

**CONSOLIDATED INTERIM REPORT ON THE ACTIVITIES OF
MONBAT AD
AS AT 30.09.2020 PURSUANT TO ARTICLE 1000, PARAGRAPH 4, ITEM 2 OF LPOS**

**1. IMPORTANT DEVELOPMENTS FOR MONBAT AD THAT OCCURRED DURING THE PERIOD
(01.01.2020 - 30.09.2020)**

Table 1

Date	Developments								
28-01-2020	<p>MONBAT AD announced the following information:</p> <p>In December, 2019 the companies in the economic group of Monbat AD have generated consolidated net sales revenues from continuing operations in the amount of BGN 29 285 thousand which represents an increase of 35.30 % compared to the consolidated net sales revenues generated in December, 2018.</p> <p>The consolidated data for 2019 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues from continuing operations in the amount of BGN 339 843 thousand which represents an increase of 15.50 % compared to the consolidated net sales revenues from continuing operations for 2018.</p> <p>The generated net sales revenues from continuing operations for 2019 in the amount of BGN 339 843 thousand are allocated as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>Production</td> <td>BGN 319 250 thousand</td> </tr> <tr> <td>Products</td> <td>BGN 1 622 thousand</td> </tr> <tr> <td>Services</td> <td>BGN 4 556 thousand</td> </tr> <tr> <td>Others</td> <td>BGN 14 405 thousand</td> </tr> </tbody> </table> <p>The generated consolidated result from continuing operations (without the led lightning business segment) before taxes of the companies in the economic group of Monbat AD for December, 2019 is a loss of BGN 3 946 thousand, which represents an increase of 22.5 % compared to the prior period of 2018.</p> <p>The consolidated data for 2019 show that the companies in the economic group of Monbat AD have generated profit from continuing operations before taxes in the amount of BGN 11 809 thousand, which represents an increase of 1153.6 % compared to the generated consolidated profit from continuing operations before taxes for 2018.</p> <p>The consolidated data for 2019 show that the companies in the economic group of Monbat AD have generated profit from continuing and discontinued operations before taxes in the amount of BGN 14 023 thousand, which represents an increase of 1080.60 % compared to the generated consolidated profit before taxes for 2018.</p>	Production	BGN 319 250 thousand	Products	BGN 1 622 thousand	Services	BGN 4 556 thousand	Others	BGN 14 405 thousand
Production	BGN 319 250 thousand								
Products	BGN 1 622 thousand								
Services	BGN 4 556 thousand								
Others	BGN 14 405 thousand								

The consolidated EBITDA of the Group from continuing operations for the month of December 2019 stands at BGN 1 794 thousand which represents an increase of 285.50 % to the comparative period of 2018.

The consolidated EBITDA from continuing operations (without the led lightning business segment) of the Group for 2019 stands at BGN 36 190 thousand which represents an increase of 60.3 % compared to 2018.

NOTE:

- 1) The profit from discontinued operations for 2019 includes the accounting effect of the deconsolidation of led lightning business segment.
- 2) The results for December 2019 include:
 - a. The accounting of depreciation expense on the fair value recognized with respect to the fixed assets acquired in the business combination of Piombifera Italiana to the amount of app. BGN 733 thousand
 - b. Interest expense with respect to the coupon payment on the bond obligation conducted on 20.01.2020 to the amount of app. 815 BGN thousand and additional interest expense related to the effective interest rate of the bonds issue (for more details refer to the Consolidated Financial Report of Monbat Group for 2018 note 23) to the amount of app. BGN 1 300 thousand.

30-01-2020

MONBAT AD announced the 2019 Q4 Individual financial report

25-02-2020

MONBAT AD announced the following information:

In January, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues in the amount of BGN 25 742 thousand which represents a decrease of 9.5 % compared to the consolidated net sales from continuing operations generated in January, 2019.

The generated net sales revenues from continuing operations for 2020 in the amount of BGN 25 742 thousand are allocated as follows:

Production	BGN 24 076 thousand
Products	BGN 263 thousand
Services	BGN 356 thousand
Others	BGN 1 047 thousand

The generated consolidated result before taxes of the companies in the economic group of Monbat AD for January, 2020 is a profit of BGN 959 thousand, which represents a decrease of 53.8 % compared to the prior period result from continuing

operations.

The consolidated EBITDA of the Group for the month of January 2020 stands at BGN 2 680 thousand which represents a decrease of 24.1 % to the comparative period of January 2019.

02-03-2020 **MONBAT AD announced the 2019 Q4 Consolidated financial report**

02-03-2020 **MONBAT AD announced the 2019 Q4 Bond reports**

13-03-2020 **MONBAT AD announced the following information:**

With the present we would like to inform all investors and stakeholders, that according the article 75, paragraph 1, p.2 of the Trading Rules, part IV of BSE AD and regarding the resolution of the Bulgarian Parliament from 13.03.2020 for State of Emergency and also to protect the interest of the investors of Monbat AD, both in shares and bonds, the Corporate Board of Monbat AD requested to BSE AD to stop immediately the trade of the issued by the company securities:

Emission securities BSE Code 5MB and ISIN code BG1100075065

Emission securities BSE Code 5MB and ISIN code BG2100023170

until the end of the State of Emergency or by the explicitly request of the company.

Please find enclosed the request to BSE AD

26-03-2020 **MONBAT AD announced the following information:**

In February, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues from continuing operations in the amount of BGN 23 882 thousand which represents a decrease of 15.8 % compared to the consolidated net sales revenues generated in February, 2019.

The summarized data for the first two months of 2020 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues in the amount of BGN 49 624 000 which represents a decrease by 12.70 % compared to the consolidated net sales revenues for the same period of 2019.

The generated net sales revenues from continuing operations for 2020 in the amount of BGN 49 624 thousand are allocated as follows:

Production	BGN 47 189 thousand
Products	BGN 359 thousand
Services	BGN 621 thousand
Others	BGN 1 455 thousand

The generated consolidated result from continuing operations (without the led lightning business segment) before taxes of the companies in the economic group of Monbat AD for February, 2020 is a profit of BGN 925 thousand, which represents a decrease of 54.6 % compared to the prior period of 2019.

The summarized data for the first two months of 2020 show that the companies in the economic group of Monbat AD have generated profit before taxes in the amount of BGN 1 884 000, which represents a decrease by 54.2 % compared to the generated consolidated profit before taxes for same period of 2019.

The consolidated EBITDA of the Group from continuing operations for the month of February 2020 stands at BGN 2 439 thousand which represents a decrease of 31.1 % to the comparative period of February 2019.

The summarized data for the first two months of 2020 show that the companies in the economic group of Monbat AD have reached EBITDA in the amount of BGN 5 119 000 which represents a decrease by 27.6 % compared to same period of 2019.

The consolidated EBITDA for the two months of 2020 is matching the Base Plan Target for 2020 showing a modest deviation of 1.2% (Base Plan EBITDA for the period ending February 2020 – BGN 5 181 000). The Base Plan consolidated EBITDA for 2020 is BGN 48 900 000 which represents and increases of 25.9% compared to the preliminary consolidated EBITDA numbers for 2019.

The lower results for the two months of 2020 in comparison to the same period of 2019 are due to lower demand in the European market which could partially be attributed to yearly cyclicity aspects and warmer weather. In 2019 the Group has diversified the geographical mix of the sales structure of starter lead acid batteries by focusing on markets in Africa and Middle East. Those markets are characterized by “high season” demand which starts in the second quarter of the year and therefore complements the decrease of the demand in the European market in the same period. The same sales strategy is valid for 2020.

27-03-2020

MONBAT AD announced the following information:

Monbat AD and its subsidiary company Start AD during the state of emergency because of COVID-19

Sofia, March 27th 2020 During the state of emergency, declared by the Republic of Bulgaria because of Covid-19 spread, Monbat Economic Group continues to operate in strict compliance with all hygiene and sanitary requirements needed for establishing safe and healthy working conditions for its employees. Corporate management is aware of the responsibility it holds towards its employees, partners, distributors and

customers, and to the whole community.

The production facilities in Montana and Dobrich continue to operate without disruption of the production cycle. All administrative, logistical and commercial functions are also being carried out. The employees of the administrative units are encouraged to work remotely from their homes, and for the workers in the facilities are provided additional personal and protective equipment and nutritional supplements for the strengthening of the immune system; the body temperature of each person is measured at the entrances of the enterprises.

The working schedule is rearranged in order to avoid the people crowding both in the administrative and sanitary facilities; all areas are being disinfected on a schedule at least three times per day. Access by outsiders is restricted and, if necessary, allowed after measuring body temperature, disinfection and distribution of personal protective equipment. Dispensers with hand sanitizers are also available in every room.

In these critical times, the company's management calls for unity, discipline and responsible behavior to adequately address the challenges that the business is facing in order to continue the operations of the Group's companies and to avoid risky situations for employees, partners and all stakeholders and their families.

"We are aware of the severity of the situation as well as of our responsibilities. In these circumstances, we understand how important it is that we do everything possible to support our employees, and thus the entire economic life in the regions, where we operate, taking into account all restrictions and recommendations imposed by the situation", commented Margarita Borisova, Director Human capital in Monbat Group.

30-03-2020

MONBAT AD announced the following information:

In relation with the instructions of the Financial Supervision Commission, published on 27.03.2020, we hereby announce that regarding the declared State of Emergency with a Decision of the National Assembly of the Republic of Bulgaria and the Law on Measures and Actions adopted during the State of Emergency, announced by a Decision of the National Assembly of March 13, 2020, promulgated in issue 28 of March 24, 2020 of the State Gazette, Monbat AD will publish the audited annual financial report as of 31.12.2019, not later than 30.04.2020.

The underlying reason for the delay is the introduced remote working mode and the constant exchange of e-correspondence between the financial department and the registered auditors regarding the clarification of individual items on the balance sheet of the Company, as well as additional information regarding the effects of COVID-19 on the company's activity.

The management board of the company makes every effort to draw up and present the

audited annual financial report as of 31.12.2019 before 30.04.2019, for which all stakeholders will be informed in due time.

09.04.2020

MONBAT AD announced the following information:

We would hereby like to inform the investors and all stakeholders that Monbat NBP EOOD, a company 100% subsidiary of Monbat AD, has submitted an investment plan for the construction of a new bipolar battery plant in Vratsa. Following this mandatory phase of the preparation of the construction project, a large number of procedures will be carried out, including the preparation of an assessment regarding the impact on the environment.

The technology for the production of innovative bipolar batteries is the licensed GreenSeal® technology, purchased at the end of 2018 from the leading US company Advanced Battery Concepts. Monbat Economic Group is a globally presented manufacturer of lead-acid and lithium-ion batteries, with nearly 1000 employees, and proven high level of the quality management, environment protection and employees health care management, local community connections and sustainable development.

The economic group's experience in recycling through its operating recycling facilities in Bulgaria, Serbia, Romania and Italy, as well as the Italian high-tech engineering company for lead recycling, food processing and waste water treatment solutions - STC (Science, Technology and Consulting) SRL, guarantee the full recycling of all production raw materials.

Waste treatment plants shall be installed on the production site as an inseparable part of the production equipment and the technological process map. All technological and treatment plants shall be manufactured by leading companies with proved experience in the field.

Monbat AD will announce further information regarding the financial parameters of the project after obtaining the approval of the investment proposal.

28.04.2020

MONBAT AD announced the following information:

In March, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues from continuing operations in the amount of BGN 23 536 thousand which represents a decrease of 9.10 % compared to the consolidated net sales revenues generated in March, 2019.

The summarized data for the first three months of 2020 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues in the amount of BGN 73 160 thousand which represents a decrease by 11.50 % compared to the consolidated net sales revenues for the same period of 2019.

The generated net sales revenues from continuing operations for the first three months of 2020 in the amount of BGN 73 160 thousand are allocated as follows:

Production	BGN 69 297 thousand
Products	BGN 512 thousand

Services	BGN 908 thousand
Others	BGN 2 443 thousand

The generated consolidated result from continuing operations (without the led lightning business segment) before taxes of the companies in the economic group of Monbat AD for March, 2020 is a profit of BGN 1 284 thousand, which represents a decrease by 62.90 % compared to the prior period of 2019.

The summarized data for the first three months of 2020 show that the companies in the economic group of Monbat AD have generated profit before taxes in the amount of BGN 3 168 thousand , which represents a decrease by 58.10 % compared to the generated consolidated profit before taxes for same period of 2019.

The consolidated EBITDA of the Group from continuing operations for March 2020 stands at BGN 3 395 thousand which represents a decrease by 28.30 % to the comparative period of March 2019.

The summarized data for the first three months of 2020 show that the companies in the economic group of Monbat AD have reached EBITDA in the amount of BGN 8 514 thousand which represents a decrease by 27.9 % compared to same period of 2019.

