

ANNUAL REPORT
ON THE BUSINESS ACTIVITY OF
ALLTERCO JSCo
FOR FINANCIAL YEAR 2020



THIS BUSINESS ACTIVITY REPORT IS PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ART. 39 ET SEQ. FROM THE ACCOUNTING ACT, ART. 100N, PARAGRAPH 7 OF THE PUBLIC OFFERING OF SECURITIES ACT AND ANNEXES No 10 AND No 11, TO ART. 22A, PARAGRAPH 1, ITEM 2 OF ORDINANCE No 2 DATED 17 SEPTEMBER 2003 ON PROSPECTUSES FOR PUBLIC OFFERING AND ADMISSION TO TRADING ON A REGULATED SECURITIES MARKET AND DISCLOSURE OF INFORMATION.

DEAR SHAREHOLDERS,

We, the members of the Board of Directors of ALLTERCO JSCo., committed to manage the company in the best interest of the shareholders, as well as on the basis of the requirements of the provisions of Art. 39 et seq. of the Accounting Act (in force since 01.01.2016), Art. 100n, Paragraph 7 of the Public Offering of Securities Act and Annex No. 10, to Art. 32a of Ordinance No. 2 of 17 September 2003 on prospectuses for public offering and admission to trading on a regulated securities market and for disclosure of information, have prepared this activity report (hereinafter "The Report"). The Report provides comments and analysis of the financial statements and other material information regarding the financial position and the results achieved by the company operations. The report contains an objective review that presents truthfully and honestly the development and performance of ALLTERCO JSCo, as well as its status, together with a description of the main risks it faces.

The circumstances that occurred in 2020, which the company's management believes may be of significance to the investors in deciding to acquire, sell or continue to hold publicly offered securities, have been disclosed within the time limits provided for in the Public Offering of Securities Act and by the Financial Supervision Commission, investors and the regulated securities market.

This Report on the activity of Allterco JSCo presents information about the company on an individual basis as of 31 December 2020 and covers the period 01.01.2020-31.12.2020 (“reporting period”).

I. GENERAL INFORMATION ABOUT THE COMPANY

ALLTERCO JSCo is a public limited company with the following main business activity: Acquisition, management, evaluation and sale of 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 the Company participates; purchase of goods and other goods for resale in the raw, processed or treated form; sale of goods from own production; foreign trade transactions; commissions, forwarding, warehousing and leasing transactions; transport transactions in the country and abroad; transactions of commercial representation and mediation of local and foreign individuals and legal entities; consultancy and marketing transactions; providing management and administration services to local and foreign legal entities; as well as any other commercial transactions not prohibited by the law.

The Company was entered in the Commercial Register on 11 February 2010.

As of 31.12.2020, ALLTERCO JSCo has its registered office, telephone, fax, e-mail, web site as follows:

- Current registered office as of the date of preparing this Report on address: *City of Sofia 1407, 103 Cherni Vrah Blvd*
- *Tel: +359 2 9571248*
- e-mail: investors@allterco.com
- Web page: www.allterco.com

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

The share capital was fully paid in by five contributions:

- Contribution in kind representing 100% of the shares of Teravoice EAD (Solely-owned PLC), with a monetary valuation of BGN 50 000 (fifty thousand leva);
- Contribution in kind representing 69.60% of the shares of Tera Communications AD (PLC), with a monetary valuation of BGN 5 438 000 (five million four hundred and thirty-eight thousand leva);
- A combination of contributions in kind and monetary contributions worth BGN 8 012 000 (eight million and twelve thousand leva).
- Cash contributions with a total value of BGN 1 500 000 (one million and five hundred thousand leva) against subscribed and paid 1 500 000 (one million and five hundred thousand) dematerialized ordinary registered voting shares with a par value of 1 BGN as a result of a procedure for initial public offering of a new issue of shares.

- Cash contributions with a total value of BGN 2 999 999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine leva) against subscribed and paid 2,999,999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) dematerialized ordinary registered voting shares with a par value of 1 BGN as a result of a procedure for initial public offering of a new issue of shares. The public offering of shares from the capital increase of Allterco JSCo was held in the period 28.09.2020 – 30.10.2020 on the basis of a Prospectus together with its supplements as affirmed by the Financial Supervision Commission with Ordinance No 148-E of 18.02.2020, Decision No 405-E of 11.06.2020, Decision No 601-E of 13.08.2020 and Decision No 791-E of 29.10.2020.

As of 31 December 2020, the capital structure of ALLTERCO JSCo is as follows:

SHAREHOLDER NAME	PERCENTAGE OF THE CAPITAL
Svetlin Todorov	32.48 %
Dimitar Dimitrov	32.48 %
Viktor Atanasov*	6.23 %
Other individuals and legal entities	28.81 %

** After the end of the reporting period, the Company has received a notification from the shareholder Viktor Atanasov for reduction of its shareholding to 2.09%, as of 12.01.2021, on the basis of which a change should be reported as well as a change in the share of minority shareholders - a total of 32.95%.*

1. In-kind contributions have been made in the last three financial years

In the last three financial years, no in-kind contributions have been made to the company's capital.

2. Information about the issuer's management system

As of 31.12.2020, ALLTERCO JSCo has a one-tier management system - 3-member Board of Directors, according to a resolution of the General Meeting of Shareholders dated 20.12.2020, entered in the Commercial Register under No. 20210105090633

As of 31.12.2020, the members of the Board of Directors are:

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

II. REVIEW OF THE COMPANY'S BUSINESS ACTIVITY AND STATUS

As of 31.12.2020, Allterco JSCo reports investments in the following companies:

- 100% of the capital of Allterco Robotics EOOD, Bulgaria;
- 100% of the capital of Allterco Properties EOOD;
- 100% of the capital of Allterco Trading EOOD
- 100 % of the capital of Allterco PTE Ltd., Singapore;
- 100% of the capital of Allterco SDN Ltd., Malaysia;
- 49% of the capital of Allterco Ltd., Thailand;
- 100 % of the capital of Global Teracomm Inc., (DBA Allterco Robotics)

As of 09.03.2021, Allterco JSCo also holds 30% of the capital of the newly founded company named Allterco Asia Ltd. 91440300MA5GMK2T5B, with domicile and registered office: number 716, Building A, XingHe Shiji, Cai Tian road 3069, Gangxia, Futian, Shenzhen, China.

No changes occurred in the economic group of Allterco JSCo during the reporting period.

III. RESULTS FROM THE ACTIVITY

1. FINANCIAL RESULT

As of the end of the reporting period, ALLTERCO JSCo reported on individual basis a net profit at the amount of BGN 2 330 thousand, compared to the net profit of BGN 4 483 thousand registered in 2019, and the amount of BGN 549 thousand in 2018.

The significant increase of profit in 2019 is mainly due to the realized profit from sales of investments in 5 subsidiaries. The profit in 2020 is also to a great extent due to the realized sale of financial investments.

Table No 1

(in BGN thousand)					
EQUITY, MINORITY INTEREST AND LIABILITIES	2018	%	2019	%	2020
a	1		2		3
A. EQUITY					
I. Registered capital	15 000	0%	15 000	20%	18 000
II. Reserves	1 357	11%	1 500	703%	12 052
III. Financial result					
1. Retained earnings (losses) incl.	1 089	-196%	-1 041	-387%	2 992
2. Current period profit	713	529%	4 483	-48%	2 330
3. Current period loss					
Total Group III	1 802	91%	3 442	55%	5 322
TOTAL FOR SECTION A (I+II+III):	18 159	9.82%	19 942	77.38%	35 374

During the reporting period occurred the following changes in the shareholder's equity of Allterco JSCo:

- The registered capital was increased up to BGN 17 999 999 by a new emission of 2 999 999 shares
- The Company accounted premiums from the new issued emission of shares in the amount of BGN 5 703 thousand, formed as the difference between the subscription price per share in the amount of BGN 3.0 and the nominal value per share (BGN 1.0)
- The Company reports a reserve from the revaluation of financial assets in the amount of BGN 4 849 thousand, representing a revaluation of the shares held by a foreign public company (Link Mobility Group Holding ASA, Norway).

