

MONBAT AD

Interim Activity Report  
Interim Condensed Consolidated Financial Statements

31 March 2023



# Contents

	<b>Page</b>
Interim consolidated activity report	-
Interim condensed consolidated income statement	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7

## Interim condensed consolidated income statement

	Note	3 months to 31 March 2023 BGN'000	3 months to 31 March 2022 BGN'000
Revenue from contracts with customers		103 244	91 400
Other operating income		1 539	3 177
Cost of materials		(69 054)	(62 800)
Hired services expenses		(9 964)	(10 354)
Payroll expenses		(12 748)	(10 798)
Depreciation	6,7	(5 184)	(3 910)
Cost of goods sold and other current assets		(3 024)	(2 104)
Changes in finished goods and work in progress		838	5 336
Gain on sale of non-current assets		1	-
Other expenses		(2 152)	(1 544)
<b>Operating profit</b>		<b>3 496</b>	<b>8 403</b>
Gain on sale of investments		-	485
Finance costs		(2 131)	(1 119)
Finance income		1 196	286
Other financial items		(240)	64
<b>Profit before tax</b>		<b>2 321</b>	<b>8 119</b>
Income tax expense		(1 022)	(736)
<b>Profit for the period from continuing operations</b>		<b>1 299</b>	<b>7 383</b>
<b>Result from discontinued operations</b>	4	<b>5 225</b>	<b>(1 567)</b>
<b>Profit for the period</b>		<b>6 524</b>	<b>5 816</b>
Non-controlling interest		60	(229)
<b>Owners of the parent</b>		<b>6 464</b>	<b>6 045</b>
Basic earnings per share for continuing operations	12.1	0.03	0.19
Basic earnings per share from continuing and discontinued operations	12.1	0.17	0.16

Prepared by:  
/ Belnikolov and Partners OOD –  
Petya Belnikolova Manager /  
Date: 30.05.2023

Procurator:  
/Petar Petrov/

## Interim condensed consolidated statement of financial position

<b>Assets</b>	<b>Note</b>	<b>31 March 2023 BGN'000</b>	<b>31 December 2022 BGN'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	186 293	184 380
Intangible assets	6	14 164	13 889
Goodwill		3 419	3 419
Rights-of-use assets		3 393	3 822
Investments in associates		2 784	2 733
Financial assets measured at fair value through other comprehensive income		71	71
Other long-term receivables		179	161
<b>Non-current assets</b>		<b>210 303</b>	<b>208 475</b>
<b>Current assets</b>			
Inventories		106 420	105 398
Trade receivables		67 652	64 856
Related party receivables	14	52 903	52 902
Tax receivables		8 742	10 261
Other receivables		5 749	5 350
Advances		3 259	4 432
Trade loan receivables		149	149
Income tax receivable		-	619
Derivatives		372	-
Cash and cash equivalents		11 251	8 137
<b>Current assets</b>		<b>256 497</b>	<b>252 104</b>
Assets held for sale	4	<b>33 439</b>	<b>33 618</b>
<b>Total assets</b>		<b>500 239</b>	<b>494 197</b>

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

**Procurator:**  
/Petar Petrov/

**Date: 30.05.2023**

## Interim condensed consolidated statement of financial position (continued)

	Note	31 March 2023 BGN'000	31 December 2022 BGN'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	9	38 962	38 962
Share premium		28 425	28 425
General reserves		69 056	69 056
Foreign currency translation reserve		(6 475)	(6 334)
Retained earnings		83 433	76 969
Equity attributable to the owners of the parent		213 401	207 078
Non-controlling interests		14 988	14 928
<b>Total equity</b>		<b>228 389</b>	<b>222 006</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Convertible bond		25 827	42 265
Long-term borrowings	10	30 756	31 165
Fair value of conversion option		5 280	5 280
Deferred tax liabilities, net		4 207	4 172
Government grants		509	598
Lease liabilities		2 138	2 346
Non-current payables to personnel		1 096	1 116
Provisions		302	302
Related party payables	14	7	7
<b>Non-current liabilities</b>		<b>70 122</b>	<b>87 251</b>
<b>Current liabilities</b>			
Short-term borrowings	10	126 125	108 320
Trade payables		35 493	35 456
Convertible bond		16 438	10 959
Short-term payables to personnel		5 483	4 698
Contract liabilities		6 222	6 503
Provisions		2 978	3 443
Tax liabilities		1 956	2 666
Lease liabilities		1 418	1 539
Corporate income tax payable		697	59
Government grants		341	341
Other liabilities		1 951	7 943
Derivatives		-	364
Short-term related party payables	14	72	404
<b>Current liabilities</b>		<b>199 174</b>	<b>182 695</b>
Liabilities associated with assets held for sale	4	2 554	2 245
<b>Total current liabilities</b>		<b>201 728</b>	<b>184 940</b>
<b>Total liabilities</b>		<b>271 850</b>	<b>272 191</b>
<b>Total equity and liabilities</b>		<b>500 239</b>	<b>494 197</b>

**Prepared by:**  
/ Belnikolov and Partners OOD – Petya Belnikolova  
Manager / Date: 30.05.2023

**Procurator:**  
/Petar Petrov/

## 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	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Balance at 1 January 2023</b>	<b>38 962</b>	<b>28 425</b>	<b>69 056</b>	<b>(6 334)</b>	<b>76 969</b>	<b>207 078</b>	<b>14 928</b>	<b>222 006</b>
Profit for the period	-	-	-	-	6 464	6 464	60	6 524
Other comprehensive loss for the year	-	-	-	(141)	-	(141)	-	(141)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(141)</b>	<b>6 464</b>	<b>6 323</b>	<b>60</b>	<b>6 383</b>
<b>Balance at 31 March 2023</b>	<b>38 962</b>	<b>28 425</b>	<b>69 056</b>	<b>(6 475)</b>	<b>83 433</b>	<b>213 401</b>	<b>14 988</b>	<b>228 389</b>

Prepared by:  
/ Belnikolov and Partners OOD  
– Petya Belnikolova Manager/  
Date: 30.05.2023

Procurator:  
/Petar Petrov/

## 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 interest	Total equity
<b>Balance as of 1 January 2022</b>	<b>38 989</b>	<b>28 538</b>	<b>69 056</b>	<b>(6 170)</b>	<b>76 527</b>	<b>1 408</b>	<b>208 348</b>	<b>1 360</b>	<b>209 708</b>
Dividends	-	-	-	-	(5 500)	-	(5 500)	-	(5 500)
Non-controlling interest arising on business combinations	-	-	-	-	-	-	-	14 151	14 151
Reacquired own shares	(27)	(113)	-	-	-	-	(140)	-	(140)
<b>Transaction with owners</b>	<b>(27)</b>	<b>(113)</b>	<b>-</b>	<b>-</b>	<b>(5 500)</b>	<b>-</b>	<b>(5 640)</b>	<b>14 151</b>	<b>8 511</b>
Profit for the year	-	-	-	-	4 534	-	4 534	(583)	3 951
Other comprehensive loss for the year	-	-	-	(164)	-	-	(164)	-	(164)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>4 534</b>	<b>-</b>	<b>4 370</b>	<b>(583)</b>	<b>3 787</b>
Other changes	-	-	-	-	1 408	(1 408)	-	-	-
<b>Balance as of 31 December 2022</b>	<b>38 962</b>	<b>28 425</b>	<b>69 056</b>	<b>(6 334)</b>	<b>76 969</b>	<b>-</b>	<b>207 078</b>	<b>14 928</b>	<b>222 006</b>