Note:

In March 2019 the Group has recognized EBITDA to the amount of BGN 1,283 thousand related to accrued income with respect to government subsidy received in April 2019 for recycling of scrap batteries conducted by Monbat Recycling Serbia in 2018 on the territory of Republic of Serbia.

In March 2020 the Group has not recorded revenue in connection with the expected subsidy for 2019, as the subsidy has not been paid yet. Payment is expected to be made in May 2020.

29.04.2020

MONBAT AD announced the following information:

In relation with the instructions of the Financial Supervision Commission, published on 27.03.2020, we hereby announce that regarding the declared State of Emergency with a Decision of the National Assembly of the Republic of Bulgaria and the Law on Measures and Actions adopted during the State of Emergency, announced by a Decision of the National Assembly of March 13, 2020, promulgated in issue 28 of March 24, 2020 of the State Gazette, Monbat AD will publish the audited annual consolidated financial report as of 31.12.2019, not later than 30.06.2020.

The underlying reason for the delay is the introduced remote working mode and the constant exchange of e-correspondence between the financial department and the registered auditors regarding the clarification of individual items on the consolidated report of the Company, as well as additional information regarding the effects of COVID-19 on the company's activity.

The management board of the company makes every effort to draw up and present the audited annual consolidated financial report as of 31.12.2019 before 30.06.2020, for which all stakeholders will be informed in due time.

29.04.2020	<p>MONBAT AD announced the following information:</p> <p>In relation with the instructions of the Financial Supervision Commission, published on 27.03.2020, we hereby announce that regarding the declared State of Emergency with a Decision of the National Assembly of the Republic of Bulgaria and the Law on Measures and Actions adopted during the State of Emergency, announced by a Decision of the National Assembly of March 13, 2020, promulgated in issue 28 of March 24, 2020 of the State Gazette, Monbat AD will publish the 2020 Q1 individual financial report as of 31.03.2020, not later than 30.05.2020.</p> <p>The underlying reason for the delay is the introduced remote working mode and the constant exchange of e-correspondence between the financial department and the corporate management, as well as additional information regarding the effects of COVID-19 on the company's activity.</p>
29.04.2020	<p>MONBAT AD announced the following information:</p> <p>In relation with the instructions of the Financial Supervision Commission, published on 27.03.2020, we hereby announce that regarding the declared State of Emergency with a Decision of the National Assembly of the Republic of Bulgaria and the Law on Measures and Actions adopted during the State of Emergency, announced by a Decision of the National Assembly of March 13, 2020, promulgated in issue 28 of March 24, 2020 of the State Gazette, Monbat AD will publish the audited annual financial report as of 31.12.2019, on 15.05.2020.</p> <p>The underlying reason for the delay is the introduced remote working mode and the constant exchange of e-correspondence between the financial department and the registered auditors regarding the clarification of individual items on the balance sheet of the Company, as well as additional information regarding the effects of COVID-19 on the company's activity.</p>
15.05.2020	<p>MONBAT AD announced the THE 2019 ANNUAL INDIVIDUAL AUDITED FINANCIAL REPORT AS AT 31.12.2019:</p> <p>As of 31.12.2019 MONBAT AD generated individual net sales revenues in the amount of BGN 312 265 000 which represents 6,28 % increase compared to the generated as of 31.12.2018 net sales revenues in the amount of BGN 293 803 000</p> <p>As of 31.12.2019 MONBAT AD generated profit before taxes in the amount of BGN 7 586 000 which represents 24,70 % a profit decrease compared to the profit before taxes generated in 2018 at the amount of BGN 10 075 000.</p> <p>The individual net profit of MONBAT AD as of 31.12.2019 is BGN 6 981 000 and reports a 28,27 % profit decrease compared to the individual net profit of the entity for 2018 which was BGN 9 732 000.</p>
27.05.2020	<p>MONBAT AD announced the following information:</p> <p>In April, 2020 the companies in the economic group of Monbat AD have generated</p>

consolidated net sales revenues from continuing operations in the amount of BGN 19 949 thousand which represents a decrease of 25,90 % compared to the consolidated net sales revenues generated in April, 2019.

The summarized data for the first four months of 2020 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues in the amount of BGN 93 109 thousand which represents a decrease by 11.90 % compared to the consolidated net sales revenues for the same period of 2019.

The generated net sales revenues from continuing operations for the first four months of 2020 in the amount of BGN 93 109 thousand are allocated as follows:

Production	BGN 88 887 thousand
Products	BGN 568 thousand
Services	BGN 1 207 thousand
Others	BGN 2 447 thousand

The generated consolidated result from continuing operations (without the led lightning business segment) before taxes of the companies in the economic group of Monbat AD for April, 2020 is a profit of BGN 593 thousand, which represents a decrease by 14.20 % compared to the prior period of 2019.

The summarized data for the first four months of 2020 show that the companies in the economic group of Monbat AD have generated profit before taxes in the amount of BGN 3 761 thousand , which represents a decrease by 54.50 % compared to the generated consolidated profit before taxes for same period of 2019.

The consolidated EBITDA of the Group from continuing operations for April 2020 stands at BGN 2 226 thousand which represents a decrease by 15.20 % to the comparative period of April 2019.

The summarized data for the first four months of 2020 show that the companies in the economic group of Monbat AD have reached EBITDA to the amount of BGN 10 740 thousand which represents a decrease by 25.60 % compared to same period of 2019.

Note:

1) In March 2019 the Group has recognized EBITDA to the amount of BGN 1,283 thousand related to accrued income with respect to government subsidy received in April 2019 for recycling of scrap batteries conducted by Monbat Recycling Serbia in 2018 on the territory of Republic of Serbia.

During the period January-April 2020 the Group has not recorded revenue in connection with the expected subsidy for 2019, as the subsidy has not been paid yet. Payment is expected to be made in June 2020.

2) Other revenues recognized in the comparable period January-April 2019 are adjusted with BGN 3,894 thousand. The value of the adjustment relates to recorded revenues in connection with fixed assets sold on sale and lease back arrangement, for which after review it has been concluded that the criteria stipulated in IFRS 15 for revenue recognition and respectively write-off of the carrying amount of the sale have not been met.

03.06.2020	<p>MONBAT AD announced the following information:</p> <p>With the present we hereby announce the statement from the executive director of Monbat AD – Atanas Bobokov.</p> <p>STATEMENT OF THE EXECUTIVE DIRECTOR OF MONBAT AD ATANAS BOBOKOV</p> <p>In order to preserve the stability of the company Monbat AD, represented by me and the trust of investors built over the years, I hereby declare that I am resigning from my position of Executive Director of the company Monbat AD.</p>
03.06.2020	<p>MONBAT AD announced the following information:</p> <p>With the present we would like to inform you that:</p> <p>Regarding the official statement made by Mr. Atanas Bobokov in order to preserve the stability of MONBAT AD and the investor confidence regarding his resignation from his position of Executive Director of Monbat AD, an extraordinary meeting of the Board of Directors was held on June 3, 2020 where the following decisions were taken:</p> <ol style="list-style-type: none"> 1. The Board of Directors released Mr. Atanas Bobokov from his position of an Executive Director of Monbat AD 2. The Board of Directors appointed a second procurator of the Company – Mr. Dimitar Kostadinov - independent person to the Company. 3. The Board of Directors convenes an extraordinary General Assembly of the Company's shareholders on 22.07.2020 regarding a change due to be made in the Board of Directors, namely the election of Mr. Dimitar Kostadinov as a new member of the Board of Directors. 4. The Board of Directors herewith appointed the international law firm - Wolf Theiss, to conduct an independent audit into the matters related to the ecological aspects of the Company's activity and compliance with the respective Bulgarian and European legislations. The Management of the Company herein informs the investors and all stakeholders that the Monbat Group is fully operational in all its plants and facilities both domestically and abroad and that the order book has fully recovered pre Covid-19 crisis levels
05.06.2020	<p>MONBAT AD announced the 2020 Q1 Individual financial report</p>
05.06.2020	<p>MONBAT AD announced the following information:</p> <p>MONBAT HAS ANNOUNCED THE Q1 2020 INDIVIDUAL FINANCIAL REPORT</p> <p>As at 31.03.2020 MONBAT AD reports individual net sales revenues in the amount of BGN 74 518 000 which represents an decrease by 21.34 % compared to the individual net sales revenues generated as of 31.03.2019 in the amount of BGN 94 736 000.</p> <p>The individual profit before taxes generated by MONBAT AD as at 31.03.2020 is in the amount of BGN 3 974 000 compared to the individual profit before taxes as at 31.03.2019 in the amount of BGN 3 697 000. This represents an increase of the profit before taxes by 7.49 %.</p> <p>The individual net profit of MONBAT AD as at 31.03.2020 is in the amount of BGN 3 512 000 and reports an increase by 5.50 % compared to the individual net profit of the company as at 31.03.2019 which is in the amount of BGN 3 329 000.</p> <p>As at 31.03.2020 EBITDA (profit before interest + amortization, decreased with financial incomes and increased with financial expenses) of MONBAT AD on an individual basis is in the amount of BGN 5 815 000 compared to EBITDA reported as at 31.03.2019 on an</p>

individual basis in the amount of BGN 5 347 000. This represents an EBITDA increase by 8.75 %.

As at 31.03.2020 EBIT (profit before interest, decreased with financial incomes and increased with financial expenses) of MONBAT AD on an individual basis is in the amount of BGN 4 153 000 compared to EBIT on an individual basis in the amount of BGN 3 866 000 as at 31.03.2019. This represents an EBIT increase by 7.42 %.

MONBAT HAS ANNOUNCED THE Q1 2020 INDIVIDUAL FINANCIAL REPORT

As at 31.03.2020 MONBAT AD reports individual net sales revenues in the amount of BGN 74 518 000 which represents a decrease by 21.34 % compared to the individual net sales revenues generated as of 31.03.2019 in the amount of BGN 94 736 000.

The individual profit before taxes generated by MONBAT AD as at 31.03.2020 is in the amount of BGN 3 974 000 compared to the individual profit before taxes as at 31.03.2019 in the amount of BGN 3 697 000. This represents an increase of the profit before taxes by 7.49 %.

The individual net profit of MONBAT AD as at 31.03.2020 is in the amount of BGN 3 512 000 and reports an increase by 5.50 % compared to the individual net profit of the company as at 31.03.2019 which is in the amount of BGN 3 329 000.

As at 31.03.2020 EBITDA (profit before interest + amortization, decreased with financial incomes and increased with financial expenses) of MONBAT AD on an individual basis is in the amount of BGN 5 815 000 compared to EBITDA reported as at 31.03.2019 on an individual basis in the amount of BGN 5 347 000. This represents an EBITDA increase by 8.75 %.

As at 31.03.2020 EBIT (profit before interest, decreased with financial incomes and increased with financial expenses) of MONBAT AD on an individual basis is in the amount of BGN 4 153 000 compared to EBIT on an individual basis in the amount of BGN 3 866 000 as at 31.03.2019. This represents an EBIT increase by 7.42 %.

As a result of its marketing and distribution strategy, Monbat enjoys excellent market diversification, with sales in more than 75 countries in the 2020 Q1 and important markets for this period are France, Netherlands, Germany, Great Britain and Russia. With its well-developed distributor network Monbat accesses end customers in from all the major markets in the EU. Starter batteries ultimately are retailed through automotive retailers and repair shops. Stationary batteries are sold directly to telecom companies and other users.

For the period 01.01.2020 – 31.03.2020 MONBAT AD has generated individual revenues from abroad totaling EUR 29 889 000 which represent 78.45 % of the total net sales revenues.

For the period 01.01.2020 – 31.03.2020 major market for MONBAT AD was France with EUR 3 087 000 sales revenues which represents 10.33 % of the total individual export of the company.

The generated individual sales revenues on the domestic market basis as of 31.03.2020 were in the amount of BGN 16 059 000 (EUR 8 211 000) and represent 21.55 % of the net sales revenues of the company.

15.06.2020

MONBAT AD announced the following information:

The Board of Directors, pursuant to article 223 (i) of the Commercial Act convenes an extraordinary General Assembly of the Company's shareholders on 22.07.2020 at 10 am at the following address: Sofia, 1, Gurko str., Grand Hotel Sofia, Triaditza Hall:

1. Adopting a resolution for releasing Evelina Pavlova Slavcheva from her position as member of the Board of Directors of the Company. Draft Resolution: The General Assembly of the Shareholders releases from her position as member of the Board of Directors of the Company Evelina Pavlova Slavcheva.
2. Adopting a resolution for election of Dimitar Nikolov Kostadinov as a new member of

the Board of Directors of the Company. Draft Resolution: The General Assembly of the Shareholder selects Dimitar Nikolov Kostadinov as a new member of the Board of Directors of the Company, who shall continue the mandate term of the released member of the Board of Directors of the Company.

3. Adopting a resolution for set up the remuneration of the new elected member of the Board of Directors. Draft Resolution: The General Assembly of the Shareholders sets up the remuneration of the new elected member of the Board of Directors.