Revenues from ordinary business activity

Table No 2

(in BGN thousand)					
REVENUES	2018	%	2019	%	2020
a	1		2		3
A. Operating income					
I. Net revenue from sales of:					
1. Production	0	0%	0	0%	0
2. Goods	0	0%	0	0%	0
3. Services	371	-27%	272	-100%	0
4. Others	28	-60.71%	11	36.36%	15
Total Group I	399	-29.07%	283	-94.70%	15
II. Revenues from financing	0	0%	0	0%	0
including by the Government	0	0%	0	0%	0
Total Group II	0	0%	0	0%	0

III. Financial income					
1. Income from interest	7	186%	20	75%	35
2. Income from dividends	1 192	0%	820	0%	0
3. Positive differences from transactions with financial assets	0		8 475	-59.34%	3 446
4. Positive differences from exchange rate fluctuations	0		0		136
5. Others	0	0%	0	0%	0
Total Group III	1 199	676.90%	9 315	-61.17%	3 617
B. Total operating revenue (I + II + III):	1 598	500.63%	9 598	-62.16%	3 632

As of the end of the reporting period, ALLTERCO JSCo reported on individual basis net sales revenue in the amount of BGN 15 thousand, which is a decrease of 94,70 % compared to the net sale revenue for 2019, which amounted to BGN 293 thousand. This is due to the fact that in 2020 the Company did not invoice management fee to its subsidiaries.

In 2020, the Company sold part of the shares it held in a foreign public company which resulted in a profit in the amount of BGN 3 446 thousand. In 2019, the Company sold its investments in 5 subsidiaries. As a result of the transaction, the Company reported positive differences from transactions with financial assets in the amount of BGN 8 475 thousand.

Operating expenses by economic elements

Table No 3

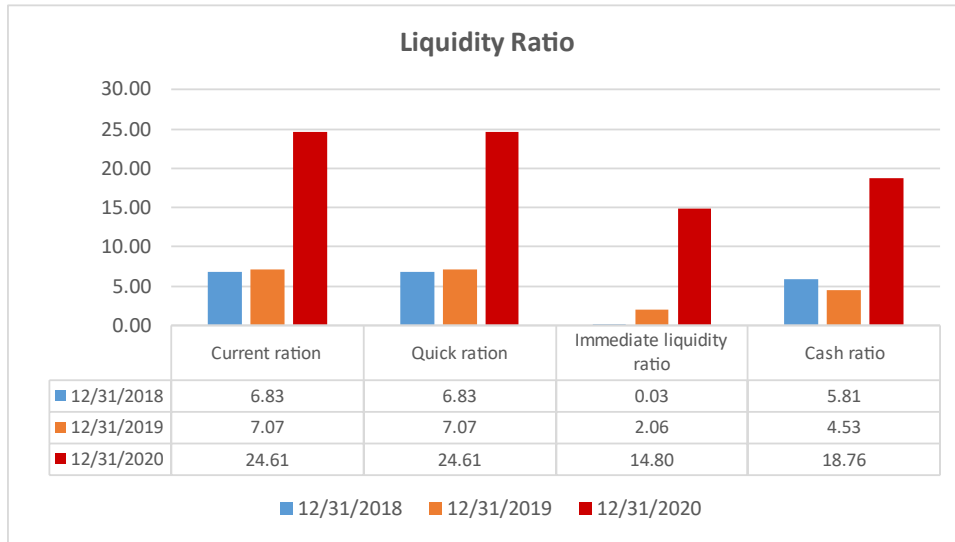
(in BGN thousand)					
EXPENSES	2018	%	2019	%	2020
a	1		2		3
A. Operating expenses					
I. Expenses by economic elements					
1. Materials	10	-30.00%	7	-85.71%	1
2. External services	319	-2.19%	312	10.90%	346
3. Depreciation	10	10.00%	11	-81.82%	2
4. Remuneration	331	40.18%	464	-27.16%	338
5. Social security	41	-2.44%	40	0%	40
6. Book value of sold assets	0	0%	0	0%	0
7. Change in inventories and work in progress	0	0%	0	0%	0
8. Other, incl.	30	12927%	3 908	-86.23%	538
Impairment of assets provisions	15	25860%	3 894	-87.67%	480
	0	0%	0	0%	0
Total Group I	741	539.95%	4 742	-73.32%	1 265

As of the end of the reporting period, the expenses by economic elements of ALLTERCO JSCo amount to BGN 1 265 thousand, and register a decrease of 73,32 % compared to the expenses by economic elements of the company for the same period in 2019. The largest share in the expenses reported by ALLTERCO JSCo is held by other expenses with a share of 42.5%, followed by the expenses for remuneration and social security with a share of 29,88%.

Other expenses for the reporting period include impairment of the investment in Allterco PTE in the amount of BGN 480 thousand.

FINANCIAL INDICATORS

2. LIQUIDITY



Overall liquidity ratio

As of the end of the reporting period, the value of the overall liquidity ratio of ALLTERCO JSCo is 24,61 and increased compared to its values for 2019 and 2018. In 2020 compared to 2019, the current assets of ALLTERCO JSCo increased by 93,98%, while the current liabilities decreased by 41,44 %.

Immediate liquidity ratio

As of the end of the reporting period, the value of the immediate liquidity ratio is 18,76 and increased compared to its value of 4,53 for 2019. At the end of 2020 compared to 2019, the company's cash increased by 300,44 % and the financial assets decreased by 10,94%%.

Quick liquidity ratio

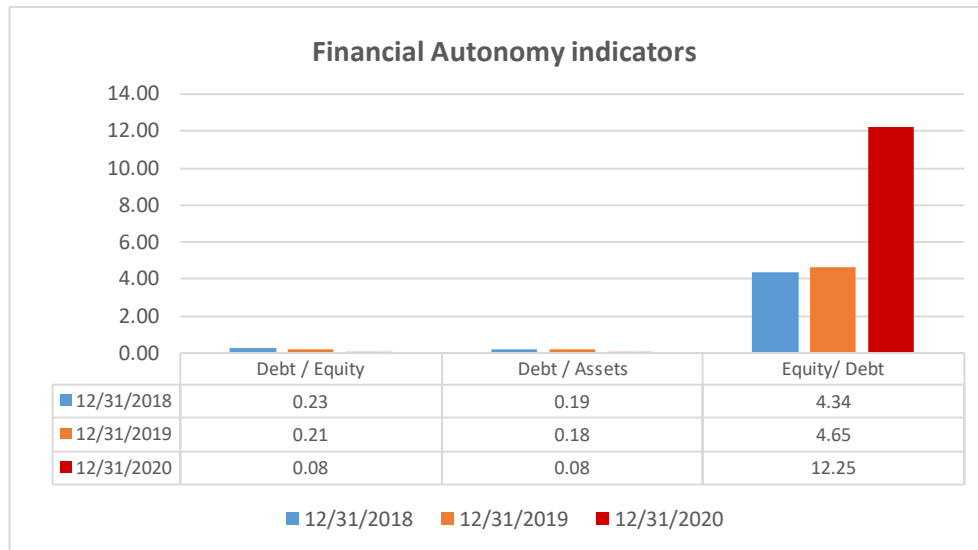
As of the end of the reporting period, the value of the quick liquidity ratio is 24,61 and increased compared to the values for the same reporting period in the previous financial year. In both 2020 and 2019, the inventories value is zero, but the current assets increased by 93,98%, and the current liabilities decreased by 41,44 %.