Prepared by:  
/ Belnikolov and Partners OOD  
– Petya Belnikolova Manager /  
Date: 30.05.2023

Procurator:  
/Petar Petrov/

## Interim condensed consolidated statement of cash flows

	Note	3 months to 31 March 2023 BGN'000	3 months to 31 March 2022 BGN'000
<b>Operating activities</b>			
Cash receipts from customers		103 505	90 957
Cash paid to suppliers		(91 278)	(72 318)
Cash paid to employees and social security institutions		(12 055)	(10 627)
Proceeds from tax refunds, net		3 819	3 675
Payments of corporate income tax		(216)	-
Proceeds from grants		2 027	1 640
Other cash flows for operating activities		(89)	(773)
<b>Net cash flow from operating activities</b>		<b>5 713</b>	<b>12 554</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(6 975)	(2 410)
Loans granted		(321)	(59)
Loan repayments received		198	376
Interest received		33	33
Acquisition of subsidiaries		(51)	(12 713)
Gain on the sale of investment		-	1 956
<b>Net cash flow used in investing activities</b>		<b>(7 116)</b>	<b>(12 817)</b>
<b>Financing activities</b>			
Proceeds from borrowings		110 675	66 670
Repayments of borrowings		(104 238)	(62 210)
Interest paid		(2 470)	(1 432)
Payment of principal portion of lease liabilities		(268)	(235)
Other cash flows for financing activities		123	(227)
<b>Net cash flow from financing activities</b>		<b>3 822</b>	<b>2 566</b>
<b>Net change in cash and cash equivalents</b>		<b>2 419</b>	<b>2 303</b>
Cash and cash equivalents, beginning of period		9 050	9 025
Losses on foreign currency translation		(9)	(39)
<b>Cash and cash equivalents, end of period</b>		<b>11 460</b>	<b>11 289</b>
<b>Cash and cash equivalents, end of period, included in disposal groups</b>	4.1	<b>209</b>	-
<b>Cash and cash equivalents, end of period, from continuing operations</b>		<b>11 251</b>	<b>11 289</b>

Prepared by:

/ Belnikolov and Partners OOD  
– Petya Belnikolova Manager /  
Date: 30.05.2023

Procurator :

/Petar Petrov/

## 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 31.03.2023 the composition of the Board of Directors of the Company is the following:

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

As at 31.03.2023 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 31 March 2023 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 2022, 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 2022) unless otherwise stated.

### ***The conflict between Russia and Ukraine***

In the early hours of February 24, 2022, Russia invaded neighboring Ukraine. This conflict quickly escalated and is considered the biggest military conflict in Europe since the end of World War II, significantly impacting the global economy in a variety of ways, mainly related to energy prices and volatility in global markets, including in the exchange rates of major world currencies. In response to actions by the Russian Federation, the European Union and many other countries and organizations have imposed sanctions and restrictions on the business of, and economic cooperation with, Russian and Belarusian individuals and enterprises.

The Group has no net investments, subsidiaries or assets in Russia, Belarus or Ukraine, but trades with companies in these countries.

To address the above-mentioned crises, the Group is taking measures to limit their negative impacts on financial results.

#### *Analysis of risks and measures and actions taken:*

- In 2023 there was increased demand for car batteries, compared to the year of 2022, after the start of aforementioned military conflict, which contributed to a reduced demand for car batteries after February 24, 2022 which was mainly due to the unfavorable economic conditions, especially in Europe, and the related inflationary trends, including prices of all energy resources and market volatility and unfavourable weather conditions in Europe, where the majority of the Group's customers are located (milder winter). During the comparative period /January 1 – March 31, 2022/ there was no military action and the demand for batteries was very high /due to the highly positive post-Covid effects in the market/.
- Sales to Russia represent 0% of the Group's total exports in first quarter of 2023, those to Ukraine - 8.54% (Q1 2022: Russia – 5.23%, Ukraine - about 0.11%).
- In relation to supply chains, the Group is not directly dependent on Russian, Ukrainian or Belarusian suppliers and has not experienced any difficulties or interruptions in deliveries from Russian or Ukrainian counterparties that have led to interruptions in the production process.
- Due to the worldwide inflation and the market volatility, the average price of lead on the London Metal Exchange was 1 995 EUR/MT (2022: 2 049 EUR/MT). The Group addresses the volatility and dependence of the lead price by applying standard indexation of the selling prices of its products to all counterparties.
- The Group's major customers have not experienced financial difficulties directly related to the pandemic or the military conflict in Ukraine. The estimate of trade receivables collectability as of 31 March 2023 is good.
- In order to ensure the collectability of its receivables from Ukrainian counterparties, for which trade receivables insurance is not available, the Group adopted a policy of 100% pre-shipment advances on all export sales to Ukraine, following the start of the war conflict. Although there have been no significant delays in the collection of trade receivables at the end of 2022 and 2021, the activities of several specific customers in Russia and Ukraine, where delays in collections were already evident in prior periods, have been further complicated by the military conflict. In this regard, the Group has recorded impairment charges related to trade receivables from these customers amounting to BGN 260 thousand in 2022. As of 31 March 2023 the Group has trade receivables from Ukrainian and Russian customers (net of impairment) amounting to BGN 10,225 thousand and liabilities, related to advances received, amounting to BGN 158 thousand.

The Group analyzes on an ongoing basis all possible impacts of the changing micro- and macroeconomic conditions on the Group's future financial position and results of operations. Inflationary processes, resulting in increased costs of direct materials, energy and labour per unit of production, have a significant impact on the Group's operations. The Group has been able to limit the effect of these negative impacts of the macroeconomic environment by improving its customer and product mix (with a focus on higher-margin products and markets) and, where necessary, applying an indexation of selling prices to its customers.

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 consolidated financial statements for the annual period beginning 1 January 2022 but do not have a significant impact on the Group's financial performance or position:

- Amendments to IFRS 3 Business Combinations, IFRS 16 Property, plant and equipment, IFRS 37 Provisions, contingent liabilities and contingent assets effective 1 January 2022 adopted by the EU.
- Annual improvements 2018-2020 effective from 1 January 2022 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 consolidated 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 to IFRS 17 Insurance contracts with effect from 1 January 2023, adopted by the EU.
- Amendments to IAS 1 Presentation of Financial Statements, IFRS Statements for Annex 2: Disclosure of Accounting Policies, effective 1 January 2023, as adopted by the EU.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023, as adopted by the EU.
- Amendments to IAS 12 Income Taxes: Deferred Taxes Relating to Assets and Liabilities Arising from Single Transactions effective from 1 January 2023, as 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 as adopted by the EU.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, effective no earlier than 1 January 2024, not yet adopted by the EU.

