ACCOUNTING POLICY AND EXPLANATORY NOTES

To the Interim Consolidated Financial Statements as of 30.06.2022

GENERAL INFORMATION

STARA PLANINA HOLD Plc was incorporated in Bulgaria on 27.09.1996 for an unlimited period of time. The Holding is a successor of Central Privatization Fund AD. On 19.12.1997 Central Privatization Fund AD was renamed to Central Fund Hold Plc, and since 30.04.1999 the company has been operating under its current name.

Stara Planina Hold Plc is registered in the Registry Agency under UICode 121227995.

The company is not registered under the VAT Act.

Stara Planina Hold Plc is a public company within the meaning of Art. 110 of the Public Offering of Securities Act.

The registered seat and business address are in the city of Sofia, Izgrev district, 20 Frederic Joliot-Curie, 9th floor; telephone/fax: 02/9634159; 9630577; 9633754; e-mail office@sphold.com, website www.sphold.com.

The scope of business activity of the holding is: acquisition, management, evaluation and sale of shareholdings in Bulgarian and foreign companies; acquisition, management and sale of bonds, evaluation and sale of patents, transfer of licenses for use of patents, belonging to companies where the holding company has participations; financing companies where the holding company has participations; other commercial operations, except those prohibited by law.

The registered capital of Stara Planina Hold Plc is BGN 21 000 000 (twenty-one million) leva divided into 21 000 000 (twenty-one million) non-preferred registered voting shares with a nominal value of BGN 1.00 each.

The management body of the company is the Board of Directors with the following members:

- Evgeniy Vasilev Uzunov – Chairman of the Board of Directors and representative of the company;
- Vasil Georgiev Velev – executive member of the Board of Directors and representative of the company;
- Finance Invest OOD, having its registered seat and business address in the town of Plovdiv, 14, Maria Luiza Blvd., UIC 115016144, represented for the purpose of performing its obligations as a member of the Board of Directors by the legal representative Spas Borisov Videv;
- Stefan Atanasov Nikolov – member of the Board of Directors.

Shareholders holding more than 5 % of the voting rights as of 30.06.2022:

Potbul Invest Foundation - 4655400 shares, representing 22.17 % of the capital;

Garant-5 Ltd - 2595972 shares, representing 12.36 % of the capital;

ZUPF Allianz Bulgaria AD - 1376254 shares, representing 6.55 % of the capital.

LIST

of subsidiaries included in the consolidated financial statements

Enterprise	*Location*	*Share capital and voting rights*
Hydraulic elements and systems Plc	Yambol	64.53%
Elhim-Iskra Plc	Pazardzhik	51.40%
Fazan Plc	Ruse	92.65%
SPH Invest Jsc	Sofia	99.39%

LIST

of associates included in the consolidated financial statements

Enterprise	*Location*	*Share capital and voting rights*
M+C Hydraulic Plc	Kazanluk	30.61%
Bulgarian Rose Plc	Karlovo	49.99%
Boryana Jsc	Cherven Briag	50.00%
Ustrem Jsc	Svishtov	45.00%

Explanatory information

1. Taking into account the influence of the holding on the decision-making process with regard to the associates' operations and the need to provide more comprehensive and correct information to the shareholders, investors and all interested parties, since 01.01.2011 Stara Planina Hold Plc has been applying accounting policies to further facilitating investors in making well-informed investment decisions.
2. The current financial statements of the companies in the Group are consolidated with the current financial statements of the parent company as of the same date - 30.06.2022.
3. The Investments in the companies of the Group are reported and presented under the acquisition cost method in the Separate Financial Statements of the Stara Planina hold Plc.
4. Data in the consolidated statement of financial position for the previous reporting period are stated based on the data presented in the consolidated statement of financial position as of 31.12.2021 prepared on the basis of the financial statements of the companies in the Group as of the same date.
5. Consolidation of the Separate Financial Statements of companies in the Group and the Separate Financial Statements of the parent company has been made successively for the assets, liabilities, equity, incomes and expenses.
6. In the consolidation procedure the value of equity shares of the companies in the Group held by the parent company has been eliminated successively in relation to:
• registered capital;
• reserves;
• accrued profit / loss.
7. The consolidated profit of the Group is BGN 8 990 thousand.
8. In the consolidated statement of financial position, the non-controlled participation amounts to BGN 101 057 thousand.
9. In the consolidated statement of comprehensive income in the Group under the section "Profit", the amount not belonging to the Group is indicated separately and amounts to BGN 13 790 thousand.

