

AKTOR BULGARIA EAD

FINANCIAL REPORT
for the year by 31.12.2019

with independent audit report

Represented by:

Alexandros Exarchou

Compiled by:

Zhivka Stoyanova

AKTOR BULGARIA EAD
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31st 2019

| ASSETS | Appendix | 31.12.2019 BGN'000 | 31.12.2018 BGN'000 |
|-------------------------------------|----------|-----------------------|-----------------------|
| Non current assets | | | |
| Property, plant and equipment | 1.1. | | |
| Long terms investments | 1.2. | 35 | 35 |
| Non current assets in total | | 35 | 35 |
| Current assets | | | |
| Trade and other receivables | 1.3. | 4 | 336 |
| Cash and cash equivalents | 1.4. | 2 | |
| Current assets in total | | 6 | 336 |
| Sum of the assets | | 41 | 371 |
| LIABILITIES | | | |
| Share capital | 1.5.1. | 50 | 50 |
| Reserves | 1.5.2. | - | - |
| Total comprehensive income | 1.5.3. | (456) | (442) |
| Profits/(losses) carried forward | | (442) | (425) |
| Comprehensive income for the period | | (14) | (17) |
| Total equity | 1.5 | (406) | (392) |
| Non current liabilities | | - | - |
| Current liabilities | | | |
| Trade and other liabilities | 1.6. | 447 | 763 |
| Current liabilities | | 447 | 763 |
| Total equity and liabilities | | 41 | 371 |

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Plovdiv, 30 January, 2020

AKTOR BULGARIA EAD
STATEMENT OF COMPREHENSIVE INCOME
AT DECEMBER 31th 2019

| | <i>Appendix</i> | 31.12.2019 BGN'000 | 31.12.2018 BGN'000 |
|--|-----------------|-----------------------|-----------------------|
| Sales | 2.1 | | |
| Cost of sales | 2.3 | | |
| Gross profit | | - | - |
| Administrative expenses | 2.4 | (4) | (6) |
| Financial income (expenses) - net | 2.2 | (10) | (11) |
| Profit (loss) before taxes | | (14) | (17) |
| Taxes | 2.5 | | |
| Net profit (loss) for the period | | (14) | (17) |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | (14) | (17) |

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 Alexandros Exarchou



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 Zhivka Stoyanova




Plovdiv, 30 January, 2020

AKTOR BULGARIA EAD
CASH FLOW STATEMENT
AT DECEMBER 31th 2019

| | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| | BGN'000 | BGN'000 |
| Cash flows from operating activities | | |
| Returns from clients and other debtors | | |
| Payments to suppliers and other creditors | | (6) |
| Payments to the personnel and for social insurance | | |
| Currency rate differences | | |
| Paid taxes/received (excluding income tax) | | |
| Other operating payments - net | (1) | (1) |
| Net cash flows from operation activities | (1) | (7) |
| Cash flows from invetsment activities | | |
| Purchases of long term assets | - | - |
| Net cash used in the investment activities | - | - |
| Cash flows from financial activities | | |
| Loans received | | |
| Payments on received loans | | |
| Dividends received | 3 | 5 |
| Net cash flows from financial activities | 3 | 5 |
| Net increase (decrease) in cash | 2 | (2) |
| Cash and cash equivalents at the beginning of the period | - | 2 |
| Cash and cash equivalents at the end of the period | 2 | - |

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 Zhivka Stoyanova



Plovdiv, 30 January, 2020

AKTOR BULGARIA EAD
AT DECEMBER 31th 2019
CHANGES IN EQUITY

| | <i>Share capital</i> | <i>Reserves</i> | <i>Run up profits /losses</i> | <i>Total</i> |
|--------------------------------------|----------------------|-----------------|-------------------------------|--------------|
| | BGN'000 | BGN'000 | BGN'000 | BGN'000 |
| Balance at January 1st 2016 | 50 | | (425) | (375) |
| Net profit of the period | - | | (17) | (17) |
| Transfer into non-distributed profit | | | | - |
| Balance at December 31st 2017 | 50 | - | (442) | (392) |
| Net profit of the period | | | (14) | (14) |
| Transfer into non-distributed profit | | | | - |
| Realized reserve from reassessment | | | | - |
| Balance at December 31st 2018 | 50 | - | (456) | (406) |

Represented by:
 Alexandros Exarchou



Compiled by:
 Zhivka Stoyanova




Plovdiv, 30 January, 2020

APPENDIX

to the Annual Financial Statement for 2019

1. Establishment and registration

“AKTOR BULGARIA” EAD is a Sole Proprietor JSC, entered into the Trade Register under UIC 160078346 with equity in the amount of 50 000 BGN. Sole Proprietor of the capital of the Company is “AKTOR” SA - Athens, with seat in Kifissia – Athens, district of Attica, 25, Ermou Str., entered into the Register of Trade Companies of the Athens Prefecture under number 8153/01AT/v/86/355/05 and legally represented by Alexandros Exarchou – Chief Executive Officer.

“AKTOR BULGARIA” EAD has its management address at: Plovdiv, r.d. “Maritsa Gardens”, block 10, office 1.

The company has a single-stage system of management – Board of Directors with a mandate of 5 years.

Subject of activity of the Company is: Surveys, observations and implementation of any kind of technical activities of public and private project sites, representation of foreign companies, research in the energy sector, use of multifunctional logistics and electronic systems.

2. Base for compiling

2.1. Financial statements

The Company has been compiling its financial statements in compliance with the requirements of the International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS). The Company has been keeping its current accounting in accordance with the requirements of the Bulgarian commercial, accounting and tax legislation and internal rules, considering the specific nature of its activities.