- Amendments to IFRS 16 Leases: Sale and Leaseback Obligations effective no earlier than 1 January 2024. Not yet adopted by the EU
- IFRS 14 "Deferred accounts at regulated prices" effective 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 2022.

### **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 2022. There have been no changes in the risk management policies since year end.

## **3. Significant events and transactions during the reporting period**

There are no significant events during the first quarter of 2023

## 4. Assets held for sale

### 4.1. Monbat Holding GmbH, Germany

In May 2022 the Group entered into an agreement to sell 100% of its investment in the subsidiary company Monbat Holding GmbH. This company owns 100% of EAS Batteries GmbH (EAS) and Monbat New Power GmbH (MNP). The agreement was concluded with the British company Britishvolt.

As a result of a sales agreement with Britishvolt, the Group received an advance payment of a EUR 3,000 thousand as a non-refundable deposit /EUR 2 825 thousand net after deducting legal and consulting fees/. In January 2023, Britishvolt entered legal administration under the UK Insolvency Act 1986 to restructure the company's operations due to insolvency arising from cash flow problems. In late February 2023, the company Recharge Industries acquired Britishvolt as part of the administration process.

On March 22, 2023, the Monbat AD, together with its subsidiary Monbat Recycling Bulgaria EAD, which owns 10% of the capital of Monbat Holding GmbH, sent a notice to Britishvolt to terminate the contract for the sale of Monbat Holding GmbH, due to non-fulfillment of the agreed conditions by Britishvolt side. As a result of the termination of the sales contract, the Group has recognized income in the amount of 5,868 on the line "Result from discontinued operations" in the Condensed Interim Statement of Comprehensive Income. The amount of revenue recognized represents 100% of the amount of the non-refundable deposit received by Britishvolt in 2022.

As of March 31, 2023, the Groups's management has not changed its intentions to sell 100% of its investment in Monbat Holding GmbH.

	<b>31 March 2023 BGN '000</b>	<b>31 December 2022 BGN '000</b>
Property, plant and equipment	7 440	7 351
Other intangible assets	6 793	6 741
Inventory	3 123	2 942
Trade receivables	1 129	870
Cash and cash equivalents	209	913
Tax receivables	16	41
Other receivables	249	280
<b>Total assets held for sale</b>	<b>18 959</b>	<b>19 138</b>
	<b>31 March 2023 BGN '000</b>	<b>31 December 2022 BGN '000</b>
Deferred tax liabilities	925	925
Trade liabilities	133	485
Tax liabilities	-	80
Other liabilities	1 496	755
<b>Total liabilities held for sale</b>	<b>2 554</b>	<b>2 245</b>

	<b>3 months to 31 March 2023 BGN '000</b>	<b>3 months to 31 March 2022 BGN '000</b>
Sales revenue	1 168	481
Income recognised, related to non-refundable deposit	5 868	-
Other revenue	131	82
Costs of ordinary activity	(1 792)	(1 992)
Financial expenses	-	(4)
Income tax expense	(4)	-
<b>Profit/ (Loss) from operation</b>	<b>5 371</b>	<b>(1 433)</b>

#### 4.2. Monbat Immobilien GmbH, Austria

In April 2022, the General Meeting of Shareholders decided on the sale of Monbat Immobilien GmbH at an appropriate price offer from a potential buyer. In 2022, the Group concluded a contract for the sale of the assets of the Austrian company, the total value of the transaction being EUR 7,200 thousand.

As of March 31 2023, the transaction has not been completed, and there is no change in the Groups's intention to sell its investments in Monbat Immobilien GmbH.

	<b>31 March 2023 BGN '000</b>	<b>31 December 2022 BGN '000</b>
Investment property, net of impairment	12 342	12 342
Deferred tax assets	2 138	2 138
<b>Total assets held for sale</b>	<b>14 480</b>	<b>14 480</b>

  

	<b>3 months to 31 March 2023 BGN '000</b>	<b>3 months to 31 March 2022 BGN '000</b>
Costs of ordinary activity	(146)	(134)
<b>Profit/ (Loss) from operation</b>	<b>(146)</b>	<b>(134)</b>

#### 5. 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.

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

	<b>Production of batteries</b>	<b>Industrial materials Recycling</b>	<b>Industrial group Nour</b>	<b>Other</b>	<b>Total March 2023</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
Revenue:					
- from external customers	84 033	7 152	8 314	5 284	104 783
- intersegment revenue	43 805	75 165	-	4 649	123 619
<b>Segment revenues</b>	<b>127 838</b>	<b>82 317</b>	<b>8 314</b>	<b>9 933</b>	<b>228 402</b>

	<b>Production of batteries</b>	<b>Industrial materials Recycling</b>	<b>Industrial group Nour</b>	<b>Other</b>	<b>Total March 2022</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
Revenue:					
- from external customers	78 852	10 644	-	5 081	94 577
- intersegment revenue	45 086	71 113	-	4 368	120 567
<b>Segment revenues</b>	<b>123 938</b>	<b>81 757</b>	<b>-</b>	<b>9 449</b>	<b>215 144</b>

	<b>31 March 2023</b>
<b>Assets</b>	<b>BGN'000</b>
Total segment assets	912 028
Consolidation	(411 789)
<b>Group assets</b>	<b>500 239</b>

	<b>31 March 2023</b>
<b>Liabilities</b>	<b>BGN'000</b>
Total segment liabilities	486 434
Consolidation	(214 584)
<b>Group liabilities</b>	<b>271 850</b>

	<b>31 December 2022</b>
<b>Assets</b>	<b>BGN'000</b>
Total segment assets	894 066
Consolidation	(399 869)
<b>Group assets</b>	<b>494 197</b>

	<b>31 December 2022 BGN'000</b>
<b>Liabilities</b>	
Total segment liabilities	485 734
Consolidation	(213 543)
<b>Group liabilities</b>	<b><u>272 191</u></b>

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:

	<b>3 months to 31 March 2023 BGN'000</b>	<b>3 months to 31 March 2022 BGN'000</b>
<b>Profit</b>		
Total segment profit	4 259	7 969
Elimination from intersegment profits from related party transactions	(763)	434
<b>Group operating profit</b>	<b><u>3 496</u></b>	<b><u>8 403</u></b>
Gain on sale of investments	-	485
Finance costs	(2 131)	(1 119)
Finance income	1 196	286
Other financial items	(240)	64
<b>Profit before tax from continuing activities</b>	<b><u>2 321</u></b>	<b><u>8 119</u></b>