Absolute liquidity ratio

As of the end of the reporting period, the value of the absolute liquidity ratio is 14,80 and increased compared to its values in 2019 and 2018. In 2020 compared to 2019, the company's cash increased by 300,44 % as a result of successful capital increase.

3. CAPITAL RESOURCES

FINANCIAL AUTONOMY RATIOS



Financial autonomy ratio

As of the end of the reporting period, the value of the financial autonomy ratio increased compared to 2019. In 2020 compared to 2019, the equity on an individual basis increased by 77,38% and the company debt decreased by 32,66 %.

Debt ratio

As of the end of the reporting period, the consolidated debt ratio is 0,08 and is down compared to 2019 and the main reason for this is repaid debts to financial institutions and other creditors, whereas at the same time the equity increased.

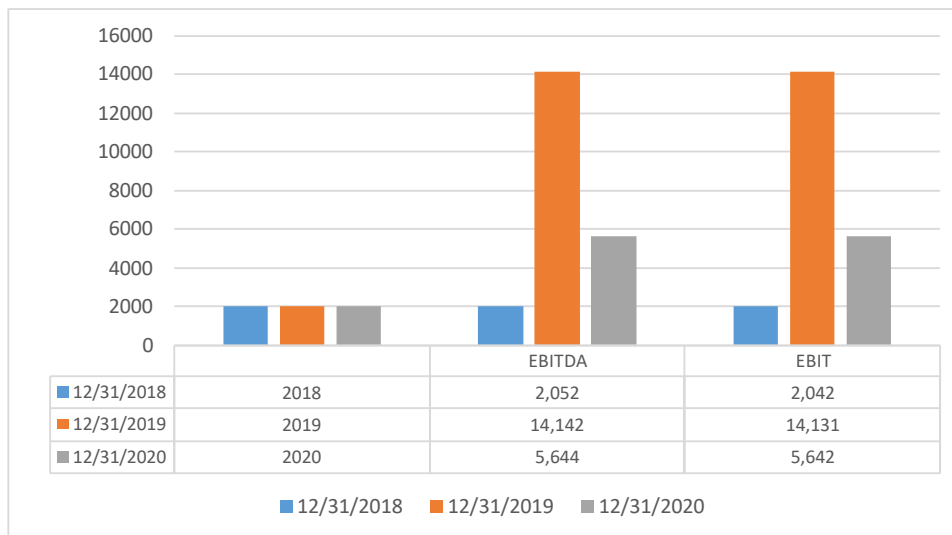
Debt to total assets ratio

The debt/assets ratio directly indicates what percentage of the company's assets are financed by debt.

As of the end of the reporting period, the debt/assets ratio value is 0,08 In 2020, compared to 2019, the debt of ALLTERCO JSCo on individual basis decreased by 32,66 % and the total assets of the company increased by 57,91 %.

3. KEY COEFFICIENTS

Summary information on the financial performance of ALLTERCO JSCo for the last three financial periods is presented in the following charts and tables:

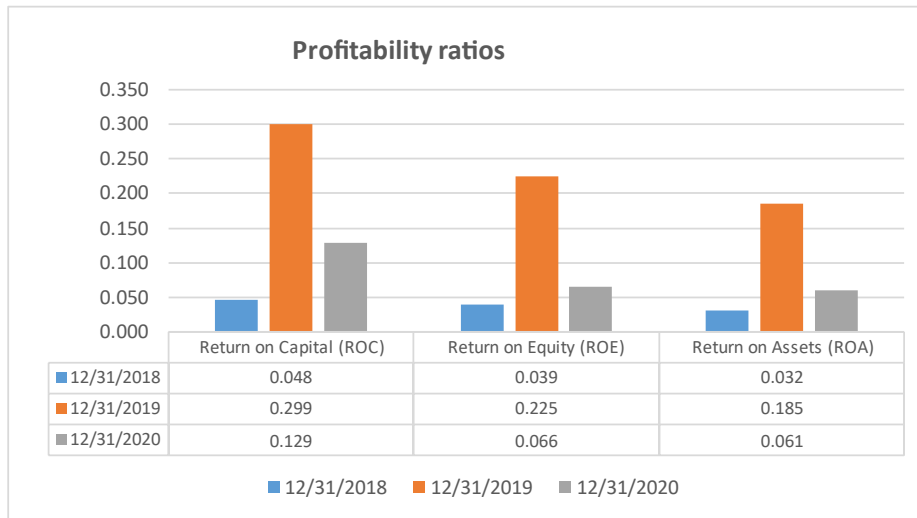


The calculation of the above indicators includes the revenues from dividends and the positive differences from the sale of financial assets (realized in 2019 and 2020), which are ordinary operating revenues for a holding company.

Table No 4

Indicators	(in BGN thousand)		
	31.12.2017	31.12.2018	31.12.2019
Net sales revenue	399	283	15
Equity	18 159	19 942	35 374
Non-current liabilities	2 882	2 515	1 900
Current liabilities	1 298	1 772	987
Non-current assets	13 475	11 706	13 969
Current assets	8 864	12 523	24 292
Working capital	7 566	10 751	23 305
Cash equivalents	36	3 649	14 612
Total debt	4 180	4 287	2 887
Interest expenses	121	94	79
Inventory	0	0	0
Short-term receivables	1 318	4 487	5 773
Operating expenses	741	4 742	1 265
Materials expenses	10	7	1

4. PROFITABILITY INDICATORS



Return on equity (ROE)

As of the end of the reporting period, the Return on equity ratio decreased to 0,066 compared to the same period in the previous financial year. The reason for this is the decrease by 48,03% in the net profit of the company. In 2020 compared to 2019, the company's equity increased by 77,38 %, which is mainly the result of capital increase completed successfully during the year.

Return on assets (ROA)

The value of ROA ratio as of the end of the reporting period is 0,061 and it decreased compared to the previous financial year. For 2020, ALLTERCO JSCo reports a drop in the net profit, along with an increase in the company's assets by 57,91 %.

Return on registered capital

As of the end of the reporting period, the Return on registered capital is 0,129 and it decreased compared to 2019. In 2020 compared to 2019, the company's net profit decreased, whereas the company equity increased due to a new emission of shares.

INFORMATION ON ENVIRONMENTAL AND PERSONNEL ISSUES

HUMAN RESOURCES

As of the end of the reporting period, the average number of employees in ALLTERCO is 7 people, and out of them the number of managerial personnel connected to the company operation is 5.

The relationships with workers and employees are regulated with individual employment contracts.

The Company's management strives to improve the standard of living of its employees outside the hours in which they are directly engaged in their work commitments. The amount of expenses for salaries and social security for 2020 amounted to BGN 378 thousand.

ENVIRONMENTAL PROTECTION POLICY

The company does not carry out activities that harm the environment. Nevertheless, the Company strives to limit the use of materials produced from non-renewable energy sources and implements a program for energy conservation.

REPORTING OF NON-FINANCIAL INFORMATION

In accordance with the requirements of Directive 2014/95/EU of the European Parliament on reporting non-financial information and the provisions of the Accountancy Act, for a number of companies arises an obligation to publish non-financial information alone or as part of the annual business activity reports.