4. Adopting a resolution for set up the guarantee of the new elected member of the Board of Directors. Draft Resolution: The General Assembly of the Shareholders sets up the guarantee of the new elected member of the Board of Directors.

29.06.2020

MONBAT AD announced the following information:

In May, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues from continuing operations in the amount of BGN 17 996 thousand which represents a decrease of 31,50 % compared to the consolidated net sales revenues generated in May, 2019.

The summarized data for the first five months of 2020 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues in the amount of BGN 111 105 thousand which represents a decrease by 15.80 % compared to the consolidated net sales revenues for the same period of 2019.

The generated net sales revenues from continuing operations for the first five months of 2020 in the amount of BGN 111 105 thousand are allocated as follows:

Production	BGN 105 997 thousand
Products	BGN 699 thousand
Services	BGN 1 543 thousand
Others	BGN 2 866 thousand

The generated consolidated result from continuing operations (without the led lightning business segment) before taxes of the companies in the economic group of Monbat AD for May, 2020 is a profit of BGN 1 465 thousand, which represents an increase by 125.70 % compared to the prior period of 2019.

The summarized data for the first five months of 2020 show that the companies in the economic group of Monbat AD have generated profit before taxes in the amount of BGN 5 226 thousand , which represents a decrease by 41.30 % compared to the generated consolidated profit before taxes for same period of 2019.

The consolidated EBITDA of the Group from continuing operations for May 2020 stands at BGN 3 034 thousand which represents an increase by 41.10 % to the comparative period of May 2019.

The summarized data for the first five months of 2020 show that the companies in the economic group of Monbat AD have reached EBITDA to the amount of BGN 13 774 thousand which represents a decrease by 16.90 % compared to same period of 2019.

Note:

1) In March 2019 the Group has recognized EBITDA to the amount of BGN 1,283

thousand related to accrued income with respect to government subsidy received in May 2019 for recycling of scrap batteries conducted by Monbat Recycling Serbia in 2018 on the territory of Republic of Serbia.

In May 2020 the Group has recorded revenue in connection with the expected subsidy for 2019 to the amount of BGN 1,414 thousand, as a contract has been signed with the ministry of Republic of Serbia which validates the expected payment and respective amount of subsidy. The payment is expected to be made in June 2020.

2) According to the Regulation on establishing the terms and conditions for payment of product fees for products whose use generates mass waste as of 31 December 2018 Monbat AD has accrued product fee for lead-acid batteries sold on the Bulgarian market, by reducing respectively revenue from sale of production with BGN 793 thousand in 2018 and by accruing a product fee liability for the same amount. The fee was not paid effectively to the Ministry of Environment and Water, as Monbat AD has met the requirements of the Waste Management Act and has carried out activities for collection, transportation, temporary storage, pre-treatment, dismantling and disposal of waste. By order № RD 376 of 13.05.2019 of the Ministry of Environment and Water, the accrued product fee for 2018 has been remitted and Monbat AD reported revenue in the amount of BGN 793 thousand in May 2019.

In May 2020 the Group has not recorded revenue with respect to product fee for FY 2019 to the extent that in 2019 in view of the certainty about the expected non-payment of the product fee, Monbat AD has not deducted the product fee from the realized sales of batteries on the Bulgarian market.

3) Other revenues recognized in the comparable period January-May 2019 are adjusted with BGN 3,894 thousand. The value of the adjustment relates to recorded revenues in connection with fixed assets sold on sale and lease back arrangement, for which after review it has been concluded that the criteria stipulated in IFRS 15 for revenue recognition and respectively write-off of the carrying amount of the sale have not been met.

07.07.2020

MONBAT AD announced the following inside information:

Following the discovery of a waste dump near Chevren Bryag, where parts of accumulators or residual end waste from accumulators carrying an old Monbat logo were reportedly found, Monbat Group reiterates that it does not own or manage any waste management facilities. Monbat Group produces lead from scrap batteries and polypropylene from their plastic components as an input for its manufacturing process, so there is no rationale for Monbat to dispose of old accumulators. To the contrary, Monbat purchases old accumulators and recycles over 95% of each old or used battery in its recycling plants contributing greatly to the development of the circular economy in Europe and protection of the environment globally. Monbat’s business model is based on setting up recycling plants in various countries (currently Monbat owns such plants in Bulgaria, Romania, Serbia and Italy) to collect old batteries, which would otherwise be harmful to the environment, and use these batteries as a “raw material” for new batteries that Monbat produces and subsequently sells. A small percentage of a battery that cannot be further recycled is so-called “end technological waste” and

amounts to less than 5% of each battery. Monbat contracts a number of companies which deposit, dispose or manage this waste. All of these companies are licenced operators and are obliged to have proper documentation and operations and to respect Bulgarian and EU laws. Monbat Group strongly condemns any unlawful activities that may cause damage to the environment by any parties. It reserves the right to terminate business relations, and/or initiate legal actions against third party operators if they breach contractual obligations and/or environmental legislation.

Monbat AD is a publicly listed company which is a pioneer in the circular economy, and one of Bulgaria's best international industrial success stories. The European Bank for Reconstruction and Development (EBRD) is one of the major shareholders and investors in the Company. Other shareholders also include large pension funds Doverie and Allianz. Monbat AD is a key European player in battery production based on full recycling cycle, with production facilities in Bulgaria, Serbia, Romania, Italy and Germany. The company has made sizable investments into Germany, where with the support of the German government Monbat AD has developed a Lithium-Ion battery technology proposition, which constitutes an important part of the local green economy. The company has also undertaken sizable investments in revitalising a recycling plant in Italy by far enlarging the footprint of its circular economy activities.

22.07.2020

MONBAT AD announced minutes of the extraordinary session of the general assembly of shareholders of MONBAT AD, Sofia

30.07.2020

MONBAT AD announced the following inside information:

The management of Monbat AD hereby informs the Financial Supervision Commission, Bulgarian Stock Exchange AD and the investors of the company that on 29.07.2020, in relation to the performance of the independent financial audit of the annual consolidated financial statement of Monbat AD as of 31.12.2019, a letter has been received by the auditor Ernst & Young Audit OOD, selected by the General Meeting of the Shareholders of the Company. Ernst & Young Audit OOD have indicated that they will not be able to issue an audit report prior to July 31, 2020 and prior to finalizing all of their essential audit procedures, including review of a final report by a conducted independent audit by the international law firm Wolf Theiss on the matters related to the environmental aspects of the Company operations and the compliance of the Company operations with the applicable national and European regulations. In relation to this, the management of Monbat AD is not able, within the legally stipulated deadlines, to submit to the Financial Supervision Commission, Bulgarian Stock Exchange AD and the investors, an audited annual consolidated financial statement as of 31.12.2019. Immediately after the audit and the certification of the annual consolidated financial statement as of 31.12.2019, that annual consolidated financial statement shall be disclosed according to the rules and procedures stipulated by law.

03.08.2020

MONBAT AD announced the following information:

In June, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 23 985 thousand which represents an increase of 18,50 % compared to the consolidated net sales revenues from continuing operations generated in June, 2019.

The consolidated data for the first six months of 2020 show that the companies in the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 135 090 thousand which represents a decrease by 11.30 % compared to the consolidated net sales revenues from continuing operations for the same period of 2019.

The generated net sales revenues from continuing operations for the first six months of 2020 in the amount of BGN 135 090 thousand are allocated as follows:

Production	BGN 130 343 thousand
Products	BGN 786 thousand
Services	BGN 1 906 thousand
Others	BGN 2 055 thousand

The generated consolidated result before taxes of the companies in the economic group of Monbat AD for June, 2020 is a profit of BGN 1 167 thousand, which represents an increase of 189.90 % compared to the consolidated result before taxes from continuing operations for the same period of 2019.

The consolidated data for the first six months of 2020 show that the companies in the economic group of Monbat AD have generated profit before taxes to the amount of BGN 6 393 thousand, which represents a decrease by 16.00 % compared to the generated consolidated profit before taxes from continuing operations for same period of 2019.

The consolidated EBITDA of the Group for June 2020 stands at BGN 3 397 thousand which represents an increase of 137.40 % to the consolidated EBITDA from continuing operations for June 2019.

The consolidated data for the first six months of 2020 show that the companies in the economic group of Monbat AD have reached EBITDA to the amount of BGN 17 171 thousand which represents a decrease of 4.70 % compared to same period of 2019.

Notes:

1. Other revenues recognized in the comparable period January-June 2019 are adjusted with BGN 4,344 thousand. The value of the adjustment relates to recorded revenues in connection with fixed assets sold on sale and lease back arrangement, for which after review it has been concluded that the criteria stipulated in IFRS 15 for revenue recognition and respectively write-off of the carrying amount of the sale have not been met.

2. The revenues from sales of production in the comparable period of June 2019 were adjusted by BGN 450 thousand. The adjustment represents a pro-rata accrual with respect to expected value of annual bonuses for volume discounts related to

batteries sold to certain distributors.

17.08.2020

MONBAT AD announced Invitation and materials for a General shareholders meeting.

The Board of Directors of Monbat AD, on the grounds of the provisions of Art. 223, para. 1 of the Commercial Act convenes a regular attendance session of the General Assembly of the company's Shareholders on 18.09.2020 at 10.30 in the city of Sofia, No 1, Gurko Blvd., Grand Hotel Sofia, Triaditza hall, under the following agenda and draft resolutions:

1. Approving the Annual Report of the Board of Directors on the company's activities for the year 2019. Draft Resolution: The General Assembly of Shareholders approves the Annual Report of the Board of Directors on the company's activities for the year 2019.
2. Approving the Audited Annual Financial Report of the company for the year 2019 and the Report of the certified auditor. Draft Resolution: The General Assembly of Shareholders approves the Audited Annual Financial Report of the company for the year 2019 and the Report of the certified auditor.
3. Adopting a decision for distribution of the company's profit generated in 2019 in the amount of BGN 6 980 700.06 Draft Resolution: The company's profit after taxes, generated during the year 2019 in the amount of BGN 6 980 700.06 to be assigned to the Non distributed profit from past years fund.
4. Adopting a decision to release from responsibility the members of the Board of Directors for their activities during 2019. Draft Resolution: The General Assembly of Shareholders releases from responsibility the members of the Board of Directors for their activities during 2019.
5. Approving the Annual Report on the activities of the IR Director of Monbat AD for the year 2019. Draft Resolution: The General Assembly of Shareholders approves the presented Report on the activities of the IR Director for the year 2019.
6. Approving the Report on the activities of the audit committee for the year 2019. Draft Resolution: The General Assembly of Shareholders approves the presented Report on the activities of the audit committee of Monbat AD for the year 2019.
7. Adopting a decision for re-electing the audit committee of the company. Draft Resolution: The General Assembly of Shareholders re-elects the audit committee with the following members: Georgi Stoianov Trenchev and Anelia Petkova Angelova - Tumbeva and Yordan Karabinov
8. Setting up the mandate of the audit committee and the amount of the remuneration of its members. Draft Resolution: The General Assembly of Shareholders

sets up one-year mandate of the audit committee and the amount of the remuneration of its members, as follows: for a participation in each session of the audit committee its members shall receive remuneration in the net amount of BGN 200 and for the Chairperson of the audit committee - remuneration in the net amount of BGN 500.

9. Adopting a Remuneration Policy Report for the members of the Board of Directors of Monbat AD for 2019. Draft Resolution: The General Assembly of Shareholders adopts a Remuneration Policy Report for the members of the board of Directors of Monbat AD for 2019.

10. Setting additional remuneration to the members of the Board of Directors for 2019. Draft Resolution: The General Assembly of Shareholders authorizes the Board of Directors of the Company to set additional remuneration for 2019 to the members of the Board of Directors in the total amount of up to BGN 500 000 as well as to distribute the additional remunerations among the members of the Board within the range of the voted amount.

11. Adopting a resolution for changes of the Board of Directors. Draft Resolution: The General Assembly of Shareholders approves a decision for changes of the Board of Directors, namely: Releases from their position as members of the Board of Directors of the Company Nikolay Trenchev, Alexander Chaushev, Atanas Bobokov, Plamen Bobokov and Stoyan Stalev. The General Assembly of the Shareholders elects Chavdar Danev, Petar Petrov and Dimitar Kostadinov as a new members of the Board of Directors of the Company. The Board of directors to be composed of 7 members.

12. Adopting a resolution for set up the remuneration of the new elected members of the Board of Directors. Draft Resolution: The General Assembly of the Shareholders sets up the remuneration of the new elected members of the Board of Directors.

13. Adopting a resolution for set up the guarantee of the new elected members of the Board of Directors. Draft Resolution: The General Assembly of the Shareholders sets up the guarantee of the new elected members of the Board of Directors.