## 6. 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:

<b>3 months to 31 March 2023</b>	<b>Softwar e BGN'000</b>	<b>Trade marks BGN'000</b>	<b>Customer network BGN'000</b>	<b>R&amp;D expenses BGN'000</b>	<b>Licensing rights BGN'000</b>	<b>Other assets BGN'000</b>	<b>Total BGN'000</b>
<b>Gross carrying amount</b>							
Balance at 1 January 2023	1 491	4 270	1 140	2 757	5 814	1 465	16 937
Additions, separately acquired	2	65	-	-	461	64	592
Written-off	-	-	-	-	-	(34)	(34)
Currency exchange rate conversion	-	(3)	-	-	-	-	(3)
Balance at 31 March 2023	1 493	4 332	1 140	2 757	6 275	1 495	17 492
<b>Amortization</b>							
Balance at 1 January 2023	(1 112)	(1 370)	(173)	(240)	-	(153)	(3 048)
Amortization	(50)	(24)	(58)	(101)	-	(47)	(280)
Balance at 31 March 2023	(1 162)	(1 394)	(231)	(341)	-	(200)	(3 328)
<b>Carrying amount at 31 March 2023</b>	<b><u>331</u></b>	<b><u>2 938</u></b>	<b><u>909</u></b>	<b><u>2 416</u></b>	<b><u>6 275</u></b>	<b><u>1 295</u></b>	<b><u>14 164</u></b>

For the year ended  
31 December 2022

	Software	Trademarks	Customer network	R&D costs	Advances for licensing rights	Others	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
<b>Gross carrying amount</b>							
Balance on 1 January 2022	1 499	1 564	-	9 289	4 415	315	17 082
Reclassified to discontinued operations	(165)	-	-	(6 667)	-	-	(6 832)
Newly acquired assets	222	7	-	135	1 399	1 194	2 957
Acquired by Business combination	8	2 717	1 148	-	-	-	3 873
Written – off assets	(73)	-	-	-	-	(44)	(117)
Currency exchange rate conversions	-	(18)	(8)	-	-	-	(26)
Balance on 31 December 2022	1 491	4 270	1 140	2 757	5 814	1 465	16 937
<b>Amortization</b>							
Balance on 1 January 2022	(1 036)	(1 319)	-	(1 574)	-	(131)	(4 060)
Reclassified to discontinued operations	144	-	-	1 338	-	-	1 482
Amortization for the period	(220)	(51)	(173)	(4)	-	(22)	(470)
Balance on 31 December 2022	(1 112)	(1 370)	(173)	(240)	-	(153)	(3 048)
<b>Carrying amount as of 31 December 2022</b>	<b>379</b>	<b>2 900</b>	<b>967</b>	<b>2 517</b>	<b>5 814</b>	<b>1 312</b>	<b>13 889</b>

## 7. 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:

3 months to 31 March 2023	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
<b>Gross carrying amount</b>								
Balance at 1 January 2023	19 484	94 103	174 764	42 179	14 098	8 068	24 837	377 533
Additions	1	190	2 113	197	10	257	3 679	6 447
Disposals	-	-	-	(31)	(34)	(3)	(105)	(173)
Assets transfers	-	71	2 126	1 508	547	10	(4 262)	-
Currency exchange rate conversion	(3)	(7)	(8)	-	3	66	(2)	49
<b>Balance at 31 March 2023</b>	<b>19 482</b>	<b>94 357</b>	<b>178 995</b>	<b>43 853</b>	<b>14 624</b>	<b>8 398</b>	<b>24 147</b>	<b>383 856</b>
<b>Depreciation</b>								
Balance at 1 January 2023	-	(32 168)	(125 377)	(19 825)	(9 162)	(6 621)	-	(193 153)
Depreciation	-	(1 064)	(2 465)	(569)	(224)	(153)	-	(4 475)
Disposals	-	-	-	25	34	-	-	59
Currency exchange rate conversion	-	-	-	-	-	6	-	6
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>(33 232)</b>	<b>(127 842)</b>	<b>(20 369)</b>	<b>(9 352)</b>	<b>(6 768)</b>	<b>-</b>	<b>(197 563)</b>
<b>Carrying amount at 31 March 2023</b>	<b>19 482</b>	<b>61 125</b>	<b>51 153</b>	<b>23 484</b>	<b>5 272</b>	<b>1 630</b>	<b>24 147</b>	<b>186 293</b>

For year ended on 31 December 2022	Land	Buildings	Machinery	Equipment	Vehicles	Fixtures	Assets under construction	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
<b>Gross carrying amount</b>								
Balance on 1 January 2022	13 403	86 606	164 994	41 433	12 336	7 833	18 142	344 747
Reclassified to discontinued operations	(302)	(4 025)	(4 164)	(1 453)	(13)	(130)	(400)	(10 487)
Acquired assets	1 729	578	4 310	1 313	1 645	429	12 689	22 693
Acquired with business combinations	4 703	8 449	7 253	301	434	96	1 097	22 333
Disposals	(42)	(31)	(603)	(92)	(329)	(162)	(474)	(1 733)
Transfer of assets	-	2 535	2 978	675	26	-	(6 214)	-
Currency exchange rate conversion	(7)	(9)	(4)	2	(1)	2	(3)	(20)
<b>Balance on 31 December 2022</b>	<b>19 484</b>	<b>94 103</b>	<b>174 764</b>	<b>42 179</b>	<b>14 098</b>	<b>8 068</b>	<b>24 837</b>	<b>377 533</b>
<b>Depreciation</b>								
Balance on 1 January 2022	-	(28 871)	(116 664)	(18 288)	(8 559)	(6 307)	-	(178 689)
Reclassified to discontinued operations	-	726	1 421	666	6	117	-	2 936
Depreciation in the period	-	(4 023)	(10 357)	(2 267)	(793)	(588)	-	(18 028)
Disposal depreciation	-	-	223	64	184	157	-	628
<b>Balance on 31 December 2022</b>	<b>-</b>	<b>(32 168)</b>	<b>(125 377)</b>	<b>(19 825)</b>	<b>(9 162)</b>	<b>(6 621)</b>	<b>-</b>	<b>(193 153)</b>
<b>Carrying amount as of 31 December 2022</b>	<b>19 484</b>	<b>61 935</b>	<b>49 387</b>	<b>22 354</b>	<b>4 936</b>	<b>1 447</b>	<b>24 837</b>	<b>184 380</b>

## 8. 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.

## 9. 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 31.12.2022 the Group through a subsidiary has redeemed 10 946 ordinary own shares, which are presented as a decrease in the shared capital. Additional 27 000 ordinary shares were reacquired by Monbat AD in 2022.