The obligation arises for large public-interest entities which, as at 31 December of the reporting period, exceed the criterion for an average number of employees in the financial year of 500 persons. Companies of public interest are: public companies and other issuers of securities; credit institutions; financial institutions; insurers and reinsurers, pension insurance companies and funds managed by them; investment intermediaries; trading companies that produce, transport and sell electricity and heat; commercial companies that import, transport, distribute and transit natural gas; commercial companies providing water, sewer and telecommunications services; Bulgarian State Railways EAD and its subsidiaries.

Large enterprises are defined as those with net sales revenues - BGN 76 million or the carrying amount of the assets - BGN 38 million.


Given the criteria set out in the Accountancy Act, it can be concluded that Allterco JSCo does not, on an individual basis, incur an obligation to report non-financial information on its own or as part of the report of the Board of Directors.

IV. MAJOR RISKS FOR THE COMPANY

The risks related to the business operation of the Company can be generally divided into systematic (overall) and non-systematic (pertaining specifically to its activity and the field where it operates). The Company is also associated with the similar risk categories typical for its activity and field where its subsidiaries operate. In addition, the investors in financial instruments of the Company are exposed to risks related to investments in securities.

SYSTEMATIC RISKS

Systematic 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. Systematic risks are the following: political risk, macroeconomic risk, inflation risk, foreign exchange 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 internal political turmoil and adverse changes in European and/or national legislation, and as a result, the environment in which local businesses operate is negatively changed and investors suffer losses.</p> <p>The political risks for Bulgaria in international context relate to the commitments undertaken to carry out serious structural reforms in the country as a member of the EU, to increase social stability and to limit inefficient expenditures, as well as to the strong destabilization of the countries in the Middle East, the increasing threats of terrorist attacks in Europe, the waves of refugees, and the instability of key countries in close proximity to Bulgaria.</p> <p>Other factors that also affect this risk are possible legislative changes, namely those that affect the economic and investment climate in the country.</p>
GENERAL MACROECONOMIC RISK	<p>In December 2020, according to data of the National Statistical Institute, the business climate composite indicator decreased by 1.7 percentage points compared to the previous month. Drop in the indicator is observed in retail trade and the service sector, in construction it retains its level of November, whereas in industry was registered an increase.</p> <p style="text-align: center;">Fig. 1. Business climate – general</p> <div style="text-align: center;">  <p style="text-align: center;">*Source: NSI</p> </div>

	<p>In the fourth quarter of 2020, the European Central Bank reported a strong recovery in the global economy, followed by a sustained growth momentum in the early fourth quarter. According to Eurosystem experts' macroeconomic forecasts from December 2020, real GDP worldwide (excluding the euro area) will shrink by 3.0% in 2020 and increase by 5.8% in 2021 before growing by 3.9% and 3.6% in 2022 and 2023, respectively. World trade (excluding the euro area) declined more sharply than real GDP in 2020, but is expected to recover more strongly in 2021.</p> <p>After a sharp decline in the first half of 2020, the real euro area GDP recovered strongly, rising by 12.5% in the fourth quarter compared to the previous year, although it remained well below pre-pandemic levels. The Eurosystem experts' euro area projections for December 2020 forecast annual growth of GDP in real terms of -7.3% in 2020, 3.9% in 2021, 4.2% in 2022. and 2.1% in 2023. Compared to the ECB's macroeconomic forecasts of September 2020, the prospects for economic activity has been revised downwards in the short term, but in the medium term is broadly expected to recover to the level projected in the baseline scenario of the September forecasts.¹</p>																																							
INTEREST RATE RISK	<p>The interest rate risk is related to possible, probable, negative changes in the interest rates established by the financial institutions of the Republic of Bulgaria.</p> <p>At its meeting on monetary policy on 10 December 2020, the Governing Council of the ECB, on the basis of an assessment of the outlook for economic development and inflation in the euro area and taking into account the latest macroeconomic forecasts of Eurosystem experts, decided to maintain the ECB's base interest rates. They are expected to remain at current or lower levels until the inflation outlook is steadily approaching a level close to but below 2% over the forecast horizon, and this convergence is also reflected in core inflation dynamics.</p> <table border="1" data-bbox="520 936 1370 1368"> <thead> <tr> <th>Year</th> <th>Month</th> <th>Base interest rate</th> </tr> </thead> <tbody> <tr><td>2020</td><td>January</td><td>0.00 %</td></tr> <tr><td>2020</td><td>February</td><td>0.00 %</td></tr> <tr><td>2020</td><td>March</td><td>0.00 %</td></tr> <tr><td>2020</td><td>April</td><td>0.00 %</td></tr> <tr><td>2020</td><td>May</td><td>0.00 %</td></tr> <tr><td>2020</td><td>June</td><td>0.00 %</td></tr> <tr><td>2020</td><td>July</td><td>0.00 %</td></tr> <tr><td>2020</td><td>August</td><td>0.00 %</td></tr> <tr><td>2020</td><td>September</td><td>0.00 %</td></tr> <tr><td>2020</td><td>October</td><td>0.00 %</td></tr> <tr><td>2020</td><td>November</td><td>0.00 %</td></tr> <tr><td>2020</td><td>December</td><td>0.00 %</td></tr> </tbody> </table> <p style="text-align: center;">* Source: BNB</p>	Year	Month	Base interest rate	2020	January	0.00 %	2020	February	0.00 %	2020	March	0.00 %	2020	April	0.00 %	2020	May	0.00 %	2020	June	0.00 %	2020	July	0.00 %	2020	August	0.00 %	2020	September	0.00 %	2020	October	0.00 %	2020	November	0.00 %	2020	December	0.00 %
Year	Month	Base interest rate																																						
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INFLATION RISK	<p>Inflation risk is the general increase in prices, whereby money is depreciated and there is a likelihood of suffering losses by households and businesses.</p> <p>The consumer price index 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-productive) consumption and is calculated by applying the structure of final monetary consumer expenditures of Bulgarian households. The consumer price index for December 2020 compared to November 2020 is 100.5%, i.e. the monthly inflation is 0.5%. The annual inflation for December 2020 compared to December 2019 is 0.1% The average annual inflation for the period January - December 2020 compared to the period January - December 2019 is 1.7%.²</p> <p>The harmonized index of consumer prices is a comparable measure of inflation in the EU countries. It is one of the criteria for price stability and for Bulgaria's accession to the euro area.</p>																																							

¹ https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202008_bg.pdf

² https://www.nsi.bg/sites/default/files/files/pressreleases/Inflation2020-12_X3I95NG.pdf

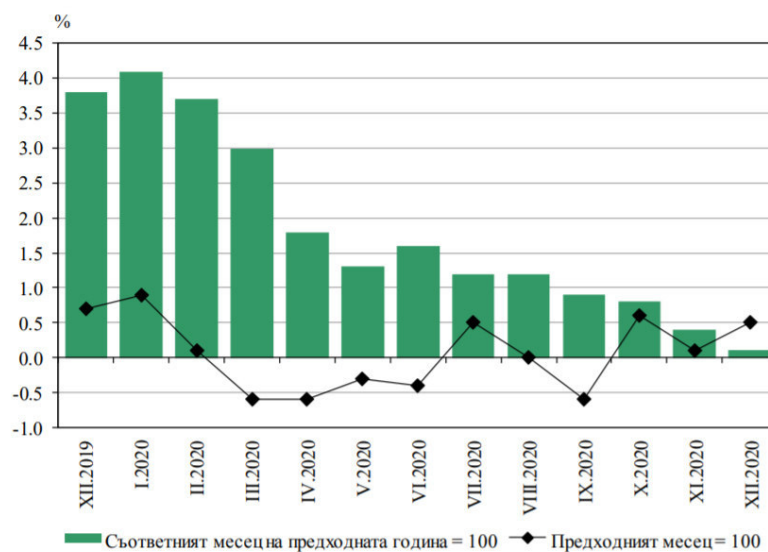
The HICP, like the CPI, measures the overall relative change in the price level of goods and services.