Statement of Compliance

Stara Planina Hold Plc presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and retains their use as an applicable basis in the preparation of the consolidated financial statements for the current period. The company observes the principles and provisions of the Accountancy Act.

Basis for preparation of the financial statements

The financial statements of Stara Planina Hold Plc have been prepared on the historical cost basis, except for the following items, which are being measured under an alternative basis at each reporting date:

Position

Equity securities, reported at fair value through other comprehensive income.

Measurement base

Fair value.

Functional currency and presentation currency

These financial statements are presented in Bulgarian levs which is the functional currency of the Company. All data for 2022 and 2021 are presented in thousands of BGN unless otherwise stated at the respective place. The income per share is calculated and disclosed in BGN.

Upon initial recognition, a foreign currency transaction is recorded in the functional currency and the exchange rate at the time of the transaction or operation published by the BNB is applied to the foreign currency amount. Cash, receivables and payables, such as monetary reporting items denominated in foreign currency, are valued in Bulgarian levs using the final exchange rate of the BNB.

In preparing these financial statements, the management has made valuations, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual result may differ from these estimates.

Estimates and key assumptions are currently under review.
The Company presents comparative information in these financial statements for the previous year, as the articles on the Statement of Financial Position and the Statement of Changes in Equity, as well as the notes thereto, include comparative data as of the b

Statement on the impact of Covid-19

This statement is set out under the recommendation of ESMA, dated March 11th, 2020 addressed to the financial market participants in relation to the impact of Covid-19.

We have taken measures that the companies in the group have been implementing sustainably for a second year in order to guarantee the health and working capacity of the employees, continuity of our business and the activities related to the regulatory obligations. For the period after 13.03.2020 until the end of the reporting financial period of 2022, including after the end of the emergency epidemic situation, the companies in the group of Stara Planina Hold Plc have continued their activities with variable deviations from the established mode of operation, in compliance with the precautionary measures for limiting the spread of the Covid-19 infection.

The severe anti-epidemic measures imposed again in some parts of China continue obstructing production and supply. The potential possibility of applying new restrictive measures in Bulgaria due to the new wave of Covid-19 represents an additional risk for the smooth and efficient functioning of the business.

In the ECB's June 2022 Economic Bulletin, the Governing Council of the ECB expressed the view that renewed pandemic restrictions and the subsequent new economic shutdown in China are seen as one of the main obstacles to global growth in the short term and are re-intensifying supply constraints. As a result, businesses are facing higher costs and disruptions in their supply chains, and the outlook for future production is worsening.

The effect of the restrictive measures will continue having an impact on the economic sentiment and global, regional and local business conditions.

The management believes that potential adverse developments do not represent a material uncertainty for the application of the going concern principle. The management has reasonable expectations that the Company has sufficient resources to continue the normal development of the activity in the foreseeable future and does not intend to significantly limit or discontinue the activity. For this reason, in preparing the financial statements, the Company continues to apply the going concern principle.

ACCOUNTING POLICY

Financial instruments

Non-derivative financial instruments

The participation of Stara Planina Hold Plc in subsidiaries and associates is reported in accordance with the provisions and requirements of IFRS 10: Consolidated financial statements and IAS 28: Investments in Associates and Joint Ventures.

Subsidiaries are all enterprises under the control of the company. The control over the subsidiaries finds expression in the possibility of the company to manage and define the financial and business policies of the subsidiaries so as to benefit from their operations. In the separate financial statements of the company, investments in subsidiaries are accounted for at their cost price.

The Company recognizes dividend payments from subsidiaries in its profit or loss in the separate financial statements when the right to receive the dividend is established.

Associates are those entities over which the company is able to exercise significant influence but which are neither subsidiaries nor jointly controlled entities. Investments in associates are accounted for using the cost price method. The Company recognizes dividend payments from associates in its profit or loss in the separate financial statements when the right to receive the dividend is established.

Classification and measurement of investments in equity instruments (minority interests)

Investments in equity instruments (minority interests) are classified as reported at fair value under other comprehensive income (FVOCI) in accordance with IFRS 9. All changes in the fair value of these investments will be presented in other comprehensive income and no impairment losses will be recognized in the profit or loss and the amounts accumulated in other comprehensive income will not be reclassified in the profit or loss after their derecognition (in case of any future sale of the investments).

Income from dividends will continue being recognized in the profit or loss for the period.

Loans granted, commercial and other receivables are classified in the category reported at “amortized cost” in accordance with IFRS 9.
These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced with the impairment of losses. Interest income, foreign exchange rate gains and losses and impairment are recognized in the profit or loss. Any profit or loss from derecognition is recognized in the profit or loss.

Impairment of financial assets

The 'expected credit loss' impairment model applies to financial assets measured at amortized cost or fair value through other comprehensive income, excluding investments in equity instruments and contractual assets. Pursuant to IFRS 9, losses are measured under one of the following two bases: 1. expected credit losses for the next 12 months after the date of the financial statements or 2. expected credit losses for the entire term of the financial assets. The first basis applies when the credit risk has not increased significantly from the date of the initial recognition to the date of the financial statements (and the credit risk is low as of the date of the financial statements), otherwise the second basis applies. The Company applies the second basis for commercial receivables and contractual assets (whether with or without a significant financial component). The increase in the

credit risk is monitored and defined on the basis of information on risk factors such as overdue liabilities, significantly worsen financial standing of the debtor and others.
As a result of the application of IFRS 9, the Company has adopted subsequent amendments to IAS 1 - Presentation of Financial Statements which requires that impairment of financial assets be presented as a separate item in the profit or loss account and the other comprehensive income.

Derivative financial instruments

The company has not used derivative financial instruments for hedging against currency, interest rate and cash flow risks.

Tangible fixed assets

The company has adopted a threshold of significance in the amount of BGN 700 under which tangible assets, regardless if fixed or not, are accounted for as current expenditures upon acquisition.

Tangible fixed assets are initially recognized at acquisition price, which includes the purchase price (including duties and non-recoverable taxes) and all direct costs. Direct costs are those necessary to turn the asset into working condition in accordance with its intended use.

Following the initial recognition, each individual tangible fixed asset is accounted for at acquisition price less accrued depreciation and accumulated impairment loss.

Subsequent costs related to a separate tangible fixed asset are used to adjust the book value of the asset when it is probable for the economic benefits of the company to exceed the initially measured standard efficiency of the existing asset. All of the other subsequent expenses are recognized as such during the period when they have incurred.

Tangible fixed assets are written off upon their sale or when no economic benefits are expected from their use or upon release of the asset.

When a tangible fixed asset is transformed into a commodity, no profit or loss is reported. The acquisition price of the commodity shall be the book value of the tangible fixed asset which is written off.

When a tangible fixed asset is acquired as a result of a complete or partial exchange for another dissimilar in nature asset or other assets, the acquisition price will be defined under the fair value of the asset received which is equivalent to the fair value of the given asset, adjusted with all transferred cash. The difference between the acquisition price of the asset received and the book value of the exchanged asset, along with all transferred cash shall be reported as profit or loss.

Amortized cost of tangible fixed assets is equal to their book value. Tangible fixed assets are amortized on a straight-line basis according to their expected useful life (service life). Service life is defined according to the period during which it is assumed that the depreciable assets will be used by the company taking into account their probable physical wear and obsolescence.

The terms are defined as follows:

Buildings – 25 years

Plant and equipment – 3.33 years

Motor vehicles – 4 years

Computers – 2 years

Other fixed assets – 6.66 years

Impairment of assets

Depreciable assets are regularly tested for impairment when events or changes in circumstances indicate that the book value of the asset may not be recoverable.

The depreciation loss from an asset is recognized immediately as a current operating expense. In case that after a depreciation of an asset its recoverable value exceeds the book value, a depreciation loss recovery shall be reported as a current operating income up to the amount of the previous depreciation which has been reported as a current operating expense.

Assets for which impairment loss has been recognized are subsequently tested for a possible recovery of the impairment at each date of preparation of the financial statements.

Intangible fixed assets

The Group recognizes identifiable non-monetary assets without physical substance as intangible assets when they meet the definition of an intangible asset and the recognition criteria set out under IAS 38.

Intangible fixed assets are initially recognized at acquisition price, which includes the purchase price (including duties and non- recoverable taxes) and all direct costs. Direct costs are those necessary to turn the asset into working condition in accordance with its intended use. Direct costs are the costs necessary to render the asset operational as per its intended use.