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

	<b>31 March 2023</b>	<b>31 December 2022</b>
Number of shares issued and fully paid, - beginning of the period	38 962 054	38 989 054
Reacquired own shares	-	(27 000)
Number of shares issued and fully paid	<b>38 962 054</b>	<b>38 962 054</b>
<b>Total number of shares authorized at the end of the period</b>	<b>38 962 054</b>	<b>38 962 054</b>

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

	<b>31 March 2023</b>	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>31 December 2022</b>
	<b>Number of shares</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
Prista Oil Holding EAD PRISTA HOLDCO	16 666 371	<b>42.73</b>	16 666 371	<b>42.73</b>
COOPERATIEF U.A	8 103 758	<b>20.78</b>	8 103 758	<b>20.78</b>
Monbat Trading OOD	2 759 420	<b>7.08</b>	2 752 800	<b>7.06</b>
UPF Doverie	2 582 864	<b>6.62</b>	2 582 864	<b>6.62</b>
ZUPF Alianz Bulgaria	2 105 403	<b>5.40</b>	2 105 403	<b>5.40</b>
Other natural persons and entities	6 782 184	<b>17.39</b>	6 788 804	<b>17.41</b>
	<b>39 000 000</b>	<b>100</b>	<b>39 000 000</b>	<b>100</b>
Buyback of own shares from natural persons and entities	(37 946)	(0.10)	(37 946)	(0.10)
	<b>38 962 054</b>	<b>99.90</b>	<b>38 962 054</b>	<b>99.90</b>

In September 2022 the Board of Directors of Monbat AD passed a decision for a new buy-back program of the Parent 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, the repurchase process starting on 26.09.2022.

In the event of completion of the shares, namely – the company Monbat AD buys back up to 1 170 000 shares, prior to the final term – 180 calendar days starting 26.09.2022, 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

## 10. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31 March 2023 BGN '000	31 December 2022 BGN '000	31 March 2023 BGN '000	31 December 2022 BGN '000
Financial liabilities measured at amortized cost:				
Bank loans	122 954	105 313	26 162	27 842
Other bank loans	3 171	3 007	4 594	3 323
<b>Total carrying amount</b>	<b>126 125</b>	<b>108 320</b>	<b>30 756</b>	<b>31 165</b>

### Details of the contracts for banking loans:

#### 1. KBC Bank EAD

##### Contract dated 25.02.2014

Maturity date: 15.02.2016

Loan amount: EUR 3 200 000

Type of credit: Revolving loan

Interest: 1-month EURIBOR + mark-up

Collateral: Rank collateral of mortgage of own real estate, cadaster № 48489.5.597, 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 the amount of the loan was increased to EUR 4 200 000

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

Maturity date: 15.11.2023

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

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

Utilized amount as of 31.03.2023 at the amount of BGN 15 842 011 or EUR 8 099 892.

#### 2. Eurobank Bulgaria AD

##### Contract № 339/07.12.2004

Maturity date: 01.09.2006

Loan amount: EUR 2 200 000 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 the amount of the loan was increased to BGN 18 971 401

With annex 13.01.2023 the amount of the loan was increased to BGN 30 706 381

Maturity date: 01.10.2023

Utilized amount as of 31.03.2023 at the amount of BGN 28 688 748.

### **3. Eurobank Bulgaria AD**

#### **Contract № 100-972 / 23.11.2010**

Maturity date: 23.11.2011

Amount borrowed: EUR 1 000 000

Type of credit: Working capital

Interest: 3-month EURIBOR + 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.

A special pledge entered in the Central Register of Special Pledges- fixed assets, machinery and equipment, movables.

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

Maturity date: 30.09.2023

Amount borrowed: BGN 1 955 830

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 31.03.2023 at the amount of BGN 1 928 959.

### **4. DSK Bank EAD**

#### **Contract №1675/16.09.2015**

Maturity date: 10.09.2023

Loan amount: EUR 2 500 000

Type of credit: For working capital

Interest: 1 M EURIBOR + mark-up

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

Utilized amount as of 31.03.2023 at the amount of EUR 1 800 000 or BGN 3 520 494.

### **5. DSK Bank EAD**

#### **Contract №1674/16.09.2015**

Maturity date: 10.09.2016

Loan amount: BGN 2 000 000

Type of credit: For working capital

Interest: Variable reference interest rate + mark-up – solely short-term.

With annex from 13.11.2019 a loan amount of up to BGN 9 000 000 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 31.03.2023 at the amount of BGN 8 999 883.

## **6. KBC Bank EAD**

### **Contract dated 09.11.2015**

Maturity date: 15.07.2022

Loan amount: BGN 490 000

Type of credit: Overdraft

Interest: Variable reference interest rate + mark-up

Collateral: No collateral

Utilized amount as of 31.03.2023 at the amount of BGN 488 165.

## **7. Eurobank Bulgaria AD**

### **Contract 359/2017 dated 05.10.2017**

Loan amount: EUR 2 556 459

Type of credit: Credit line

Interest: 3 M EURIBOR + mark-up

Maturity date: 30.09.2023

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

Utilized amount as of 31.03.2023 at the amount of BGN 4 326 167 or EUR 2 211 934 .

## **8. UBB AD**

### **Contract 20F-00428 dated 10.04.2020**

Loan amount: EUR 2 000 000

Type of credit: Credit line

Interest: 1 M EURIBOR + 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 31.03.2023 and final repayment until 31.03.2023 and with the right to draw down the second sub-limit in case of successful review, which the bank will carry out until 31.03.2023

With Annex from 15.11.2022 Maturity date: 31.01.2024

Utilized amount as of 31.03.2023 at the amount of BGN 3 911 217 or EUR 1 999 773.

## **9. UBB AD**

### **Contract dated 10.04.2020**

Maturity date: 30.09.2026

Loan amount: EUR 13 000 000

Type of credit: Credit line

Interest: 6 M EURIBOR + mark-up

Collateral:

Another mortgage of land with an area of 38 665 m<sup>2</sup>, 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 m<sup>2</sup>, owned by Start AD and Monbat Recycling EAD

Another mortgage of a building with an area of 3 510 m<sup>2</sup>, 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 receivables on all accounts of the borrower, opened with the bank..

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 TEUR 5 833 and TEUR 4 167 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 the second sub-limit in case of successful review, which the Bank will carry out by 31.03.2023. With a successful review, the maturity date is 30.07.2025.

Utilized amount as of 31.03.2023 at the amount of BGN 9 779 150 or EUR 5 000 000 .

#### **10. Investbank AD**

##### **Contract dated 21.07.2021**

Maturity date: 26.03.2024

Loan amount: EUR 5 000 000

Type of credit: Credit line

Interest: 3 M EURIBOR + mark-up

Collateral:

First rank contractual mortgage of a property with an area of 39 998 sq. m., owned by Monbat AD, for the purpose of building a bipolar battery manufactory.

First rank pledge on 50 829 042 shares in line with the Commercial Law with voting rights with a nominal price of BGN 1, owned by Monbat AD as shares in Monbat Recycling EAD.

First rank pledge on current and future receivables available in all open accounts held by Monbat AD.

Utilized amount as of 31.03.2023 at the amount of BGN 6 063 073 (EUR 3 100 000).

#### **11. Investbank AD**

##### **Contract dated 25.02.2022**

Maturity date: 26.03.2024

Loan amount: EUR 5 000 000

Type of credit: Credit line

Interest: 3 M EURIBOR + mark-up

Collateral:

First rank contractual mortgage of a property with an area of 48489,11,537 an area of 782 sq. m., owned by Monbat Recycling EAD .

First rank pledge on current and future receivables available in all open accounts held by Monbat AD, Monbat Recycling EAD and Prista oil Holding EAD

Pledge on receivables on all borrower's accounts opened in the bank; insurance with BAEZ, covering the exposure under the contract up to EUR 4 million.

