

**REPORT ON BUSINESS ACTIVITIES
of ALLTERCO JSCo**

THIRD QUARTER OF 2021

consolidated basis



Pursuant to Art. 100o, Para 7 in conjunction with Para 4 of the Public Offering of Securities Act and Art. Art. 33 and Art. 33a of Ordinance No. 2 dated 17.09.2003 on the prospectuses for public offering and admission to trading on a regulated securities market and on the disclosure of information

These Notes to the Interim Report on the Business Activities of Allterco JSCo on an consolidated basis present information about the company, relevant to the end of third quarter of 2021 for the period 01.01.2021 – 30.09.2021 (the “reporting period”).

1. INFORMATION ABOUT THE GROUP

Allterco JSCo is a public listed joint stock company, established in 2010 in the city of Sofia and entered in the Commercial Register at the Registry Agency on 11.02.2010 under UIC (unified identification code): 201047670 and LEI code (identification code of the legal entity) 8945007IDGKD0KZ4HD95 and is established for an unlimited period. Its name is written in Latin: ALLTERCO JSCo.

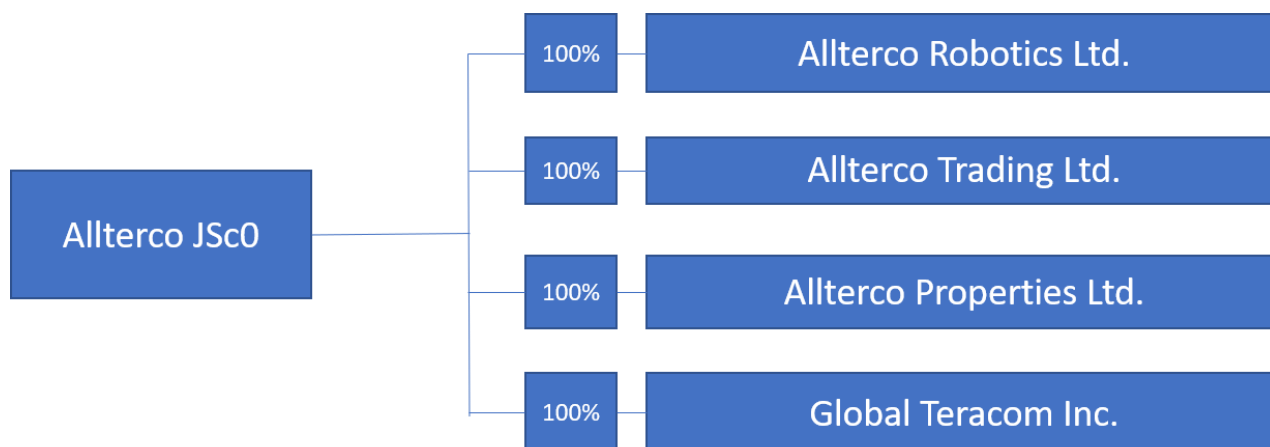
The company has its registered office and address of management: Republic of Bulgaria, Sofia County, Sofia Municipality, Sofia 1407, 103CherniVrah Blvd. The address for correspondence is the same; Tel: +359 2 957 12 47. The website of the Company is www.allterco.com.

The Company is public listed within the meaning of the Public Offering of Securities Act and is registered as a public company in the register kept by the FSC with Decision 774 - PD of November 14, 2016 as a result of successfully completed initial public offering of shares from the Company’s capital increase.

The company operates according to Bulgarian legislation.

Allterco is part of an economic group, which consists of the parent company Allterco JSCo and its subsidiaries:

1.1. Structure of the economic group at the end of the reporting quarter for 2021



During the reporting period Allterco JSCo has participated in the establishment of a company (associated company) in China, Allterco Asia Ltd. with headquarters and registered office in Shenzhen, Guangdong Province. The capital of the new company is CNY 100 000, as the participation of Allterco JSCo is 30% with an option to acquire additional up to 50% and reach a controlling stake of up to 80% in case of good development of the project.

During the reporting period the Board of Directors of Allterco JSCo has decided on the establishment of a subsidiary company in Germany – Allterco Europe GmbH. The German company will have its seat and registered office in Munich, Germany and registered capital EUR 500 000, 100 % owned by Allterco JSCo.

During the reporting period there was a change in the economic group of Allterco JSCo. On September 27,2021 the Board of Directors of Allterco JSCo has approved and the Company, as a seller, has signed with Skylight Venture Capital Pte. Ltd., as a buyer, an agreement for the sale of the participations of Allterco JSCo in the subsidiaries ALLTERCO PTE (Singapore), ALLTERCO SDN (Malaysia) and ALLTERCO Co., Ltd. (Thailand) (Share Purchase

Agreement (SPA). The transfer of the share ownership is a subject to registration procedures in accordance with applicable laws in each country where each company is registered as a legal entity.

The scope of business of the Allterco JSCo, according to Art. 4 of its Articles of Association is: Acquisition, management, evaluation and sale of share participations in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, evaluation, sale and assignment of licenses for the use of patents and other intellectual and industrial property rights; financing of companies in which Allterco JSCo participates; purchase of goods and other items for resale in their original, manufactured or processed form; sale of goods of own production; foreign trade transactions; commission, forwarding, warehousing and leasing transactions; transport transactions in the country and abroad; transactions of commercial representation and intermediation of local and foreign individuals and legal entities; consulting and marketing transactions; providing management and administration services to local and foreign legal entities; as well as any other commercial transactions not prohibited by law.

As a result of strategic deals, corporate changes and decisions in 2019 and 2021, the core business of the Issuer's Group remains the development, production and sale of IoT devices.

Since 2015, the Group has grown organically in the IoT sector through the development and implementation of two main product categories - tracking devices under the brand MyKi and home automation systems under the brand Shelly.

1.2. Management

During the reporting period no changes were made in the Board of Directors of the company.

As of 30.09.2021 members of the Board of Directors are:

- Dimitar Stoyanov Dimitrov;
- Svetlin Iliev Todorov;
- Nikolay Angelov Martinov;

1.3. Capital structure

As of the end of the reporting period the issued, subscribed, paid-in and registered capital of Allterco JSCo amounts to BGN 17 999 999 (seventeen million nine hundred ninety-nine thousand nine hundred ninety-nine), and is divided into 17 999 999 (seventeen million nine hundred ninety-nine thousand nine hundred ninety-nine) dematerialized ordinary registered voting shares, with a par value of 1 (one) BGN each.