14. Adopting a resolution for changes of the Remuneration Policy for the members of the Board of Directors of Monbat AD. Draft Resolution: The General Assembly of Shareholders adopts changes of the Remuneration Policy for the members of the Board of Directors of Monbat AD.

04.09.2020

MONBAT AD announced the following information:

In July, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 27 841 thousand which represents an increase of 11.8 % compared to the consolidated net sales revenues from continuing operations generated in July, 2019.

The consolidated data for the first seven months of 2020 shows that the companies in

the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 162 931 thousand which represents a decrease by 9.10 % compared to the consolidated net sales revenues from continuing operations for the same period of 2019.

The generated net sales revenues from continuing operations for the first seven months of 2020 in the amount of BGN 162 931 thousand are allocated as follows:

Production	BGN 156 951 thousand
Products	BGN 826 thousand
Services	BGN 2 113 thousand
Others	BGN 3 041 thousand

The generated consolidated result before taxes of the companies in the economic group of Monbat AD for July, 2020 is a profit of BGN 789 thousand, which represents an increase of 2.2 % compared to the consolidated result before taxes from continuing operations for the same period of 2019.

The consolidated data for the first seven months of 2020 shows that the companies in the economic group of Monbat AD have generated profit before taxes to the amount of BGN 7 182 thousand, which represents a decrease by 14.50 % compared to the generated consolidated profit before taxes from continuing operations for same period of 2019.

The consolidated EBITDA of the Group for July 2020 stands at BGN 4 331 thousand which represents an increase of 64.90 % to the consolidated EBITDA from continuing operations for July 2019.

The consolidated data for the first seven months of 2020 show that the companies in the economic group of Monbat AD have generated EBITDA to the amount of BGN 21 502 thousand which represents an increase of 4.20 % compared to same period of 2019.

Notes:

- 1) Other revenues recognized in the comparable period January-July 2019 are adjusted with BGN 3,894 thousand. The value of the adjustment relates to recorded revenues in connection with fixed assets sold on sale and lease back arrangement, for which after review it has been concluded that the criteria stipulated in IFRS 15 for revenue recognition and respectively write-off of the carrying amount of the sale have not been met.
- 2) The revenues from sales of production in the comparable period January-July 2019 were adjusted by BGN 450 thousand. The adjustment represents a pro-rata accrual with respect to expected value of annual bonuses for volume discounts related to batteries sold to certain distributors.

Interest expense related to a payment on the bond obligation to the amount of app. BGN 820 thousand was accounted in July 2020, while the accounting of the interest expense with respect to the payment made in July 2019 was recorded in June 2019.

08.09.2020

MONBAT AD announced the following information:**SUMMARY OF CONCLUSIONS FROM THE INDEPENDENT REVIEW MADE BY THE INTERNATIONAL LAW FIRM WOLF THEISS**

At the beginning of June 2020, the Board of Directors of Monbat AD appointed the international law firm Wolf Theiss, to conduct an independent external review (“**Review**”) of the compliance of Monbat AD (“**Monbat**”) and Monbat Recycling EAD (“**Monbat Recycling**”) with the environmental requirements for the lead-acid batteries recycling operations, including a general review of the tax risks related to the waste management activities.

Please find enclosed the summary of the main conclusions from that review. The management of Monbat has refrained from commenting on the various speculations in the public domain. However, based on this review, its own internal investigations and the information provided as part of the review conducted, the Company reserves all legal rights in respect to the dissemination of wrong and misleading information.

1. The Activities of the Monbat Group and the Regulatory Framework

Monbat operates an installation for production of lead-acid batteries. Lead is among the major raw materials used in the production of batteries. A significant share of the lead is purchased from Monbat Recycling and its other recycling subsidiaries in Romania, Serbia and Italy (“**Recycling Subsidiaries**”).

Raw material basis

The Recycling Subsidiaries are producing lead on the basis of lead-containing raw materials. Bulgaria is the centre for production of polypropylene particles used for making the plastic elements of the batteries. The basis of raw materials for production of lead includes: (a) spent batteries, and (b) self-sufficient technological waste decomposition from the spent batteries, namely (b.1) metal fractions and (b.2) lead paste and/or (c) technological waste from the production of new lead-acid batteries or from the process of lead production itself.

The polypropylene particles are produced from polypropylene which in turn are extracted from the spent batteries.

Pursuant to the EU legal framework, a significant portion of the above-mentioned basis of raw material is treated as hazardous waste and thus becomes object to trans-border shipment requirements. A specific code has been designated for each raw material element, used in the process of strictly regulated trans-border shipment, which within the context of Monbat is mainly taking place among the Recycling Subsidiaries.

End-product Technological Waste

In the course of the lead production technological process two technological waste

products are generated, which the Recycling Subsidiaries presently do not have the technological capability to utilise and are therefore provided to third parties. These are (a) lead slug, and (b) polyethylene separator. The transportation and utilisation of this end technological waste is also a strictly regulated process.

Compliance with the regulatory framework

The production, recycling and disposal of lead acid batteries in the European Union and the consequences of the batteries' treatment are predominantly governed by EU environmental legislation.

Conclusion 1:

In the course of the independent review it has been established that Monbat and Monbat Recycling have a good level of organizational, documentary and operational controls and measures for compliance with the IPPC (complex) permit and the requirements of the applicable environmental and waste management laws.

This conclusion is supported by the findings of the relevant authorities' inspections which have confirmed that Monbat and Monbat Recycling maintain consistent practices for regular keeping of their waste report books (particularly for lead slag and polyethylene separator) and for maintaining of the requisite documents for trans-border shipment of such waste and for providing the waste of its recycling activities to third parties for processing.

After the events which focused the media attention to the Monbat group companies and which provoked the Review, Monbat and Monbat Recycling have become subject to numerous inspections from the regional environmental authorities and during these inspections no violations of the applicable laws and regulations has been detected.

2. Trans-border hazardous waste shipment

Export and import of hazardous waste for the activities of Monbat

The trans-border shipment of raw material used in the Recycling Subsidiaries' activities (spent accumulators, metals, paste and polypropylene) takes place predominantly among the subsidiaries themselves except for the cases related to the direct purchase of spent accumulators from third parties.

The newly acquired factory in Italy in 2017 - Piombiferra Italiana - is a major supplier of lead paste, metal fractions and polypropylene to Bulgaria. In previous years lead paste was imported from the subsidiary in Romania as well.

The above trans-border shipment of raw material waste is made in accordance with two regulatory regimes, namely the so called a) "yellow regime" and b) "green regime" on the shipment of waste, in particular:

- (a) Yellow regime of written notification under Regulation 1013/2006, which is conducted by the authorities in power providing a written consent/approval, which grants the right to transport permitted quantities/quotas under the EWC codes nomenclature.

The regime is based on a notification document, which is a document “in development” being sent in three phases to all interested parties and supervising authorities, namely: (1) before setting the waste in shipment, (2) at the moment when it has been received by the processing party, and (3) upon the ultimate waste utilization by the recipient party.

- (b) Green regime, effected by filling in appendix VII for raw materials that are not subject to prior, more stringent regulation.

The trans-border shipment of spent accumulator batteries and lead paste falls under the yellow regime, while the shipment of metals (subject to certain exceptions) and polypropylene falls under the green regime.

Within the Review, the yellow regime compliance between 2015 and 2019 was checked in detail. All notification documents were reviewed. These are the most reliable primary documents as they represent evidence about all three processing phases and are sent to all authorities supervising the chain of trans-border shipment.

Each notification document for each notification and for each period was examined as to its compliance with (a) customs declarations (as far as relevant for the parties); (b) import declared before the National Revenue Agency; (c) quantities declared in the annual environmental report; and (d) quantities declared in the annual waste report.

Conclusion 2:

The notification documents reviewed were in full compliance with all laws and regulations except for a few isolated cases with no significant adverse effects.

The same review approach of Wolf Theiss was also applied by Monbat senior management to the green regime. No violations were established within that review.

Conclusion 3:

The detailed review of the primary documents for the two applicable regimes (yellow and green) for management and control of trans-border hazardous waste shipment showed that: **(a) Monbat Recycling has no irregularity about declared quantities and there is a reconciliation between the primary and secondary documents trail; (b) the incoming and outgoing flows are only in relation to materials and waste related to production; and (c) no illegal import/export was made.**

The imports from Italy received in that period were only in relation to the intra-group supply of lead paste, metal fractions and polypropylene where each quantity was imported in compliance with the respective regulatory regime.

Conclusion 4:

Processing of RDF (Refuse Derived Fuel) waste (household waste) is incompatible with Monbat's technological capabilities and Monbat Recycling has never been engaged in this segment of waste management.

Import and export of end hazardous waste by the Recycling Subsidiaries

Conclusion 5:

All Recycling Subsidiaries exported end hazardous waste (slag and polypropylene separator) to third parties in the reviewed period between 2015 and 2019 and the review showed that all have acted in compliance with the regulatory regime under Regulation 1013/2006. The documents necessary under that Regulation – notifications, approvals by the relevant authorities, insurance policies, finance guarantees, shipment documents – are present, with some insignificant exceptions.

3. Transport of end hazardous waste within Bulgaria

Conclusion 6:

Over the years Monbat Recycling has used several companies for the freight of waste for the handling of polypropylene separator and lead slag. The review showed that during all years, Monbat Recycling demonstrated care in its compliance with the statutory obligations for checking and verifying that each person hired to ship hazardous waste has the requisite documents under the Waste Management Act.

4. Treatment of end hazardous waste

Scope of activity and cost advantages

The two types of end hazardous waste generated in the production activities of the Recycling Subsidiaries are (a) lead slag and (b) polyethylene separator.

Polyethylene separator

The volume of polyethylene separator generated depends on how many spent batteries have been separated during the period.

The separator, which is handed over for utilization to third parties, makes up a very small portion of the total cost as well as tonnage. On average and for the period 2013-

2019 it amounts to approximately **350 metric tonnes**, which if multiplied with the average cost per metric tonne over the period, amounts to approximately **EUR 44 thousand per year**.

While the volumes of separator are quite low, the price differential if shipped and utilised abroad is high due to transport and higher general cost in other countries within the EU. Nevertheless and if taken as a whole, the total added value/ lower cost for the entire Monbat group had the separator been shipped to Germany instead of being handed over to local Bulgarian suppliers/ third parties, amounts for a 4 year period to total of **EUR 414 thousand, or a yearly average cost benefit of EUR 104 thousand**.

The added value/ lower cost realised from the import of separator from abroad of the Recycling Subsidiaries to local operators which has been carried out in the last two years, amounts to approximately **EUR 46 thousand** or an average of **EUR 23 thousand per year**.

Lead slag

Unlike the separator, lead slag represents a percentage of the produced raw lead, that comes out of the lead furnace.

Lead slag, which has been submitted by Monbat Recycling in Bulgaria on an average annual basis, for the period 2013-2019 amounts to **1,830 metric tonnes**, which if multiplied by the average cost per metric tonne over the period, amounts to **EUR 210 thousand per year**.

The cost of utilization abroad is not significantly higher than Bulgaria. Despite the significantly larger volume when compared to the separator, the level of cost advantage for the group for the entire period of working with local suppliers amounts to approximately **EUR 232 thousand** or approximately **EUR 58 thousand per year**.

The cost advantage realised from the slag that was imported from abroad of the Recycling Subsidiaries to operators in Bulgaria in the whole four year period, during which this has been done, amounts to a total of **EUR 4 thousand per year** or an average of **EUR 1 thousand per year**.

Cost advantage

The total added value/lower cost resulting from the cost differentiating approach in the selection of operators (ie local vs abroad) for utilization of lead slag and polyethylene separator amounts to approximately **EUR 696 thousand** for the entire period of four years or a yearly benefit of **EUR 174 thousand**.

Conclusion 7:

The annual added value/ lower cost of approximately EUR 174 thousand, is in comparison to current the cost structure of the companies in the Monbat group,

below 1% (only 0.11%). This amount is many times below group materiality thresholds and does not represent a structural cost advantage which would have a significant impact on the group's profit.

5. Relations with third parties that provide utilization services

Under the Waste Management Act, the submission of hazardous waste to third parties for treatment is possible if: (a) the third party which receives the waste for final utilization or disposal has the necessary permits for it and (b) a contract has been concluded between Monbat and this third party covering the submission of waste for utilization. Monbat Recycling has contracts with several companies for this purpose.

Regarding lead slag, Monbat Recycling has concluded contracts with "K + S Kali" GmbH (Germany) and "Eco Trading Company" EOOD.

For the polyethylene separator, Monbat Recycling had contracts with "Muldenhütten Recycling und Umwelttechnik" GmbH (Germany), "Global Recycling" EOOD, „Ton Eco“ EOOD and „Sun Tour“ EOOD.

Conclusion 8:

The review carried out by Wolf Theiss shows that Monbat Recycling **conducted appropriate documentary processes to confirm and validate the information whether these third parties possess the necessary permits and licenses under the law to carry out the activity.**

Monbat Recycling has also **received duly completed notification** documents under Regulation 1013/2006 certifying the utilization of the end waste.