The harmonized index of consumer prices for December 2020 compared to November 2020 is 100.5%, i.e. the monthly inflation is 0.5%. Annual inflation for December 2020 compared to December 2019 is 0.0%. The average annual inflation for the period January - December 2020 compared to the period January - December 2019 is 1.2%.³

According to a preliminary evaluation by Eurostat, annual inflation in the euro area in November remained unchanged at - 0.3%. This evaluation is generally reflected in the baseline scenario of the December 2020 macroeconomic forecasts of the euro area by Eurosystem experts, which forecast annual HICP inflation of 0.2% in 2020, 1.0% in 2021, 1,1% in 2022 and 1.4% in 2023.⁴

Fig. 1. Inflation measured with CPI, by months

Фиг. 1. Инфлация, измерена чрез ИПЦ, по месеци



Same month the previous year = 100 Previous month = 100

**Source: NSI*

CURRENCY RISK

Exposure to foreign exchange risk represents the dependence and effects of changes in currency exchange rates. Systematic foreign exchange risk is the likelihood of a possible change in the country's currency regime (currency board), which would either lead to a depreciation or an appreciation of the Bulgarian lev against foreign currencies.

Foreign exchange risk will have an impact on companies that have payments in currencies other than BGN and EUR. As per the current legislation in the country the Bulgarian lev is fixed to the EUR at the rate of EUR 1 = BGN 1.95583, and the Bulgarian National Bank is obliged to maintain the level of the Bulgarian lev in circulation equal to the foreign exchange reserves of the bank, the risk of depreciation of the Bulgarian lev against the European the currency is minimal and consists of the eventual early removal of the currency board in the country. At this stage, this seems unlikely, as expectations are that the currency board will be abolished when Bulgaria adopts the Euro as an official unit of payment.

Theoretically, foreign exchange 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 has to keep the exchange rate against the euro within +/- 15% relative to central parity. In practice, all

³ https://www.nsi.bg/sites/default/files/files/pressreleases/Inflation2020-12_X3I95NG.pdf

⁴ https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202008_bg.pdf

	<p>countries currently under this mechanism (Denmark, Estonia, Cyprus, Lithuania, Latvia, Malta) have fluctuations substantially smaller than the accepted $\pm 15\%$.</p> <p>On 10 July 2020, Bulgaria joined the ERM II exchange rate mechanism, known as the "euro zone's waiting room". The central exchange rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva. Around this central exchange rate of the lev, the standard range of plus or minus 15 percent will be maintained. Bulgaria joins the exchange rate mechanism with its existing currency board arrangement, as a unilateral commitment and without additional requirements to the ECB.⁵ At the same time, our country must enter into close cooperation with the unified banking supervision. The fixed BGN/EUR exchange rate does not eliminate for the Bulgarian currency the risk of adverse movements in the exchange rate of EUR against the other major currencies (US dollar, British pound, Swiss franc) on the international financial markets, but at present the company does not believe that such risk would be significant in its business. The company could be subject to foreign exchange risk related to cash inflows in foreign currencies and company loans denominated in foreign currencies.</p> <p>The companies of the Allterco JSCo Group operate both in Bulgaria and in EU countries and third countries, mainly in the USA and the Asia-Pacific region. At present, the majority of the revenues from the Group's IoT business are denominated in BGN or EUR, while cost of delivery of goods in this segment are mainly in US dollars and are largely tied to the Chinese yuan. Therefore, the appreciation of the US dollar or the Chinese yuan would have an adverse effect on the operating results of the Group. In terms of US dollar exposure, the Group companies are expected to have significant US dollar sales revenues in the US and other non-EU markets in the future, which to some extent balances the Group's net exposure to that primary currency.</p> <p>In addition, the Group companies are exposed to currency risk with respect to the Asian telecommunications business, and the planned sale of this business can be expected to be realized in euros or US dollars. (revenue and expenses in this business are in Singapore dollars, Thai baht and Malaysian ringgit)</p> <p>To limit the effects of the currency risk, the Issuer has introduced a system for planning the deliveries from countries inside and outside the European Union, as well as procedures for daily monitoring of the movements in the exchange rates of the foreign currencies and control over the forthcoming payments. Currently, the Issuer does not use derivative instruments to hedge the currency risk, but if necessary, the management is ready to enter into such transactions.</p>																
Credit risk of the country	<p>Credit risk is the probability of deterioration of Bulgaria's international credit ratings, which is caused by the state's inability to repay its obligations regularly on time. The country's low credit ratings may lead to higher interest rates, more difficult financing terms, both for the state and for the individual economic entities, including the Issuer. Credit ratings are prepared by specialized credit rating agencies and are used to determine and measure a country's credit risk. Bulgaria's credit rating is presented in the following table:</p> <p>Table 5: Credit risk of Bulgaria</p> <table border="1" data-bbox="427 1507 1378 1688"> <thead> <tr> <th>Credit rating agency</th> <th>Date of last change</th> <th>Long-term rating</th> <th>Perspective</th> </tr> </thead> <tbody> <tr> <td>Standard & Poor's</td> <td>28.11.2020⁶</td> <td>BBB/A-2</td> <td>Stable</td> </tr> <tr> <td>Moody's</td> <td>09.10.2020⁷</td> <td>Baa1</td> <td>Stable</td> </tr> <tr> <td>Fitch</td> <td>21.08.2020⁸</td> <td>BBB</td> <td>Stable</td> </tr> </tbody> </table> <p><i>Source: Ministry of Finance</i></p> <p>On 21.08. 2020, the international credit agency Fitch confirmed the long-term and short-term credit rating of Bulgaria in foreign and local currency. The level is maintained BBB with a stable outlook. The stable outlook reflects the degree of economic resilience against the coronavirus pandemic due to long-term fiscal stability, significant international foreign exchange reserves and</p>	Credit rating agency	Date of last change	Long-term rating	Perspective	Standard & Poor's	28.11.2020 ⁶	BBB/A-2	Stable	Moody's	09.10.2020 ⁷	Baa1	Stable	Fitch	21.08.2020 ⁸	BBB	Stable
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⁵ <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200710~4aa5e3565a.en.html>