The financial statements are compiled on the basis of the Historical Cost Accounting Convention, modified in particular cases by the revaluation of certain assets and liabilities at their fair value.

All the data in the financial statements are presented in thousands of BGN.

The annual financial statement of the Company includes:

- Statement on the financial status;
- Statement on the total comprehensive income;
- Statement on cash flows;
- Statement on the changes in the equity;
- Accounting policy and explanatory notes.

2.2. Comparative data

The accounting policy, set forth below, has been applied consecutively for all periods shown in the current Financial Statement.

2.3. Functional currency and presentation currency

The functional currency of the Company is the BGN which has a fixed rate to the euro (1 € = 1,95583 BGN) in compliance with the established currency board in Bulgaria.

The transactions in foreign currency are accounted in BGN according to the central currency rate of the Bulgarian National Bank, valid for the day of the operation. All cash assets and liabilities, denominated in foreign currency, have been recalculated by the final rate of the BNB as of 31.12.2019.

The exchange rate differences that occurred as a result of the recalculations refer to the statement of total comprehensive income. The non-cash assets and liabilities, calculated in foreign currency, shall be re-calculated in BGN by the central exchange rate of the day on which the relevant values have been calculated.

2.4. Errors

Errors as per the International Accounting Standards 8 (IAS 8) can occur in connection to the recognition, evaluation, presentation or announcement of components from the financial statements. The potential errors for the current period, found in it, shall be corrected before the approval for publishing of the financial statements. Nevertheless, sometimes errors can be found in a subsequent period and the errors from previous periods shall be corrected.

The Company corrects retroactively the significant errors from previous periods in the first financial statement, approved for publishing, after they have been found through:

- √ recalculation of the comparative amounts for the presented previous period within which the error occurred;
- √ in case the error occurred before the earliest presented previous period, recalculation of the initial balance of assets, liabilities and the capital for that period.

An error from a previous period shall be corrected through retroactive recalculation, unless it is practically inapplicable to determine some of the specific effects for the period or the cumulative effect of this error.

2.5. Management of financial risks

Credit risk

The credit risk that arises from the other financial assets of the Company, such as, for example, funds and other financial assets, represents the credit exposition of the Company, ensuing from the possibility that its contracting parties do not fulfill their liabilities. The maximum credit exposition of the Company regarding the recognized financial assets amounts to their respective value in the balance as of December 31st 2019.

Currency risk

The Company is exposed to currency risks related to transactions from sales or purchases in foreign currency.

2.6. Operating enterprise

The Company states a loss for the period in the amount of 14 thousand BGN. The current liabilities exceed the current assets by 441 thousand BGN.

These circumstances show the existence of significant uncertainty which may cast substantial doubt about the ability of the Company to continue as an operating enterprise without the support of owners and other funding sources. Relevant to that, the management has taken the following measures:

- The Company has deferred its current liabilities to related parties, which will significantly improve the financial state of the Company in terms of the ratio between current assets and liabilities.

- The Company carries out a policy of optimizing costs, inventories and other components of the working capital.

The management considers that, based on the forecasts made for the future development of the Company and the measures undertaken, as well as the ongoing financial support of the owners, it will be able to continue its activity and to repay its liabilities.

3. Applied significant accounting policies

3.1. Fixed assets

As fixed assets shall be reported those assets that meet the criteria of IAS 16 and have a value, upon their acquiring, equal to or higher than 700 BGN. The assets that have a value lower than that shall be reported as current costs for the period of acquisition.

Every property, machine or equipment shall be evaluated at cost of acquisition, fixed according to the requirements of IAS 16.

The Company has accepted to report fixed assets at cost of acquisition without all the accrued depreciation charges and diminution loss.

The subsequent costs shall be added to the balance value of the asset or shall be reported as an individual asset only when it is expected that the Company shall get future economic profit related to the use of this asset and when their book value could be reliably stated. The costs for the current servicing of properties, machinery, facilities and equipment shall be reported as current for the period.

The balance value of a fixed asset shall be written off:

- √ upon selling the asset;
- √ when no other economic profit is expected from the use of the asset or upon disposal of the asset.

The profit or loss occurring as a result of writing off of a fixed asset shall be included in the statement of total comprehensive income when the asset is written off.

The depreciation of fixed assets shall be accrued in the statement of total comprehensive income by the linear method based on the expected useful life period of these assets.

Land and assets under construction shall not be depreciated.

The expected useful life period in years of use by groups of assets is as follows:

| Groups of fixed assets | 2019 | 2018 |
|--------------------------------------|--------|------|
| Buildings | 25 | 25 |
| Machinery and equipment | 3 - 6 | 3-6 |
| Construction machinery and equipment | 6 - 10 | 6-10 |
| Vehicles | 4 - 10 | 4-10 |
| Fixtures and fittings | 6 - 7 | 6-7 |

Depreciation of assets shall start from the beginning of the month, following the time when they are available in the Company, at the place and in the condition required for their use in the way foreseen by the management. The depreciation of assets shall be terminated on the earlier of these two dates:

- √ the date on which they have been classified as kept for selling according to IFRS 5;
- √ the date of writing off the assets.

Depreciation shall not be terminated in periods of assets non-use or taking them out of active use.