The capital is fully paid in five contributions:

- Non-monetary contribution representing 100% of the shares of Teravoice EAD, with an appraised monetary value of BGN 50,000 (fifty thousand);
- Non-monetary contribution representing 69.60% of the shares of Terra Communications JSCo, with an appraised monetary value of BGN 5,438,000 (five million four hundred and thirty-eight thousand);
- A combination of non-monetary and cash contributions amounting to BGN 8,012,000 (eight million and twelve thousand).
- Cash contributions at the amount of BGN 1,500,000 (one million and five hundred thousand) compared to 1,500,000 (one million and five hundred thousand) subscribed and fully paid-in dematerialized ordinary registered voting shares with a par value of BGN 1 each, as a result of a procedure for Initial Public Offering of a new issue of shares.
- Cash contributions at the amount of BGN 2,999,999 (two million nine hundred ninety-nine thousand nine

hundred ninety-nine) against 2,999,999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) subscribed and paid-in dematerialized ordinary registered voting shares with a nominal value of BGN 1 each, as a result of a procedure for Public Offering of a new issue of shares. The public offering of shares from the capital increase of Allterco JSCo was carried out in the period 28.09.2020 - 30.10.2020, on the basis of a Prospectus, together with the supplements thereto, confirmed by the Financial Supervision Commission with Decision № 148- F of 18.02.2020, Decision № 405-E of 11.06.2020, Decision № 601-E of 13.08.2020 and Decision № 791-E of 29.10.2020.

As of September 30, 2021 the capital structure of ALLTERCO JSCo is as follows:

NAME OF SHAREHOLDER	CAPITAL PERCENTAGE
Svetlin Todorov	32,48 %
Dimitar Dimitrov	32,48 %
Other individuals and legal entities	35,04 %

1.4. Development and research activities

Allterco JSCo has not carried out activities in the area of research and development and does not plan such in the near future. One of the subsidiaries of Allterco JSCo has carried out such activity during the reporting period, namely: Allterco Robotics Ltd.

2. IMPORTANT EVENTS FOR ALLTERCO JSCo

Detailed information about the important events that occurred during the reporting period for ALLTERCO JSCo, as well as other information that could be important for investors is regularly disclosed by the company in accordance with regulatory requirements. In compliance with the requirement of Art.43a et seq. of Ordinance No. 2 of FSC, in conjunction with Art. 100t, Para 3 of the POSA, the Company discloses the regulated information to the public through selected information media. All information provided to the media in fully unedited text is available at: <http://www.x3news.com/>. The required information is submitted to the FSC - through the unified system for submission of information electronically, developed and maintained by the FSC - e-Register. The information is also available on the Company's website at: <https://allterco.com/en/INVESTORS>.

The announced important events that occurred during the reporting period did not have a significant impact on the financial results of the company on an consolidated basis.

3. FINANCIAL POSITION AND DEVELOPMENT OF THE BUSINESS ACTIVITIES DURING THE REPORTING PERIOD

3.1. Operating income

As of the end of the reporting period ALLTERCO JSCo reported on consolidated basis a profit at the amount of BGN 10 046 thousand, which is an increase by 64,0 % compared to the same reporting period of the previous year.

EBITDA for the 9 months of 2021 reached BGN 11 961 thousand (31.1% of sales revenue) compared to BGN 7 359 thousand (25.1% of sales revenue) for the same period of previous year.

The revenue from sale of devices (goods and won production) increased by 57,3% during the 9 months of 2021 compared to the same period of previous year. The revenue from services decreased by 99,6% during the period, which is due to the sale of the remaining daughter companies, which provided telco value-added services.

During the 9 months of 2021 the Company reported positive result from operations with financial instruments, which include:

- BGN 49 thousand from sale of shares of Link Mobility Group
- BGN 201 thousand from the sale of its participation in 3 subsidiaries;

REVENUE	9 months of 2020 BGN thousand	Change %	9 months of 2021 BGN thousand
Revenue from sale of devices	24 483	57.3%	38 500
Revenue from services and rents	4 881	-99.6%	21
Other operating revenue	54	927.8%	555
Total operating revenue	29 418	32.8%	39 076
Gain from operations with financial assets	0	-	250
Total financial income	0	-	250

3.2. Operating expenses

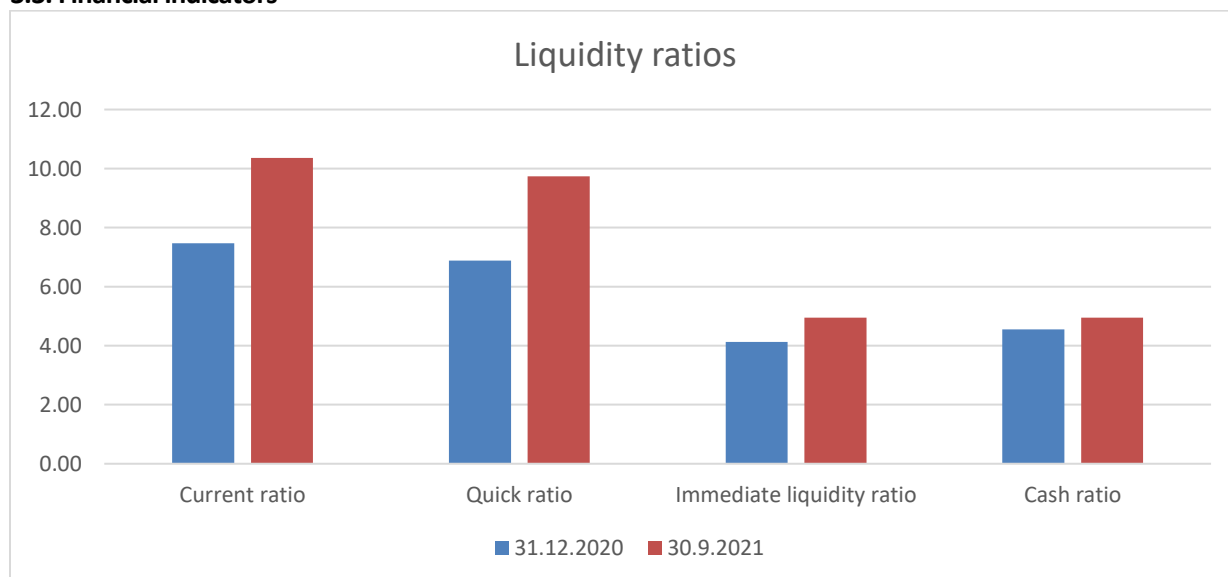
As of the end of the reporting period the total operating expenses of ALLTERCO JSCo increased by 21,3 % compared to the same reporting period of the previous year. This increase is mainly due to the increase of marketing and sales expenses, salary expenses and other administrative expenses.

At the end of the 9 months of 2021, the Company reports written off receivables in the amount of BGN 111 thousand and impairment of receivables in the amount of BGN 153 thousand.

The expenses for salaries and social security holds the biggest share in the total operating expenses for the period with 52,8 %, followed by marketing and sales expenses with 19,4%.

EXPENSES	9 months of 2020 BGN thousand	Change %	9 months of 2021 BGN thousand
Sales and marketing	1 236	48.1%	1 830
External services	569	-10.2%	511
Depreciation and amortization	828	-9.7%	748
Salaries and social security	4 162	19.6%	4 977
Impairments and written of receivables	4	6 500.0%	264
Other administrative expenses	723	20.1%	868
Other operating expenses	243	-9.1%	221
Total operating expenses	7 765	21.3%	9 419

3.3. Financial indicators



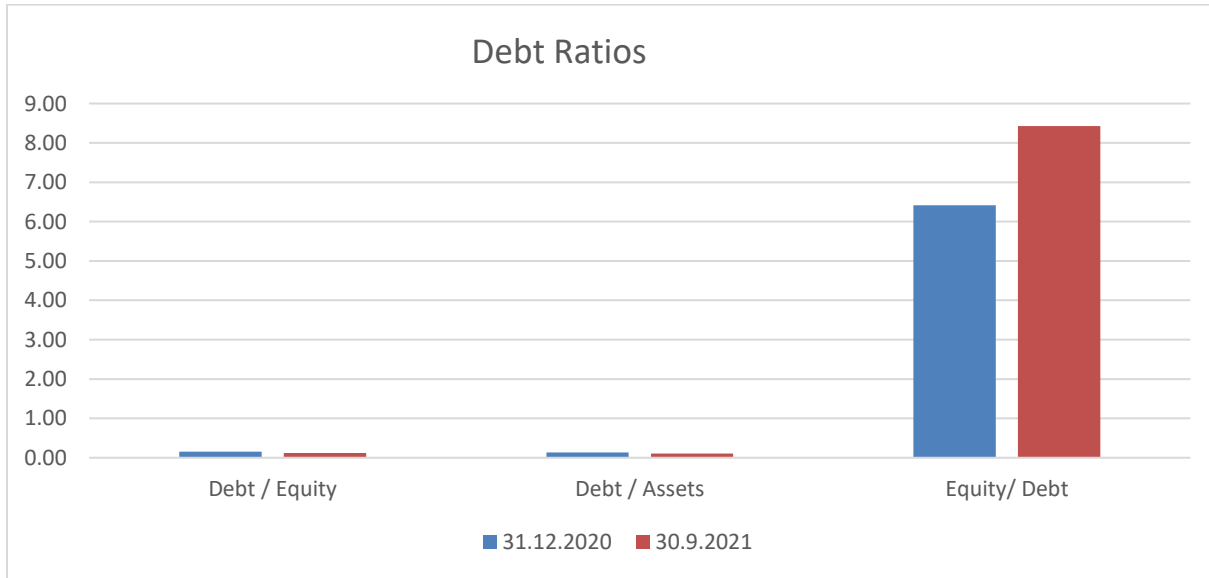
LIQUIDITY RATIOS	31.12.2020	30.9.2021
Current ratio	7.47	10.36
Quick ratio	6.88	9.74
Immediate ratio	4.13	4.95
Cash ratio	4.55	4.95

The current ratio at the end of the reporting period increased due to the following reasons: the current assets increased by 15,6% compared to the end of 2020, while the current liabilities decreased by 16,7%.

The quick ratio at the end of the reporting period increased due to the following reasons: the current liabilities decreased by 16,7% compared to the end of 2020, while the cash decreased by 0,1%.

The immediate liquidity ratio at the end of the reporting period increased due to the following reasons: the current liabilities decreased by 16,7% compared to the end of 2020, while the short-term financial asset had been sold during the period.

The cash ratio at the end of the reporting period increased due to the following reasons: The current liabilities decreased by 16,7% compared to the end of 2020, while the cash decreased by 0,1%



DEBT RATIOS	31.12.2020	30.9.2021
Debt / Equity	0.16	0.12
Debt / Assets	0.13	0.11
Equity / Debt	6.42	8.43

The change in the debt/equity ratio at the end of the reporting period is due to the following reasons: the Company's total liabilities decreased by 15,3 % compared to the end of 2020, while the equity increased by 11,3%.

The change in the debt/assets ratio at the end of the reporting period is due to the following reasons: the Company's total assets increased by 7,7% compared to the end of 2020, while the Company's total liabilities decreased by 15,3%.


The change in the financial autonomy ratio at the end of the reporting period is due to the following reasons: the total liabilities of the Company decreased by 15,3% compared to the end of 2020, and the equity has increased by 11,3%.

4. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES

The risks associated with the core business of the Company can generally be divided into systemic (general) and non-systemic (related specifically to its business and the industry in which it operates). Relevant for the Company are also the similar categories of risks inherent in the company business and the industry in which its subsidiaries operate, insofar as they are the main source of the Company's income. Separately, investors in the Company's financial instruments are also exposed to risks related to the investments in securities themselves (derivative and underlying)

4.1. SYSTEMIC RISKS

Systemic risks are related to the market and the macro environment in which the Company operates, which is why they cannot be managed and controlled by the Company's management team. Systemic risks are: political risk, macroeconomic risk, inflation risk, currency risk, interest rate risk, tax risk and unemployment risk.

Type of risk	Description
POLITICAL RISK	<p>Political risk is the likelihood of a change of Government, or of a sudden change in its policy, of occurrence of internal political turmoil and adverse changes in European and/or national legislation, as a result of which the environment in which local businesses operate will change negatively, and investors will incur losses. On June 11, 2021, the country held early parliamentary elections for the Ordinary National Assembly, as a result of which for the political party ruling in last 12 years lost its position in the state governance and a new government is expected to be formed. Due to the impossibility of forming a government, new early parliamentary elections were held for November 14, 2021.</p> <p>Political risks for Bulgaria internationally are related to the commitments undertaken to implement serious structural reforms in the country in its capacity as an equal member of the EU, increasing social stability, limiting inefficient spending, on the one hand, as well as the strong destabilization of the countries of The Middle East, the increasing threat of terrorist attacks in Europe, refugee waves and instability of key countries in the immediate vicinity of Bulgaria.</p> <p>Other factors that also affect this risk are the possible legislative changes and in particular those concerning the economic and investment climate in the country.</p>
GENERAL MACROECONOMIC RISK	<p>According to the National Statistical Institute, in September 2021 the <i>total business climate indicator</i> decreased by 2.4 percentage points compared to August. A decrease in the indicator was observed in industry, construction and retail trade, and in the services sector, it remained approximately the level of the previous month.</p> <p style="text-align: center;">Business climate - total</p>  <p style="text-align: right;">Source: NSI¹</p> <p>A serious economic recovery is expected in the medium term. ECB macroeconomic experts' forecasts for the Euro area from September 2021 forecast a real GDP growth of</p>

¹https://www.nsi.bg/sites/default/files/files/pressreleases/Economy2021-09_JAGXP35.pdf