⁶ <https://www.minfin.bg/bg/news/11191>

⁷ <https://www.minfin.bg/bg/news/11147>

⁸ <https://www.minfin.bg/bg/69>

	<p>the possibility of significant transfers from the EU over the forecast period. The country's entry into the Exchange Rate Mechanism II (ERM II) and the gradual process of preparation for the adoption of the euro will also help maintain macroeconomic and fiscal stability in the context of negative risks to growth and growing political uncertainty.⁹ On 28.11.2020, the credit rating agency Standard&Poor's reaffirmed Bulgaria's long-term and short-term foreign and local currency credit ratings of 'BBB / A-2'. The exchange rate outlook remains stable. The summary report notes the improvement in expectations for the development of the Bulgarian economy, as domestic demand is more resilient to the impact of the pandemic than the agency's preliminary estimates. The stable outlook reflects the agency's expectations for a rapid recovery of the Bulgarian economy after the pandemic, with no imbalances in the foreign and financial sectors over the next two years.</p>
<p>Unemployment risk</p>	<p>The risk of unemployment, as a major factor influencing the purchasing power of consumers, increasing unemployment would reduce the demand for IoT products. In the major part of the markets in which the Group operates, including Bulgaria and the European Union, unemployment is at historically low levels since the 2008 global financial crisis. On the other hand, the demand for staff on part of the businesses continues to be exceptionally strong, so such a risk seems negligible within the next year.</p> <p>Furthermore, the crisis caused by the new coronavirus pandemic has drastically changed the labor market situation. Eurostat estimates that 15,933 million men and women in the EU-27 [1], of which 13,609 million in the euro area (EA-19) [2], were unemployed in November 2020. Compared to October 2020, the number of unemployed decreased by 222,000 in the EU and 172,000 in the euro area. Compared to November 2019, unemployment has increased by 1,795 million in the EU and by 1,425 million in the euro zone. In November 2020, the seasonally adjusted unemployment rate in the euro area was 8.3% compared to 8.4% in October 2020 and 7.4% in November 2019. The unemployment rate in the EU was 7.5% in November 2020 compared to 7.6% in October 2020 and 6.6% in November 2019.</p>
<p>Risk associated with the legal system</p>	<p>The legal system in Bulgaria is still in the process of reform, although since joining the EU the country has introduced a number of significant legislative changes and most of the Bulgarian legislation has been harmonized with the EU legislation. Judicial and administrative practice remain problematic issues and it is difficult to effectively resolve disputes related to property, violations of laws and breach of contracts, and the like. As a result of the shortcomings of the legal infrastructure, uncertainties may arise in connection with the implementation of corporate actions, supervision and other issues.</p>
<p>TAX RISK</p>	<p>The financial results of the companies are highly dependent to preserving the current tax regimes. There is no guarantee that the tax legislation that is directly relevant to the Company's business activity will not be amended in a way that would lead to significant unforeseen expenses that will accordingly adversely affect its profits. The taxation system in Bulgaria is still evolving, as a result of which controversial tax practices may occur.</p>

⁹ <https://www.minfin.bg/bg/news/11106>

NON-SYSTEMATIC RISKS

Risks related to the field where the Group operates

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

Risk of shortage of key personnel

One of the biggest challenges for technology companies, such as the companies in the Group, as well as given the specific business activities of the company in the field of telecommunications, is the shortage of qualified personnel. According to the Council of European Professional Information, in Europe, including Bulgaria, there is a shortage of such staff, which is expected to reach 756 thousand people at the European level by the end of 2020.¹⁰ Insufficient availability of suitable personnel in the Company could adversely affect the future development due to the delay in the development of new products/services and the maintenance of established ones. On the other hand, the low competition for employees in this sector raises the cost of labour. In this way, the Company's financial position and market share would be affected.

Competitive risk

After selling a major part of the telecommunication business in the group, the Group companies operate in the segment of the Internet of Things. This segment is one of the most modern and promising sectors of the industry, which attracts the interest of many technology giants and start-ups. The loss or impossibility of gaining market share and falling prices of finished products due to increased competition may have a negative effect on revenues and profit margins. Maintaining a competitive position requires investment in the creation of devices with new capabilities, improvement of existing solutions and expansion of market share, and it cannot be taken for granted that new developments will dominate over the competitors on the market.

Risks related to personal data security and hacker attacks

The technology industry is characterized by digital transmission of information that could be strictly confidential, containing personal data of customers, financial information of companies, information on new products and more. Protecting such information is a critical factor for the proper functioning of companies in the industry, including those of the Group. The sale 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 hacker attacks on the information security can lead to: (i) Loss of clients and/or partners and their migration to competitors; (ii) Imposition of sanctions and lawsuits relating to violation of the applicable legislation on data protection and privacy of information; (iii) Lost or delayed orders and sales; (iv) Adverse effects on reputation, business, financial position, profits and cash flows.

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.

¹⁰ Europe's widening ICT skills gap | <https://www.cepis.org/media/CEPISe-CFBackgrounder1.pdf>

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 Issuer and its local partners regularly monitor planned changes in the legislation and take timely measures to ensure the compliance of products with them.

The telecommunications sector, in which some of the companies in the Group operate, is directly related and depends on the *telecommunications services sector, which is characterized by strong regulation* at the level of the respective country where the service is provided, as well as frequent change of these regulations. Very often these regulations lead to a ban on the provision of certain types of services, which has a negative impact on the development of the industry and the results achieved by the companies operating therein. Specific regulation in the different jurisdictions in which the companies of the Group operate is exercised by a local regulator, equivalent to the Bulgarian Communications Regulation Commission.

In consideration of the sale of the telecommunications companies of Allterco JSCo in Europe and the relatively small share of this business in Asia, the impact of the changes in the regulations in the telecommunications business is decreasing. Following the implementation of the planned sale of the Asian telecommunications business by Allterco JSCo, the impact of this risk factor is expected to be minimal.

Regarding the IoT business of the Group companies, the impact of the changes in the regulation of the telecommunication services is also limited. 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, risk associated with the decision of the Board of Directors to sell the Group’s telecommunications business in Asia, 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;
- Key employees leaving 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 Issuer;
- Technical breakdowns 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

Production activities in the IoT segment are 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 the 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.

The business activity of the Group is also related to the business of mobile operators. The services in the telecommunications segment and some of the products of the Group companies in the IoT segment are offered through mobile operators, as the share of this sales channel is gradually decreasing. The possible loss of a partnership with a certain mobile operator and the consolidation processes in the mobile operator sector may lead to negative consequences for the revenues and financial position of the Group. Following the sale of the telecommunications business and the diversification of sales channels in the IoT segment, this risk is becoming less significant.

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.

Risk related to the decision of the Board of Directors to sell the Group's telecommunications business in Asia

In December 2019, the Board of Directors took a strategic decision to sell the Issuer's stake in the capital of the following companies: 100% of the capital of Allterco Pte Ltd. (Singapore), 100% of the capital of Allterco SDN Bhd. (Malaysia) and 49% of the capital of Allterco Co. Ltd. (Thailand). At the moment no binding commitments have been made by potential buyers. On 26 March 2021 Allterco JSCo has received an indicative offer from the Singaporean company Skylight Venture Capital Pte. Ltd. for the acquisition of the subsidiary companies ALLTERCO PTE (Singapore), ALLTERCO SDN (Malaysia) и ALLTERCO Co., Ltd. (Thailand) performing the telecommunications business of Allterco JSCo in Asia, for the price of 2 100 000 EUR. The proposed price is indicative and subject to negotiations and thorough due diligence. The implementation of such a transaction is uncertain, as there are no guarantees that the transaction will take place.

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. Also, one of the companies has a factoring contract, which it uses to advance large payments with a significant deferred payment period.

Bank financing is also used for the implementation of some projects, for which grant funding has been approved by European funding programs for Allterco Robotics EOOD. The terms of the grant provide for the need to finance the projects with own funds and subsequent full or partial reimbursement of the costs incurred. In this regard, after the completion of the projects, the funding used for them will be repaid with the amount of the received grant. In this sense, the use of such financing is not expected to significantly affect the overall financial condition of the Company.

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 of the company.