Diminution of fixed assets

As of every reporting date, “AKTOR BULGARIA” EAD judges whether there are any indications of diminution of a certain asset. When there is a sign of diminution, the Company makes an approximate formal evaluation of the reimbursable value. When the balance value of a certain asset exceeds its reimbursable value, the asset shall be considered diminished and its value shall be decreased to its reimbursable value. The reimbursable value is higher than the fair value, decreased by the costs for selling and the value of the asset in use or of the project site generating cash proceeds and shall be specified for an individual asset unless the asset generates cash proceeds which are to a great extent dependable on those from other assets or groups of assets.

3.2. Long-term investments

All investments shall be initially recognized at the cost of acquisition, which includes the fair value of the provided remuneration and the costs of acquisition, related to the investment.

The capital investments in other companies shall be assessed at the cost of acquisition, taking into account any possible permanent loss of the value.

“AKTOR BULGARIA” EAD owns 35% of the capital of CA “CONSORTIUM AKTOR” in the amount of 35 000 BGN, where it is a shareholder together with “AKTOR” SA.

CA “CONSORTIUM AKTOR” has been established with the main purpose of “Overhaul, reconstruction and rehabilitation of an existing building “City House of Culture” – Plovdiv. “AKTOR BULGARIA” EAD is a partner in “CONSORTIUM BIOSAR ENERGY-AKTOR” for survey, engineering and construction of photovoltaic power plants and their maintenance.

3.3. Inventories

As inventories we report assets that are used in the production process or the provision of services (materials, stocks).

The costs, incurred in connection with the delivery of inventories to their current location and condition, are reported by invoice value.

The inventories are evaluated by the lower of the prime cost or the net realizable value.

The prime cost of the inventories is the sum of all costs of buying, processing, as well as other costs incurred in connection with their delivery to the current location and in the current state.

The costs for buying the inventories include the purchase price, import duties and other non-reimbursable taxes, transport costs, etc., which can be directly referred to the acquisition of the goods, materials and services. The commercial discounts, rebates and other similar components shall be deducted upon determining the purchase value.

3.4. Receivables

As receivables that occurred initially in the Company, shall be classified ones having occurred from the direct provision of goods, services, money or money equivalents of debtors.

Initially these receivables shall be evaluation by the cost of acquisition.

After the initial recognition, the receivables from clients and suppliers that are without a fixed maturity date shall be reported by prime cost.

The receivables from clients and suppliers that are with a fixed maturity date shall be reported by their depreciation value by the Effective Interest Rate Method.

As of the date of the financial statement, a revision shall be made for evaluating the diminution due to uncollectibility.

It is assumed that there are indications of diminution of doubtful and uncollectible receivables when the collectability of the whole amount or part of it is highly uncertain. Uncollectible receivables are

written off when the legal grounds for doing so are established, or when a commercial receivable is deemed entirely uncollectible.

- The taxes for reimbursement shall be presented by the original amount of the receivable.
- The other receivables shall be presented by prime cost

As short-term receivables shall be classified the following ones:

- √ receivables without a fixed maturity date
- √ receivables with a fixed maturity date and some remaining time till the maturity date within one year as of the date of the financial statement

As fixed receivables are classified the receivables that have a fixed maturity date and a remaining period till the maturity date more than one year as of the date of compiling the annual financial statement.

3.5. Cash

The cash comprises funds in hand and demand deposits in BGN and in foreign currency, respectively.

The cash equivalents are short-term, easily reversible highly liquid investments which include an insignificant risk of change in their value.

3.6. Equity

Equity of the Company consists of:

3.6.1. Share capital, which includes:

Registered capital – presented by nominal value according to a court order for registration in the amount of 50 000 BGN, distributed into 50 000 nominal, available shares with the right of vote, with nominal value of each of them - 1 /one/ BGN.

3.6.2. Reserves, which include:

General reserves – formed by the distribution of profits according to the requirements of the Commercial Law of the Republic of Bulgaria and the Articles of association of the Company.

Additional reserves – formed pursuant to a decision of the General Meeting of the Company

3.6.3. Total comprehensive income, which includes:

Accumulated profit from previous periods which was undistributed as of the date of the Financial Statement.

Accumulated loss from previous periods which was uncovered as of the date of the Financial Statement.

Profit/loss from the period

3.7. Commercial and other liabilities and credits

They include all liabilities, which create contractual obligations for the company as follows:

- to hand in liquid resources or other financial assets to another company;
- to exchange financial instruments with another company under potentially unfavorable conditions.

Initial recognition of the liability shall be performed by historic cost (including the accrued operation costs).

Liabilities to other suppliers are liabilities to shareholders, financial and leasing companies, other financial loans as well as revenues for future periods.

Financial liabilities to related companies are financial liabilities with a term under and above 12 months as of the date of the balance, as well as revenues for future periods where contracting parties are related entities.

Other liabilities

As credits and liabilities, that occurred in the Company, shall be classified the liabilities from the direct provision of goods, services, cash or cash equivalents by creditors.

Initially these liabilities and credits shall be evaluated by fair value.

After the initial recognition, the credits and liabilities shall be evaluated by their depreciation value by the Effective Interest Rate Method.

As fixed liabilities shall be classified those liabilities which have a fixed maturity date and a remaining term till the maturity date more than one year as of the date of maturity.

As current liabilities shall be classified liabilities, which are:

- √ without a fixed maturity date
- √ with a fixed maturity date and a remaining period till the maturity until one year as of the date of the financial statement

3.8. Loans

The loans shall be recognized initially by fair value reduced by the costs made on the execution of the transaction. Subsequently, the loans shall be reported by the depreciable value; any difference between the payments due (netted by the costs of making the transactions) and the value of the loan shall be recognized in the statement for the revenues during the period of the loan by using the method of the effective interest.