Monbat Recycling, in its capacity as a producer of hazardous waste, continues to be financially responsible by law for the improper treatment of hazardous waste by these operators. In this regard, Wolf Theiss' recommendations for validating whether waste management requirements are met by Monbat Recycling's counterparties, which are operators of the utilization of the end waste, have been considered.

Conclusion 9:

The Review established that Monbat is not a direct or indirect owner of the operators engaged in the utilization of end technological waste, nor has the company entered fictitious contracts. Moreover, Monbat Recycling has included additional contractual requirements for operators, such as utilization certificates, which have secured its contractual position.

However, the fact that Monbat Recycling has not carried out its own independent and parallel review to the regulatory authorities control over the operational performance of the licensed operators with which it worked, is considered as a shortcoming and will

be addressed.

6. Taxation

Conclusion 10:

There were several concurrent tax reviews and full tax revisions with respect to Monbat and Monbat Recycling initiated by the National Revenue Agency ("NRA") in parallel to the Review of Wolf Theiss. As of the date of issuing this statement and the completion of the Review, **all NRA reviews were closed and the same did not evidence any tax issues. The full tax revisions which cover the period 2014-2019 are yet to be completed but as of the date of issuing this statement no material tax issues have been identified.**

7. Monbat's Action Plan

Actions taken to date

Monbat Recycling has proactively and immediately stopped working with operators for which there was information regarding procedural proceedings from the authorities.

Mr. Atanas Bobokov has resigned voluntarily from the position as Executive Director of Monbat to eliminate any potential conflicts connected with the ongoing activities of the Monbat group. The Board of Directors have appointed a new and independent Procurator, who was elected Executive Director at the Monbat's Extraordinary General Assembly on 22.07.2020.

The Board of Directors has unanimously voted to hire the international law firm - Wolf Theiss to conduct the Review of compliance of Monbat AD and Monbat Recycling EAD with the requirements for environmental protection and adherence to the basic regulations ensuring the process of hazardous waste management, as well as an overview of tax risks.

Ahead of Wolf Theiss' recommendations, **Monbat's management has introduced additional steps in the selection and approval processes for service providers, by conducting a full revision of the current portfolio, including initiating its own check for the operational viability of each new counterparty.**

Recovery Utilization Plan

In its position as a socially and corporately responsible group, Monbat cannot ignore the potential risk of unsustainable management of the end waste submitted for utilization.

Monbat will initiate a proactive operational audit of all operators to whom polyethylene separator has been submitted over the years. The purpose of this audit is

to ascertain their operational viability and the environmental risks associated with it.

For all operators with operational inefficiency, Monbat will try to identify the part of the separator that has not been utilized and belongs to Monbat. This is necessary because, as it is known from the public registers, Monbat had not been the only customer of these companies.

The unused share of the identified polyethylene separator will be gradually drawn out, with Monbat committing to its final utilization.

Monbat has already notified the Ministry of Environment and Water of its position, as well as of its **readiness to propose and ensure the implementation of a recovery utilization plan**, taking into account the administrative assistance from the MoEW, which accompanies the process.

Subject to the findings related with operational inefficiencies of Monbat's counterparties as a result of the operational audit, as well as the amount of the accompanying costs for recovery utilization of the separator, **Monbat will specify its legal claims against these third parties.**

15.09.2020

MONBAT AD announced the following information:

EAS BATTERIES, PART OF MONBAT GROUP, ENTERS THE HYBRID MARINE BATTERIES MARKET WITH AN INNOVATION FROM GERMANY

Green shipping: The certified LFP battery system EASy Marine® allows hybrid propulsion at the highest safety level

The unique battery system for efficient fuel consumption in shipping EASy Marine® is as of now approved for operation. EASy Marine® adapts flexibly to limited space conditions, increases safety on the water and reduces emissions. EASy Marine® thus solves three problems of inland and deep-sea shipping worldwide. Michael Deutmeyer, Managing Director of EAS Batteries GmbH, christened the mechanical modular battery concept for the maritime industry on the occasion of its completed DNV-GL certification in the virtual presence of the management of Monbat Group today at the production site in Nordhausen and released it for serial production.

Future-proofed Vision

"We have invested in extraordinary technology for a future worth living - in the safety of people on the water and in the protection of our environment by reducing emissions. With the support of the Monbat Group, EAS Batteries has succeeded in developing a modular marine battery system that enables almost every ship owner to achieve these goals on a daily basis", says Peter Bozadjiev, COO Monbat Group. "EAS Batteries has designed EASy Marine® in record time and successfully launched it on the market. The trust we have placed in our subsidiary EAS Batteries has thus been more than confirmed. We are very proud and congratulate on the DNV-GL

certificate!"

Flexible topology: The battery fits on board

The modular space concept of the battery system enables almost every ship owner to convert their propulsion system to a fuel optimized hybrid system. This is because the battery design can be adapted to almost any type of ship architecture. "This is like lego for adults," says EAS Head of Sales Dr. Frank Diehl. The modules can be flexibly combined. "Rigid battery racks, some more than two meters high, are now a thing of the past," says Diehl. "With the EASy-Marine-Modules, it is possible to reproduce steps, so that even sloping walls no longer present a space problem". Up to 1500 volts can be connected in series - fifty percent more than usual.

LFP - safe cell chemistry on the water

The cell chemistry of EASy-Marine[®] modules is based on lithium iron phosphate (LFP). LFP is considered to be extremely safe: The battery can become hot in the event of a short circuit, overcharging or mechanical damage to the cell, but it does not burn. "Burning Li batteries cannot be extinguished", says Diehl. "Only cooled. EASy Marine rules out such a drama on the open sea from the outset".

High performance, environmentally friendly propulsion

"EASy Marine is robust and extremely powerful," says Deutmeyer. "It is particularly suitable for hybrid applications, since it can release and absorb energy very quickly. The goal of hybrid systems, which combine batteries with diesel generators, for example, is to keep fuel consumption in the so-called "sweet spot" - therefore at the optimum level - throughout. The result is the minimum use of fuel and thus the lowest possible emission of CO₂ and other emissions. With EASy Marine[®], diesel savings can amount to up to thirty percent per ship. Other energy sources, such as a fuel cell for hydrogen propulsion, can also be operated highly efficiently with EASy Marine[®].

EAS Batteries: Innovative technology from Germany

EASy Marine[®] is a product with a future. "The maritime market is increasingly developing towards hybrid electromobility - albeit somewhat more slowly in the new reality," says Deutmeyer. "And because of its advanced features, especially its safety, EASy Marine is a true and long-awaited blessing for the maritime industry." It is the first flexible standard product that the German battery manufacturer EAS Batteries has developed itself on the basis of its own cells and has now brought to market. EASy Marine[®] can be used in the entire maritime industry for hybridization or as a fully electric component, for example in gantry cranes or offshore installations.

23.09.2020

MONBAT AD announced Minutes of the GENERAL ASSEMBLY OF SHAREHOLDERS OF MONBAT AD, SOFIA 18.09.2020

25.09.2020

MONBAT AD announced the following information:

In August, 2020 the companies in the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 27 149 thousand which represents an increase of 0.6 % compared to the consolidated net sales revenues from continuing operations generated in August, 2019.

The consolidated data for the first eight months of 2020 shows that the companies in the economic group of Monbat AD have generated consolidated net sales revenues to the amount of BGN 190 080 thousand which represents a decrease by 6.90 % compared to the consolidated net sales revenues from continuing operations for the same period of 2019.

The generated net sales revenues from continuing operations for the first eight months of 2020 in the amount of BGN 190 080 thousand are allocated as follows:

Production	BGN 183 649 thousand
Products	BGN 826 thousand
Services	BGN 2 344 thousand
Others	BGN 3 261 thousand

The generated consolidated result before taxes of the companies in the economic group of Monbat AD for August, 2020 is a profit of BGN 987 thousand, which represents a decrease by 36.70 % compared to the consolidated result before taxes from continuing operations for the same period of 2019.

The consolidated data for the first eight months of 2020 shows that the companies in the economic group of Monbat AD have generated profit before taxes to the amount of BGN 8 169 thousand, which represents a decrease by 17.90 % compared to the generated consolidated profit before taxes from continuing operations for same period of 2019.

The consolidated EBITDA of the Group for August 2020 stands at BGN 2 836 thousand which represents a decrease by 6.70 % to the consolidated EBITDA from continuing operations for August 2019.

The consolidated data for the first eight months of 2020 show that the companies in the economic group of Monbat AD have generated EBITDA to the amount of BGN 24 338 thousand which represents an increase of 2.80% compared to same period of 2019.

Notes:

1. Other revenues recognized in the comparable period January-August 2019 are adjusted with BGN 3,894 thousand. The value of the adjustment relates to recorded revenues in connection with fixed assets sold on sale and lease back arrangement, for which after review it has been concluded that the criteria stipulated in IFRS 15 for revenue recognition and respectively write-off of the carrying amount of the sale have not been met.

2. The revenues from sales of production in the comparable period January-August 2019 were adjusted by BGN 450 thousand. The adjustment represents a pro-rata accrual with respect to expected value of annual bonuses for volume discounts related to batteries sold to certain distributors.

29.09.2020 **MONBAT AD announced** Consolidated quarterly financial report as of 31.03.2020

29.09.2020 **MONBAT AD announced** Semi-annual report in pursuance of Art. 100f (1), item 2 in relation to Art. 100f (2) of the POSA about fulfilment of the obligations of an issuer, related to its bond issue as of 31.03.2020

30.09.2020	MONBAT AD announced Individual quarterly financial report as of 30.06.2020
30.09.2020	MONBAT AD announced Consolidated quarterly financial report as of 30.06.2020
30.09.2020	MONBAT AD announced Semi-annual report in pursuance of Art. 100f (1), item 2 in relation to Art. 100f (2) of the POSA about fulfilment of the obligations of an issuer, related to its bond issue as of 30.06.2020

2. IMPACT OF THE IMPORTANT DEVELOPMENTS FOR MONBAT AD THAT OCCURRED AS AT 30.09.2020 ON THE RESULTS IN THE FINANCIAL STATEMENTS

As at 30.09.2020 MONBAT AD reports consolidated net sales revenues to the amount of BGN 218 175 thousand which represents a decrease by 5.71 % compared to the consolidated net sales revenues generated as of 30.09.2019 to the amount of BGN 231 385 thousand. Set out below is the disaggregation of Monbat AD revenues from contracts with customers:

Table 2

	30.09.2020	30.09.2019
	'000 BGN	'000 BGN
Revenue from sale of finished goods	211 118	222 345
Revenue from sale of materials	866	1 267
Revenue from rendering of services	2 673	3 396
Other revenue	3 518	4 377
Total revenue from contracts with customers	218 175	231 385

The decrease in revenue for the period January-September 2020 to the comparable period in 2019 is mainly driven by drop of non-core sales to third parties of antimony lead alloys and the lower levels of the lead LME index for the period January-September 2020 versus the comparative period in 2019.

As at 30.09.2020 EBITDA (profit before interest + amortization, decreased with financial incomes and increased with financial expenses) of MONBAT AD on a consolidated basis is to the amount of BGN 27 764 thousand compared to EBITDA reported as at 30.09.2019 on a consolidated basis to the amount of BGN 27 032 thousand. This represents an EBITDA increase by 2.71 %.

As at 30.09.2020 EBIT (profit before interest, decreased with financial incomes and increased with financial expenses) of MONBAT AD on a consolidated basis is to the amount of BGN 14 145 thousand compared to EBIT on a consolidated basis to the amount of BGN 15 076 thousand as at 30.09.2019. This represents an EBIT decrease by 6.18 %. The decrease is due to an increase in the depreciation expense of MONBAT AD on a consolidated basis compared to the previous period with a significant portion of the higher expenses in 2020 being attributable to depreciation deductions related to the adopted accounting policy with respect to the acquired investment property in July 2019.

The consolidated profit before taxes from continuing operations generated by MONBAT AD as at 30.09.2020 is to the amount of BGN 9 712 thousand compared to the consolidated profit before taxes as at 30.09.2019 to the amount of BGN 12 052 thousand. This represents decrease of the profit before taxes by 19.42 % which is attributable to the decline in EBIT discussed above, as well as additional financial expenses with respect to FX losses stemming mostly from the dollar

weakening against the EUR with Monbat having receivables from one client in Middle East denominated in USD and the weakening of the Nigerian naira affecting the trade operation of the Group in Nigeria.

The consolidated net profit of MONBAT AD from continuing operations as at 30.09.2020 is to the amount of BGN 7 816 thousand and shows a decrease by 22.16 % compared to the consolidated net profit of the Group from continuing operations as at 30.09.2019 which is to the amount of BGN 10 041 thousand.