V. IMPORTANT EVENTS AFTER THE DATE OF FINANCIAL STATEMENTS

The following significant events occurred after the date of preparing the Annual Financial Statement of the Company:

- After the end of the reporting period, the company announced that in 2021 a process for the registration of the shares of Allterco JSCo for trading on the Frankfurt Stock Exchange will be initiated. The company's decision was provoked by the great investor interest from consumers, partners and institutional investors abroad. The listing aims to make the shares of Allterco JSCo available to more investors outside Bulgaria, as well as to provide the company with access to more opportunities for financing and business development
- After the end of the reporting period, the company announced that in connection with the announced plans of the company to enter the Asian market and optimize logistics for the region, Allterco JSCo is establishing a subsidiary in China. The Chinese company will have its domicile and registered office in Shenzhen, Guangdong Province, where a large part of the production process of Allterco Robotics EOOD products is currently concentrated. The capital of the new company will be CNY BGN 100 000 or BGN 25 124.30 according to the BNB fixing as of 4 March 2021, and the participation of Allterco JSCo is 30% with the possibility to acquire additionally up to 50% and reach a controlling stake of up to 80% at the discretion of the holding by good development of the project. The rest of the capital is owned by a long-term partner of Allterco Robotics EOOD in China. As of the date of this report, the company is registered under Chinese law.
- After the end of the reporting period an indicative offer for the acquisition of the participation of Allterco JSCo in the subsidiary companies ALLTERCO PTE (Singapore), ALLTERCO SDN (Malaysia) и ALLTERCO Co., Ltd. (Thailand), performing the telecommunications business of Allterco JSCo in Asia, was sent to the company. The proposed price of 2 100 000 EUR is indicative and subject to negotiations after a thorough due diligence.
- After the end of the reporting period, the Company has received a notification from the shareholder Viktor Atanasov for reduction of its shareholding compared to the threshold according to Art. 145 POSA (reduction of its shareholding below 5%) and namely to 2.09%, as a result of disposal (sale) of 744 000 of the totally owned by him 1 120 500 shares of Allterco JSCo, ISIN BG1100003166, made on 08.01.2021 and registered with the Central Depository on the 12.01.2021.

VI. CURRENT TRENDS AND POSSIBLE FUTURE DEVELOPMENT OF THE COMPANY

As of the end of the reporting period, ALLTERCO JSCo reported on individual basis net sales revenues in the amount of BGN 15 thousand, which is a decrease of 94.70 % compared to the net sales revenues for 2019, which amounted to BGN 293 thousand. This is due to the fact that in 2020 the Company did not invoice management fees to its subsidiaries.

Table No 6

					(in BGN thousand)
REVENUES	2018	%	2019	%	2020
a	1		2		3
A. Operating income					
I. Net revenues from sales					
1. Production	0	0%	0	0%	0
2. Goods	0	0%	0	0%	0
3. Services	371	-27%	272	-100%	0
4. Others	28	-60.71%	11	36.36%	15
Total Group I	399	-29.07%	283	-94.70%	15
II. Revenues for financing	0	0%	0	0%	0
including by the Government	0	0%	0	0%	0
Total Group II	0	0%	0	0%	0
III. Financial income					
1. Income from interest	7	186%	20	75%	35
2. Income from dividends	1 192	0%	820	0%	0
3. Positive differences from operations with financial assets and instruments	0		8 475	-59.34%	3 446
4. Positive differences from exchange rate fluctuations	0	0%	0		136
5. Others	0	0%	0	0%	0
Total Group III	1 199	676.90%	9 315	-61.17%	3 617
B. Total operating revenue (I + II + III):	1 598	500.63%	9 598	-62.16%	3 632

ALLTERCO JSCo does not carry out direct production activities. The production activity is carried out by the subsidiaries.

In 2021, Allterco JSCo will continue to operate in the following main areas:

1. Observation, control and decision-making on important issues affecting subsidiaries as sole proprietor or majority owner through:

- applying the principles of good corporate governance;
- organizing conditions for efficient and transparent work;
- improving the quality of services/products offered.

2. Asset transactions of the company and its subsidiaries

3. Establishment of the management structure

4. Financing of investment activity and operating capital of subsidiaries

5. Financial and accounting policy and reporting

VII. ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

The company did not carry out any activities in the field of research and development and does not plan any in the near future. One of the subsidiaries of Allterco JSCo carried out such activity in 2020. This is Allterco Robotics EOOD.

VIII. INFORMATION ABOUT THE ACQUISITION OF OWN SHARES REQUIRED IN ACCORDANCE WITH ART. 187e (л) OF THE COMMERCIAL ACT

1. Number and nominal value of own shares acquired and transferred during the year, the part of the capital they represent, as well as the price for the acquisition or the transfer

In 2020, ALLTERCO JSCo did not acquire or transfer its own shares.

In 2020, two of the subsidiaries of Allterco JSCo, namely Allterco Robotics EOOD and Allterco Trading EOOD acquired shares (ISIN BG1100003166) from the capital of the public listed parent company, which according to Art. 187f, item 2 is equated to acquisition of own shares.

Allterco Robotics EOOD and Allterco Trading EOOD acquired a total of 20 000 shares of Allterco JSCo, representing 0.11% of the capital of the public company, in order to be provided to employees of the two subsidiaries under conditions additionally determined by the management. The shares were acquired on a regulated market - Bulgarian Stock Exchange AD on 02.12.2020 at market price. Allterco Robotics EOOD has purchase of 13 000 shares and Allterco Trading EOOD - 7 000 shares.

2. Number and nominal value of own shares and the part of the capital they represent

As of the end of the reporting period, the Company does not hold own shares.

Its subsidiaries Allterco Robotics EOOD and Allterco Trading EOOD acquired a total number of 20 000 shares from Allterco JSCo, which represent 0.11% of the capital of the public listed company.

IX. INFORMATION REQUIRED UNDER ART. 247 OF THE COMMERCIAL ACT

1. Total remuneration received during the year by the members of the Board of Directors.

The following remunerations are accrued to the members of the Board of Directors of Allterco JSCo in 2020.

Table No 12

Full name	Position	Gross/thousand BGN
Dimitar Stoyanov Dimitrov	Executive Director	BGN 36 000
Svetlin Iliev Todorov	Chairperson of the Board of Directors	BGN 36 000
Nikolay Angelov Martinov	Independent member	BGN 7 200

As of the end of the reporting period all remunerations are paid to the members of the Board of Directors.

No further remunerations -money and non-cash compensation are paid to the members of the Board of Directors.

There are no special rights or any privileges for the members of the Board of Directors stipulated in the Articles of Association of the Company.

During the reporting year, some of the members of the Board of Directors received remuneration from the subsidiaries for performing other functions, subject of the Report on the Implementation of the Remuneration Policy.

2. Shares and bonds of the Company acquired, owned and transferred by the members of the Board of Directors during the year:

As of the end of the reporting period, the shares held by members of the Board of Directors of ALLTERCO JSCo are:

Table No. 13

Name	PERCENTAGE OF THE CAPITAL
Dimitar Stoyanov Dimitrov	32.48 %
Svetlin Iliev Todorov	32.48 %
Nikolay Angelov Martinov*	0 %

* Nikolay Martinov **has no direct** interest in the capital of the Issuer. The companies Unicom Consult EOOD, in which he is the sole owner of the capital and manager, Impetus Capital OOD and Impetus Partners OOD, in which he is a partner respectively with 50% and 43,75 % of the capital and manager, as well as Imventure I KDA and Imvencher II KDA, in which he is a representative of the legal entity - "Impetus Capital" OOD, have respectively: "Unicom Consult "EOOD – 84,750 shares (0.47%), Impetus Capital OOD 27,000. shares and 162,000 voting rights (0.9%), Impetus Partners OOD 405,000 shares (2.25%) ImVenture I KDA 123,288 shares (0.68%), Imventure II KDA - 68,493. shares (0.38%) in the capital of Allterco JSCo and a total 708,531 number of shares and 843,531 voting rights (4.686%) of the voting rights in its General Meeting.