The costs on loans shall be recognized as cost upon their occurrence in compliance with the recommended accounting treatment according to IAS 23.

3.9. Tax obligations

Current tax obligations are the liabilities of the company with regard to the application of the tax legislation. They have been presented by values in accordance with the rules of the relevant tax law for estimating the value of each type of tax. For the overdue tax obligations, there shall be delay interests charged as of the date of the Financial Statement

3.10. Obligations to the staff and insurance organizations

This group includes obligations of the Company with regard to past labor done by the hired staff and the relevant insurance installments that are required by the legislation. According to the requirements of IAS 19, the accrued short-term incomes of the staff arising from unused paid leaves are also included, as well as the insurance installments on these incomes, accrued on the basis of the active insurance rates.

3.11. Profit or loss for the period

All revenue and cost articles, recognized for the period, shall be included into the profit or loss unless a standard or a clarification of the IFRS requires otherwise.

3.12. Costs

The Company reports currently the costs for the activity by type of expense and after that refers to them by their functional designation with the purpose of estimating the amount of costs by lines and activities. The recognition of costs as costs for the current period shall be done upon accrual of their relevant revenues.

The costs shall be reported by the principle of continuous posting. They are estimated by the fair value of the paid or what is to be paid.

3.13. Revenues

From 01.01.2018, the new accounting standard IFRS 15 Revenues from Contracts with Customers became effective and it repealed IAS 11 Construction Contracts and IAS 18 Revenues.

IFRS 15 applies to all contracts with customers except for:

- lease contracts;
- insurance contracts;
- financial instruments;
- certain contractual rights and obligations (within the scope of long-term investment standards and consolidated financial statements);
- non-cash exchanges between companies in the same business sector in order to facilitate sales to customers or potential customers.

IFRS 15 Revenues from Contracts with Customers is based on a main principle that requires an entity to recognize revenues in the most accurate manner that represents the transfer of customer's goods or services and with a value that reflects the benefit expected from the entity in exchange for those goods or services. IFRS 15 presents a revenue recognition model that includes five steps:

1. identify the contract(s) with the client;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price and
5. recognize revenue when (or as) a performance obligation is satisfied.

Applying IFRS 15, the entity recognizes some revenue when or until it fulfills the obligation to transfer the contractual goods or services to the customer. Unlike the revenue recognition rules in IAS 11 and IAS 18, where the risk and benefits transfer criterion is regulated, the concept of control underlies IFRS 15.

In the new revenue reporting framework, goods or services are considered transferred when control over them is transferred.

The customer obtains control over an asset (good or service) when

- the customer can manage its use and
- can receive all the substantial benefits from it.

Control includes the impossibility for other entities to determine the use of the asset and to derive the benefits from it. The benefits that an entity may derive from an asset are equal to the potential cash flows that may be derived directly or indirectly from the different use of the asset.

A key part of the five-step model is the concept that for some performance obligations control is transferred over time, while for others - at a certain point in time. When negotiating the terms of the contract, the entity determines whether each performance obligation will be fulfilled (i.e. whether control will be transferred) over time or at a specific point in time. Control is considered to have been transferred over a prolonged period if one of the following conditions is met:

- the client controls the asset from the moment when it is created or improved as a result of the entity's rights under the contract;
- the client obtains and derives the benefits of the entity's activities. The client receives the benefits from the activities of the entity if another person does not have to repeat a significant part of the work done so far to fulfill the remaining contract obligations.
- the entity's activity creates or increases an asset that has no alternative use for the entity, and the entity is entitled to receive payment for the work performed till then.

According to the degree of fulfilling the obligation to perform (the transfer of control over the goods/services), the entity recognizes the revenues:

- over time or
- at a certain point in time.

The entity first determines whether the revenue shall be recognized over time. Otherwise, the revenue shall be recognized at a certain point in time.

Other revenues and proceeds

This section includes all revenues not-generated by the usual activity of the Company, proceeds from other services, proceeds from renting, returns from re-renting, extra proceeds, other unusual revenues. The proceeds are estimated by the amount of the received and due revenues, nets from declines, discounts and donations.

3.14. Financial revenues / costs

Financial revenues

The financial revenues include revenues from exchanging currency, both realized and accrued, revenues from interests from bank and mail deposit accounts, interests on receivables from clients, interests on overdue receivables and for delay of payment, financial discounts and rebates after issuing invoices for payment in cash to suppliers, etc.

The revenues from interests shall be recognized upon the accrual of interests (by using the method of the effective interest rate, i.e. the interest rate which precisely discounts the expected future cash flows within the period of the expected life of the financial instrument or, when it is appropriate for a shorter period, to the balance value of the financial asset or the financial liability).

Financial costs

Financial costs include also all diminutions of financial assets:

- Interest and other financial costs, resulting from transactions with subsidiary, related companies and minority shareholding, as well as losses from currency exchange, commissions.
- Bank costs, costs for interest on bank loans and overdrafts, on mortgage loans, on other liabilities, interests and costs on bond loans, financial discounts after issuing invoices for immediate payment in cash from the client, etc.
- Diminutions of capital investments, etc.

3.15. Taxation and deferred taxes

According to the Bulgarian tax legislation for 2017, the Company owes a corporation tax (profit tax) in the amount of 10% on the taxable profit, and for 2016 it was at the same level.

The current tax for the current and previous periods is recognized as liability to the extent that it has not been paid. If the already paid sum for current and previous period exceeds the sum due for those periods, the surplus is recognized as an asset.

The current tax liabilities (assets) for the current and previous periods are estimated by the sum which is expected to be paid to (reimbursed by) the tax authorities upon applying tax rates (and tax laws), enacted or expected to be enacted as of the date of the balance.

Deferred taxes shall be recognized as temporary differences between the tax base of the assets and liabilities and their net book value as of the date of the financial statement.

The current taxes are recognized as revenue or expense and shall be included in the profit or the loss for the period, to the extent to which the tax results from an operation or an event which has been recognized within the same or different period directly in the equity.

3.16. Related entities and transactions among them

The Company observes the requirements of IAS 24 for specifying and announcing the related entities.

A transaction between related entities is a transfer of resources, services or obligations between related entities regardless of the fact whether a certain price is applied.

| Purchases from related entities | | |
|-----------------------------------|---------------------|------------|
| Related entity – supplier | Type of transaction | 2019 |
| "Aktor JSCC" BFC | Services | 3 |
| "Aktor JSCC" BFC | Interests | 9 |
| Total | | 12 |
| Receivables from related entities | | |
| Related entity – client | 31.12.2019 | 31.12.2018 |
| "Biosar Energy - Aktor" | 4 | 7 |
| "Kastor" - Greece | 0 | 329 |
| | 336 | 340 |
| Liabilities to related entities | | |
| Related entity – supplier | 31.12.2019 | 31.12.2018 |
| "Aktor" SA | 34 | 362 |
| "Aktor JSCC" BFC | 411 | 369 |
| | 445 | 761 |

3.17. Events after the date of the balance

Events after the date of the balance are those events, both favorable and unfavorable, which occur between the date of the balance and the date on which the financial statements are approved for publishing.

There are two types of events:

- √ those that prove conditions which existed as of the date of the balance (correcting events after the date of the balance); and
- √ those that show conditions which occurred after the date of balance (non-correcting events after the date of the balance).

The Company corrects the sums recognized in the financial statements in order to report the correcting events after the date of the balance.

The Company does not correct the sums recognized in the financial statements in order to report the non-correcting events after the date of the balance. When the non-correcting events after the date of the balance are so significant that not announcing them could affect the ability of the users of financial statements to make economic decisions, the Company shall announce the following information for each significant category of the non-correcting event after the date of the balance:

- √ the nature of the event; and
- √ the evaluation of its financial effect or an announcement that such an evaluation could not be made.

Between the date of the Annual Financial Report and the date of its approval for publishing, no corrective or non-corrective events occurred, imposing special announcements to be made.

III. Additional information to the articles of the Financial Statement

1. Report on the financial status

1.1. Properties, machinery and equipment

As of 31st December 2019 and 2018, properties, machinery and equipment include:

| Properties, machinery, facilities and equipment | | | | | | | (Thousand BGN) |
|---|--------------------|------------|-------------------------|----------|--------------|-------------------|----------------|
| | Land and buildings | Facilities | Machinery and equipment | Vehicles | Other assets | Capitalized costs | Total |

Book value

| | | | | | | | |
|-----------------------------------|----------|----------|----------|----------|-----------|----------|-----------|
| Balance as of 01.01.2018 | 0 | | | 0 | 18 | - | 18 |
| Acquired during the period | | | | | | | - |
| Transferred from group into group | | | | | | | - |
| Written-off for the period | | | | | | | - |
| Performed revaluation | | | | | | | - |
| Balance as of 31.12.2018 | 0 | 0 | 0 | 0 | 18 | 0 | 18 |
| Acquired during the period | | | | | | | - |
| Transferred from group into group | | | | | | | - |
| Written-off for the period | | | | | | | - |
| Performed revaluation | | | | | | | - |
| Balance as of 31.12.2019 | - | - | - | - | 18 | - | 18 |

Depreciation

| | | | | | | | |
|--|----------|----------|----------|----------|-------------|----------|-------------|
| Balance as of 01.01.2018 | - | | | - | (18) | - | (18) |
| Depreciation for the period | | | | | - | | - |
| Depreciation of write-offs | | | | | | | - |
| Reduction of depreciation at the expense of revaluation reserves | | | | | | | - |
| Balance as of 31.12.2018 | 0 | - | - | - | (18) | - | (18) |
| Depreciation for the period | | - | | | | | - |
| Depreciation of write-offs | | | | | | | - |
| Balance as of 31.12.2019 | - | - | - | - | (18) | - | (18) |
| Balance value | | | | | | | |
| Balance value as of 31.12.2018 | - | - | - | - | - | - | - |
| Balance value as of 31.12.2019 | - | - | - | - | - | - | - |

1.2. Long-term investments

| Investments in other companies (Thousand BGN) | | | | |
|---|------------|-----------|------------|-----------|
| Shareholding | 31.12.2019 | | 31.12.2018 | |
| | size | value | size | value |
| CA "CONSORTIUM AKTOR" | 35% | 35 | 35% | 35 |
| Total | 35% | 35 | 35% | 35 |

1.3. Current commercial and other receivables

| Current receivables (Thousand BGN) | | |
|--|------------|------------|
| Type | 31.12.2019 | 31.12.2018 |
| Receivables from related companies incl. /net/ | 4 | 336 |
| Receivables from sales | - | 329 |
| Receivables from granted loans | | |
| Other receivables | 4 | 17 |
| Receivables from sales incl. /net/ | - | - |
| Gross receivables | | |
| Diminution of commercial receivables | | |
| Receivables from granted advance payments incl. /net/ | - | - |
| Receivables from granted advance payments | - | - |
| Diminution of advance payment receivables | | |
| Other receivables incl. /net/ | - | - |
| Total | 4 | 336 |