FINANCIAL INDICATORS

Table 3

LIQUIDITY INDICATORS	30.9.2020	30.9.2019
Total liquidity ratio	1,49	1,47
Quick liquidity ratio	0,89	0,85
Absolute liquidity ratio	0,11	0,16
Immediate ratio	0,11	0,16

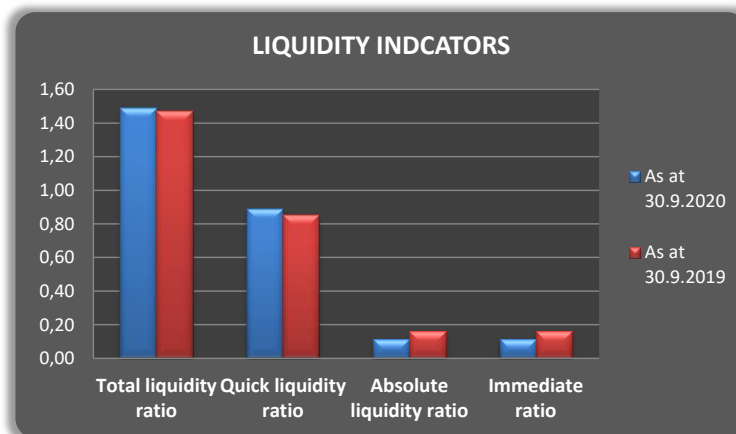


Table 4

PROFITABILITY INDICATORS	30.9.2020	30.9.2019
Profitability of capital	0,20	0,31
Return on equity(ROE)	0,04	0,06
Return assets (ROA)	0,02	0,03

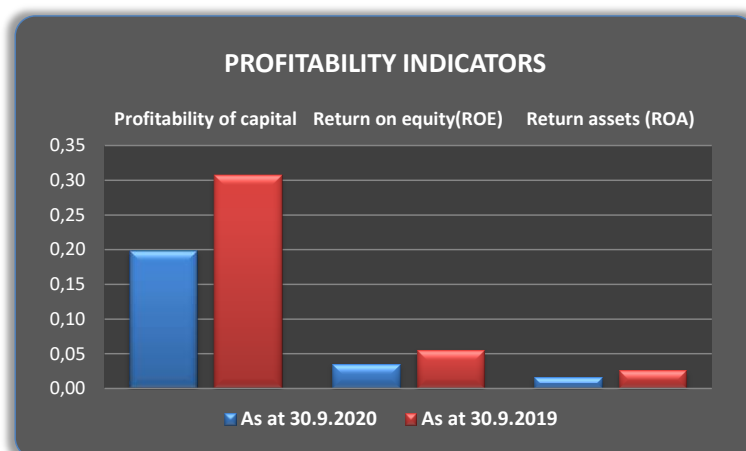


Table 5

LEVERAGE INDICATORS	30.9.2020	30.9.2019
Financial leverage indicatir	1,10	1,11
Debt/Assets	0,52	0,52
Financial autonomy indicator	0,91	0,90

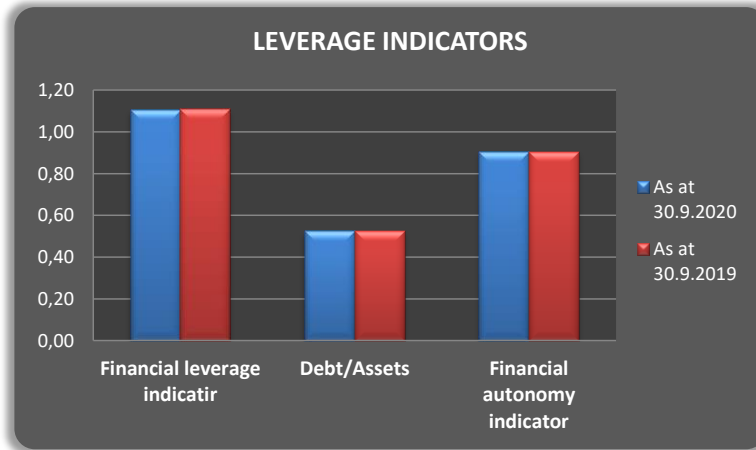
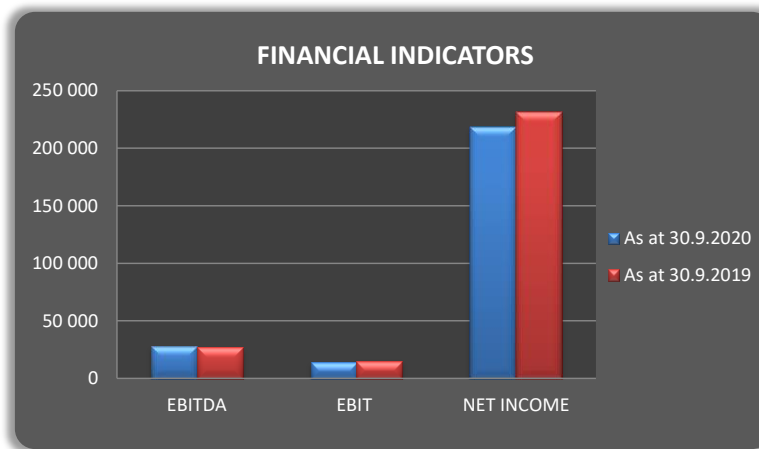


Table 6

FINANCIAL INDICATORS	30.9.2020	30.9.2019
EBITDA	27 764	27 032
EBIT	14 145	15 076
NET INCOME	218 175	231 385



3. DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES WHICH MONBAT AD WILL FACE DURING THE FOLLOWING FINANCIAL PERIOD

SYSTEMATIC RISKS

Systematic risks are related to the market and the macro-environment the Company operates in, and therefore could not be managed or controlled by the company management team. The following are examples of systematic risks: political risk, macroeconomic risk, inflation risk, currency risk, interest rate risk, tax risk.

Table No. 7

Risk type	Description
POLITICAL RISK	Political risk is the probability of changing the government or a sharp change in the direction of

	<p>its policy, the risk of occurrence of domestic political shocks and adverse changes to the European and/or national legislation, which results in a way that the environment for operation of the domestic business entities would suffer an adverse change and investors would accrue losses.</p> <p>International political risks for Bulgaria, on one hand, are related to the commitments undertaken for major structural reforms in the country, in its capacity as a full member of EU, improving social stability, limiting inefficiency costs, and on the other hand, major destabilization of the Middle East states, intensifying threats of terrorist attacks in Europe, waves of refugees and instability of key countries in direct proximity to Bulgaria.</p> <p>Bulgaria, as all other EU member states in this region, continues to be severely affected by the general European problems with the intensive wave of refugees coming in from the Middle East.</p> <p>Other factors also affecting this risk are possible legislative changes, in particular changes referring to the business and investment climate in the country.</p>
<p>OVERALL MACROECONOMIC RISK</p>	<p>According to data of the National Institute of Statistics, in September 2020, the general business climate indicator has increased by 0.8 points compared to August as the result of the improved opinions of business leaders in retail.</p> <div data-bbox="619 792 1225 1160" data-label="Figure"> <p>The chart displays the 'Business climate - total' indicator as a percentage change over time from 2010 to 2020. The vertical axis represents the percentage change, ranging from -30% to 40% in increments of 10%. The horizontal axis shows the years from 2010 to 2020. A blue line tracks the indicator's value, which generally stays between 10% and 30% until early 2020. There is a significant sharp decline in early 2020, reaching approximately -25%, followed by a recovery to about 10% by the end of the period. A horizontal dashed line at approximately 18% is labeled 'Long term average'.</p> </div> <p style="text-align: right;">Source: NIS</p> <p>The composite indicator “industrial business climate” in September 2020 has approximately retained its level from the previous month. Industrial entrepreneurs estimate the current production activity is favorable, and their projections for the activity over the next quarter have improved. Insecure economic environment has remained the main obstacle to business development. Insufficient domestic and foreign demand are ranked second and third, respectively. Regarding industry sales prices, the managers expect those to remain unchanged over the course of the next quarter.</p> <p>According to data provided by the National Institute of Statistics, in September 2020, the composite indicator “business climate in construction” has diminished by 1.0 point as the result of the less favorable assessments and expectations of construction entrepreneurs about the business status of enterprises. In their opinion, there is a drop in the number of received new orders during the previous month, which is accompanied with diminishing levels of expectations of construction activity over the course of the next three months. The most serious difficulties for the activity continue to be the insecure economic environment, the shortage of work force and competition in the sector, despite the fact that during the previous month, there has been a decrease in their negative impact. As regards to the sale prices in construction, most of the managers expect them to preserve their level over the course of the next quarter.</p> <p>According to data provided by the National Institute of Statistics, in September 2020 , the composite indicator “business climate in retail” has increased by 4.2 points, which is caused to the improved assessment and expectations of the retail sector regarding the business status of enterprises. More favorable for their expectations is the volume of sales and orders to suppliers over the course of the next quarter. The insecure economic environment, competition in the</p>

sector and insufficient demand remain the main issues to business development, and the questionnaire has registered an increase of the adverse impact of the first two factors. Regarding industry sales prices, retailers expect those to remain unchanged over the course of the next quarter.

According to data by the National Institute of Statistics in June 2020, the composite indicator “business climate in the service sector” has remained at its August levels. Assessments and expectations of managers regarding the current and expected use of services has shifted to more moderate opinions. The main factor, which limits the activity, has continued to be the insecure economic environment, followed by insufficient demand and competition in the sector. As regards to the sale prices in the service sector, the managers expect them to preserve their level over the course of the next quarter.

The economic assessment of the Board of Governors with the European Central Bank as of September 10, 2020 takes into consideration that the real GDP of the euro area has diminished by 11.8% on a quarterly basis over the course of the second quarter of 2020. The incoming data and the results of the observations show the continued economic recovery of the euro area and a sharp increase of GDP in the third quarter, albeit below pre-crisis levels. Parallel to the significant recovery in industrial production and services, certain indications of a sharp recovery in consumption have also been observed. Recently momentum in the service sector has been delayed in comparison with the momentum in the processing industry sector, which is seen from the results of the August observation. The increase in the rate of coronavirus infection rates during the summer months has been an obstacle to the short-term projection. In perspective, the follow-up sustainable recovery remains strongly dependent by the development of the pandemic and the success in applying the restrictive measures policy. Despite the fact that insecurity related to the rise of the pandemic will most likely undermine the labor market recovery, of the consumption and investments, the Eurozone economics shall be supported with the appropriate conditions for financing, with expansion budgetary position and strengthening economic activity and the demand on a global scale.

This assessment overall has found a reflection in macro-economic projections for the euro area by the experts of the Eurosystem as of September 2020, In their opinion, -8.0% annual growth rate in real GDP in 2020, 5.0% in 2021 and 3.2% in 2022 has been stipulated. In comparison with the macroeconomic projections of the Eurosystem in June 2020, the projection for growth of the real GDP has been revised up for 2020, and overall remains unchanged in 2021 and 2022. Given the exceptional uncertainty, currently related to the perspectives, the projection shall include two alternative scenarios – favorable and unfavorable, consistent with various assumptions regarding the development of the pandemic. Overall, the balance of risks related to the perspective for economic growth of the euro area continues to look overestimated. This assessment is largely reflecting the uncertain economic and financial consequences from the pandemic.

The European Commission identifies the coronavirus pandemic as a major shock to the European and global economy. EU countries have already adopted or are in the process of adopting budgetary measures in the area of liquidity and policy in order to enhance the capacity of their health systems and to assist those citizens and sectors that are particularly affected.

The Commission has adopted large-scale economic measures in response to the pandemic, made full use of the flexibility of EU fiscal rules, revised State aid rules and launched a Coronavirus Investment Initiative with a budget of EUR 37 billion to provide liquidity to small businesses and of the health sector.

In addition, on 2 April the Commission proposed comprehensive measures to mobilize all resources in the EU budget to protect human life and livelihoods. The Commission has launched a new initiative called SURE, which contributes to job retention and support for families. It also proposed that all available Structural Funds be redirected to coronavirus action. Farmers and fishermen will also receive assistance as well as those most in need. An EU health solidarity initiative with a budget of € 3 billion will help meet the needs of EU countries' health systems.

