

MONBAT AD

Interim Activity Report
Interim Condensed Consolidated Financial Statements

30 September 2022



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Interim condensed consolidated income statement

	Note	9 months to 30 September 2022 BGN'000	9 months to 30 September 2021 BGN'000
Revenue from contracts with customers		281 870	259 167
Other operating income		11 182	2 539
Cost of materials		(193 959)	(163 400)
Hired services expenses		(30 897)	(26 799)
Payroll expenses		(32 645)	(30 728)
Depreciation and amortization of non-financial assets	7,8	(13 227)	(12 721)
Cost of goods sold and other current assets		(4 731)	(4 934)
Changes in finished goods and work in progress		377	4 091
Gain on sale of non-current assets		-	24
Other expenses		(4 609)	(3 989)
Operating profit		13 361	23 250
Gain on sale of investments	3	485	-
Loss from revaluation of an investment to fair value	4	(225)	-
Finance costs		(4 846)	(4 216)
Finance income		1 749	909
Other financial items		951	250
Profit before tax from continuing activities		11 475	20 193
Income tax expense		(1 711)	(2 817)
Profit for the period from continuing activities		9 764	17 376
Loss from discontinued activities	5	(1 583)	(2 658)
Profit for the period		8 181	14 718
Non-controlling interests		(44)	(133)
Owners of the parent		8 225	14 851
Basic earnings per share for continuing activities	13.1	0.25	0.45
Basic earnings per share from continuing and discontinued activities		0.21	0.38

Prepared by:
/ Belnikolov and Partners OOD –
Petya Belnikolova Manager /
Date: 29.11.2022

Procurator:
/Petar Petrov/

Interim condensed consolidated statement of financial position

Assets	Note	30 September 2022 BGN'000	31 December 2021 BGN'000
Non-current assets			
Property, plant and equipment	8	171 527	166 058
Investment property		-	15 647
Intangible assets	7	8 678	13 021
Goodwill		9 927	516
Rights-of-use assets		1 493	2 011
Investments in associates		2 667	10 963
Investments in immaterial subsidiary		39	39
Financial assets measured at fair value through other comprehensive income		-	1 539
Deffered income taxes		748	2 565
Other long term assets		130	-
Other long term receivables		26	26
Non-current assets		195 235	212 385
Current assets			
Inventories		112 337	104 761
Trade receivables		62 324	66 558
Related party receivables	15	50 088	49 286
Tax receivables		6 769	7 413
Other receivables		6 223	6 158
Advances		6 064	3 538
Trade loan receivables		420	526
Income tax receivable		356	8
Cash and cash equivalents		10 207	9 025
Current assets		254 788	247 273
Assets held for sale	5	34 564	-
Total assets		484 587	459 658

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Manager /

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/Petar Petrov/

Date: 29.11.2022

Interim condensed consolidated statement of financial position (continued)

	Note	30 September 2022 BGN'000	31 December 2021 BGN'000
Equity and liabilities			
Equity			
Issued capital	10	38 971	38 989
Share premium		28 534	28 538
General reserves		69 056	69 056
Foreign currency translation reserve		(5 743)	(6 170)
Other reserves		-	1 408
Retained earnings		80 660	76 527
Equity attributable to the owners of the parent		211 478	208 348
Non-controlling interests		10 803	1 360
Total equity		222 281	209 708
Liabilities			
Non-current liabilities			
Convertible bond		40 499	51 458
Long-term borrowings	11	27 740	32 591
Fair value of conversion option		5 867	5 867
Deferred tax liabilities, net		3 992	4 410
Government grants		342	921
Lease liabilities		550	789
Non-current payables to personnel		1 240	1 187
Provisions		417	417
Related party payables	15	7	7
Non-current liabilities		80 654	97 647
Current liabilities			
Short-term borrowings	11	118 338	96 663
Trade payables		30 713	35 478
Convertible bond		10 959	-
Short-term payables to personnel		4 260	5 037
Contract liabilities		1 978	2 624
Provisions		5 333	5 477
Tax liabilities		2 014	1 848
Lease liabilities		679	921
Corporate income tax payable		623	1 797
Government grants		341	341
Other liabilities		3 226	2 113
Short-term related party payables	15	423	4
Current liabilities		178 887	152 303
Liabilities associated with assets held for sale	5	2 765	-
Total current liabilities		181 652	152 303
Total liabilities		262 306	249 950
Total equity and liabilities		484 587	459 658

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Manager / Date: 29.11.2022

Procurator:
/Petar Petrov/

The accompanying notes on pages from 7 to 32 form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premium	General reserves	Foreign currency translation reserve	Retained Earnings	Other reserves	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2022	38 989	28 538	69 056	(6 170)	76 527	1 408	208 348	1 360	209 708
Dividends	--	-	-	-	(5 500)	-	(5 500)	-	(5 500)
Reacquired own shares	(18)	(4)	-	-	-	-	(22)	-	(22)
Transaction with owners	(18)	(4)	-	-	(5 500)	-	(5 522)	-	(5 522)
Profit for the period	-	-	-	-	8 225	-	8 225	(44)	8 181
Acquisition of subsidiaries and non-controlling interest	-	-	-	-	-	-	-	9 487	9 487
Other comprehensive loss for the year	-	-	-	427	1 408	(1 408)	427	-	427
Total comprehensive income for the year	-	-	-	427	9 633	(1 408)	8 652	9 443	18 095
Balance at 30 September 2022	38 971	28 534	69 056	(5 743)	80 660	-	211 478	10 803	222 281

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Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN '000	Share capital	Share premiu m	General reserves	Foreign currency translation reserve	Retained earnings	Other reserves	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2021	38 989	28 538	69 056	(5 237)	80 538	-	211 884	1 303	213 187
Dividends	-	-	-	-	(7 000)	-	(7 000)	-	(7 000)
Transactions with owners	-	-	-	-	(7 000)	-	(7 000)	-	(7 000)
Profit for the year	-	-	-	-	2 989	-	2 989	57	3 046
Other comprehensive loss for the year	-	-	-	(933)	-	1 408	475	-	475
Total comprehensive income for the year	-	-	-	(933)	2 989	1 408	3 464	57	3 521
Balance at 31 December 2021	38 989	28 538	69 056	(6 170)	76 527	1 408	208 348	1 360	209 708

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– Petya Belnikolova Manager /
Date: 29.11.2022

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/Petar Petrov/

Interim condensed consolidated statement of cash flows

	Note	9 months to 30 September 2022 BGN'000	9 months to 30 September 2021 BGN'000
Operating activities			
Cash receipts from customers		289 717	258 326
Cash paid to suppliers		(243 755)	(218 782)
Cash paid to employees and social security institutions		(32 602)	(29 923)
Proceeds from tax refunds, net		12 724	8 921
Payments of corporate income tax		(3 789)	(1 350)
Proceeds from grants		3 031	-
Other cash flows for operating activities		(1 703)	(323)
Net cash flow from operating activities		23 623	16 869
Investing activities			
Purchase of property, plant and equipment		(15 105)	(10 699)
Loans granted		(978)	(579)
Loan repayments received		1 726	1 597
Interest received		97	277
Acquisition of subsidiaries		(13 260)	(8 019)
Gain of sale of investment		1 956	-
Other cash flows from investing activities		4 649	712
Net cash flow used in investing activities		(20 915)	(16 711)
Financing activities			
Proceeds from borrowings		158 811	125 848
Repayments of borrowings		(150 551)	(125 156)
Payments for reacquisition of shares		(100)	-
Payment of principal portion of lease liabilities		(820)	(925)
Interest paid		(5 433)	(6 990)
Dividends paid		(4 200)	(3 628)
Other cash flows for financing activities		513	(741)
Net cash flow from (used in) financing activities		(1 780)	(11 592)
Net change in cash and cash equivalents		928	(11 434)
Cash and cash equivalents, beginning of year		9 025	24 008
Losses on foreign currency translation		305	291
Cash and cash equivalents, end of period		10 258	12 865

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Notes to the interim condensed consolidated financial statements

1. Nature of operations

The main activities of MonbatAD and its subsidiaries (“The Group”) include manufacturing, maintenance and realization of batteries; engineering and development activity; production and trade of equipment used in battery manufacturing; domestic and foreign trade and construction of commercial networks; specialized stores and representatives, recycling of lead and lead contain alloys.

The parent company Monbat AD has the same principle activities. The company is registered as joint stock company in c.d. 4636/1999 SGS. The parent company’s domicile, which is also its principal place of business, is on 32 A ‘Cherni vrah’ buld., Sofia. The company is registered on the Bulgarian stock exchange on 22.12.2006.

The principle place of the activity is town of Montana, 76 ‘Industrialna’ str.

The Group is managed through single-tier management system consisting of Board of Directors.

As at 30.09.2022 the composition of the Board of Directors of the Company is the following:

- 1.Chavdar Donceev Danev - Chairman
- 2.Peter Nikolov Bozadjiev
- 3.Kyle Anderson
- 4.Petar Hristov Petrov
- 5.Viktor Stanimirov Spiriev – Executive member
6. Evelina Slavcheva
7. Florian Huth

As at 30.09.2022 the Company is being represented by Viktor Stanimirov Spiriev and Petar Hristov Petrov separately.

The ultimate parent of the Group is Prista Oil Group B.V. Atanas Bobokov and Plamen Bobokov are the individuals exercising joint control over Prista Oil Group B.V.

The management includes the Board of Directors of Monbat AD as well as the entity’s procurators.

2. Basis for the preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements as at 30 September 2022 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The interim condensed consolidated financial statements are presented in Bulgarian Leva (BGN), which is also the functional currency of the Group. All amounts are presented in thousand Bulgarian leva (BGN‘000) (including comparative information for 2021) unless otherwise stated.

Effects of the spread of the COVID-19

At the beginning of 2020, due to the spread of a new coronavirus (Covid-19) worldwide, difficulties arose in the business and economic activities of several enterprises and entire economic sectors. On March 11, 2020, the World Health Organization announced the presence of a coronavirus pandemic (Covid-19). This important event had a significant impact on the business environment in all countries and activities and prospects of many businesses, incl. to disruption of the normal economic activity of almost all economic entities in Bulgaria and to various financial and non-financial consequences for business and the population.

On March 31, 2022 the emergency epidemic situation in Republic of Bulgaria expired

COVID-19 effect on the Group

In these circumstances, the Group's management has analyzed and assessed the Group's ability to continue as a going concern based on available information for the foreseeable future and management expects that the Group has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in preparing the separate financial statements.

Due to the measures taken against the coronavirus, the pandemic has no significant effect on the Group's performance during the first three quarters of 2022.

Measures and actions taken:

To prevent possible negative impact and effects of the pandemic on the activities of the Group and its financial situation, the management has analyzed the following:

- In 2021 and 2022 the Group did not receive state aid to support employment under measure 60/40.
- The main customers of the Group did not have financial difficulties. The assessment of the collection of trade receivables as of March 31, 2022 is good.
- In 2021 there is an increase in demand for rechargeable batteries. The reduced demand for batteries in the first two quarters of 2022 (a decrease in total number of batteries sold) compared to the comparable period is not due to the COVID-19 pandemic, but mainly to weather conditions in Europe, where most of the clients of the Group are situated. Customers have not stocked up on batteries.
- In 2022, the average price of lead is about 2 171 USD/MT. The selling prices of the products of Monbat AD are indexed to the price of lead.
- The actions taken by the management of the Group in 2021 and 2022 lead to a gradual improvement of the supply of basic materials.

The interim condensed consolidated financial statements are prepared under the going concern principle

In these circumstances, the Group's management has made an analysis and assessment of the Group's ability to continue its activities as a going concern based on available information about the foreseeable future. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board of Directors expects that the Group will have sufficient resources to continue to adopt the going concern basis in preparing the consolidated report and accounts.

2.1. New and amended standards and interpretations

The Group has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and endorsed by EU, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2021 but do not have a significant impact on the Group's financial results or position:

- IFRS 4 Insurance Contracts – deferral of IFRS 9 effective from 1 January 2021 adopted by the EU
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 effective from 1 January 2021 adopted by the EU
- IFRS 16 Leases: Covid-19- Related Rent Concessions beyond 30 June 2021 effective from 1 April 2021 adopted by the EU.

2.2. Standards issued but not yet effective and not early adopted

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2022 and have not been applied early by the Group. They are not expected to have a material impact on the Group's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement

The changes refer to the following standards:

- Amendments IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment IAS 37 Provisions, Contingent Liabilities and Contingent Assets effective from 1 January 2022 adopted by the EU
- Annual Improvements 2018-2020 effective from 1 January 2022 adopted by the EU
- IFRS 17 “Insurance Contracts” effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective from 1 January 2023 not yet adopted by the EU
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information effective from 1 January 2023 not yet adopted by the EU
- IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not adopted by the EU

2.3. Estimates

When preparing the interim consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2021.

2.4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The most significant financial risks to which the Group is being exposed are market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual consolidated financial statements as at 31 December 2021. There have been no changes in the risk management policies since year end.

3. Significant events and transactions during the reporting period

- In relation to the convertible bond issued in 2018, the first option when the holders have the right but not the obligation to convert the option was not utilized at the 48th month from the issuing date.
- In January 2022 the Group acquired additionally 20.39% of Tunisian company for production of accumulator batteries Societe Nouvelle de l'accumulateur Nour for the amount of 6 845 thousand BGN (3 500 thousand EUR) and in March 2022 additionally 16.32% for the amount of 5 868 thousand BGN (3 000 thousand EUR) after that the share of the Company increases to 60% . The cost of the investment as of the acquisition date (31.03.2022) is BGN 20 732 thousand BGN (10 600 thousand EUR). During May the Group increased the capital of Tunisian company with 548 thousand BGN.
- During March 2022 the Group sold 7.2 % of Italian company for innovative technologies Cobat s.p.a. The profit of the deal is BGN 485 thousand BGN, reported on line "Gain on sale of investment" The sale price of the shares is 1 956 thousand BGN (1 000 thousand EUR)
- Monbat AD along with its fully-owned subsidiary Monbat Recycling EAD entered into an agreement to sell 100% of the capital of the German– based subsidiary Monbat Holding GmbH. Monbat Holding GmbH is an intermediary holding structure of the Monbat Group, owning 100% of EAS Batteries GmbH (EAS) and 100% of Monbat New Power GmbH (MNP). The sale price amounts to EUR 36 million, including, in addition cash and acquisition of non-controlling interest in the buyer's capital. The realization of the sale is subject to finalization, including approval by a German regulatory authority as such the result of the sale is not reflected in this interim separate financial statements.
- In the early hours on 24th February 2022, Russia declared a military operation in neighboring Ukraine. This conflict has quickly scaled-up and is considered as the most serious military intervention in Europe in the post-World War II period.

Following the commencement of the war in Ukraine, certain countries announced new sanctions against the governmental loan of the Russian Federation and a number of Russian banks as well as sanctions against many Russian citizens. As the conflict advanced, sanctions were imposed on Belarus, as well. As of the date of preparing these financial statements, certain countries & the EU have imposed four categories of sanctions on Russia and Belarus:

- Sanctions against physical and corporate entities/organizations
- Business restrictions
- Diplomatic measures
- Economic cooperation restrictions

As a result of the increasing geopolitical tension as of February 2022, there has been an overall increase in the volatility in the price of governmental bonds and currency exchange rates, sharp changes in the prices of the energy and fuel and significant underappreciation of the Russian ruble against the USD and the EUR.

It is expected that these events will impact the activities of Russian, Ukrainian and Belarussian enterprises in diverse economic sectors. The Company does not have net investments, subsidiaries or shares in Russia, Belarus or Ukraine, although it does trade with companies in these countries.

The impact on the overall economic situation in Bulgaria and Europe could necessitate the revision of certain forecasts and evaluations.

The sales to Russia represent 2,50% of the total export of the Group for 2022, 0.6 % to Ukraine & Belarus (2021: Russia 6.24%, Ukraine and Belarus- 1%).

The Group does not have investment in assets related to Russia or Ukraine. Since the Group's supply chain of raw materials is not related to these countries, it is not impacted either.

The Russian Federation is responsible for the production of approximately 5% of the lead in the whole world, which could lead to a certain increase in the price of this raw material. Nevertheless, the Group does not expect a drop in the financial results in 2022 caused by the potential increase in the price of the lead, since the sale price of the produced products is indexed against the movement of the stock index of the lead.

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

4. Acquisition of majority shareholdings in Nour

In 2021 the Group acquired 23.3% of the Tunisian company, specialized in production of car batteries, Societe Nouvelle de l'accumulateur Nour („Nour“). The Group consolidated the acquiree according to the equity method and recognized BGN 277 thousand profit from the investment in Nour for FY 2021. In January 2022 the Group acquired an additional 20.39% from Nour's shares for BGN 6,845 thousand (EUR 3,500 thousand) and in March 2022 another 16.32% for BGN 5,868 thousand (EUR 3,000 thousand). The total shareholding in Nour held by the Group is 60% and the total amount paid is EUR 10,600 thousand. The goal of this acquisition is to expand the geographical footprint of the Group, to increase the overall production capacity of lead and lead alloys and to provide sources of raw materials.

The effective date on which the Group acquired control over Nour is 31.03.2022. As Nour has majority shareholding in four subsidiaries, the Group has also established control over the following entities: Société Nour Distribution (59.9% effective shareholding), Société Technique et Ingénierie de Précision (55%), Société Nour des Batteries Industrielles (44.3%) and Société Nour Recycling (30.5%). Each of these subsidiaries supports the operational activities of Nour. In these interim consolidated financial statements the acquiring of Nour and its associates is classified as a business combination as per the guidelines of IFRS 3 “Business Combinations”.

Effect of acquiring the shareholding in Nour as of 30.09.2022:

	BGN'000
Acquisition cost:	
Amount paid in cash	12 714
Fair value of investment in associate held before business combination	8 071
Total consideration transferred	20 785

	BGN'000
Fair value of the acquired net assets:	
Cash and cash equivalents	2 693
Inventories	9 979
Trade receivables	7 477

Advances paid to clients	517
Other short-term receivables	39
Property, plant and equipment	12 417
Intangible assets	14
Long-term financial assets	143
Tax receivables	495
Short-term payables to personnel	(222)
Trade payables	(3 266)
Tax payables	(43)
Short-term borrowings	(7 526)
Advances from suppliers	(65)
Other payables	(476)
Provisions	(498)
Long-term borrowings	(988)
Total net assets	20 690
	BGN'000
Total identifiable net assets	20 690
Non-controlling interest	(9 175)
Goodwill	9 270
Total consideration transferred	20 785

The total consideration transferred for acquisition of Nour in 2022 is settled in cash. From the date of the business combination until the date of preparing these interim consolidated financial statements the Group has recognized revenue for BGN 14,894 thousand and net profits for BGN 1,303 thousand from Nour in the Group financial statements of profit and loss and other comprehensive income. The Group has also recognized a loss from the revaluation of the investment in associate held before the business combination to its fair value of BGN 225 thousand that is shown on the line “Loss from revaluation of an investment to fair value”.

The purchase price allocation of the Nour acquisition is not finalized as of the date of preparing these interim consolidated financial statements. The Group is still awaiting an independent valuation of Nour’s net assets. The Group is following the requirements of IFRS 3 that allow the valuation to be done up to one year after the acquisition. The goodwill recognized on the acquisition comprises the corporate synergy that the Group expects to achieve once Nour activities are integrated into the Group’s.

5. Assets held for sale

Lithium-Ion division

In May 2022 the Group (through its parent company Monbat AD and one of its subsidiaries – Monbat Recycling EAD) has agreed to sell 100% of the Germany-based subsidiary Monbat Holding GmbH. Monbat Holding GmbH is a intermediary holding company which owns 100% of EAS Batteries GmbH (EAS) and Monbat New Power GmbH (MNP). EAS is responsible for the operating and trading activities in the Lithium-Ion division of the Group, while MNP owns the factory, equipment, patents, licenses and know-how. The three subsidiaries Monbat Holding, EAS and MNP form the Group’s Lithium-Ion division which is reported in a separate segment, in accordance to IFRS 8. The decision to sell 100% of the shares in Monbat Holding is pending approval by the respective authorities in Germany. Buyer of the shares is the British company Britishvolt, a pioneer in the battery industry, focused on developing next generation batteries and related research and development activities. Britishvolt develops the future of electric transportation and sustainable power storage solutions using best in class Li-Ion battery technology. The deal for Monbat Holding’s shares is valued at EUR 36 million and includes cash payment and issuance of shares in Britishvolt, thus securing the Group’s continuous role in the lithium-ion industry.

The net book value of the assets and liabilities pertaining to the Li-Ion division classified as held of sale as of 30 September 2022 is as follows:

	BGN'000
Property, plant and equipment	7 347
Intangibles assets	5 837
Inventories	3 313
Trade receivables	528
Cash	51
Tax receivables	55
Other receivables	101
Total assets classified as held for sale	17 232

Deferred tax liabilities	925
Trade payables	399
Other payables	1 441
Total liabilities classified as held for sale	2 765

	30 September 2022 BGN'000	30 September 2021 BGN'000
Sales revenues	3 194	2 498
Other revenues	464	651
Operating expenses	(5 117)	(5 267)
Finance expenses	(6)	(8)
Loss from operations	(1 465)	(2 126)

Investment property in Austria

As of 30.09.2022 the Group owns an investment property in Austria through its subsidiary Monbat Immobilien GmbH. In April 2022 the General meeting of the shareholders agreed to sell the subsidiary, together with its investment property pursuant to a reasonable offer received by a potential buyer.

The net book value of the assets pertaining to the investment property classified as held of sale as of 30 September 2022 is as follows:

	BGN'000
Investment property	15 515
Deferred tax assets	1 817
Total assets classified as held for sale	17 332

	30 September 2022 BGN'000	30 September 2021 BGN'000
Depreciation expenses	(131)	(591)
Income tax	13	59
Loss from operations	(118)	(532)

6. Segment reporting

No change has occurred in the basis of segment reporting or determining the profit or loss of the segments as compared to the prior period consolidated financial statements, except for the classification of the Lithium-Ion division as held for sale as noted above.

Segment information for the reporting periods under review can be analyzed as follows:

	Production of batteries	Industrial materials Recycling	Other	Total September 2022
	BGN'000	BGN'000	BGN'000	BGN'000
Revenue:				
- from external customers	218 254	57 928	16 870	293 052
- from intersegment revenue	126 409	185 542	13 021	324 972
Segment revenues	344 663	243 470	29 891	618 024

	Production of batteries	Industrial materials Recycling	Other	Total September 2021
	BGN'000	BGN'000	BGN'000	BGN'000
Revenue:				
- from external customers	222 785	25 252	13 669	261 706
- from intersegment revenue	118 885	163 729	11 029	293 643
Segment revenues	341 670	188 981	24 698	555 349

Assets	30 September 2022 BGN'000
Total segment assets	868 271
Consolidation	(383 684)
Group assets	484 587

Liabilities	30 September 2022 BGN'000
Total segment liabilities	456 275
Consolidation	(193 969)
Group liabilities	262 306

Assets	December 2021 BGN'000
Total segment assets	818 621
Consolidation	(358 963)
Group assets	459 658

Liabilities	December 2021 BGN'000
Total segment liabilities	431 472
Consolidation	(181 522)
Group liabilities	249 950

The total of segment profit/loss reconciles to the Group's profit before tax expense as presented in its interim condensed consolidated financial statements as follows:

	9 months to 30 September 2022 BGN'000	9 months to 30 September 2021 BGN'000
Profit		
Total segment profit	12 719	24 802
Elimination from intersegment profits from related party transactions	642	(1 552)
Group operating profit	13 361	23 250
Gain of sale of instruments	485	-
Loss from revaluation of an investment at fair value	(225)	-
Finance costs	(4 846)	(4 216)
Finance income	1 749	909
Other financial items	951	250
Group profit before tax	11 475	20 193

7. Intangible assets

The Group's other intangible assets comprise software, trade marks and other intangible assets. The carrying amounts for the reporting periods under review can be analyzed as follows:

9 months to 30 September 2022	Software BGN'000	Trade marks BGN'000	R&D expenses BGN'000	Licensing rights	Other assets BGN'000	Total BGN'000
Gross carrying amount						
Balance at 1 January 2022	1 498	1 564	9 289	4 415	315	17 081
Incl. discontinuing operations	(165)	-	(6 515)	-	-	(6 680)
Additions, separately acquired	247	7	86	434	464	1 238
Acquisitions through business combinations	14	-	-	-	-	14
Written-off	(72)	-	-	-	-	(72)
Balance at 30 September 2022	1 522	1 571	2 860	4 849	779	11 581
Amortization						
Balance at 1 January 2022	(1 036)	(1 319)	(1 574)	-	(131)	(4 060)
Incl. discontinuing operations	144	-	1 338	-	-	1 482
Amortization	(165)	(48)	(8)	-	(104)	(325)
Balance at 30 September 2022	(1 057)	(1 367)	(244)	-	(235)	(2 903)
Carrying amount at 30 September 2022	465	204	2 616	4 849	544	8 678
For the year ended 31 December 2021						
	Software BGN '000	Trademarks BGN '000	R&D costs BGN '000	Licensing rights BGN '000	Others BGN '000	Total BGN '000
Gross carrying amount						
Balance at 1 January 2021	1 078	1 433	6 720	3 995	301	13 527
Newly acquired assets	420	131	2 569	420	14	3 554
Balance at 31 December 2021	1 498	1 564	9 289	4 415	315	17 081
Amortization						
Balance at 1 January 2021	(809)	(1 284)	(562)	-	(113)	(2 768)
Amortization	(227)	(35)	(1 012)	-	(18)	(1 292)
Balance at 31 December 2021	(1 036)	(1 319)	(1 574)	-	(131)	(4 060)
Carrying amount at 31 December 2021	462	245	7 715	4 415	184	13 021

8. Property, plant and equipment

Group's property, plant and equipment comprise lands, buildings, machinery, equipment, vehicles, business inventory and cost of acquisition. The carrying amount can be analyzed as follows:

9 months to 30 September 2022	Lands	Buildings	Machinery	Equipment	Vehicles	Business inventory	Asset acquisition expenses	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount								
Balance at 1 January 2022	13 403	86 606	164 994	41 433	12 336	7 833	18 142	344 747
Incl. discontinuing operations	(302)	(4 025)	(4 164)	(1 453)	(13)	(130)	(400)	(10 487)
Additions	1 592	657	1 775	1 831	200	294	6 974	13 323
Acquisitions through business combinations	2 216	3 608	4 694	272	434	96	1 097	12 417
Disposals	(41)	(27)	(419)	(110)	(155)	(28)	(524)	(1 304)
Assets transfer	-	2 535	2 504	416	26	7	(5 488)	-
Currency exchange rate conversion	70	127	789	312	77	70	59	1 504
Balance at 30 September 2022	16 938	89 481	170 173	42 701	12 905	8 142	19 860	360 200
Depreciation	-							
Balance at 1 January 2022	-	(28 871)	(116 664)	(18 288)	(8 559)	(6 307)	-	(178 689)
Incl. discontinuing operations	-	726	1 421	666	6	117	-	2 936
Depreciation	-	(2 859)	(6 775)	(1 668)	(636)	(376)	-	(12 314)
Disposals	-	-	131	2	101	27	-	261
Currency exchange rate conversion	-	(158)	(78)	(598)	(25)	(8)	-	(867)
Balance at 30 September 2022	-	(31 162)	(121 965)	(19 886)	(9 113)	(6 547)	-	(188 673)
Carrying amount at 30 September 2022	16 938	58 319	48 208	22 815	3 792	1 595	19 860	171 527

For the year ended 31 December 2021	Land BGN '000	Buildings BGN '000	Machinery BGN '000	Equipment BGN '000	Vehicles BGN '000	Fixtures BGN '000	Assets under construction BGN '000	Total BGN '000
Gross carrying amount								
Balance at 1 January 2021	13 388	85 462	156 476	39 469	11 155	6 986	17 909	330 845
Additions	37	405	2 466	1 739	1 659	808	8 929	16 043
Disposals	-	-	(380)	(412)	(502)	-	(437)	(1 731)
Transfer of assets	-	870	6 540	768	52	25	(8 255)	-
Currency exchange rate conversion	(22)	(131)	(108)	(131)	(28)	14	(4)	(410)
Balance at 31 December 2021	13 403	86 606	164 994	41 433	12 336	7 833	18 142	344 747
Depreciation								
Balance at 1 January 2021	-	(25 380)	(106 830)	(16 322)	(8 073)	(5 848)	-	(162 453)
Depreciation	-	(3 447)	(10 192)	(2 300)	(900)	(459)	-	(17 298)
Depreciation written-off	-	-	358	279	398	-	-	1 035
Currency exchange rate conversions	-	(44)	-	55	16	-	-	27
Balance at 31 December 2021	-	(28 871)	(116 664)	(18 288)	(8 559)	(6 307)	-	(178 689)
Carrying amount at 31 December 2021	13 403	57 735	48 330	23 145	3 777	1 526	18 142	166 058

9. Seasonality and cycles of the interim operations

The demand of lead acid batteries is not a subject to significant seasonal changes. However, practice shows that the demand in Europe reaches its peak values in autumn and winter.

10. Issued capital

The registered share capital of the Group consists of 39 000 000 ordinary shares with a nominal value of BGN 1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Group.

As at 30.09.2022 the Group through a subsidiary has redeemed 10 946 ordinary own shares, which are presented as a decrease in the shared capital.

The issued and authorized shares for reporting periods can be presented as follows:

	30 September 2022	31 December 2021
Number of shares issued and fully paid, - beginning of the period	38 989 054	38 989 054
Reacquired own shares	(18 000)	-
Number of shares issued and fully paid	38 971 054	38 989 054
Total number of shares authorized at the end of the period	38 971 054	38 989 054

The list of the principal shareholders' of the Group is as follows:

	30 September 2022	30 September 2022	31 December 2021	31 December 2021
	Number of shares	%	Number of shares	%
Prista Oil Holding EAD PRISTA HOLDCO	16 666 371	42.73	16 666 371	42.73
COOPERATIEF U.A	8 103 758	20.78	8 103 758	20.78
Monbat Trading OOD	2 752 800	7.06	2 752 800	7.06
UPF Doverie	2 582 864	6.62	2 582 864	6.62
ZUPF Allianz Bulgaria	2 105 403	5.40	2 105 403	5.40
Other natural persons and entities	6 788 804	17.41	6 788 804	17.41
	39 000 000	100	39 000 000	100
Buyback of own shares from natural persons and entities	(28 946)	(0.07)	(10 946)	(0.03)
	38 971 054	99.93	38 989 054	99.97

The Board of Directors of MONBAT AD adopted a decision for a new buy back procedure of company's own shares up to 3 % of the company's registered capital or up to 1 170 000 shares.

The minimum price for the buy back is BGN 4.51 and the maximum price for the buy back is BGN 8.75 with initial term for the buy back of 26.09.2022.

In the event of completion of the shares, namely – the company buys back up to 1 170 000 shares, prior to the final term, the current buy back procedure shall be terminated as successfully implemented. In the event that, within the term under the first sentence the maximum number of shares has not been bought back, the Board of Directors, in its own judgment, may both extend the term with another 180 calendar days under respective application of the provision of the preceding sentence, or terminate the procedure notwithstanding the number of the bought back shares. Within the term of the current procedure, depending on the market conditions, the Board of Directors, in its own judgment, may change the minimum and maximum price for the buy back

11. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	30 September 2022 BGN '000	31 December 2021 BGN '000	30 September 2022 BGN '000	31 December 2021 BGN '000
Financial liabilities measured at amortized cost:				
Other bank loans	118 338	96 663	27 740	32 591
Total carrying amount	118 338	96 663	27 740	32 591

11.1. Borrowings at amortized cost

Details of the contracts for banking loans:

1. KBC Bank EAD

Contract dated 25.02.2014,

Maturity date: 15.02.2017

Amount borrowed: EUR 3 200 000

Type of credit: Revolving loan

Interest: 1-month EURIBOR + fixed mark-up

Collateral: Rank collateral of mortgage of own real estate, cadaster № 48489.5.279, cadaster № 48489.5.281, cadaster № 48489.5.396, together with buildings on it, on the territory of Montana str. Industrialna.

With annex N 4/ 30.06.2016 r. the amount of the loan was been increased to 4 200 000 EUR

With annex m.06.2016 r. the amount of the loan was been increased to 9 200 000 EUR :

Maturity date: 15.11.2022

First rank pledge agreement on Monbat's receivables on bank accounts held with the bank.

Pledge on fixed assets owned by Monbat AD and Monbat Recycling Bulgaria.

Utilized amount as of 30.09.2022 at the amount of EUR 8 399 891 EUR or BGN 16 428 760

2. Eurobank Bulgaria AD

Contract № 339/07.12.2004

Maturity date: 01.09.2006

Amount borrowed: EUR 2 200 000

Type of credit: Credit line

Interest: Variable reference interest rate + mark-up

Collateral: Pledge on assets and inventories owned by Monbat AD

With annex from 16.06.2017 and the amount of the loan was been increased to 18 971 401 BGN

Maturity date: 01.10.2022

Utilized amount as of 30.09.2022 at the amount of BGN 17 117 589

3. Eurobank Bulgaria AD

Contract № 100-972 / 23.11.2010

Maturity date: 29.08.2011

Amount borrowed: EUR 1 000 000

Type of credit: Working capital

Interest: 3-month EURIBOR + fixed mark-up

Collateral:

Real estate 1: ½ ideal part of land with identification N48489.282 on the cadastral map of Montana, buildings and factories, warehouse currently owned by Monbat AD, approved with Directive № RD-18-19-/05.04.2006 of the Procurator of AK.

Real estate 2: ½ ideal part of land with identification N48489.282 on the cadastral map of Montana, buildings and factories, warehouse currently owned by Monbat AD, approved with Directive № RD-18-19-/05.04.2006 of the Procurator of AK.

Pledges:

Pledge 1: Machines, installations and vehicles, located in the factory of Monbat AD in Montana, 72 “Industrial” str.

Pledge 2: Vehicle weighing machine and security room with an area of 102 sq.m., according to documentary evidence and inventory number 300000003

Pledge 3: Unloading area, with an area of 1980 sq.m., according to documentary evidence and property inventory number 3000000004.

There is annex from 29.07.2014 and the loan is transferred from EUR in BGN

Maturity date: 01.10.2022

Amount borrowed: 1 955 830 BGN

Type of credit: Credit line

Interest: Variable reference interest rate + mark-up

Collateral: Promissory Note for the amount of BGN 1 955 830

Utilized amount as of 30.09.2022 at the amount of BGN 1 916 061

4. DSK Bank EAD

Contract.№1675/16.09.2015

Maturity date: 10.09.2023

Amount borrowed: EUR 2 500 000

Type of credit: For working capital

Interest: 1 M EURIBOR + fixed mark-up

Collateral: Pledge agreement on receivables and property, plant and equipment

Utilized amount as of 30.09.2022 at the amount of EUR 2 500 000 or BGN 4 889 575

5. DSK Bank EAD

Contract.№1674/16.09.2015

Maturity date: 10.09.2022

Amount borrowed: BGN 2 000 000

Type of credit: For working capital

Interest: Variable reference interest rate + mark-up

With anex from 13.11.2019 a loan amount of up to 9 000 000 BGN is increased.

Maturity date: 10.09.2023

First rank pledge on the fixed assets of Monbat AD

Next in line special pledge on receivables.

Utilized amount as of 30.09.2022 at the amount of BGN 8 999 883

6. KBC Bank EAD

Contract. Of 09.11.2015

Amount borrowed: EUR 490 000

Type of credit: Overdraft

Interest: Variable reference interest rate + mark-up

Maturity date: 15.11.2022

Collateral: No collateral
Utilized amount as of 30.09.2022 at the amount of BGN 489 892

7. Eurobank Bulgaria AD

Contract. 359/05.10.2017

Maturity date: 30.09.2022

Amount borrowed: EUR 2 556 459

Type of credit: Credit line

Interest: 3 M EURIBOR + fixed mark-up

Collateral: First pledge agreement for Monbat's receivables from the third parties.

Utilized amount as of 30.09.2022 at the amount of EUR 2 000 468 or BGN 3 912 575

8. UBB AD

Contract. 20F-00428/10.04.2020

Maturity date: 30.09.2022

Amount borrowed: EUR 2 000 000

Type of credit: Credit line

Interest: 1 M EURIBOR + fixed mark-up

Collateral: Pledge on receivables on all borrower's accounts opened in the bank; insurance with BAEZ, covering the exposure under the contract up to EUR 2 million

With an annex of 15.12.2020, the amount of the loan is divided into two sub-limits of 1 million euro with the right to draw down the first sub-limit until 30.09.2022 and final repayment until 30.09.2022 and with the right to draw down the second sub-limit in case of successful review, which the bank will carry out until 30.09.2022

Utilized amount as of 30.09.2022 at the amount of EUR 2 003 427 or BGN 3 918 364

9. UBB AD

Contract. Of 10.04.2020

Maturity date: 30.09.2026

Amount borrowed: EUR 13 000 000

Type of credit: Credit line

Interest: 6 M EURIBOR + fixed mark-up

Collateral:

Another mortgage of land with an area of 38 665 m², owned by Start AD and Monbat Recycling EAD, together with the buildings and improvements built on it and the future buildings planned for construction.

Another mortgage on land with an area of 11 343 m², owned by Start AD and Monbat Recycling EAD

Another mortgage of a building with an area of 3 510 m², owned Monbat Recycling EAD warehouse.

Special pledge on machinery, equipment and equipment, means of transport, business inventory owned by Start AD

First special pledge of items and inventories, with a carrying amount of EUR 4 million, owned by Start AD

Special pledge on a set of receivables of the borrower from third parties, amounting to 13 million euro.

With an annex of 15.12.2020 the amount of the loan was changed to EUR 10 000 000 and the loan is divided into two sub-limits of EUR 5 833 thousand and EUR 4 167 thousand respectively with the right to draw down the first sub-limit by 30.12.2020 and repayment of EUR 1 million on a 6-month basis starting on 30 January 2021 and with the right to draw down a second sub-limit in case of successful review, which the Bank will carry out by 30.09.2022.

Utilized amount as of 30.09.2022 at the amount of EUR 6 000 000 or BGN 11 734 980

10. INVESTBANK AD

Contract. Of 21.07.2021

Maturity date: 26.03.2023

Amount borrowed: EUR 5 000 000

Type of credit: Credit line

Interest: 3 M EURIBOR + fixed mark-up

Collateral:

First-order contractual mortgage on land with an area of 39 998 m², owned by Monbat AD, with the purpose of building a Plant for bipolar batteries.

First bet under the order of the CL on 50 829 042 pcs. registered shares with voting rights with a nominal value of BGN 1, solity of Monbat AD in the capital of Monbat Recycling EAD.

First-order pledge established on current and future receivables for the balances in all accounts opened by Monbat AD.

With annex 2 from 14.07.2022 the credit has been increased with 8 315 000 EUR

Utilized amount as of 30.09.2022 at the amount of EUR 5 000 000 or BGN 9 779 150

11. INVESTBANK AD

Contract. Of 25.02.2022

Maturity date: 26.03.2023

Amount borrowed: EUR 5 000 000

Type of credit: Credit line

Interest: 3 M EURIBOR + fixed mark-up

Collateral:

First-order contractual mortgage on land with an area of 782 m², owned by Monbat Recycling EAD.

First-order pledge established on current and future receivables for the balances in all accounts in Investbank opened by Monbat AD, Monbat Recycling EAD and Prista Oil Holding EAD

Financial risk insurance policy issued by BAEZ in favor of the bank, with a credit limit of not less than EUR 4 000 000.

Utilized amount as of 30.09.2022 at the amount of EUR 5 000 000 or BGN 9 779 150

12. Credit card accounts with a credit limit of BGN 50 thousand and utilized amounts as of 30.09.2022 in the amount of BGN 1 thousand.

13. UBB AD

Contract №1317/18.03.2016

Maturity date: 31.01.2028

Amount borrowed: EUR 4 500 000

Type of credit: working capital

Interest: 3-month EURIBOR + fixed mark-up

Collateral: Land with ident. N72624.603.300, including the buildings on it.

Land with ident. N72624.603.190, including the buildings on it.

Land with ident. N72624.603.191, including the buildings on it.

Land with ident. N72624.603.193., including the buildings on it.

Land with ident. N72624.603.196, including the buildings on it.

Special pledge on plant and equipment. Pledges on bank accounts held with the bank.

Balance as at 30.09.2022 at the amount of EUR 4 499 983 or BGN 8 801 201

14. UBB AD

Contract №22F-000036/ 14.01.2022

Maturity date: 30.09.2022

Amount borrowed: EUR 750 000

Type of credit: working capital

Interest: 3-month EURIBOR + fixed mark-up

Collateral: Unsecured

Balance as at 30.09.2022 at the amount of EUR 0 or BGN 0

15. Raiffeisen Bank SA Romania

Contract N 80046/IS/2017

Maturity date: 30.05.2023

Amount borrowed: EUR 5 000 000

Type of credit: Credit line

Interest rate and commission: 1Week EURIBOR + fixed mark-up
Collaterals: Corporate guarantee issued by Prista Oil Holding EAD as well as - recycling equipment for recycling of scrap batteries.
Special pledge on inventory and equipment
Balance as at 30.09.2022 at the amount of EUR 3 963 023 or BGN 7 751 000

16. KBC Bank EAD

Contract dated 15.07.2015

Maturity date: 30.07.2023
Amount borrowed: EUR 3 000 000
Type of credit: Credit line
Interest rate and commission: 1 M EURIBOR + fixed mark-up
Collaterals: First rank pledge of bank accounts held in the bank
Third rank pledge on Engitec installation
First rank pledge on inventory
Balance as at 30.09.2022 at the amount of EUR 3 000 000 or BGN 5 867 490

17. Eurobank Bulgaria AD

Contract N 196/2016

Maturity date: 30.09.2023
Amount borrowed: EUR 1 500 000
Type of credit: Credit line
Interest rate and commission: 3 M EURIBOR + fixed mark-up
Repayment schedule: Currently paid depending on the available cash.
With annex 27.09.2017 r. the amount of the loan was increased to 2 500 000 EUR:
Repayment schedule: Currently paid depending on the available cash.
Collaterals: First rank pledge on receivables from third parties.
Balance as at 30.09.2022 at the amount of EUR . 1 796 629 or BGN 3 513 900

18. Raiffeisen Bank Serbia

Contract dated 15.04.2019
Maturity date: 14.12.2022
Amount borrowed: EUR 2 000 000
Type of credit: for working capital
Interest rate and commission: 1 M EURIBOR + fixed mark-up
Collaterals: First rank pledge on inventories
Balance as at 30.09.2022 at the amount of EUR 2 000 000 or BGN 3 911 660

19. ProCredit Bank Serbia

Contract dated 24.06.2020
Maturity date: 24.06.2023
Amount borrowed: EUR 1 500 000
Type of credit: for working capital
Interest rate and commission: 1 M EURIBOR + fixed mark-up
Collaterals: Promissory notes issued by the entity
Balance as at 30.09.2022 at the amount of EUR 580 111 or BGN 1 134 599

20. ProCredit Bank Serbia

Contract dated 24.06.2020
Maturity date: 24.06.2023
Amount borrowed: EUR 450 000
Type of credit: : Revolving line of credit
Interest rate and commission: 1 M EURIBOR + fixed mark-up
Collaterals: Promissory notes issued by the entity
Balance as at 30.09.2022 at the amount of EUR 450 000 or BGN 880 124

21. ProCredit Bank Serbia

Contract dated 10.11.2021
Maturity date: 10.11.2023
Amount borrowed: EUR 1 100 000
Type of credit: : Revolving line of credit
Interest rate and commission: 1 M EURIBOR + fixed mark-up
Balance as at 30.09.2022 at the amount of EUR 699 959 or BGN 1 369 000

22. MEDIOCREDITO ITALIANO S.P.A.

Contract dated 30.04.2019
Maturity date: 31.03.2029
Amount borrowed: EUR 3 500 000
Type of credit: for working capital
Interest rate and commission: 3 M EURIBOR + fixed mark-up
Balance as at 30.09.2022 at the amount of EUR 2 012 956 or BGN 3 937 000

23. MEDIOCREDITO CENTRALE SPA

Contract dated 30.06.2018
Maturity date: 08.06.2028
Amount borrowed: 457 688 EUR
Type of credit: for working capital
Interest rate and commission: FIXED MARK-UP
Balance as at 30.09.2022 at the amount of EUR 350 235 or BGN 685 000

24. STB

Contract dated 16.05.2016
Maturity date:31.03.2023 r.
Amount borrowed: 3 500 000 TND, absorbed in 5 separate tranches
Type of credit: investment credit
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 177 246

25. STB

Contract dated 13.04.2018 r.
Maturity date: 30.04.2025 r.
Amount borrowed: 2 500 000 TND
Type of credit: investment credit
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 759 626

26. STB

Contract dated 10.07.2018 r.
Maturity date:31.07.2025 r.
Amount borrowed: 1 250 000 TND
Type of credit: investment credit
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 379 813

27. STB

Contract dated 15.06.2022 r.
Maturity date:15.09.2022 r.
Amount borrowed: 3 700 000 TND
Type of credit: for working capital

Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 2 248 493

28. STB

Contract dated 15.06.2022 r.
Maturity date: 15.09.2022 r.
Amount borrowed: 4 000 000 TND
Type of credit: for working capital
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 2 468 303

29. STB

Contract dated 13.04.2021 r. and 10.07.2021 r.
Amount borrowed: 3 500 000 TND
Type of credit: for working capital, incl. overdraft facility on top of the amount borrowed
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 2 537 446

30. STB

Contract dated 15.06.2022 r.
Maturity date:15.12.2022 r.
Amount borrowed: 1 000 000 TND
Type of credit: for working capital
Interest rate and commission: Referece interest rate (TMM) + fixed mark-up
Balance as at 30.09.2022 at the amount of BGN 2 051 214

31. STB

Contract dated 10.09.2022
Maturity date: 2029
Amount borrowed: 7 300 000 TND
Type of credit: financial leasing
Interest rate and commission: TMM + FIXED mark-up
Balance as at 30.09.2022 at the amount of BGN 1 519 252

32. Other

In addition to the bank loan described in paragraph 23, STC S.R.L. uses different in type, structure and maturity secured and unsecured short- term and long- term bank loans from different banking institutions in the total amount of BGN 1 685 920 as at 30.09.2022.

Summary of loan contracts from other financial institutions:

33. The UBB interlease EAD

Contract of the 18.10.2019.
Maturity Date: 19.11.2024
Amount of Credit: EUR 1 271 250
Type of credit: credit line
Interest: Fixed interest
Collateral: assembly line for lead-acid accumulators and lead-acid furnace
Utilized amount to 30.09.2022 in the amount of 529 656 EUR or 1 035 918 BGN

34. UBB Interlease EAD

Contract of the 29.11.2019
Maturity Date: 29.12.2024
Amount of credit: EUR 219 999
Type of credit: credit line

Interest: Fixed interest

Collateral: Rectifier Systems Type CDR400/420V-8CH -4 pc. and rectifier Systems Type CDR400/360V-10CH -5 pc.

Utilized amount to 30.09.2022 in the amount of 95 169 EUR or 186 135 BGN

35. UBB Interlease EAD

Contract of the 29.11.2021

Maturity Date: 26.11.2025

Amount of credit: EUR 420 366

Type of credit: credit line

Interest: Fixed interest

Collateral: Thirteen machines

Utilized amount to 30.09.2022 in the amount of 206 776 EUR or 404 419 BGN

36. KBC lease Bulgaria EOOD

Contract of 036294-RF-001/21.12.2018

Maturity Date: 21.12.2023

Amount of Credit: 743 143 euro

Type of credit: credit line

Interest: Fixed interest

Collateral: ConCast System

Utilized amount to 30.09.2022 in the amount of 195 527 EUR or 382 417 BGN

37. KBC lease Bulgaria EOOD

Contract of 036294-RF-002/21.12.2018

Maturity Date: 21.12.2023

Amount of Credit: 534 967 EUR.

Type of credit: credit line

Interest: Fixed interest

Collateral: Double Wide CoRoll System

Utilized amount to 30.09.2022 in the amount of 125 312 EUR or 245 089 BGN

38. UBB Interlease EAD

Contract. 0026504/E/30.03.2020

Maturity Date: 30.03.2024

Amount of Credit: 334 779 EUR.

Type of credit: credit line

Interest: Fixed interest

Collateral: machines and equipment for the production of lead-acid batteries.

Utilized amount to 30.09.2022 in the amount of 96 444 EUR or 188 628 BGN

39. UBB Interlease EAD

Contract. 0026504/D/13.01.2020

Maturity Date: 13.01.2025

Amount of Credit: 321 557 EUR.

Type of credit: credit line

Interest: Fixed interest

Collateral: tooling for casting ConCast gratings and rectifier systems.

Utilized amount to 30.09.2022 in the amount of 135 054 EUR or 264 143 BGN

40. UBB Interlease EAD

Contract. 0026504/H/2021/30.06.2021

Maturity Date: 30.06.2025

Amount of Credit: 654 584 euro.

Type of credit: Credit line
Interest: Fixed interest
Collateral: Separating machine BETTER for AGM tiles and equipment for it
Utilized amount to 30.09.2022 r. in the amount of 355 289 EUR or 694 884 BGN

41. UBB Interlease EAD

Contract. 0026504/I/2021/22.12.2021
Maturity Date: 21.12.2025
Amount of Credit: 78 845 euro.
Type of credit: Credit line
Interest: Fixed interest
Collateral: Checker – short circuit.
Utilized amount to 30.09.2022 r. in the amount of 64 548 EUR or 126 245 BGN

42. OBB Interlease EAD

Contract 0026504 L 2022 29.09.2022
Maturity date 25.09.2026
Amount of credit 196 297
Type of credit Credit line
Equipment: Rezar machine with templates and drum
Utilized amount to 30.09.2022 r. in the amount of 153 112 EUR or 299 461 BGN

43. Volvo Financial Services Bulgaria EOOD

Contract. 2274306 or 07.10.2019
Maturity Date:: 16.11.2024
Amount of Credit: 491 250 EUR
Type of credit: credit line
Interest: Fixed interest
Collateral: 5 pc. Volvo trucks
Utilized amount to 30.09.2022 in the amount of 218 950 EUR or 428 229 BGN

44. Volvo Financial Services Bulgaria EOOD

Contract. 2454239-4/05.06.2020
Maturity Date:: 16.06.2025
Amount of Credit: 182 304 EUR
Type of credit: credit line
Interest: Fixed interest
Collateral: 2 pcs of Volvo trucks and 2 pcs of trailers
Utilized amount to 30.09.2022 in the amount of 105 570 EUR or 206 477 BGN

45. Volvo Financial Services Bulgaria EOOD

Contract. 2705097
Maturity Date: 16.06.2025
Amount of Credit: 104 210 euro
Type of credit: Credit Line
Interest: Fixed interest
Collateral: Volvo L60H
Utilized amount to 30.09.2022 in the amount of 76 984 EUR or 150 567 BGN

46. OTP Leasing EOOD

Contract. 21941360451
Maturity Date: 05.06.2027 r.
Amount of Credit: 518 500 евро.
Type of credit: Credit Line

Interest: Fixed interest

Collateral: Installation for pre-treatment by physical methods of PE separator and production of ABS mill
Utilized amount to 30.09.2022 in the amount of 419 464 EUR or 820 401 BGN

The Group has lease contracts about fixed tangible assets sold to UBB Interlease EAD, KBC lease Bulgaria EOOD and VFS Bulgaria EOOD for non-current assets. The management's assessment is that the criteria in IFRS 15 for recognising income in relation to those contracts are not fulfilled, since control of the sold assets has not been transferred. In this respect, the concluded leasing contracts are classified as short-term and long-term loans with a repayment plan, which corresponds to the concluded leasing contracts, and collateral represented by the sold fixed tangible assets.

12. Income tax expense

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate for income tax for 2022 and 2021 is 10%.

13. Earnings per share and dividends

13.1. Earnings per share

Basic earnings per share have been calculated using the profit attributed to the shareholders of the Group as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders is as follows:

	30 September 2022	30 September 2021
Profit attributable to the shareholders (BGN) from continuous activities	9 764 000	17 376 000
Profit attributable to the shareholders (BGN) from continuous and discontinued activities	8 225 000	14 851 000
Weighted average number of outstanding shares	38 988 812	38 989 054
Basic earnings per share from continuing activities (BGN per share)	0,25	0,45
Basic earnings per share from continuing and discontinued activities (BGN per share)	0,21	0,38

13.2. Dividends

At the General meeting of the shareholders, held on June 14, 2022, a decision was made to distribute a dividend in the amount of BGN 5,500,000, which is part of the profit for 2021 at the amount of BGN 1 195 628.53 and for previous years in the amount of BGN 4 304 371.47.

At 30.09.2022 the Company has paid the dividend for the amount of 5 433 031.

At the General meeting of the shareholders, held on June 10, 2021, a decision was made to distribute a dividend in the amount of BGN 7,000,000, which is part of the profit for 2020 in the amount of BGN 5,356,829 and for 2019 in the amount of BGN 1,643,171.

At 31.12.2021 the Company has paid the dividend for the amount of 6 990 461.

14. Related parties transactions

The Group's related parties include its owners, subsidiaries, companies under common control, key management and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

14.1. Transactions with owners (parent Group)

	30 September 2022 BGN '000	30 September 2021 BGN '000
Purchases of goods and services		
- purchases of raw materials from Prista oil Holding EAD	(17)	(41)
- purchases of services from Prista oil Holding EAD	(20)	(14)
- purchases of goods from Prista oil Holding EAD		(6)
- purchases of others from Prista oil company		(1)
	<u>(37)</u>	<u>(62)</u>
 Sale of goods and services		
- Sale of services to Prista oil Holding EAD	5	96
	<u>5</u>	<u>96</u>

Other transaction with owners (parent Group)

- deposit granted to Prista oil Holding EAD	-	420
- repayment of deposit Prista oil Holding EAD	-	1 604
- Prista oil Holding EAD- interest accrued	551	552

14.2. Transactions with other related parties

	30 September 2022 '000 AB.	30 September 2021 '000 AB.
Purchases of goods and services		
- purchases of services from Monbat Trading OOD	(2 536)	(1 547)
	<u>(2 536)</u>	<u>(1 547)</u>
 Sale of goods and services		
- Sale of services to Monbat Trading OOD	36	36
	<u>36</u>	<u>36</u>
 Other transactions		
- repaid loan to Monbat Trading OOD	443	67
- Monbat Trading OOD- interest accrued	95	119

- Monbat Trading OOD- interest paid	96	233
- paid advance to Monbat Trading OOD	703	-

14.3. Transactions with key management personnel

Key management personnel of the Group include members of the Board of Directors of Monbat AD and the entity's procurators. Key management personnel remuneration includes the following expenses:

	30 September 2022 BGN '000	30 September 2021 BGN '000
Short-term employee benefits:		
- Salaries	1 628	2 407
- Social security costs	17	28
- Company cars	28	27
Total employee benefits	1 673	2 462

15. Related parties balances

	30 September 2022 BGN '000	31 December 2021 BGN '000
Current receivables		
- Atanas Bobokov - loan	3 269	3 269
- Atanas Bobokov - interest	519	434
- Prista oil Holding EAD - deposit	26 100	26 100
- Prista oil Holding EAD – trade receivables	8 559	8 571
- Prista oil Holding EAD – interest	2 716	2 165
- Prista Invest - loan	2 114	2 114
- Prista Invest - interest	71	7
- Plamen Bobokov - loan	1 830	1 830
- Plamen Bobokov - interest	247	200
- Monbat Trading OOD - trade receivables	707	5
- Monbat Trading OOD – loan	3 426	3 870
- Monbat Trading OOD – interest	10	12
-Monbat Eco Probject- loan	222	222
-Monbat Eco Probject- interest	54	47
- Torlashka sreshta – loan	160	160
- Torlashka sreshta – trade receivables	8	8
- Torlashka sreshta – interest	21	16
- Battery Pro South Africa LTD-trade receivables	10	10
- Societe Nouvelle des Accumulateurs Nour	-	99
- Monbat Tunisia- loan	-	137
- Monbat Tunisia- interest	-	8
-Holdko investment - loan	40	-
- Other	5	2
Total current receivables	50 088	49 286
Non-current		
Payables to:		
- Ecobat AD – dividends	6	6
- Bat AD – dividends	1	1
Total noncurrent payables to related parties	7	7

Current

Payables to:

- Prista Oil Holding EAD - trade payables
- Pprista Holdko cooperatief U.A

22	4
401	-
423	4

16. Events after the reporting period

No adjusting events have occurred between the reporting date and the date of authorization of these interim condensed consolidated financial statements except for the ones already disclosed in in the annual separate and consolidated financial statements of Monbat AD, prepared as at 31.12.2021.

No other significant non-adjusting events has occurred.

17. Authorization of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements as of 30 September 2022 (including comparatives) were approved for issue by the Board of Directors on 29 November 2022.