1.4. Cash

| Cash (Thousand BGN) | | |
|--|------------|------------|
| Type | 31.12.2019 | 31.12.2018 |
| Cash in hand, incl. | 0 | 0 |
| In BGN | 0 | 0 |
| In a foreign currency | | |
| Cash in current accounts, incl. | 2 | 0 |
| In BGN | 2 | 0 |
| In a foreign currency | | |
| Short-term deposits | | |
| Total | 2 | 0 |

1.5. Equity

1.5.1. Share capital

| Shareholder | Share /recorded/ capital JSC (Thousand BGN) | | | | | | | |
|---------------|---|---------------|---------------|-------------|------------------|---------------|---------------|-------------|
| | 31.12.2019 | | | | 31.12.2018 | | | |
| | Number of shares | Value | Paid-in | Share % | Number of shares | Value | Paid-in | Share % |
| "AKTOR" SA | 50 000 | 50 000 | 50 000 | 100% | 50 000 | 50 000 | 50 000 | 100% |
| Total: | 50 000 | 50 000 | 50 000 | 100% | 50 000 | 50 000 | 50 000 | 100% |

1.5.2. Reserves

The Company hasn't formed any reserves during the current period, nor during the previous period.

1.5.3. Total comprehensive income

| Financial result | (Thousand BGN) |
|--|----------------|
| Financial result | Value |
| Profit as of 31.12.2017 | 73 |
| Changes in the accounting policy, errors, etc. | |
| Increases from: | |
| Profit for the year 2018 | |
| Changes in the accounting policy, errors, etc. | |
| Decreases from: | - |
| Distribution of profit for dividend | - |
| Cover of loss | |
| Changes in the accounting policy, errors, etc. | |
| Profit by 31.12.2018 | 73 |
| Increases from: | |
| Profit for the year 2018 | - |
| Written-off revaluation reserve | |
| Decreases from: | - |
| Distribution of profit in the reserves | |
| Cover of loss | |
| Changes in the accounting policy, errors, etc. | |
| Profit by 31.12.2019 | 73 |
| Loss for 31.12.2017 | (498) |
| Increases from: | - |
| Loss for the year 2018 | (17) |
| Changes in the accounting policy, errors, etc. | |
| Decreases from: | |
| Cover of losses with reserves and profits | |
| Written-off revaluation reserve | - |
| Changes in the accounting policy, errors, etc. | - |
| Loss as of 31.12.2018 | (515) |
| Increases from: | - |
| Loss for the year 2019 | (14) |
| Changes in the accounting policy, errors, etc. | - |
| Decreases from: | - |
| Cover of losses with reserves and profits | |
| Written-off revaluation reserve | |
| Changes in the accounting policy, errors, etc. | |
| Loss as of 31.12.2019 | (529) |
| Financial result as of 31.12.2017 | (425) |
| Financial result as of 31.12.2018 | (442) |
| Financial result as of 31.12.2019 | (456) |

1.6. Current commercial and other liabilities

| Current | | liabilities | |
|--|------------|-------------|--|
| (Thousand BGN) | | | |
| Type | 31.12.2019 | 31.12.2018 | |
| Liabilities to related companies, incl. | 445 | 761 | |
| Liabilities for deliveries | 31 | 28 | |
| Liabilities for received advance payments | - | - | |
| Liabilities for received loans | 380 | 371 | |
| Other liabilities | 34 | 362 | |
| Liabilities for deliveries | | | |
| Liabilities for received advance payments | | | |
| Other short-term liabilities, incl. | 2 | 2 | |
| Liabilities for guarantees and deposits | | | |
| Liabilities for insurances | - | - | |
| Other short-term liabilities | 2 | 2 | |
| Total: | 447 | 763 | |

2. Statement of total comprehensive income

2.1. Revenues from sales

In 2019 the Company has no realized revenues from sales.

2.2. Financial revenues (costs)

| Financial revenues / costs | | (Thousand BGN) | |
|---|-------------|----------------|--|
| Type of cost | 2019 | 2018 | |
| Financial revenues | - | - | |
| Revenues from partnerships | | | |
| Revenues from currency transactions | | | |
| Revenues from interests on provided loans | | | |
| Financial costs | (10) | (11) | |
| Costs for interests | (9) | (11) | |
| Costs for currency transactions | | | |
| Costs for bank fees | (1) | | |
| Total | (10) | (11) | |

2.4. Administrative costs

| Administrative costs | | (Thousand BGN) | |
|-----------------------------|------------|----------------|--|
| Type of cost | 2019 | 2018 | |
| Costs for materials | (1) | (1) | |
| Costs for external services | (3) | (5) | |
| Costs for salaries | | | |
| Costs for taxes, fees, etc. | | | |
| Total | (4) | (6) | |

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 4000 Plovdiv, Bulgaria

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 UIC: 160078346, VAT №: BG160078346

Tax registration: NRA - Plovdiv

2.5. Costs for taxes

The company ends the year with at a loss. There are no accrued current tax costs, as well as deferred tax revenues and costs.

3. Statement on cash flow

A policy has been accepted for accounting and reporting cash flows by the direct method. Cash flows are classified as cash flows from:

- Operative activity
- Investment activity
- Financial activity

4. Statement on the changes in equity

An accounting policy has been accepted for compiling the Statement by including:

- Net profit and loss for the period;
- The balance of the non-distributed profit as well as the flows for the period;
- All articles on revenues or costs, profit or loss, which are due to the active IAS, are recognized directly in the equity;
- Cumulative effect of the changes in the accounting policy and fundamental errors according to IAS 8.

Plovdiv, January 30th, 2020



Compiled by:
/Zhivka Stoyanova/

Approved by:
/Alexandros Exarchou/

Annual Statement on the Activity of
 **"AKTOR BULGARIA" EAD**

The annual statement on the activity of "AKTOR BULGARIA" EAD for 2019 has been prepared according to the requirements of Art.33 of the Accounting Act, Art.187d and Art.247 of the Commerce Act, on the basis of analysis of the development, market presence, the public, macro- and micro-economic environment, financial and economic status of the Company for 2019 and the perspectives for development. The statement presents comments and analysis of the financial statements and other significant information about the financial status and the results from the activities of the companies.

The annual statement on the activity of "AKTOR BULGARIA" EAD for 2018 has been discussed and accepted by the Board of Directors at their meeting and recorded in a minutes of the latter.

ORGANIZATION FORM

"AKTOR BULGARIA" EAD is a legal entity established as a Sole Proprietor Joint-Stock Company by decision № 258/11.01.2007 under Company File № 63/2007, as docketed in the Regional Court of Plovdiv.

Company: "AKTOR BULGARIA" EAD

Subject of activity of the Company is: Surveys, observations and implementation of any kind of technical activities of public and private project sites, representation of foreign companies, research in the energy sector, use of multifunctional logistics and electronic systems.

Seat: The Company has a seat and registered address at: Plovdiv, r.d. "Maritsa Gardens", block 10, office 1, telephone: 032/396 760, fax: 032/396 762, e-mail: aktor@aktor.bg.

Property: The Company is 100% property of a foreign legal entity.

Capital: "AKTOR BULGARIA" EAD has a capital of 50 000 /fifty thousand/ BGN formed by cash contributions, distributed into 50 000 nominal, available shares with the right of vote, with nominal value of each of them - 1 /one/ BGN. The shares of the Company have been registered and the capital has been entirely paid-in.

Sole Proprietor of the capital is "AKTOR" SA, Athens, entered into the Register of Trade Companies of the Athens Prefecture under number 8153/01AT/v/86/355/05 and legally represented by Alexandros Exarchou – Chief Executive Officer.

Management authorities: "AKTOR BULGARIA" EAD has a single-stage system of management – a Board of Directors with a mandate of 5 years.

Related entities: The Company has relations of a related entity to the following enterprises: "AKTOR" SA, "AKTOR JSCC" BFC, CA "CONSORTIUM AKTOR", CA "CONSORTIUM BIOSAR ENERGY-AKTOR" and "KASTOR" JSC – Greece.

Human resources: In 2019, there is no employed staff in the company.

Responsibilities of the management: According to the Bulgarian legislation, the management has to draw up a financial statement for each financial year, which shall give a true and fair picture of the financial status of the Company at the end of the year, its finance indicators and cash flows.

The management confirms that it has applied consecutively adequate accounting policies when compiling the annual financial statement as of December 31, 2019 and it has made reasonable and cautious assessments, assumptions and approximate estimations.

The management also confirms that it has adhered to the accounting standards in force, and the financial statement has been compiled by the principle of an operating enterprise.

The managing authorities bear responsibility for the correct keeping of the accounting registers, for the expedient management of the assets and for undertaking of the necessary measures for avoiding and revealing possible cases of defalcation and other irregularities.

Operating enterprise: During the statement period of 2019, the company states a loss in the amount of 14 thousand BGN. The current liabilities exceed the current assets by 441 thousand BGN.

These circumstances show the presence of a significant insecurity which may cause substantial doubt about the company's ability to continue functioning as an operating enterprise without the support of its owners and other sources of financing.

In this regard, the management has taken the following measures:

- The company has deferred its short-term liabilities to related parties, which will significantly improve its financial state in terms of the ratio between current assets and liabilities.
- The company pursues a policy of optimizing costs, inventories and other components of the working capital.

CHARACTERISTICS OF THE ACTIVITY

The activity of "AKTOR BULGARIA" EAD during the past 2019 developed in the following directions:

- representation of CA "CONSORTIUM AKTOR";
- participation in CA "Consortium Biosar Energy Aktor"

The Company did not realize any revenues in 2019.

The Company costs can be shown as follows:

| <u>Type</u> | As of 31.12.2019 | As of 31.12.2018 |
|------------------------|-------------------------|-------------------------|
| Costs by economic type | 4 | 6 |
| Financial costs | 10 | 11 |
| Total costs: | 14 | 17 |

In the structure of costs for the activity, the most significant is the share of interest expenses for a loan provided by AKTOR JSCC BFC - 71% of the total costs.

Structure and dynamics of assets

| ASSETS | As of 31.12.2019 | | As of 31.12.2018 | |
|----------------------------------|------------------|---------------|------------------|---------------|
| | Thousand BGN | % | Thousand BGN | % |
| I. NON-CURRENT ASSETS | 35 | 85.37 | 35 | 9.43 |
| II. CURRENT ASSETS, incl.: | 6 | 14.63 | 336 | 90.57 |
| Commercial and other receivables | 4 | 9.76 | 336 | 90.57 |
| TOTAL ASSETS | 41 | 100.00 | 371 | 100.00 |

Non-current assets are 85% of the company's assets and represent the company's investment in CA Consortium Actor.

Commercial and other receivables represent 10 % of the company's assets

The transactions with related parties have been made according to the normal market relations.