	5.0% per year in 2021, 4.6% in 2022 and 2.1% in 2023. Compared to the macroeconomic forecasts from June 2021, the outlook for 2021 has improved mainly due to the reported improvements from the expected results for the first half of the year and generally remain unchanged for 2022 and 2023. ²																				
INTEREST RATE RISK	<p>The interest rate risk is related to possible, eventual, adverse changes in the interest rates established by the financial institutions of the Republic of Bulgaria.</p> <p>At its meeting in June, 2021, the Board of Directors of the ECB, decided to leave unchanged the ECB's key interest rates. They are expected to remain at their present or lower levels until the inflation outlook robustly converges to a level sufficiently close to, but below, 2% within the projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics.³ At its meeting in September 2021, ECB confirmed this measure to support the ECB's price stability mandate.⁴</p> <table border="1"> <thead> <tr> <th>Date</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>01.09.2021</td> <td>0.00</td> </tr> <tr> <td>01.08.2021</td> <td>0.00</td> </tr> <tr> <td>01.07.2021</td> <td>0.00</td> </tr> <tr> <td>01.06.2021</td> <td>0.00</td> </tr> <tr> <td>01.05.2021</td> <td>0.00</td> </tr> <tr> <td>01.04.2021</td> <td>0.00</td> </tr> <tr> <td>01.03.2021</td> <td>0.00</td> </tr> <tr> <td>01.02.2021</td> <td>0.00</td> </tr> <tr> <td>01.01.2021</td> <td>0.00</td> </tr> </tbody> </table> <p>*Source: BNB⁵</p>	Date	%	01.09.2021	0.00	01.08.2021	0.00	01.07.2021	0.00	01.06.2021	0.00	01.05.2021	0.00	01.04.2021	0.00	01.03.2021	0.00	01.02.2021	0.00	01.01.2021	0.00
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INFLATION RISK	<p>Inflation risk is a general rise in prices in which money depreciates and there exists a probability of loss to households and firms.</p> <p>The consumer price index (CPI) is an official measure of inflation in the Republic of Bulgaria. It estimates the total relative change in the prices of goods and services used by households for personal (non-production) consumption and the index is calculated by applying the structure of the final cash consumer expenditure of Bulgarian households.</p> <p>According to the NSI the consumer price index for September 2021 compared to August 2021 is 100.4%, i.e., monthly inflation is 0.4%. The inflation from the beginning of the year (September 2021 compared to December 2020) is 1,5% and the annual inflation for June 2021 compared to June 2020 is 3.5%. The average annual inflation for the period July 2020 – September 2021 compared to the period October 2019 – September 2020 is 1.6%⁶</p>																				

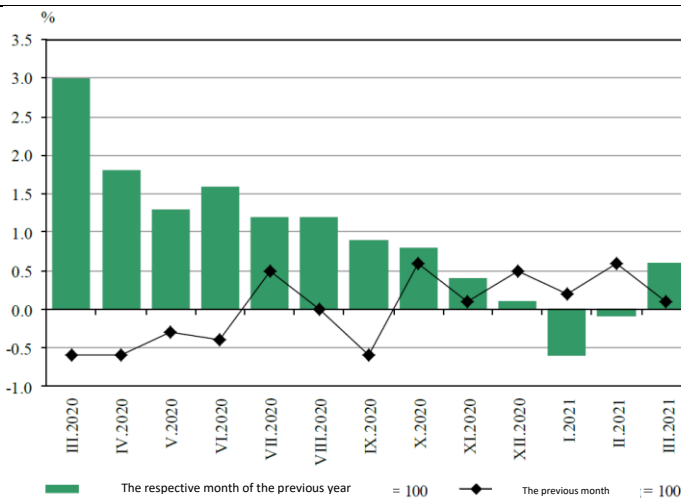
²<https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202104.en.html>

³https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202106_bg.pdf

⁴https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202106_bg.pdf

⁵<https://www.bnb.bg/Statistics/StBIRAndIndices/StBIBaselInterestRate/index.htm>

⁶https://www.nsi.bg/sites/default/files/files/pressreleases/Inflation2021-09_8M1FIED.pdf



*Source: NSI

The harmonized index of consumer prices (HICP) is a comparable measure of inflation in EU countries. It is one of the criteria for price stability and for Bulgaria’s accession to the euro area. The HICP, like the CPI, measures the overall relative change in the price level of goods and services.

According to the NSI the harmonized index of consumer price index for September 2021 compared to August 2021 is 100.2%, i.e., monthly inflation is 0.2%. The inflation since the beginning of the year (September 2021 compared to December 2020) is 3.3%, and the annual inflation for September 2021 compared to September 2020 is 4.0% The average annual inflation for the period October 2020 - September 2021 compared to the period October 2019 - September 2020 is 1.4% According to the ECB, inflation in the euro area rose to 3.0% in August. Inflation is expected to continue to rise in the autumn, but to decline next year.

According to the September 2021 ECB staff macroeconomic projections, which foresee annual inflation at 2.2% in 2021, 1.7% in 2022 and 1.5% in 2023, being revised up compared with the previous projections in June. Inflation excluding food and energy price inflation is projected to average 1.3% in 2021, 1.4% in 2022 and 1.5% in 2023, also being revised up from the June projections.⁷

CURRENCY RISK

Exposure to currency risk is the dependence and effects of changes in exchange rates. Systemic currency risk is the probability of a possible change in the currency regime of the country (currency board), which would lead either to BGN devaluation or to BGN appreciation compared to foreign currencies.

Currency risk will have an impact on companies with market shares, the payments of which are made in a currency other than BGN and EUR. Since, according to the current legislation in the country the Bulgarian lev is fixed to the euro in the ratio EUR 1 = BGN 1.95583, and the Bulgarian National Bank is obliged to maintain a level of Bulgarian leva in circulation equal to the bank’s foreign exchange reserves, the risk of devaluation of the BGN compared to the European currency is minimal and consists in the eventual early abolition of the currency board in the country. At this stage, this seems unlikely, as the currency board is expected to be abolished upon the adoption of the EUR in Bulgaria as an official unit of payment.

Theoretically, currency risk could increase when Bulgaria joins the second stage of the European Exchange Rate Mechanism (ERM II). This is a regime in which the country must maintain the exchange rate compared to the EUR within +/- 15% on the background of the

⁷ https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202106_bg.pdf

	<p>central parity. In practice, all countries currently in this mechanism (Denmark, Estonia, Cyprus, Lithuania, Latvia, Malta) are witnessing fluctuations that are significantly less than the allowed ones of $\pm 15\%$.</p> <p>On July 10, 2020, Bulgaria joined the ERM II exchange rate mechanism, known as the 'euro area's waiting room'. The central rate of the Bulgarian lev is fixed at EUR 1 = BGN 1.95583. Around this central exchange rate of the BGN, the standard range of plus or minus 15 percent will be maintained. Bulgaria joins the exchange rate mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB.⁸ At the same time, our country must enter into close cooperation with the unified banking supervision. The fixed exchange rate of the BGN to the EUR does not eliminate for the Bulgarian currency the risk of unfavorable movements of the euro exchange rate against other major currencies (US dollar, British pound, Swiss franc) on the international financial markets, but at present the company does not consider that such a risk would be material to its business. The company may be affected by currency risk depending on the type of cash flow currency and the type of currency of the company's potential loans.</p> <p>The Allterco JSCo Group companies operate in Bulgaria as well as in EU countries and first countries, mainly in the USA and the Asia-Pacific region. At present, the main revenues from the Group's IoT business are in BGN or EUR, and the costs of delivery of goods in this segment are mainly in US dollars and are largely tied to the Chinese yuan, which is why the appreciation of the US dollar or Chinese yuan would have an adverse effect on the business performance. In terms of US dollar exposure, the Group companies are expected to have significant US dollar sales revenue in the US and other non-EU markets in the future, which to some extent balances the Group's net exposure to this major currency.</p> <p>Allterco JSCo. owns financial assets denominated in NOK, which also brings some currency risk.</p> <p>To limit the effects of the currency risk, the companies of the Group have introduced a system for planning the deliveries from countries inside and outside the EU, as well as procedures for ongoing monitoring of the movements in the exchange rates of the foreign currencies and control over the forthcoming payments. Currently, the Group companies do not use derivative instruments for hedging the currency risk but, if necessary, the management is ready to enter into such transactions.</p>																
Credit risk of the state	<p>Credit risk is the probability of deterioration of Bulgaria's international credit ratings, caused by the government's inability to repay its liabilities regularly. Low credit ratings of the country can lead to higher interest rates, more difficult financing conditions, both for the state and for individual economic entities, including Allterco. Credit ratings are prepared by specialized credit rating agencies and serve to determine and measure a country's credit risk. Bulgaria's credit rating is presented in the following table:</p> <p>Table 1: Credit risk of Bulgaria</p> <table border="1" data-bbox="430 1585 1404 1753"> <thead> <tr> <th>Credit agency</th> <th>Date of last change</th> <th>Long-term rating</th> <th>Prospects</th> </tr> </thead> <tbody> <tr> <td>Standard & Poor's</td> <td>01.06.2021⁹</td> <td>BBB</td> <td>Stable</td> </tr> <tr> <td>Moody's</td> <td>09.10.2020¹⁰</td> <td>Baa2</td> <td>Positive</td> </tr> <tr> <td>Fitch</td> <td>27.07.2021¹¹</td> <td>BBB</td> <td>Stable</td> </tr> </tbody> </table> <p>Source: Ministry of Finance</p>	Credit agency	Date of last change	Long-term rating	Prospects	Standard & Poor's	01.06.2021 ⁹	BBB	Stable	Moody's	09.10.2020 ¹⁰	Baa2	Positive	Fitch	27.07.2021 ¹¹	BBB	Stable
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Fitch	27.07.2021 ¹¹	BBB	Stable														