3. Rights of the members of the Board of Directors to acquire shares and bonds of the Company

The members of the Board of Directors of the company may freely acquire shares from the capital of the company on a regulated securities market in compliance with the provisions of the Implementation of Measures Against Market Abuse of Financial Instruments Act (IMAMAFIA) and the Public Offering of Securities Act.

On the basis of the provision of Art. 16, Paragraph 1 and 3 of the IMAMAFIA, the members of the Board of Directors of the company, other persons holding executive functions in the Issuer, and the persons closely

related to them, shall notify in writing the FSC of the transactions concluded on their behalf with shares issued by Allterco JSCo within 3 business days after the transaction. The obligation to notify does not apply when the total amount of transactions concluded by a person performing management functions in the issuer and in the persons closely related to him does not exceed BGN 5 000 within one calendar year.

4. Participation of the members of the Board of Directors in trading companies as unlimited partners, holding more than 25 percent of the capital of another Company, as well as their participation in the management of other companies or cooperatives as procurators, managers or board members as of the end of the reporting period:

Table No 14

Dimitar Dimitrov as of 31.12.2020		
Participation in the governing and supervisory bodies of other companies, their participation as procurators and unlimited partners	Participation in the capital of other companies	Companies in which the person exercises control
DVR Review EOOD (Solely-owned LLC) entered in the Commercial Register at the Registry Agency under Unified Identification Code (UIC): 130554234, having its registered seat and headquarters address in the town of Samokov, 1, Zhitna Charshiya Street, Floor 1	DVR Review EOOD (Solely-owned LLC) entered in the Commercial Register at the Registry Agency under Unified Identification Code (UIC): 130554234, having its registered seat and headquarters address in the town of Samokov, 1, Zhitna Charshiya Street, Floor 1	DVR Review EOOD (Solely-owned LLC) entered in the Commercial Register at the Registry Agency under Unified Identification Code (UIC): 130554234, having its registered seat and headquarters address in the town of Samokov, 1, Zhitna Charshiya Street, Floor 1 - direct;
Auto Lex Consult EOOD (Solely-owned LLC) entered in the Commercial Register at the Registry Agency under Unified Identification Code (UIC): 201113818, with registered office in the city of Sofia, Vitosha municipal district, 5A, Nikola Petkov Blvd., Floor 4;	Auto Lex Consult EOOD (Solely-owned LLC), entered in the Commercial Register at the Registry Agency under Unified Identification Code 201113818, with registered office in the city of Sofia, Vitosha District, 5A, Nikola Petkov Blvd., Floor 4;	Auto Lex Consult EOOD (Solely-owned LLC) entered in the Commercial Register at the Registry Agency under Unified Identification Code (UIC): 201113818, with registered office in the city of Sofia, Vitosha municipal district, 5A, Nikola Petkov Blvd., Floor 4 - direct;
Allterco Pte. Ltd, a company incorporated under the laws of Singapore with seat and management address: 422 Orchard Road, #03-01 Claymore Connect, Singapore 238879;	Teracomm OOD (Ltd.), Unified Identification Code (UIC): 131267949, having its registered seat and headquarters address in the city of Sofia 1782, Mladost District, 113A, Tsarigradsko Shose Blvd.,	Allterco Robotics EOOD (Solely-owned LLC), Unified Identification Code (UIC): 202320104, having its registered seat and headquarters address in the city of Sofia, 103, Cherni vrah Blvd. - indirect through ALLTERCO JSCo
Global Teracomm Ltd., USA, with seat and management address: 5851 W.Charleston Blvd. Las Vegas, NV 89146, USA	Web Engine OOD (Ltd.), Unified Identification Code (UIC): 200303120, having its registered seat and headquarters address in the city of Sofia, Sofia 1619, Vitosha District, 5A, Nikola Petkov Blvd.:	Alterpay EOOD, Unified Identification Code (UIC): 203903540, having its registered seat and headquarters address in the city of Sofia, 103, Cherni vrah Blvd. -- indirect through ALLTERCO JSCo
		Allterco Trading EOOD (Solely-owned LLC) (former name Allterco Finance OOD /Ltd./), Unified Identification Code (UIC): 203348672, having its registered seat and headquarters address in the city

		of Sofia, 103, Cherni vrah Blvd. – indirect through ALLTERCO JSCo;
		Allterco Properties EOOD (Solely-owned LLC), Unified Identification Code (UIC): 204639442, having its registered seat and headquarters address in the city of Sofia, 103, Cherni Vrah Blvd. – indirect through ALLTERCO JSCo t;
		Allterco Co Ltd, a company incorporated under the laws of Thailand with seat and management address: 19th Floor, Ayothaya Tower, Soi Ratchada 18, Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand – indirect through ALLTERCO JSCo;
		Allterco Pte Ltd, a company incorporated under the laws of Singapore with seat and management address: 422 Orchard Road, #03-01 Claymore Connect, Singapore 238879 – direct;
		Allterco SDN Ltd., Malaysia, having its registered seat and headquarters address in A-3-35B Ioi Boulevard, Jalan Kenari 7, Bandar Puchong Jaya, 47170 PUCHONG, SELANGOR - indirect through ALLTERCO JSCo;

Svetlin Todorov		
Participation in the governing and supervisory bodies of other companies, their participation as procurators and unlimited partners	Participation in the capital of other companies	Companies in which the person exercises control
Teracomm OOD (Ltd.), Unified Identification Code (UIC): 131267949 having its registered seat and headquarters address in city of Sofia, 113A, Tsarigradsko Shose Blvd.,	FF Film Haus OOD (Ltd.), Unified Identification Code (UIC): 130627604, having its registered seat and headquarters address in the city of Sofia, 60, Osogovo Street - direct;	Allterco Robotics EOOD (Solely-owned LLC), Unified Identification Code (UIC): 202320104, having its registered seat and headquarters address in the city of Sofia, 103, Cherni vrah Blvd. – indirect through Allterco JSCo;
FF Film Haus OOD (Ltd.), UIC 130627604, having its registered seat and headquarters address in the city of Sofia, 60, Osogovo Street	Teracomm OOD (Ltd.), Unified Identification Code (UIC): 131267949 having its registered seat and headquarters address in the Sofia, 113A, Tsarigradsko Shose Blvd. - 20%	Alterpay EOOD (Solely-owned LLC), Unified Identification Code (UIC): 203903540, having its registered seat and headquarters address in the city of Sofia, 103, Cherni vrah Blvd. – indirect through Allterco JSCo;

Global Teracomm Ltd., USA, having its registered seat and headquarters address in 5851 W. Charleston Blvd, Las Vegas, NV 89146, USA	Web Engine OOD (Ltd.), Unified Identification Code (UIC): 200303120, having its registered seat and headquarters address in the city of Sofia, 5A, Nikola Petkov Blvd. - 20%	Allterco Properties EOOD (Solely-owned LLC), Unified Identification Code (UIC): 204639442, having its registered seat and headquarters address in the city of Sofia, 103, Cherni Vrah Blvd. – indirect through Allterco JSCo;
		Allterco Trading EOOD (Solely-owned LLC) (Allterco Finance OOD /Ltd./), Unified Identification Code (UIC): 203348672, having its registered seat and headquarters address in the city of Sofia, 103, Cherni Vrah Blvd. – indirect through Allterco JSCo;
		Allterco Co Ltd, a company incorporated under the laws of Thailand with seat and management address: 19th Floor, