
1	Financial assets	1 687		
2	Own cash			
3	short-term financial assets	424		
Xxx	Total assets	2 111		
Liabilities — presented by class of liabilities in accordance with the balance sheet in the published/audited financial statements				
1	Current liabilities to staff			
2	Commercial and other obligations	15		
xxx	Total liabilities	15		
Shareholders' equity				
1	Share capital	1 855		
2	Other reserves	244		

3	Retained earnings	-4		
4	Current Profit	1		
Xxx	Total equity of shareholders	2 111		

Template EU I SAA: Own funds: main characteristics of the own instruments issued by the investment intermediary Name: FACTORI AD as of date: 31.12.2022.

		A
		Free text
1	Issuer	Factori AD
2	Individual identifier (e.g. CUSJP, ISIN, or the Bloomberg Private Offering ID)	BG1100115051
3	Public or private offering	Not applicable
4	Instrumental framework(s)	Commercial Law
5	Type of instrument (types are determined by each jurisdiction)	Shares
6	Value recognised against the required capital (currency in millions, as of the last date on which the report is drawn up)	7 BGN
7	Nominal value of the instrument	7 BGN
8	Issue price	Not applicable
9	Redemption price	Not applicable
10	Accounting classification	Share capital
11	Original date of issuance	19.12.1997
12	Indefinite or fixed-term	Indefinite
13	Initial maturity	Not applicable
14	Issuer pre-redemption option subject to prior approval by supervisory authorities	Not applicable
15	Possible date of the pre-redemption, contingent dates and amount	Not applicable
16	Subsequent pre-redemption dates, if applicable	Not applicable
	Coupons / Dividends	Not applicable
17	Fixed or floating dividend/coupon	Not applicable
18	Coupon rate and related indices	Not applicable
19	Existence of a mechanism for suspension of payment of dividends	Not applicable
20	Total, partial or no discretion (in terms of the moment)	Not applicable
21	Total, partial or no leeway (in terms of size)	does not apply
22	Existence of a "step i" mechanism or other incentive for redemption	does not apply
23	Non-cumulative or cumulative	Not applicable
24	Subject to conversion or not	Not applicable
25	If convertible, the factors triggering the conversion	does not apply
26	If convertible, in whole or in part	Not applicable
27	If convertible, conversion rate	Not applicable
28	If it is subject to conversion, whether this is mandatory or not.	does not apply
29	If convertible, the type of instrument into which the instrument can be converted	Not applicable

30	If convertible, the issuer of the instrument into which the instrument is converted	Not applicable
31	Impairment opportunities	
32	If depreciated, depreciating factors	Not applicable
33	If it depreciates – in whole or in part	Not applicable
34	If it depreciates – permanently or temporarily	Not applicable
35	If the impairment is temporary — description of the positive revaluation mechanism	Not applicable
36	Characteristics for which non-compliance with regulatory requirements has been established during the transition period.	Not applicable
37	If yes, the characteristics for which non-compliance with regulatory requirements has been established shall be indicated.	Not applicable
38	Link to access the full terms and conditions of the instrument (specify)	Not applicable
(1) Tick "Not applicable" if the question is not relevant.		