⁸ <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200710~4aa5e3565a.en.html>

⁹ <https://www.minfin.bg/bg/news/11369>

¹⁰ <https://www.minfin.bg/bg/news/11147>

¹¹ <https://www.minfin.bg/bg/news/11429>

On 21 June, 2021 the international S&P Global Ratings agency affirmed its 'BBB/A-2' long- and short-term foreign and local currency sovereign credit ratings on Bulgaria. The outlook remains stable.

According to the agency Bulgaria's economic contraction has been relatively mild so far, mostly due to resilient domestic demand. Over the medium term through 2024, high fund inflows from the previous and current EU Multiannual Financing Frameworks as well as additional funds from the NGEU instrument will provide a solid backdrop for Bulgaria's economic growth.

Although the results of the recent elections highlight political fragmentation and confrontational decision-making, the rating agency do not believe that these developments will delay the most important political undertakings, such as progress on eurozone accession, or EU funds absorption.

Even against this challenging domestic political environment and in the course of the pandemic, Bulgaria has retained a solid fiscal position. Starting in 2022, S&P Global Ratings expects that consolidation will narrow deficits further, keeping government debt, net of liquid assets, at a low 20% of GDP over the next years. External risks also appear manageable after several years of external net deleveraging, thanks to recurring current and capital account surpluses, which the rating agency expects to continue.

On June 27, 2021, Fitch Ratings has affirmed Bulgaria's long-term foreign and local currency Issuer Default Ratings (IDR) at "BBB" with a Positive Outlook.

The Positive Outlook reflects the dissipation of macroeconomic risks stemming from the Covid-19 pandemic and a more resilient economy, as well as continued progress towards the euro adoption. According to the credit rating agency, short-term downside risks tied to the pandemic and electoral uncertainty are more than offset by prospects of substantial funding from the EU and a commitment to macro and fiscal stability.

Fitch expects Bulgaria's economic growth to accelerate to 4.7% in 2021, compared to the estimate for 3% from February. The upward revision reflects better-than-expected 1Q21 GDP and the expected strengthening of domestic demand and exports in the second half of the year.

Investment is expected to be a key driver of growth over the medium-term, as Bulgaria will be one of the main beneficiaries of EU transfers in the coming years. The analysts of Fitch believe that the significant amount of funds under the Recovery and Resilience Facility (RRF) would support the growth of the economy which is estimated at 3.9% in 2022-23.

The credit rating agency projects the fiscal deficit (on accrual basis) at 5% of GDP in 2021, versus 5.5% for the BBB median, reflecting mostly the Covid-19 related expenditure. It expects the deficit to narrow to 2% in 2023, keeping public debt/GDP at below 30% (versus 57% for BBB peers). Fitch considers the plan for euro adoption in 2024 realistic. The country's banking sector is estimated as liquid and well capitalized.

The main factors that could lead to positive rating action/upgrade are: progress toward euro area accession and improvement in the economy's growth potential that leads to faster convergence with income levels of higher rated peers. The factors that could lead to negative rating action/downgrade are: adverse policy developments that reduce confidence in economic recovery; a prolonged rise in public debt; the materialization of contingent liabilities on the sovereign's balance sheet or weaker growth prospects.¹²

¹² <https://www.minfin.bg/bg/news/11429>

Unemployment risk	As a major factor influencing consumers' purchasing power, rising unemployment would reduce demand for IoT products. On the other hand, the demand for staff by the business remains extremely active, so that such a risk appears to be negligible within the next year. According to the statistics published by Eurostat 14.469 million men and women in the EU , of whom 12.162 million in the euro area (EA), were unemployed in August 2021. Compared with July 2021, the number of persons unemployed decreased by 224 000 in the EU and by 261 000 in the euro area. Compared with August 2020, unemployment decreased by 1.965 million in the EU and by 1.861 million in the euro area. ¹³ The level of registered unemployment in the country continued to decline in September, reaching a new record low of 4.7%, according to data from the administrative statistics of the Employment Agency. The decrease compared to August 2021 is by 0.2% and the decrease on an annual basis is by 2.5 percentage points. Compared to the end of September 2019 - a year generally record for employment growth, the unemployment rate also decreased significantly - by 0.6 percentage points as of September 2021. ¹⁴
Risk associated with the legal system	Although Bulgaria has introduced a number of significant legislative changes since joining the EU and most of the Bulgarian legislation has been harmonized with EU legislation, the legal system in the country is still in the process of reform. Judicial and administrative practices remain problematic and it is difficult to effectively resolve property disputes, breaches of laws and contracts and other. Deficiencies in the legal infrastructure can result in uncertainties arising from the implementation of corporate actions, the implementation of supervision and other issues.
TAX RISK	It is essential for the financial performance of the companies to maintain the current tax regime. There is no guarantee that the tax legislation, which is directly relevant to the core business of the Company, will not be changed in a direction that would lead to significant unforeseen expenses and, accordingly, would adversely affect its profit. The taxation system in Bulgaria is still developing, as a result of which a contradictory tax practice may arise.

4.2. NON-SYSTEMIC RISKS

Risks related to the industry in which the Group operates

Such risks are: risk of shortage of key personnel, risk of strong competition, risk related to personal data security and hacker attacks, risk of technology change.

Risk of shortage of key personnel

One of the biggest challenges for technology companies, such as the companies of the Group, as well as given the specific scope of their business in the field of telecommunications and engineering and software development, is the shortage of skilled personnel. Insufficient availability of suitable staff in the subsidiaries could adversely affect the future development of the Group due to delays in the development of new products/services and the maintenance of existing ones. On the other hand, the high competition in this sector raises the cost of labor. Thus, the financial position and market share of the Group companies could suffer.

Risk of strong competition

¹³ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics

¹⁴ <https://www.az.government.bg/bg/news/view/rekordno-niska-bezrabortica-prez-septemvri-3722//>

After the sale of most of the telecommunication business of the group, the Group companies operate mainly in the segment of the Internet of Things (IoT). This segment is one of the most modern and promising sectors of the industry, which attracts the interest of many technology giants and start-up companies. The loss or inability to gain market share and the fall in final product prices due to increased competition may have a negative effect on revenue, profit and profit margins. Maintaining a competitive position requires investment in the creation of devices with new utilities, improvement of existing solutions and expansion of market share and it cannot be taken for granted that new developments will be established among the competing ones on the market.

Risk related to cybersecurity

The technology industry is characterized by digital transmission of information that could be strictly confidential, containing personal data of users of products, financial information of companies, information about new products and other. The protection of such information is a critical factor for the normal operation of companies in the industry, including of the Group. The sales of the devices and the use by the users of the accompanying mobile applications and cloud services provided by the Group are related to the exchange and storage of personal data. Potential breaches in information security can lead to: i) Loss of customers and/or partners and their migration to competing companies; (ii) Imposing sanctions and lawsuits related to breaches of applicable data protection and privacy laws; (iii) Lost or delayed orders and sales; (iv) Adverse effects on reputation, business, financial position, profits and cash flows.

Risk related to the supply with critical electronic components

The Group companies that produce devices are exposed to the problems, applicable to the whole world, with the supply chain, which include a deficit of certain electronic components (like chips and capacitors) and increasing delivery periods.

As of today, those problems did not affect the financial performance of the Group. The Group companies that are engaged in the sale and distributions of devices maintain sufficient stock quantities of critical electronic elements in order to meet eventual delays in the supply that could lead to delays in production.

In order to mitigate the risk for the future supplies, the Group companies implemented a planning system that covers longer than usual period (1-2 years) for the supply of component and all critical components are ordered in advance.

Risk of regulatory and specific technical requirements

The supply of IoT devices is related to *regulation regarding the certification of products* for sale in the respective country. In the European Union, products are required to bear the 'CE' marking, which indicates that the product has been evaluated and meets the requirements of safety, health and environmental protection. In the US, the equivalent is 'UL' certification. For certification purposes, accredited laboratories are assigned compliance tests, which involve significant costs. In addition, specifics in the requirements of local regulators and contractors (especially mobile operators) may require additional tests and certification to be performed, which increases the cost of entering a particular market or particular distribution channel.

Sales of the Group companies' products cover an increasing number of markets, which often have local regulation regarding the certification of similar products in the respective country. Meeting the requirements of local regulation is related to time and resources and may delay the Company in entering new markets or require additional costs in order to meet different standards.

The change in regulatory requirements for devices may involve additional costs for making them compliant with the new requirements, including costs for withdrawing products from the market to making them compliant with these requirements. The Group companies and their local partners regularly monitor planned changes in the legislation and take timely measures to ensure the compliance of products with them.

Eventual changes in the regulations in the telecommunications sector, could have some impact on the operation of the Group as mobile operators are one of the main sales channels for existing MyKi series products. Big part of the devices developed and sold by the companies in the IoT Group use Internet-based technology and can work with the services of any Internet provider. To that effect, the Group is now less dependent on regulations in the field of telecommunications, insofar as the companies in its structure are not providers of telecommunication services and mobile operators are only one of the channels for trade and distribution of IoT devices.

Risk of technology change

The Issuer and its subsidiaries operate in an extremely dynamic segment, in which technologies have a significant impact and are a source of competitive advantage. To that effect, there is a risk of delayed adaptation to new technologies due to lack of knowledge, experience or sufficient funding, which may have a negative impact on the Issuer. The slow adaptation to the new realities may lead to a loss of competitive positions and market shares, which in turn will lead to a deterioration of the Group's performance.

Risks related to the Group's business

Such risks are: operational risk, risk related to business partners, risks arising from new projects and liquidity risk.

Operational risk

Operational risk can be defined as the risk of loss as a result of inadequate or non-functioning internal management procedures. Such risks may be caused by the following circumstances:

- Adoption of wrong operational decisions by the management staff related to the management of current projects;
- Insufficient amount of skilled personnel needed for the development and implementation of new projects;
- Leaving key employees and inability to replace them with new ones;
- Risk of excessive increase in management and administration costs, leading to a decrease in the overall profitability of the Group;
- Technical damages leading to prolonged interruption of the provided services may lead to termination of contracts with clients.

The effects of such circumstances would be a decrease in the Issuer's revenues and deterioration of its business performance.

Risk associated with business partners and the supply chain

Production activities in the IoT segment is outsourced, mainly to China, concentrated in several manufacturers. Potential risks associated with key subcontractors are related to the accurate and timely execution of deliveries or termination of business relationships. Although management believes that there is a wide range of alternative suppliers, the possible transfer of production to new partners and diversification of subcontractors may lead to delivery delays and additional costs, which may affect the ability of the Group companies to perform agreed orders from customers and adversely affect the Group's reputation and financial performance.

Risks arising from new projects

The main business activity of Allterco JSCo is related to investments in subsidiaries. There is a risk that some of the subsidiaries will not be able to meet their goals, which will lead to lower or negative return on investment.

The development of new products and services by the subsidiaries of Allterco JSCo is related to the investment in human resources, software, hardware, materials, goods and services. Should new products and services fail to be marketed, such investments would be unjustified. This in turn would have a negative impact on the costs and assets

of the Company, as well as on the performance of its business activities. In order to manage the risk arising from new projects, the Group companies perform a market analysis, prepare a financial analysis containing different scenarios, and in some cases discuss with potential customers the concept of the new service/product.

Liquidity risk

The expression of the liquidity risk in relation to the Group is associated with the possibility of lack of timely and/or sufficient available funds to meet all current liabilities. This risk may appear both in case of significant delay of the payments by the debtors of the Company, as well as in case of insufficiently effective management of the cash flows from the operation of the Company.

Some of the Group companies use bank financing in the form of an investment loan, overdraft or revolving credit line, which can be used in case of liquidity problems.

The company pursues a conservative liquidity management policy, through which it constantly maintains an optimal liquidity cash reserve and good ability to finance its business activities. In order to control the risk, the Company monitors the timely payment of incurred liabilities. The company monitors and controls the actual and projected cash flows for periods ahead and maintains a balance between the maturity limits of the assets and liabilities.

5. TRANSACTIONS WITH RELATED OR INTERESTED PARTIES

For the reporting period the Company has not entered into transactions with interested parties.

The Company has not entered into any transactions with other Group companies that fall beyond their scope of regular business or that significantly deviate from the market conditions. The transactions with subsidiaries in the regular course of business are eliminated for the purposes of the consolidation.

6. INFORMATION ON NEWLY INCURRED SIGNIFICANT RECEIVABLES AND/OR LIABILITIES FROM THE BEGINNING OF THE YEAR TO THE END OF THE REPORTING QUARTER

The Company has new significant receivables during the reporting quarter. In connection with the sale of five subsidiaries to Link Mobility Group AS, the buyer did not fulfil its obligation to pay the remaining 20% of the price (BGN 3 053 thousand), which was due in August 2021 and as of the date of this report has not been paid. The management of the group have undertaken the necessary steps to collect the due amount.