Structure and dynamics of liabilities

The liability of the balance as of 31.12.2019 is structured as follows:

| LIABILITIES | As of 31.12.2019 | | As of 31.12.2018 | |
|-----------------------------|------------------|---------------|------------------|---------------|
| | Thousand BGN | % | Thousand BGN | % |
| I. EQUITY | -406 | -990.24 | -392 | -105.66 |
| II. NON-CURRENT LIABILITIES | - | - | - | - |
| III. CURRENT LIABILITIES | 447 | 1090.24 | 763 | 205.66 |
| TOTAL LIABILITIES | 41 | 100.00 | 371 | 100.00 |

Liabilities to related entities are in the amount of 445 thousand BGN which represent 99,55 % of the current liabilities of the Company and they have been formed from liabilities to - the Sole Proprietor "AKTOR" SA - Greece - 34 thousand BGN and "AKTOR JSCC" BFC – 411 thousand BGN in relation to a granted loan (380 thousand BGN) and invoiced services (31 thousand BGN).

The other current liabilities amount to 2 thousand BGN.

The financial and economic ratios achieved by the company in 2019, as compared to 2018, are as follows:



| Ratios | | | | | |
|--------|------------------------------|-------|-------|------------|------|
| № | Ratios | 2019 | 2018 | Difference | |
| | | Value | Value | Value | % |
| 1 | Fixed assets /total/ | 35 | 35 | - | 0% |
| 2 | Current assets, incl. | 6 | 336 | (330) | -98% |
| 4 | Inventories | - | - | - | |
| 5 | Short-term receivables | 4 | 336 | (332) | -99% |
| 7 | Funds | 2 | - | 2 | |
| 8 | Total sum of the assets | 41 | 371 | (330) | -89% |
| 9 | Equity | (406) | (392) | (14) | 4% |
| 10 | Financial result | (14) | (17) | 3 | -18% |
| 11 | Fixed liabilities | - | - | - | - |
| 12 | Current liabilities | 447 | 763 | (316) | -41% |
| 13 | Total sum of the liabilities | 447 | 763 | (316) | -41% |
| 14 | Revenues in total | | | - | - |
| 15 | Revenues from sales | | | - | - |
| 16 | Costs in total | 17 | 92 | (75) | -82% |

| Coefficients | | | | | |
|--------------|--------------------------------|--------|--------|------------|------|
| № | Coefficients | 2019 | 2018 | Difference | |
| | | Value | Value | Value | % |
| | Profitability: | | | | |
| 1 | Of equity | 0.03 | 0.04 | (0.01) | -20% |
| 2 | Of assets | (0.34) | (0.05) | (0.30) | 645% |
| 3 | Of liabilities | (0.03) | (0.02) | (0.01) | 41% |
| 4 | Of revenues from sales | | | - | - |
| | Effectiveness: | | | | |
| 5 | Of expenses | - | - | - | - |
| 6 | Of revenues | | | - | - |
| | Liquidity: | | | | |
| 7 | Total liquidity | 0.01 | 0.44 | (0.43) | -97% |
| 8 | Fast liquidity | 0.01 | 0.01 | 0.01 | 71% |
| 9 | Immediate liquidity | 0.01 | 0.44 | (0.43) | -97% |
| 10 | Absolute liquidity | 0.00 | - | 0.00 | |
| | Financial independence: | | | | |
| 11 | Financial independence | (0.91) | (0.51) | (0.39) | 77% |
| 12 | Indebtedness | (1.10) | (1.95) | 0.85 | -43% |



MAJOR RISKS INFLUENCING THE ACTIVITY OF "AKTOR BULGARIA" EAD

While carrying out its activity, "AKTOR BULGARIA" EAD is exposed to certain risks, which affect its results.

Generally, risk factors can be classified into two basic groups:

- ✓ systematic – related to the risk generated by the development of economy as a whole and they are a result of the fluctuations of basic macroeconomic indicators and
- ✓ non-systematic – related to the subject of activity of the company, with possible changes in the demand, as well as to the development of competition in the sector.

Systematic risks

Macroeconomic risks

The macroeconomic risk reflects the impact of the economic processes in the country on the business and investment processes and more precisely on the return of the investments. The macroeconomic risk is determined by the likelihood for the macroeconomic stability in Bulgaria to be disrupted.

Currency risk

The currency risk is related to the possibility that the revenues and costs of the economic operators in the country could be affected by the changes in the exchange rate of the national currency compared to the main currencies on the international market. The introduction of currency board into Bulgaria, as well as of the Euro as unified means of payment in the EU, shall minimize the currency risk for investors having based their investments on the euro. The company is not exposed to a significant currency risk because all its operations and transactions are in BGN or Euro, as far as the latter has a fixed exchange rate to the BGN according to the law.

Non-systematic risks

Business risk

The business risk is connected to the nature of the Company activity and it reflects the generally typical for the business area fluctuations and uncertainty at providing services and receiving revenues.

Financial risk

The financial risk complements the business risk because the Company uses borrowed funds. The financial risk creates additional uncertainty regarding the feasibility of a positive financial result, as far as the payments on loans, which the Company uses, represent a fixed liability.

RESEARCH AND DEVELOPMENT ACTIVITY

In 2019, the Company has not done any actions related to the research and development activity.

IMPORTANT EVENTS THAT OCCURRED AFTER THE DATE OF DRAWING UP THE ANNUAL FINANCIAL STATEMENT

Between the date of the Annual Financial Statement and the date of its approval for publishing, no corrective or non-corrective events occurred, imposing special announcements to be made.

The Company considers that there is no other information that is not publicly disclosed by the Company and which could be important for the shareholders and investors when making any well-grounded investment decision.



Chief Executive Officer:


/Alexandros Exarchou/