On May 26, 2020, the European commission has provided an extensive plan for recovery in

	<p>Europe, the performance of which shall require mobilization of the full potential of the EU budget. This plan will help overcome economic and social consequences of the coronavirus pandemic, the kick-start of the European recovery, preservation, and creation of jobs.</p> <p>On July 21, 2020, the leaders of EU have reached an agreement for this recovery plan and the multi-annual financial framework for the period 2021-2027, taking the full course of going out of the crisis and creating the foundation of a modern and more sustainable Europe. Leaders have agreed to a package of 1.8 trillion euro, which combines the next budget and the funds for NextGenerationEU. Within the NextGenerationEU, the Union shall be provided with the funds necessary to take care of the consequences of the pandemic. Under this agreement, the Commission shall have the capacity to borrow up to 750 billion euro on the financial markets. Negotiations with the European Parliament to follow, and the objective is for rapid conclusion of work on all legal acts. After the Decision for the owned resources is adopted, it has to get approval in the shortest possible time frame by member states, consistent with their constitutional requirements.</p>																				
<p>INTEREST RISK</p>	<p>Interest risk is related to possible contingent negative changes in interest rate levels, implemented by the financial institutions of the Republic of Bulgaria.</p> <p>At its meeting on monetary policy on September 10, 2020, the Board of Governors of the European Central Bank took a decision to continue with its non-restrictive money policy. The input information shows a significant, although incomplete recovery of economic activity, overall matching previous expectations, despite the degree of activity has remained way below levels existing prior to the COVID-19 pandemic. While activity in the processing industry continues to improve, momentum in the service sector has recently shown certain drop in activity levels. The sustainability of recovery is typical with a significant degree of uncertainty because it continues to depend on the future development of the pandemic and the successful application of restrictive measures. Domestic demand in the euro area has shown a significant level of recovery compared to its low levels, despite the fact that the increased uncertainty regarding economic perspectives continues to make consumer expenses and business investments more difficult. Total inflation remains lackluster, due to low prices of energy and low level of price pressures in the conditions of weak demand and major stagnation on the jobs market. This situation requires preserving the need from significant monetary stimulus, aiming at supporting economic recovery and preserving medium-term price stability. Subsequently, at its meeting on December 10, 2020, the Board of Governors has decided to reconfirm its non-restrictive monetary policy position.</p> <div data-bbox="576 1339 1267 1742" data-label="Figure"> <table border="1"> <caption>Base Interest Rate Data</caption> <thead> <tr> <th>Month</th> <th>Base Interest Rate</th> </tr> </thead> <tbody> <tr><td>January 2020</td><td>0.00</td></tr> <tr><td>February 2020</td><td>0.00</td></tr> <tr><td>March 2020</td><td>0.00</td></tr> <tr><td>April 2020</td><td>0.00</td></tr> <tr><td>May 2020</td><td>0.00</td></tr> <tr><td>June 2020</td><td>0.00</td></tr> <tr><td>July 2020</td><td>0.00</td></tr> <tr><td>August 2020</td><td>0.00</td></tr> <tr><td>September 2020</td><td>0.00</td></tr> </tbody> </table> </div> <p style="text-align: right;">*Source: BNB</p>	Month	Base Interest Rate	January 2020	0.00	February 2020	0.00	March 2020	0.00	April 2020	0.00	May 2020	0.00	June 2020	0.00	July 2020	0.00	August 2020	0.00	September 2020	0.00
Month	Base Interest Rate																				
January 2020	0.00																				
February 2020	0.00																				
March 2020	0.00																				
April 2020	0.00																				
May 2020	0.00																				
June 2020	0.00																				
July 2020	0.00																				
August 2020	0.00																				
September 2020	0.00																				
<p>INFLATION RISK</p>	<p>Inflation risk is an overall increase in prices, where money is devaluated and there is a probability of households and companies to accrue losses.</p> <p>According to data of NIS, the consumer price index for January 2020 compared to December 2019 is 100.9%, i.e. the monthly inflation is 0.9%. The annual inflation in January 2020 compared to January 2019 is 4.2%. The average annual inflation for the period February 2019 -</p>																				

January 2020 compared to the period February 2018 - January 2019 is 3.2%.
According to data of NIS, the harmonized consumer price index for January 2020 compared to December 2019 is 100.5%, i.e. monthly inflation is 0.5%. Annual inflation in January 2020 compared to January 2019 is 3.4%. The average annual inflation for the period February 2019 - January 2020 compared to the period February 2018 - January 2019 is 2.5%.

The consumer price index for February 2020 compared to January 2020 is 100.1%, i.e. monthly inflation is 0.1%. The inflation since the beginning of the year (February 2020 compared to December 2019) is 1.0%, while the annual inflation for February 2020 compared to February 2019 is 3.7%. The average annual inflation for the period March 2019 - February 2020 compared to the period March 2018 - February 2019 is 3.2%.

The harmonized index of consumer prices for February 2020 compared to January 2020 is 100.0%, i.e. monthly inflation is 0.0%. The inflation since the beginning of the year (February 2020 compared to December 2019) is 0.5%, while the annual inflation for February 2020 compared to February 2019 is 3.1%. The average annual inflation for the period March 2019 - February 2020 compared to the period March 2018 - February 2019 is 2.6%.

The consumer price index for March 2020 compared to February 2020 is 99.4%, i.e. monthly inflation was negative 0.6%. The inflation since the beginning of the year (March 2020 compared to December 2019) is 0.4%, while the annual inflation for March 2020 compared to March 2019 is 3.0%. The average annual inflation for the period April 2019 - March 2020 compared to the period April 2018 - March 2019 is 3.2%.

The harmonized index of consumer prices for March 2020 compared to February 2020 is 99.5%, i.e. monthly inflation is negative 0.5%. The inflation since the beginning of the year (March 2020 compared to December 2019) is 0.0%, while the annual inflation for March 2020 compared to March 2019 is 2.4%. The average annual inflation for the period April 2019 - March 2020 compared to the period April 2018 - March 2019 is 2.6%

The consumer price index for April 2020 compared to March 2020 is 99.4%, i.e. monthly inflation is minus 0.6%. Inflation since the beginning of the year (April 2020 compared to December 2019) is minus 0.3%, and annual inflation for April 2020 compared to April 2019 is 1.8%. The average annual inflation for the period May 2019 - April 2020 compared to the period May 2018 - April 2019 is 3.0%.

The harmonized index of consumer prices for April 2020 compared to March 2020 is 99.6%, i.e. monthly inflation is minus 0.4%. Inflation since the beginning of the year (April 2020 compared to December 2019) is minus 0.4%, and annual inflation for April 2020 compared to April 2019 is 1.3%. The average annual inflation for the period May 2019 - April 2020 compared to the period May 2018 - April 2019 is 2.4%.

The consumer price index for May 2020 compared to April 2020 is 99.7%, i.e. monthly inflation is minus 0.3%. Inflation since the beginning of the year (May 2020 compared to December 2019) is minus 0.6%, and annual inflation for May 2020 compared to May 2019 is 1.3%. The average annual inflation for the period June 2019 - May 2020 compared to the period June 2018 - May 2019 is 2.8%.

The harmonized index of consumer prices for May 2020 compared to April 2020 is 99.8%, i.e. monthly inflation is minus 0.2%. Inflation since the beginning of the year (May 2020 compared to December 2019) is minus 0.6%, and annual inflation for May 2020 compared to May 2019 is 1.0%. The average annual inflation for the period June 2019 - May 2020 compared to the period June 2018 - May 2019 is 2.3%.

The consumer price index for June 2020 compared to May 2020 is 99.6%, i.e. monthly inflation is minus 0.4%. Inflation since the beginning of the year (June 2020 compared to December 2019) is minus 1.0%, and annual inflation for June 2020 compared to June 2019 is 1.6%. The average annual inflation for the period July 2019 - June 2020 compared to the period July 2018 - June 2019 is 2.7%.

The harmonized index of consumer prices for June 2020 compared to May 2020 is 99.9%, i.e. monthly inflation is minus 0.1%. Inflation since the beginning of the year (June 2020 compared

to December 2019) is minus 0.7%, and annual inflation for June 2020 compared to June 2019 is 0.9%. The average annual inflation for the period July 2019 - June 2020 compared to the period July 2018 - June 2019 is 2.1%.

The Consumer Price Index for July 2020 compared to June 2020 is 100.5%, i.e. the monthly inflation is 0.5%. Inflation since the beginning of the year (July 2020 compared to December 2019) is minus 0.5%, and the annual inflation for July 2020 compared to July 2019 is 1.2%. The average annual inflation for the period August 2019 - July 2020 compared to the period August 2018 - July 2019 is 2.6%.

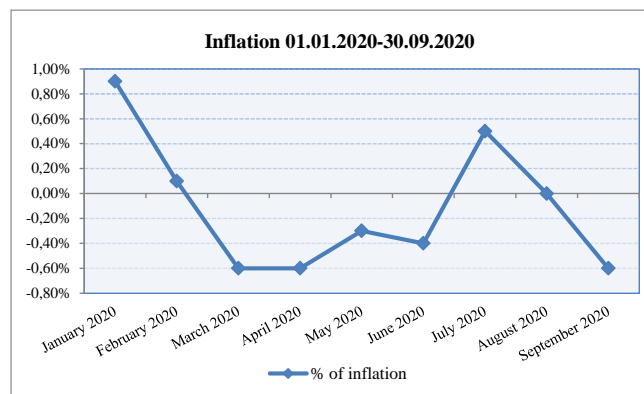
The Harmonized Consumer Price Index for July 2020 compared to June 2020 is 100.8%, i.e. the monthly inflation is 0.8%. Inflation since the beginning of the year (July 2020 compared to December 2019) is 0.2%, and the annual inflation for July 2020 compared to July 2019 is 0.4%. The average annual inflation for the period August 2019 - July 2020 compared to the period August 2018 - July 2019 is 2.0%.

The Consumer Price Index for August 2020 compared to July 2020 is 100.0%, i.e. the monthly inflation is 0.0%. Inflation since the beginning of the year (August 2020 compared to December 2019) is minus 0.5%, and the annual inflation for August 2020 compared to August 2019 is 1.2%. The average annual inflation for the period September 2019 - August 2020 compared to the period September 2018 - August 2019 is 2.5%.

The Harmonized Consumer Price Index for August 2020 compared to July 2020 is 100.4%, i.e. the monthly inflation is 0.4%. Inflation since the beginning of the year (August 2020 compared to December 2019) is 0.6%, and the annual inflation for August 2020 compared to August 2019 is 0.6%. The average annual inflation for the period September 2019 - August 2020 compared to the period September 2018 - August 2019 is 1.8%.

The Consumer Price Index for September 2020 compared to August 2020 is 99.4%, i.e. the monthly inflation is minus 0.6%. Inflation since the beginning of the year (September 2020 compared to December 2019) is minus 1.1%, and the annual inflation for September 2020 compared to September 2019 is 0.9%. The average annual inflation for the period October 2019 - September 2020 compared to the period October 2018 - September 2019 is 2.3%.

The Harmonized Consumer Price Index for September 2020 compared to August 2020 is 98.8%, i.e. the monthly inflation is minus 1.2%. Inflation since the beginning of the year (September 2020 compared to December 2019) is minus 0.7%, and the annual inflation for September 2020 compared to September 2019 is 0.6%. The average annual inflation for the period October 2019 - September 2020 compared to the period October 2018 - September 2019 is 1.7%.



*Source: NIS

CURRENCY RISK

The currency risk exposure is the dependence on and the effects of the currency exchange rates changes. The systematic currency risk is the probability of possible change in the currency regime of the Country (Currency Board), which would result either in devaluation of the Bulgarian lev (BGN) or in appreciation of the BGN against foreign currencies.