Intangible assets subject to amortization are amortized on a straight-line basis during their expected useful life**.**

Inventory

Inventories are initially measured at their delivery cost which is the sum of all purchase and processing costs, as well as other expenditures incurred in relation to the delivery to their current location and condition.

The valuation method of inventories when they are written off is "weighted average price".

Inventories are valued at the lower of the delivery cost and net realizable value and the difference shall be accounted for as other current operating expenses. At the end of the reporting period, the net realizable value of inventories will be assessed. The net realizable value is the estimated selling price within the course of normal business operations less the approximately measured sales costs.

Receivables

Receivables are presented and reported at their nominal value, reduced by the amount of impairment for uncollectible amounts. An estimate for doubtful and uncollectible receivables is made when collection of the entire amount or part thereof is highly uncertain. Uncollectible receivables are written off in full when legal grounds for this are established.
Commercial receivables are classified at amortized cost in accordance with IFRS 9.

Cash

Cash funds are short-term financial assets in the form of cash and/or cash equivalents. Cash means available cash in hand or deposits at demand. Cash equivalents are short-term highly liquid investments which are easily transferable into respective cash amounts and which bear insignificant risk from fluctuations in their value.
Cash and cash equivalents include cash in hand and current accounts. For the purpose of preparing the cash flows statements, cash receipts from customers and cash payments to suppliers are reported as gross amounts, VAT (20%) included.
Cash funds are classified at amortized cost under IFRS 9.The company considers that there is no need for impairment of available cash due to the fact that cash is held in a financial institution and has low credit risk.

Liabilities

Payables to suppliers and other current liabilities in BGN are accounted for at acquiring price which is assumed to be the fair value of the transaction. Liabilities denominated in foreign currency are valued in BGN at the exchange rate of the BNB on the day of their occurrence, and are revalued at the closing exchange rate of the BNB as of June 30, 2022.
Liabilities for dividends are recognized following a decision of the General meeting of shareholders.

Retirement benefits and other liabilities

The employer provides compulsory insurance of the employed personnel for retirement, healthcare and unemployment.
Social security and retirement plans offered by the company in its capacity of an employer are based on the Bulgarian legislation and constitute predetermined fixed instalments.

Short term employee benefits (due within 12 months following the end of the period when earned) are recognized as expenses in the income statement during the period wherein the work has been performed and as a current liability (less all amounts paid out and any due deductions) in an undiscounted amount. As of the date of the annual financial statements the company makes an estimate of the expected costs for the leave subject to compensation to be accumulated which is expected to be paid as a result of the unused right to accumulated leave. The assessment includes the costs for remunerations and the amounts for the compulsory social insurance, due by the employer, in an undiscounted amount.

Provisions

Provisions are recognized when the company has a current legal or constructive obligation resulting from a past event the repayment of which will require expenditure of economically-beneficial resources and it is possible to make a reliable estimate of the amount for repayment of the obligation. When a discount is used, the reported amount of the provision will be increased in each period in order to reflect the expired time. Such an increase will be recognized as a financial expenditure.
A contingent liability is disclosed in the statement unless the probable need for cash outflows, including economic benefits to repay the obligation, is deferred.

Temporary tax differences

Temporary tax differences are accrued using the balance sheet method for all temporary differences between the tax base of the assets and the liabilities and their book value, measured for accounting purposes. When calculating temporary tax differences, the applicable tax rates for the periods of reverse occurrence are used. When calculating temporary tax differences, tax rates are used which refer to the periods of reverse occurrence of the temporary tax differences.

The main temporary differences result from impairment of receivables, revaluations under fair value and accrued provision expenses.

Recoverable temporary tax differences arising from the transfer of unused tax losses from previous periods are recognized only when it is probable that future taxable profits will be available against which the losses can be utilized.

Recognizing income and expenses

IFRS 15 creates a comprehensive framework for defining whether, to what extent and when revenues shall be recognized. Pursuant to IFRS 15, revenue is recognized when a customer obtains control over the goods or services. Defining the time when the control is transferred - at a particular point in time or over time requires judgment.

Interest income is recognized on a current basis in proportion to the time base that takes into account the effective income from the asset.

Operating expenses are accrued at the time of their occurrence, regardless of the cash receipts and payments. Reporting and recognition of expenses is performed in compliance with the requirement for a causal link between income and expenses.