The Company has new significant receivable that arose during the reporting quarter in relation to the sale of 3 daughter companies. On September 29, 2021 the Board of Directors of Allterco JSCo has approved the two-point Company has signed an agreement with Skylight Venture Capital Pte. Ltd., as a buyer, for the sale of the two-point participations of Allterco JSCo in the subsidiaries ALLTERCO PTE (Singapore), ALLTERCO SDN (Malaysia) and ALLTERCO Co., Ltd. (Thailand) (Share Purchase Agreement (SPA)_at the following terms:

- Purchase price: EUR 2 100 000
- Payment terms:
 - i. 50% - at completion date after fulfilment of the seller's obligations;
 - ii. 25% - within 18 months after the completion date;
 - iii. 25% - within 36 months after the completion date.
- Collateral: first priority pledge of the shares of the capital of ALLTERCO PTE (Singapore) and ALLTERCO SND (Malaysia) in favor of ALLTERCO JSCo to secure the obligation of Skylight Venture Capital Pte. Ltd. for the differed payment of 50 % of the purchase price;

The transfer of the shares is subject to registration according to the applicable legislation in the country of registration of the respective company.

7. INFORMATION ON THE TRADING IN THE SHARES OF ALLTERCO JSCo DURING THE REPORTING PERIOD

Historical data on trade

Date	Volume	Turnover	Highest value	Lowest value	Opening value	Closing value
30.09.2021	96202	1 786 979,700	20,800	17,100	17,400	20,600
31.08.2021	51497	900 197,700	17,900	16,900	17,700	17,400
30.07.2021	32713	578 825,400	18,400	16,600	17,100	17,700
30.06.2021	87283	1 476 797,500	17,900	15,800	15,900	17,100
31.05.2021	68960	1 026 272,200	16,000	13,700	14,400	15,900
29.04.2021	177039	2 312 406,600	14,900	11,000	11,100	14,400
31.03.2021	150097	1 477 504,850	11,100	9,000	9,200	10,900
26.02.2021	131599	1 190 116,700	9,450	8,750	8,850	9,200
29.01.2021	1040688	7 017 515,900	9,250	6,500	6,850	8,700

Source: Investor.bg

EVENTS AFTER THE END OF THE REPORTING PERIOD

After the end of the reporting period, Allterco JSCo submitted to the FSC, the BSE and the public additional information.

Date	NOTIFICATION
07.10.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>Hereby a reference is made to the Exemption Document for the purpose of admission to trading on a regulated market –the Frankfurt Stock Exchange – of 17 999 999 ordinary dematerialized shares of Allterco JSCo, ISIN BG1100003166, dated 7 June, 2021 (the Exemption Document”), prepared on the basis of the exemption from the obligation to publish a prospectus under Article 1, paragraph 5, point(j) of REGULATION (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “Prospectus Regulation”). Herewith we inform you that in compliance with requirements of the administrative procedure for listing on the Frankfurt Stock Exchange, Allterco JSCo has published an updated version of the Exemption Document. On the basis of the said legal exemption is seeking for admission to trading on the Frankfurt Stock Exchange without a Prospectus, for which purpose a document with the content of in compliance with Article 7 (“Prospectus summary”) of the Prospectus Regulation has been prepared, which document is intended to provide the key information that investors need in order to understand the nature and the risks of the Issuer and the securities which admission to trading on the regulated market in Germany is sought, and that is to be read to aid investors when considering whether to invest in these securities. The document is prepared in Bulgarian, English and German language and is available on the website of Allterco JSCo on the following address: - In Bulgarian at https://allterco.com/за-инвеститорите/публично-предлагане/2021-година/ - In English and German at https://allterco.com/en/for-investors/public-offering/year-2021/ The admission to trading on the Frankfurt Stock Exchange is subject to an administrative procedure.</p>

11.10.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>Based on preliminary consolidated data at the end of the third quarter of 2021, we hereby inform you of the following: Preliminary data as of September 30, 2021 show significant increase in revenue from sales of devices (including thereto related services) during the first nine months of 2021 (cumulative until 30 September 2021), reaching 37 822 thousand BGN which is an increase of 54.5% compared to the same period in 2020, as the revenue from sales of devices branded Shelly has increased by 61.7% and the revenue from sales of devices MyKi has decreased by 18.9 %. The decrease in sales revenue for MyKi branded devices is mainly due to the impact of the pandemic measures taken by the governments of a number of countries where the devices are being sold. The revue from sales of devices for the third quarter of 2021 has increased by 21.1 % (reaching to 11 652 thousand BGN) compared to the same period in 2020. The reported preliminary data include only data on revenue from sales of devices and related services. Following the transaction of the telecommunication business of Allterco in Asia in September 2021 the future financial reports of the company will not include revenue from VAS (value added services) services. The company will disclose final data on its financial results on a consolidated basis for the third quarter of 2021 within the statutory deadlines until November 29, 2021.</p>
15.10.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>We hereby inform you that at its extraordinary session held on 15.10.2021, the General Meeting of Shareholders of Allterco JSCo adopted a resolution for amendments to the Statute of the company, according to the submitted draft as part of the written materials to the invitation. The amendments adopted include opportunities for capital increase through the issuance of warrants and convertible bonds, including by decision of the Board of Directors (limited for a certain period and to a certain amount) as well as the possibility for the Board of Directors to appoint an advisory board. The company will publish the minutes of the General Meeting within the legally established period. The adopted amendments and supplements to the Statute are subject to entry in the Commercial Register and the Register of Non-Profit Legal Entities.</p>
25.10.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>We hereby inform you that the Board of Directors of Allterco JSC has decided to found a subsidiary company based in Germany - Allterco Europe GmbH. The German subsidiary will have its registered office in the city of Munich, Germany and capital of EUR 500 000, 100% owned by Allterco JSCo. As managers of the new company there were elected Mr. Wolfgang Kirsch, who has significant managerial experience in the European retail of consumer electronics, gained in some of the largest European retail chains for electronics and Mr. Mirche Atanasovski - longtime commercial director in the holding. The registration of a subsidiary company in Germany, which is one of the main European markets for Shelly branded IoT devices, is aimed to optimize the distribution, logistics and customer service, as well as to further develop the retail network in the country and to strengthen the brand's position. The new company is subject to registration procedures according to German law.</p>
29.10.2021	<p>The Company has announced to the FSC and to the Public the Financial Report of the Company on an individual basis for the third quarter of 2021.</p>
02.11.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>Hereby a reference is made to the Exemption Document for the purpose of admission to trading on a regulated market –the Frankfurt Stock Exchange – of 17 999 999 ordinary dematerialized shares of Allterco JSCo, ISIN BG1100003166, dated 7 June, 2021 (“the Exemption Document”), prepared on the basis of the exemption from the obligation to publish a prospectus under Article 1, paragraph 5, point(j) of REGULATION (EU) 2017/1129</p>

	<p>of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “Prospectus Regulation”). Herewith we inform you that in compliance with requirements of the administrative procedure for listing on the Frankfurt Stock Exchange, Allterco JSCo has published a second updated version of the Exemption Document. On the basis of the said legal exemption Allterco JSCo is seeking for admission to trading on the Frankfurt Stock Exchange without a Prospectus, for which purpose a document with the content of in compliance with Article 7 (“Prospectus summary”) of the Prospectus Regulation has been prepared. The Exemption Document is intended to provide the key information that investors need in order to understand the nature and the risks of the Issuer and the securities which admission to trading on the regulated market in Germany is sought, and that is to be read to aid investors when considering whether to invest in these securities. The document is prepared in Bulgarian, English and German language and is available on the website of Allterco JSCo on the following addresses: - In Bulgarian at https://allterco.com/за-инвеститорите/публично-предлагане/2021-година/ - In English and German at https://allterco.com/en/for-investors/public-offering/year-2021/ The admission to trading on the Frankfurt Stock Exchange is subject to an administrative procedure</p>
03.11.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>In reference to the registration process of listing of the shares of Allterco JSCo for trading on the Frankfurt Stock Exchange, that was started at the beginning of 2021, we hereby inform you that the company has received a confirmation of its compliance with the listing requirements. According to preliminary information, the indicative listing schedule envisages admission to trading of the shares of Allterco JSCo on the Frankfurt Stock Exchange on November 19, 2021 (Friday) and the first trading day on November 22, 2021 (Monday). Consultant of Allterco JSCo during the process of listing in Frankfurt is Expat Capital SA</p>
12.11.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>Hereby a reference is made to the Exemption Document for the purpose of admission to trading on a regulated market –the Frankfurt Stock Exchange – of 17 999 999 ordinary dematerialized shares of Allterco JSCo, ISIN BG1100003166, dated 2 November, 2021 (“the Exemption Document”), prepared on the basis of the exemption from the obligation to publish a prospectus under Article 1, paragraph 5, point(j) of REGULATION (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. Herewith we inform you that in the Exemption Document there has been edited a technical mistake, that concerns the corporate structure of the company. In respect of the information provided with the document the mistake is not material in its nature. The document with the reflected editing is prepared in Bulgarian, English and German language and is available on the website of Allterco JSCo on the following addresses: - In Bulgarian at https://allterco.com/за-инвеститорите/публично-предлагане/2021-година/ - In English and German at https://allterco.com/en/for-investors/public-offering/year-2021/</p>
19.11.2021	<p>The Company has announced to the FSC and to the Public the following information:</p> <p>Herewith we inform you that in compliance with Art. 34a of the Statute of the Company, adopted by the General Meeting of the Shareholders on 15.10.2021, the Board of Directors of Allterco JSCo has decided to establish an Advisory Board chaired by Mr. Gregor Bieler. The objective of the formation of the Advisory Board is to attract professionals with international experience to support the business growth in terms of sales, management capacity, and operational processes. These are of importance for the development of the</p>

	<p>company, its recognition on the international market, and the increasing of its credibility with the investors. The choice of Gregor Bieler as the chairman of the company's advisory body was provoked by his expertise in business transformations in international companies specialized in digital technologies. Gregor Bieler has been CEO of Aparavi Software AG since April 2021 and is one of the most respected leaders and pioneers of digital business and culture transformation. With more than 15 years of experience in digital business, his journey began in 1991 by co-founding Waycom Informationssysteme, an ERP systems service provider. Among other roles, Bieler was VP in Sales & Marketing at Logitech Europe, bringing significant growth to the company through a tactical repositioning of its Consumer Electronics & E-Commerce division. He also transformed payment processor PayPal into a customer-centric e-commerce and market-leading online payment service provider as Vice President and Managing Director. Until 2021, Bieler was a member of the Executive Board and General Manager at Microsoft Germany GmbH, where he was responsible for the partner business. Through his strategic as well as analytical solutions, Bieler helped the group achieve an extraordinary track record in Microsoft Sales & Marketing history - from licensing to solution sales and 100% cloud business growth several years in a row. Through special achievements, Bieler received the "IT Channel Manager of the Year" award twice in a row. As an entrepreneur and founder, Bieler also advises numerous companies as a board member. These include leading companies such as GlobalLogic, Dustin, ATOSS Software AG, ROBUR Industry Service Group GmbH and numerous others</p>
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8. OTHER INFORMATION AT THE DISCRETION OF THE COMPANY

Sale of the Asian telecommunications business of Allterco JSCo

In relation with the contract signed between Allterco JSCo and Skylight Venture Capital Pte. Ltd., Singapore for the sale of 3 subsidiaries of Allterco, The Company has received the first payment amounting to 50% of the agreed purchase price.

Establishment of German Subsidiary

The Board of Directors of Allterco has taken a decision to establish a subsidiary in Germany - Allterco Europe GmbH. The German company will have its registered office and registered address in Munich, Germany and a capital of EUR 500 000, 100% owned by Allterco S.A. The company is subject to registration under the German law.

Listing of Allterco's shares on the Frankfurt Stock Exchange

On the basis of the exemption from the obligation to publish a prospectus under Article 1, paragraph 5, point(j) of REGULATION (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation") Allterco JSCo has published an Exemption document together with all its amendments. As of 22.11.2021

The document is prepared in Bulgarian, English and German language and is available on the website of Allterco JSCo on the following address:

- In Bulgarian at <https://allterco.com/за-инвеститорите/публично-предлагане/2021-година/>
- In English and German at <https://allterco.com/en/for-investors/public-offering/year-2021/>

Based on the said legal exemption on 19.11.2021 the shares of Allterco JSCo were admitted to trading on the Frankfurt Stock Exchange with first date of trading 22.11.2021 and WKN A2DGX9, ISIN BG1100003166, ticker A4L.

As of November 22, 2021 the shares of Allterco are traded on two regulated markets – Bulgarian Stock Exchange and Frankfurt Stock Exchange.

Advisory Board

In compliance with Art. 34a of the Statute of the Company, adopted by the General Meeting of the Shareholders on 15.10.2021, the Board of Directors of Allterco JSCo has decided to establish an Advisory Board chaired by Mr. Gregor Bieler.

The objective of the formation of the Advisory Board is to attract professionals with international experience to support the business growth in terms of sales, management capacity, and operational processes.

Measures related to COVID 19

The management of Allterco continues successfully to apply a number of stabilization measures by which to limit the possible negative impact of the situation on the personnel and the financial state of the Company. As a result of those measures (introduction of hybrid ways of work for the employees within the Group, timely resource provision with key components for production) during the reported period there are no signs for worsening of Group's financial position and the Company anticipates this trend to be kept for the next quarters.

The successful increase in the capital of the Company in Bulgaria during the last quarter of 2020 further increased the financial stability of the group. In addition, the shareholders of the company increased significantly and this led to the inclusion of the company's shares in the SOFIX index of the BSE, as of March 2021.

During the reporting period Allterco JSCo has increased its share capital through a public offering of new shares, which in addition will improve the financial stability of the Group.

Date: November 25, 2021

For ALLTERCO JSCo:

Dimitar Dimitrov
CEO