Currency risk will have impact on companies with market shares, which are completed in a currency other than BGN and EUR. Due to the laws in force in the country, the Bulgarian lev is fixed to the Euro at an exchange rate of EUR 1 = BGN 1.95583, and the Bulgarian National Bank has to maintain a level of Bulgarian leva in turnover equal to the currency reserves of the bank,

	<p>the risk of devaluation of the BGN compared to the European currency is minimum, and for the most part consists in a possible elimination of the currency board in the country. At this stage, this appears to be very unlikely because the Currency Board is expected to be removed at the time of accepting the Euro as official legal tender in Bulgaria.</p> <p>On July 10, 2020, the European Central Bank issued a Communiqué, with the following content: “At the request of the Bulgarian authorities, the Finance Ministers of the euro area Member States, the President of the European Central Bank and the Finance Ministers and Governors of both Denmark and Bulgaria, decided unanimously to include the Bulgarian lev in Currency Mechanism II (VM II). The European Commission was involved in the decision-making process and the Economic and Financial Committee was consulted. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 levs. Around this central exchange rate of the lev, the standard range of plus or minus 15 percent will be maintained. After an in-depth assessment of the adequacy and stability of the currency board in Bulgaria, it was agreed that Bulgaria joins the currency mechanism with its existing currency board regime, as an unilateral commitment and without additional requirements to the ECB.”</p> <p>On 16.09.2020, the government has approved the follow-up commitments our country needs to fulfill after joining ERM II and the Banking Union, as of July 10, 2020, as well as an Action Plan with specific measures on them. The plan involves continuing reforms in the non-banking sector, management of state enterprises, insolvency and money laundering counter measures. Measures to address the established legal inconsistencies in the Convergent reports of ECB and EC in 2020 have also been included. The commitments undertaken by the state have been coordinated after negotiations with the European partners, including members of the European group and the representatives of Denmark.</p> <p>The agreed follow-up commitments do not differ substantially from the ones approved on July 1 by the government as the foundation of negotiations. They are the natural extension and upgrade on top of the measures, which have already been undertaken prior to our state joining ERM II.</p> <p>The fulfillment of the Action Plan, including measures for fulfillment of the follow-up commitments of Bulgaria after joining the Currency Mechanism II shall be part of the conditions for our state subsequently joining the euro zone and introduction of the euro, after fulfilling all of the convergence criteria, in compliance with article 140 of the European Union Functioning Treaty.</p> <p>Gross Foreign Debt at a given time represents the amount of the current and unconditional obligations, requiring payment(s) of the principal and/or interest by the debtor in a given time in the future, which are due by non-residents to residents in a certain economy. High gross foreign debt is a prerequisite for potential problems with repayment of the debts, especially in case when a significant degree of currency risk exists.</p> <p>According to data from the Bulgarian National Bank, as of 28.09.2020, the gross domestic debt as at the end of July 2020 is 35,611.5 million euro (62.7% of GDP²), which is an increase of 433.3 million euro (1.2%) compared to the end of 2019 (35,178.2 million euro, 58% of GDP). The debt has grown by 581.4 million euro (1.7%) compared to July 2019 (35 030.1 million Euro, 57.7% of GDP). At the end of the month of July 2020, the long-term debts are 27,744.2 million euro (77.9% of the gross debt, 48.9% of GDP), and they increase by 1,216.5 million euro (4.6%) compared to the end of 2019 (26,527.7 million euro, 75.4% of the debt, 43.7% of GDP). The long-term debt has grown by 1,310.3 million euro (5%) compared to July 2019 (26 433.9 million Euro, 43.6% of GDP). Short-term payables amount to 7,867.3 million euro (22.1% of the gross debt, 13.9% of GDP) and have diminished by 783.2 million euro (9.1%) compared to the end of 2019 (8,650.5 million euro, 24.6% of the debt, 14.3% of GDP). The short-term foreign debt has diminished by 728.9 million euro (8.5%) compared to July 2019 (8,596.2 million euro, 14.2% of GDP).</p>
TAX RISK	<p>Preservation of the current taxation regime is of defining importance for the financial result of the companies. There is no guarantee that the tax laws, which are of direct consequence for the</p>

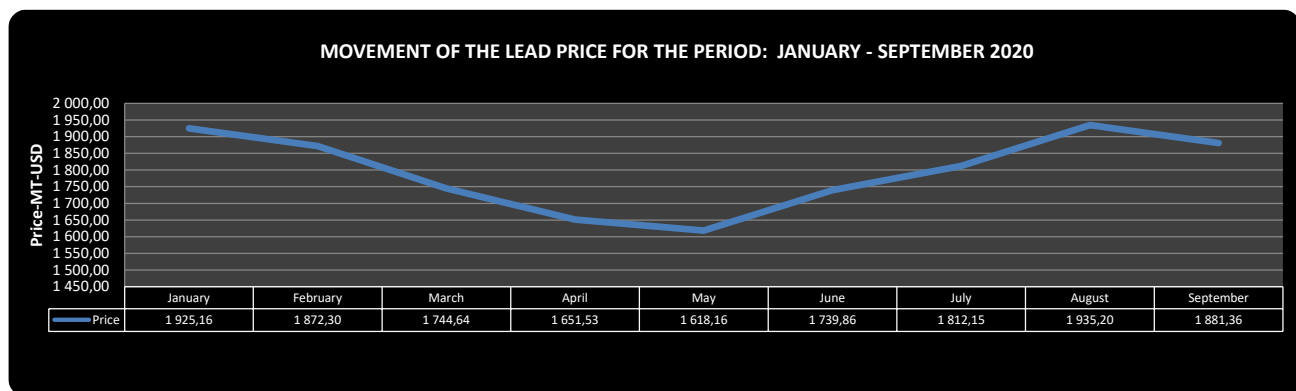
operation of the company, would not be changed in a direction which would result in a significant overhead expenses and respectively would have an adverse effect on the profit of the company. The taxation system in Bulgaria is still undergoing the process of development and consequently the existence of contradictory tax practices is a possibility.

UNSYSTEMATIC RISKS

RISK OF PRICE CHANGES IN THE BASIC PRIME AND RAW MATERIALS

The principal activity of MONBAT AD is production and trading with accumulator and lead-acid batteries – starter batteries, stationary batteries for telecom application, semi-traction batteries, specialized batteries – army power range and locomotive batteries. Major prime and raw materials for the company’s production process are lead and lead alloys, polypropylene, polyethylene separator and sulfuric acid.

As at 30.09.2020, lead takes approximately 70 % of the cost structure per unit.



**Average lead price for the period 01.01.2020 – 30.09.2020 is – 1 797.82 USD/MT

The risk of price change in the basic raw material – lead is being managed through construction of company’s own recycling facilities and through an indexation of sales prices to end customers.

DEPENDENCE OF MONBAT AD ON DISTRIBUTORS, SUPPLIERS, CUSTOMERS

There is no dependence of MONBAT AD on customers due to the fact that company’s sales are not being made directly with customers but through the mediation of an extensive distribution network in the country and abroad. Significant part of the sales with deferred payment in the country and for export are being insured in the Bulgarian Export Insurance Agency (BAEZ) by reason of which the risk of non-payment on the part of the customers is mitigated.

As a result of its marketing and distribution strategy, Monbat enjoys excellent market diversification, with sales in more than 75 countries in the 2020 Q3 and important markets for this period are Germany, France, Saudi Arabia, Lebanon and Poland. With its well-developed distributor network Monbat accesses end customers in from all the major markets in the EU. Starter batteries ultimately are retailed through automotive retailers and repair shops. Stationary batteries are sold directly to telecom companies and other users.

Breakdown of the markets of MONBAT AD on an individual basis as at 30.09.2020 is shown in the table below.

Table 8

Country	30.09.2020		30.09.2019	
	Export (EUR '000)	%	Export (EUR '000)	%
OTHER	20 117,38	19,40	22 722,53	20,96
GERMANY	9 220,89	8,89	12 245,02	11,29
FRANCE	8 361,94	8,06	9 841,92	9,08
SAUDI ARABIA	7 876,07	7,60	7 741,70	7,14
LEBANON	5 705,63	5,50	3 025,16	2,79
POLAND	5 328,80	5,14	5 288,83	4,88
SPAIN	5 234,77	5,05	6 111,62	5,64
GREAT BRITAIN	5 127,16	4,94	4 899,40	4,52
NETHERLANDS	5 014,08	4,84	5 339,37	4,92
RUSSIA	4 747,78	4,58	4 349,46	4,01
ROMANIA	4 106,22	3,96	4 635,32	4,28
SOUTH AFRICA	3 737,10	3,60	4 714,36	4,35
SERBIA	3 156,66	3,04	2 802,81	2,58
BELARUS	3 074,54	2,96	528,60	0,49
ITALY	2 843,75	2,74	4 769,02	4,40
AUSTRIA	2 752,13	2,65	2 041,29	1,88
GREECE	2 046,36	1,97	2 369,83	2,19
UKRAINE	2 018,86	1,95	1 567,80	1,45
ALGERIA	1 639,75	1,58	539,05	0,50
TAIWAN	1 590,12	1,53	2 893,14	2,67
TOTAL	103 700,00	100,00	108 426,23	100,00

For the period 01.01.2020 – 30.09.2020 MONBAT AD has generated consolidated revenues from abroad totaling EUR 103 700.00 thousand which represent 92.96 % of the total net sales revenues.

For the period 01.01.2020 – 30.09.2020 major market for MONBAT AD was Germany with EUR 9 220.89 thousand sales revenues which represents 8.89 % of the total consolidated export of the company.

The generated consolidated sales revenues on the domestic market basis as of 30.09.2020 were in the amount of BGN 15 355.43 thousand (EUR 7 851.11 thousand) and represent 7.04 % of the net sales revenues of the company.

INFLUENCE OF COVID-19 ON THE ACTIVITY OF THE COMPANY

The Coronavirus disease (COVID-19) was confirmed by the World Health Organization in the early 2020 and spread from China around the world, disrupting the ordinary business activity. On March 13, 2020, the National Assembly of the Republic of Bulgaria declared a state of emergency in the country due to the coronavirus and intensified anti-epidemic measures and restrictions were introduced. The main risks identified by the Group's management in relation to its operating activities, which are a direct or indirect consequence of the coronavirus, and the measures taken to address them are:

1. Decrease in sales due to problems with transportation of production

Measures: exploring the possibility of alternative transport solutions

2. Decrease in demand for batteries due to traffic and certain commercial activity restrictions accepted by a number of European countries

Measures: diversification of sales to geographical areas outside Europe; production of a reserve stock of batteries with consideration to utilization of the production capacity of the Company and sale in case of future increase in demand; focus on the production and sale of product segments that are not so affected by the imposed restrictive measures (batteries produced by AGM technology) or for which there is an increase in demand (stationary batteries with telecom operators)

3. Delay in payments by customers

Measures: strict monitoring of delayed payments and timely communication with BAEZ for possible arrears; preparation of monthly forecasts with a longer horizon of expected cash inflows and necessary payments and cash flow management by renegotiating trading conditions;

4. Inability to provide full intragroup supplies of lead and lead alloys needed for battery production due to the potential limitation of the production activity of the recycling plant in Italy - Piombifera Italiana

Measures: examination of the possibility of finding alternative providers; increase in the collection of lead-containing materials in the other subsidiaries of the Company.

5. Decline in stock exchange price of lead

Measures: assessment of the possibility of partial indexation of sales prices in the starter segment; non-indexation of sales prices in product groups, which call for increased demand - stationary batteries;

6. Disturbance of the supply chain of base materials required for the production of lead-acid batteries

Measures: creating a buffer stock of materials from suppliers in critical geographical areas such as Italy, England and Turkey.

7. Lack of manpower due to illness of employees with COVID-19

Measures: all the recommended measures have been taken to limit the spread of the infection, including informing employees of their implementation, providing protective equipment and disinfectants, restricting travel, restricting access by outsiders, promoting work from home.

At the date of preparation of these interim condensed financial statements there were no registered cases of infected by COVID-19 employees in the Company. There are no terminated deliveries of raw materials and materials needed to secure the production process at this stage.

As of the date of preparation of these interim condensed financial statements based on the last completed reporting period of September 2020, despite the difficult economic situation caused by the pandemic, which directly affected the sales of batteries in the second half of March, April and May, and collection of lead-containing materials during the same period, the Company and also the Group recorded an increase in the realized EBITDA compared to the comparable period ending September 2019. The strong results were driven by the high volumes of batteries sold in September, July and August as well as the high collection of lead-containing materials for the same periods with July being an all-time record high month compared to the historical comparable periods of the Group in terms of sold lead-acid batteries. In addition to the growth in the realized volumes in September, July and August 2020 compared to the comparable period for 2019, the measures described in point 5 above had a positive effect on sales margins, thereby mitigating the effect of the intermediate decline of the lead metal exchange index. In addition, as of September 2020, there is a significant increase in the sales of stationary batteries with this product segment bringing the highest added value/margins per lead equivalent of sales compared to the other product segments of the Company.

The positive trends in the sale of finished products and collection of lead-containing materials continue in October 2020 with the month of October being historically the highest month in terms of sold batteries and management expects EBITDA for 2020 to increase compared to EBITDA for 2019.

Overall, the Group is in a stable position and has sufficient capital and liquidity to service its operating activities and debt.

4. INFORMATION ABOUT THE CONCLUDED LARGE TRANSACTIONS WITH RELATED PARTIES AS AT 30.09.2020

All transactions with related parties have been announced in the interim consolidated financial statement of MONBAT as at 30.09.2020.

5. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 05.10.2020 , in accordance with the decisions taken on 18.09.2020. General Meeting of the Shareholders of the Company, the following changes in the Board of directors of Monbat AD have been entered in the Commercial Register:

- Reduction of the number of members of the Board of Directors from 9 to 7.
- Released as members of the Board of Directors are: Nikolay Georgiev Trenchev, Alexander Viktorov Chaushev, Atanas Stoilov Bobokov, Plamen Stoilov Bobokov and Stoyan Zhivkov Stalev.
- Registered as new members of the Board of Directors are: Chavdar Donchev Danev, Petar Hristov Petrov and Dimitar Nikolov Kostadinov.
- As of at 30.10.2020 - members of the Board of Directors are:
 1. Florian Hutt
 2. Petar Nikolov Bozadjiev
 3. Yordan Atanasov Karabinov
 4. Evelina Paavlova Slavcheva
 5. Petar Hristov Petrov
 6. Chavdar Donchev Danev
 7. Dimitar Nikolov Kostadinov

The company is represented by Dimitar Nikolov Kostadinov - Executive Director.

Date: 30.11.2020

For MONBAT AD:

Petar Petrov
/ Procurator /