Related parties

For the purpose of preparing these financial statements, members of the Board of Directors have presented in the annual report the legal entities related to them and controlled by them. Related parties to the company are the subsidiaries and associates.

Changes in the related parties to Stara Planina Hold Plc are being followed for the entire reporting period and for the previous reporting period, as far as this information concerns reporting of transactions and events in the financial statements.

The Board of Directors of Stara Planina Hold Plc has adopted procedures to avoid and disclose conflicts of interest. They impose obligations for the members to avoid and not to admit actual or potential conflicts of interest and, if necessary, to immediately disclose conflicts of interest and provide shareholders with access to information on transactions between them and the company or any related party.

During the reporting period members of the Board of directors and parties related to them have not entered into agreements with the company under terms beyond the regular business operations or deviating significantly from the market conditions.

There are no transactions beyond the regular business operations of the issuer or deviating significantly from the market conditions.

Transactions between Stara Planina Hold Plc and related parties during the reporting period include mostly the loans provided to subsidiaries and associates.

Loan agreement dated 25.04.2019 granting Fazan Jsc the amount of BGN 407 000 with maturity until 25.12.2023 at 2.5 % annual interest rate.

Loan agreement dated 09.01.2020 granting Fazan Jsc the amount of BGN 550 000 with maturity until 08.01.2024 at 2.5 % annual interest rate.

Loan agreement dated 16.05.2016 granting Boryana Jsc the amount of up to BGN 500 000 with maturity until 16.05.2023 at 3 % annual interest. Balance at end of the period BGN 470 000.

Loan agreement dated 22.01.2021 granting Boryana Jsc the amount of up to BGN 200 000 with maturity until 31.12.2021 at 3 % annual interest. Balance at end of the period BGN 50 000.

Loan agreement dated 18.05.2018 granting Ustrem Jsc. the amount of BGN 100 000 with maturity until 18.05.2023 at 3% annual interest. Balance at end of the period BGN 83 000.

Loan agreement dated 29.01.2020 granting Ustrem Jsc. the amount of BGN 75 000 with maturity until 29.07.2022 at 3% annual interest.

Loan agreement dated 29.03.2021 granting Ustrem Jsc. the amount of BGN 200 000 with maturity until 29.03.2023 at 2.5% annual interest.

Loan agreement dated 23.06.2022 granting Hydraulic elements and systems Plc, Yambol. the amount of BGN 3 000 000 with maturity until 31.03.2023 at 2.125% annual interest

Events after the balance sheet date

Events, both favorable or unfavorable, that occur between the end of the reporting period and the date that the financial statements are approved for issuance, may be: (a) adjusting events – events that provide further evidence on conditions that existed on the date of the annual financial statements, and (b) non-adjusting events – events that are indicative of conditions after the date of the annual financial statements.
The Company adjusts recognized amounts or recognizes amounts which have not been recognized, in case of reported adjusting events.
The Company does not adjust recognized amounts or does not recognize amounts which have not been recognized in case of reported non-adjusting events. They are only disclosed in the Notes to the annual financial statements.

Financial risk management

The Management monitors the overall risk and finds ways to neutralize potential negative effects on the company's financial indicators.

Market risk includes three types of risk:

Currency risk - the risk that the value of a financial instrument will vary due to changes in exchange rates.

Interest rate risk - the risk that the value of a financial instrument will vary due to changes in market interest rates.

Price risk - this is the risk that the value of a financial instrument will vary as a result of changes in market prices.

The main sales in the Group are realized in the European Union and from exports to third countries. Payments are in euros and US dollars. The management monitors exchange rate movements and takes measures to avoid the negative consequences as a result of their variance.

The interest-bearing financial instruments of Stara Planina Hold Plc are mainly the loans granted. The majority of them have a fixed interest rate of 2.5 to 3% annual interest.

Investments in subsidiaries and associates are accounted for and presented under the acquisition price method.

The risk of changes in the market price of equity instruments arises from equity stocks classified as reported under fair value in other comprehensive income (FVOCI) held for long-term investments.

Credit risk - Stara Planina Hold Plc has granted loans to companies in its portfolio which have a longstanding and unblemished credit reputation which minimizes the credit risk.

Due to the nature of the financial instruments used by Stara Planina Hold Plc, the liquidity risk and the interest rate risk of the cash flow are also minimized.

Approximate accounting estimates, fundamental errors and amendments to the accounting policy

Estimates are subject to revision in case of changes in the circumstances they are based on or resulting from further experience or subsequent developments. The effects of changes in the accounting estimates are taken into account when defining the profit or loss, as follows:

a) For the period of the change - if the change affects only that period;

b) For the period of the change and future periods - if the change affects these periods as well.

The effect of the changes in the accounting estimate is included in the same entry of the comprehensive income statement as previously used for the estimated value. The error related to prior periods is reported during the current period by increasing or decreasing the retained profit balance from previous years. The comparative information from the previous reporting period is recalculated. When the decrease in retained earnings is greater than the balance of retained earnings before the decrease, the difference is reported as an uncovered loss from previous years.

Changes in the accounting policy are to be made only when required by law, accounting standards, or if the change will lead to a more adequate representation of the events or transactions reported in the financial statements.

Changes in the accounting policy are to be applied retrospectively. Any adjustment due to the change must be recorded as an adjustment to the balance of the retained earnings from previous years. The comparative information must be recalculated. The difference resulting from the recalculation of tax expenses in the income statement for the previous period shall be reported as an adjustment to the retained earnings (uncovered loss). Changes in the accounting policy will not be applied retroactively when the adjustment to the balance of retained earnings from previous years cannot be reliably defined. Changes in the accounting policy arising from adoption of new accounting standards or amendments or supplement to existing ones will be reported in accordance with the requirements indicated in the new or amended accounting standard, if specified. When the respective accounting standard does not stipulate specific requirements for reporting changes in the accounting policy, they are to be reported in accordance with IAS 8. During the reporting period, the accounting policy has not been changed.

No errors have been found for the current and previous reporting periods. Therefore, changes due to errors are not reported.

NOTES UNDER THE STATEMENT OF FINANCIAL POSITION

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 1

Property, plant and equipment

Property, plant and equipment	*Land*	*Buildings and constructions*	*Machinery and equipment*	*Facilities*	*Vehicles*	*Office fittings*	*Expenses for acquisition and liquidation of assets in a business way*	*Others*	*Total*
Book value as of 31.01.2022	5642	56524	193092	14178	4552	3345	6117	1373	284823
Received during the period	2481	362	9305	109	127	22	12228	4	24638
Out of use	25	2	4163	2	102	3	12482		16779
Depreciation accrued in the beginning of the period		26686	158099	6932	3418	2748		748	198631
Depreciation accrued during the period		1038	5973	280	146	107		89	7633
Depreciation written off during the period			1543	2	101	3			1649
Balance as of 30.06.2022	8098	29160	35705	7075	1114	512	5863	540	88067

Note 2
Intangible assets

Intangible assets	Rights of ownership	Software	R&D products	Others	Total
Book value as of 31.01.2022	1199	4485	1182	544	7410
Received during the period	15	166	15		196
Out of use					
Depreciation accrued in the beginning of the period	1141	4041	507	475	6164
Depreciation accrued during the period	8	272	15	11	306
Depreciation written off during the period					
Balance as of 30.06.2022	65	338	675	58	1136

Note 3
Investments in Other Companies

Company name and registered seat of the companies where the investments were made	Fair value	Percentage of the capital of the other company	Investment in securities admitted to trading on a stock exchange	Investment in securities not admitted to trading on a stock exchange
International Asst Bank JSC, Sofia	15924	12,97		15924
ZAD Asset Insurance JSC, Sofia	7048	40,00		7048
Hydraulic elements and systems Plc, Yambol	9793	8,28	9793	
Elhim - Iskra Plc, Pazardzhik	160	0,80	160	
Leasing Company JSC, Sofia	712	5,00		712
SPH Trans Ltd., Sofia	39	95		39
Medical Center “Center for Prevention of the health” Ltd, Sofia	2	25,00		2
Progres JSC, Stara Zagora	335	4,00		335
Dionisii Jsc, Nikopol	99	68,99		99
TOTAL	34 112		9953	24159

Investments in equity instruments (minority shares), pursuant to IFRS 9 are classified as reported at fair value through the statement of other comprehensive income (FVOCI). Market valuation of the shares is prepared at the end of the year.

Note 4

Other financial assets	30.06.2022	31.12.2021
Additional cash contribution in accordance with art. 246, para 2, item 4 of Commercial Act	1218	1218

In 2016 an additional monetary contribution was made by Stara Planina Hold Plc in accordance with art. 246, para 2, item 4 of Commercial Act in the amount of BGN 609 thousand in the Reserve fund of Asset Insurance AD - a minority interest company in the portfolio of Stara Planina Hold Plc portfolio.

In 2016 an additional monetary contribution was made by HES Plc in accordance with art. 246, para 2, item 4 of Commercial Act in the amount of BGN 609 thousand in the Reserve fund of Asset Insurance AD - a minority interest company in the portfolio of Stara Planina Hold Plc portfolio.

Note 5

Long-term trade and other receivables	30.06.2022	31.12.2021
Trade loans	8400	8400
Financial lease receivables		
Others	4492	1567
Total	12892	9967

Note 6

Inventory	30.06.2022	31.12.2021
Materials	35340	26996
Finished goods	5563	6490
Goods for resale	1995	1483
Work in progress	11511	11521
Others		2
Total	54409	46492

Note 7

Current trade and other receivables	30.06.2022	31.12.2021
Trade accounts receivables	52058	41732
Advance payments	1786	705
Trade loans	1060	1140
Court receivables	1	1
Recoverable taxes	3021	2593
Others	350	225
Total	58276	46396

Note 8

Cash and cash equivalents	30.06.2022	31.12.2021
Cash	114	101
Cash in banks	44273	40909
Restricted cash	180	1495
Cash equivalents	3	6
Total	44570	42511

Note 9

Share capital and Reserves	30.06.2022	31.12.2021
Share capital	21000	21000
Treasury shares	-275	-275
Premium reserves when issuing securities	1178	1178
Reserve from subsequent valuations of assets and liabilities	24895	24899
General reserves	13394	13341
Special reserves		
Other reserves	5732	5731
Reserves from transformation	-1034	-1034
Undistributed profit	43962	38099
Loss not covered	-428	-428
Current year profit (loss)	8990	13054
Total	117414	115565

Note 10

Long-term trade and other liabilities	30.06.2022	31.12.2021
Due to related parties	187	347
Due to banks under loans received	948	813
Due under trade loans	64	64
Due to staff upon leave	2283	2283
Liabilities on deferred taxes	1751	1751
State financing	1275	1279
Provisions	200	200
Others	143	99
Total	6851	6836

Note 11

Current trade and other liabilities	30.06.2022	31.12.2021
Due for dividends	22264	6829
Due to banks under loans received	647	682
Trade loans	152	126
Trade accounts payables	27893	23765
Advance payments	1800	2220
Salaries payable	8581	7531
Social security payable	1935	1749
Tax liabilities	2944	1586
Others	2845	1141
Provisions	60	86
Deferred revenues	32	139
State financing	785	968
Total	69938	46822

Off-balance sheet liabilities

An agreement for undertaking a subordinated contingent liability has been concluded between Stara Planina Hold Plc and ZAD Asset Insurance AD. Pursuant to this agreement, Stara Planina Hold Plc shall provide ZAD Asset Insurance AD, upon request and upon occurrence of an activating event, the amount of up to BGN 294 thousand.

An agreement for undertaking a subordinated contingent liability has been concluded between HES Plc and ZAD Asset Insurance AD. Pursuant to this agreement, HES Plc shall provide ZAD Asset Insurance AD, upon request and upon occurrence of an activating event the amount of up to BGN 294 thousand.

NOTES UNDER THE COMPREHENSIVE INCOME STATEMENT

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 12

Net sales revenues	30.06.2022	30.06.2021
Finished goods	175622	126513
Goods for sale	2347	699
Services	1729	1199
Others	3673	3269
Total	183371	131680

Note 13

Other financial income	30.06.2022	30.06.2021
Interest revenue	115	122
Dividend income	501	420
Gains from operations with financial assets and instruments		
Gains from foreign exchange operations	320	206
Other financial income		22
Total	936	770

Note 14

Other financial expenses	30.06.2022	30.06.2021
Interest expenses	63	46
Losses from foreign exchange operations	98	116
Other financial expenses	97	118
Total	258	280

Chief Accountant: Kremena Dulgerova

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Date: 2022.08.29 09:38:03 +03'00'

Executive Director: Vasil Velev

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Date: 2022.08.29 09:47:16 +03'00'