Utilized amount as of 31.03.2023 at the amount of BGN 9 779 150 (EUR 5 000 000).

**12. Bank credit cards accounts** with credit limits 50 thousand BGN and utilized amounts as of 31.03.2023 at the amount of 1 thousand BGN.

#### **13. UBB AD**

##### **Contract N 1317/18.03.2016**

Maturity date: 31.01.2028

Loan amount: 4 500 000 EUR.

Type of loan: working capital

Interest: 3 M EURIBOR+mark-up

Collateral:

Land with identification № 72624.603.300., including the buildings on it. Land with identification 72624.603.190., including the buildings on it. Land with identification 72624.603.191., including the buildings on it. Land with identification 72624.603.193., including the buildings on it. Land with identification 72624.603.196., including the buildings on it. Special pledge on fixed assets. Pledges on bank accounts held with the UBB AD.

Balance as of 31.03.2023 at the amount of 4 495 354 EUR or 8 792 148 BGN

#### **14. UBB AD**

##### **Contract 27.09.2022**

Maturity date: 25.03.2028

Loan amount: 546 000 EUR

Type of loan: Investment

Interest: 3 M EURIBOR+mark-up

Collateral: fixed assets

Balance as of 31.03.2023 at the amount of 545 664 EUR or 1 067 226 BGN.

**15. Raiffeisen Bank SA Romania**

**Contract N 80046/IS/2017**

Maturity date: 30.05.2023

Loan amount: 5 000 000 EUR

Type of loan: Credit line

Interest: 1 - week EURIBOR + mark-up

Collaterals: Corporate guarantee issued by Prista Oil Holding EAD as well as - recycling equipment for recycling of scrap batteries

Special pledge on receivables and inventory

Balance as of 31.03.2023 at the amount of 3 985 009 EUR or 7 794 000 BGN.

**16. KBC Bank AD**

**Contract from 15.07.2015**

Maturity date: 30.07.2023

Loan amount: 3 000 000 EUR

Type of credit: Credit line

Interest: 1 M EURIBOR + mark-up

Collaterals: first rang pledge on receivables to the bank

Third rang pledge on Engitec instalation

First rang pledge on inventory.

Balance as of 31.03.2023 at the amount of 3 000 000 EUR or 5 867 490 BGN.

**17. Eurobank Bulgaria AD**

**Contract N 196/2016**

Maturity date: 30.09.2023

Loan amount: 1 500 000 EUR

Type of loan: working capital

Interest: 3 M EURIBOR +mark-up

By annex dated on 27.09.2017 the loan amount is increased up to 2 500 000 EUR

Repayment: ongoing basis depending on the amount of available cash.

Collateral: First rang on receivables from third parties.

Balance as of 31.03.2023 at the amount of 1 948 841 EUR or 3 811 660 BGN

**18. Raiffeisen Bank Serbia**

**Contract from 15.04.2019**

Maturity date: 14.12.2023

Loan amount: 2 000 000 EUR

Type of loan: working capital

Interest: 1 M EURIBOR +mark-up

Collateral: first rang pledge on inventory

Balances as of 31.03.2023 at the amount of 2 000 000 EUR or 3 911 660 BGN.

**19. Procredit Bank Serbia**

**Contract from 24.06.2020**

Maturity date: 24.06.2023

Loan amount: 1 500 000 EUR

Type of loan: working capital

Interest: 1 M EURIBOR +mark-up

Collateral: Promissory note issued by the group

Balance as of 31.03.2023 at the amount of 194 091 EUR or 379 609 BGN

**20. Procredit Bank Serbia**

**Contract from 24.06.2020**

Maturity date: 24.06.2023

Loan amount: 450 000 EUR

Type of loan: Revolving

Interest: 1 M EURIBOR +mark-up

Collateral: Promissory note issued by the group

Balance as of 31.03.2023 at the amount of 450 000 EUR or 880 124 BGN

**21. Procredit Bank Serbia**

**Contract from 27.02.2023**

Maturity date: 01.03.2028

Loan amount: 700 000 EUR

Type of loan: Revolving

Interest: 1 M EURIBOR +mark-up

Collateral: Assets

Balance as of 31.03.2023 at the amount of 700 000 EUR or 1 369 081 BGN

**22. Procredit Bank Serbia**

**Contract from 30.03.2023**

Maturity date: 01.04.2028

Loan amount: 400 000 EUR

Type of loan: Revolving

Interest: 1 M EURIBOR +mark-up

Collateral: Inventory.

Balance as of 31.03.2023 at the amount of 400 000 EUR or 782 332 BGN

**23. Procredit Bank Serbia**

**Contract from 10.11.2021**

Maturity date: 10.11.2023

Loan amount: 1 100 000 EUR.

Type of loan: working capital

Interest: 1 M EURIBOR +mark-up

Balance as of 31.03.2023 at the amount of 699 959 EUR or 1 369 000 BGN

**24. MEDIOCREDITO ITALIANO S.P.A.**

**Contract from 30.04.2019**

Maturity date: 31.03.2029

Loan amount: 3 500 000 EUR

Type of loan: working capital

Interest: 3M EURIBOR+mark-up

Balance as of 31.03.2023 at the amount of 2 188 329 EUR or 4 280 000 BGN

**25. MEDIOCREDITO CENTRALE SPA**

**Contract from 30.06.2018**

Maturity date: 08.06.2028

Loan amount: 457 688 EUR

Type of loan: working capital

Interest: fixed interest rate

Balance as of 31.03.2023 at the amount of 0 EUR or 0 BGN

**26. STB**

**Contract from 13.04.2018**

Maturity date: 30.04.2025

Loan amount: 2 500 000 TND

Type of loan: investment

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 615 470 BGN

**27. STB**

**Contract from 10.07.2018**

Maturity date: 31.07.2025

Loan amount: 1 250 000 TND

Type of loan: investment

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 246 109 BGN

**28. STB**

**Contract from 15.06.2022**

Maturity date: 15.03.2023

Loan amount: 3 700 000 TND

Type of loan: investment

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 2 185 444 BGN.

**29. STB**

**Contract from 15.06.2022**

Maturity date: 15.03.2023

Loan amount: 4 000 000 TND

Type of loan: working capital

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 2 362 643 BGN.

### **30. STB**

#### **Contract from 13.04.2021 and 10.07.2021**

Loan amount: 3 500 000 TND

Type of loan: working capital

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 2 573 766 BGN.

### **31. STB**

#### **Contracts from 10.07.2021**

Loan amount: 2 000 000 TND

Type of loan: working capital, with the possibility of overdraft financing above the loan amount

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 1 344 034 BGN

### **32. STB**

#### **Contract from September 2022**

Maturity date: 2029

Loan amount: 7 300 000 TND

Type of loan: investment loan

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 3 821 139 BGN

### **33. STB**

#### **Contract from 15.09.2022**

Maturity date: 15.03.2023

Loan amount: 2 300 000 TND

Type of loan: working capital

Interest: Reference interest rate (TMM)+mark-up

Balance as of 31.03.2023 at the amount of 1 358 520 BGN.

### **34. Others**

In addition to the bank borrowings described above, STC S.R.L. utilizes secured and unsecured short-term and long-term bank borrowings of various types, structures and maturities, from various banking institutions, amounting to 978 330 thousand BGN as of 31 March 2023.

Pursuant to the agreements entered into with DSK Bank EAD under contract no. 1674/16.09.2015 and Raiffeisenbank Bulgaria EAD under contract dated 25.02.2014, the Group shall maintain a covenant, calculated as the ratio of the consolidated net debt of the Monbat Group to EBITDA, which ratio shall be lower than 3. The Group is in breach of this covenant. The loan is short-term, and this does not affect the classification in the consolidated financial statements. Based on historical experience and in view of the long-term business relationships with the banks, the Group does not believe that such non-compliance would result in material consequences.

**Loan agreements from other financial institutions:**

**35. UBB Interlease EAD**

**Contract dated 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 31.03.2023 in the amount of EUR 402 531 or BGN 787 282.

**36. UBB Interlease EAD**

**Contract dated 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 pcs. and rectifier Systems Type CDR400/360V-10CH -5 pcs.

Utilized amount to 31.03.2023 in the amount of EUR 73 169 or BGN 143 107

**37. UBB Interlease EAD**

**Contract dated 26.11.2021**

Maturity Date: 26.11.2025

Amount of credit: EUR 420 366

Type of credit: credit line

Interest: Fixed interest

Collateral: 13 machines

Utilized amount to 31.03.2023 in the amount of EUR 222 582 or BGN 435 333

**38. UBB Interlease EAD**

**Contract dated 27.09.2022**

Maturity Date: 31.10.2024

Amount of credit: EUR 114 735

Type of credit: credit line for fixed assets

Interest: 3M EURIBOR + mark-up

Collateral: Computer equipment

Utilized amount to 31.03.2023 in the amount of EUR 57 396 or BGN 112 256

**39. UBB Interlease EAD**

**Contract dated 11.11.2022**

Maturity Date: 30.04.2027

Amount of credit: EUR 1 094 544

Type of credit: credit line for fixed assets

Interest: 3M EURIBOR + mark-up

Collateral: Machines and equipment

Utilized amount to 31.03.2023 in the amount of EUR 650 332 or BGN 1 271 993.

**40. KBC Lease Bulgaria EOOD**

**Contract 036294-RF-001/21.12.2018**

Maturity date: 21.12.2023

Loan amount: 743 143 EUR

Type of loan: credit line

Interest: fixes

Collateral: ConCast System

Utilized amount as of 31.03.2023 at the amount of 131 450 EUR or 257 094 BGN

**41. KBC Lease Bulgaria EOOD**

**Contract from 036294-RF-002/21.12.2018**

Maturity date: 21.12.2023

Loan amount: 534 967 EUR

Type of loan: credit line

Interest: fixed

Collateral: Double Wide CoRoll System

Utilized amount as of 31.03.2023 at the amount of 78 981 EUR or 154 473 BGN

**42. UBB Interlease EAD**

**Contract 0026504/E/30.03.2020**

Maturity date: 30.03.2024

Loan amount: 334 779 EUR

Type of loan: credit line

Interest: fixed

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

Utilized amount as of 31.03.2023 at the amount of 64 927 EUR or 126 987 BGN

**43. UBB Interlease EAD**

**Contract 0026504/D/13.01.2020**

Maturity date: 13.01.2025

Loan amount: 321 557 EUR

Type of loan: credit line

Interest: fixed

Collateral: tooling for casting ConCast grids and rectifier systems.

Utilized amount as of 31.03.2023 at the amount of 106 280 EUR or 207 865 BGN

**44. UBB Interlease EAD**

**Contract 0026504/H/2021/30.06.2021**

Maturity date: 30.06.2025

Loan amount: 654 584 EUR

Type of loan: credit line

Interest: fixed

Collateral: BETTER separator for AGM plates and equipment for it

Utilized amount as of 31.03.2023 at the amount of 293 592 EUR or 574 216 BGN

**45. UBB Interlease EAD**

**Contract 0026504/I/2021/21.12.2021**

Maturity date: 20.12.2025

Loan amount: 78 845 EUR

Type of loan: credit line

Interest: fixed

Collateral: Check Tester – Short Circuit

Utilized amount as of 31.03.2023 at the amount of 55 160 EUR or 107 884 BGN.

**46. UBB Interlease EAD**

**Contract 0026504/L/2022/29.09.2022**

Maturity date: 25.09.2026

Loan amount: 196 297 EUR

Type of loan: credit line

Interest: fixed

Collateral: Cutting machine with templates and drum

Utilized amount as of 31.03.2023 at the amount of 135 203 EUR or 264 434 BGN.

**47. UBB Interlease EAD**

**Contract 0026504/N/2022/14.12.2022**

Maturity date: 14.12.2027

Loan amount: 50 990 EUR

Type of loan: credit line

Interest: fixed

Collateral: Electrocar, high-lift trucks

Utilized amount as of 31.03.2023 at the amount of 43 828 EUR or 85 720 BGN.

**48. VFS Bulgaria EOOD**

**Contract 2274306 from 07.10.2019**

Maturity date: 16.11.2024

Loan amount: 491 250 EUR.

Type of loan: credit line

Interest: fixed

Collateral: 5 pcs. Trucks Volvo

Utilized amount as of 31.03.2023 at the amount of 172 799 EUR or 337 966 BGN.

**49. VFS Bulgaria EOOD**

**Contract 2454239-4 from 05.06.2020**

Maturity date: 16.06.2025

Loan amount: 182 304 EUR

Type of loan: credit line

Interest: fixed

Collateral: 2 pcs trucks Volvo and 2pcs. Trailers

Utilized amount as of 31.03.2023 at the amount of 87 360 EUR or 170 861 BGN.

**50. VFS Bulgaria EOOD**

**Contract 2705097**

Maturity date: 16.06.2025

Loan amount: 104 210 EUR

Type of loan: credit line

Interest: fixed

Collateral: Volvo L60H

Utilized amount as of 31.03.2023 at the amount of 64 127 EUR or 125 421 BGN

**51. VFS Bulgaria EOOD**

**Contract 3098965**

Maturity date: 16.11.2027

Loan amount: 167 220 EUR

Type of loan: credit line

Interest: 1M EURIBOR + mark-up

Collateral: 2 pcs. Trucks Volvo

Utilized amount as of 31.03.2023 at the amount of 159 647 EUR or 312 242 BGN

**52. VFS Bulgaria EOOD**

**Contract 207315**

Maturity date: 31.12.2023

Loan amount: 281 520 EUR

Type of loan: credit line

Interest: 12M EURIBOR + mark-up

Collateral: 4 pcs. Trucks Volvo

Utilized amount as of 31.03.2023 at the amount of 45 071 EUR or 90 108 BGN

**53. VFS Bulgaria EOOD**

**Contract 3028975**

Maturity date: 31.12.2027

Loan amount: 113 400 EUR

Type of loan: credit line

Interest: 1M EURIBOR + mark-up

Collateral: 5 pcs. Semitrailers Schmitz

Utilized amount as of 31.03.2023 at the amount of 108 290 EUR or 211 797 BGN

**54. VFS Bulgaria EOOD**

**Contract 3028965-4**

Maturity date: 16.02.2028

Loan amount: 83 610 EUR

Type of loan: credit line

Interest: 1M EURIBOR + mark-up

Collateral: truck Volvo

Utilized amount as of 31.03.2023 at the amount of 82 499 EUR or 161 255 BGN

**55. VFS Bulgaria EOOD**

**Contract 3028965-5**

Maturity date: 16.02.2028

Loan amount: 83 610 EUR

Type of loan: credit line

Interest: 1M EURIBOR + mark-up

Collateral: truck Volvo

Utilized amount as of 31.03.2023 at the amount of 82 499 EUR or 161 255 BGN

**56. VFS Bulgaria EOOD**

**Contract 3028965B**

Maturity date: 16.11.2027

Loan amount: 83 610 EUR

Type of loan: credit line

Interest: 1M EURIBOR + mark-up

Collateral: truck Volvo

Utilized amount as of 31.03.2023 at the amount of 82 538 EUR or 161 430 BGN

**57. OTP Leasing EOOD**

**Contract 21941360451**

Maturity date: 05.06.2027

Loan amount: 518 500 EUR

Type of loan: credit line

Interest: fixed

Collateral: Plant for pre-treatment by physical methods of PE separator and production of ABS mill.

Utilized amount as of 31.03.2023 at the amount of 378 563 EUR or 740 405 BGN.

**58. UBB Interlease EAD**

**Contract 17803**

Maturity date: 31.07.2026

Loan amount: 487 500 EUR

Type of loan: credit line

Interest: 3M EURIBOR + mark-up

Collateral: Crystalization system

Utilized amount as of 31.03.2023 at the amount of 310 000 EUR or 606 307 BGN.

**59. STB – car leasing**

**Contract – 5 pcs from 2022**

Maturity date: 2025

Loan amount: 293 000 TND

Type of loan: leasing

Interest: Reference interest rate

Balance as of 31.03.2023 amounted of 160 296 BGN.

## 11. 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 2023 and 2022 is 10%.

## 12. Earnings per share and dividends

### 12.1. 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:

	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit attributable to the shareholders (BGN) from continuous activities	1 299 000	7 383 000
Profit attributable to the shareholders (BGN) from continuous and discontinued activities	6 464 000	6 045 000
Weighted average number of outstanding shares	38 962 054	38 989 054
<b>Basic earnings per share from continuing operations (BGN per share)</b>	<b>0.03</b>	<b>0.19</b>
<b>Basic earnings per share from continuing and discontinued operations (BGN per share)</b>	<b>0.17</b>	<b>0.16</b>

### 12.2. 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 thousand and for previous years in the amount of BGN 4 304 thousand. Until 31.12.2022 Monbat AD has paid dividend at the amount of BGN 5 434 thousand

## 13. 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.

### 13.1. Transactions with owners (parent Company)

	<b>31 March 2023 BGN '000</b>	<b>31 March 2022 BGN '000</b>
<b>Purchases of goods and services</b>		
- purchases of raw materials from Prista oil Holding EAD	(23)	(29)
- purchases of services from Prista oil Holding EAD	(7)	(4)
- purchases of goods from Prista oil Holding EAD	(2)	(3)
	<u><b>(32)</b></u>	<u><b>(36)</b></u>
<b>Sale of goods and services</b>		
- Sale of services to Prista oil Holding EAD	27	35
	<u><b>27</b></u>	<u><b>35</b></u>
<b>Other transactions</b>		
- repayment of deposit Prista oil Holding EAD	51	
- Prista oil Holding EAD- interest accrued	267	173

### 13.2. Transactions with other shareholders

	<b>31 March 2023 '000 ΔB.</b>	<b>31 March 2022 '000 ΔB.</b>
<b>Purchases of goods and services</b>		
- purchases of services from Monbat Trading OOD	(1 030)	(731)
	<u><b>(1 030)</b></u>	<u><b>(731)</b></u>
<b>Sale of goods and services</b>		
- Sale of services to Monbat Trading OOD	12	12
	<u><b>12</b></u>	<u><b>12</b></u>
<b>Other transactions</b>		
- granted borrowing to „Monbat Trading” OOD	147	147
- accrued interest to „Monbat Trading” OOD	35	33
- interest paid from „Monbat Trading” OOD	34	33
- advance paid to „Monbat Trading” OOD	50	356

### 13.3. 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:

	<b>31 March 2023 BGN '000</b>	<b>31 March 2022 BGN '000</b>
Short-term employee benefits:		
- Salaries	522	754
- Social security costs	5	6
- Company cars	9	15
<b>Total employee benefits</b>	<b>536</b>	<b>775</b>

#### 14. Related parties balances

	<b>31 March 2023 BGN '000</b>	<b>31 March 2022 BGN '000</b>
<b>Current receivables</b>		
- Atanas Bobokov – loan granted	3 269	3 269
- Atanas Bobokov – interest receivable	591	548
- Prista oil Holding EAD – deposit granted	26 049	26 100
- Prista oil Holding EAD – trade receivables	8 692	8 953
- Prista oil Holding EAD – interest receivable	3 216	2 940
- Prista Invest – loan ganted	3 695	3 695
- Prista Invest – interest receivable	142	96
- Plamen Bobokov – loan ganted	1 830	1 830
- Plamen Bobokov – interest receivable	288	264
- Monbat Trading OOD - trade receivables	757	707
- Monbat Trading OOD – loan ganted	3 129	3 276
- Monbat Trading OOD – interest receivable	12	10
- Allianz energy Company – loan ganted	700	700
- Allianz energy Company – interest receivable	14	1
- Monbat Eco Projject – loan ganted	222	222
- Monbat Eco Projject – interest receivable	59	56
- Torlashka sreshta – loan ganted	160	160
- Torlashka sreshta – trade receivables	8	8
- Torlashka sreshta – interest receivable	24	22
- Holdco investment – loan ganted	40	40
- Holdco investment – interest receivable	1	1
- Other	5	4
<b>Total current receivables</b>	<b>52 903</b>	<b>52 902</b>
<b>Non-current payables to:</b>		
- Ecobat AD – dividends	6	6
- Bat AD – dividends	1	1
<b>Total noncurrent payables to related parties</b>	<b>7</b>	<b>7</b>
<b>Current payables to:</b>		
- Prista Oil Holding EAD - trade payables	37	9
- Prista Holdko cooperatief U.A – loan payable	29	389
- Prista Holdko cooperatief U.A – interest payable	6	6
	<b>72</b>	<b>404</b>

### **15. 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 31.12.2022.

### **16. Authorization of the interim condensed consolidated financial statements**

The interim condensed consolidated financial statements as of 31 March 2023 (including comparatives) were approved for issue by the Board of Directors on 30 May 2023.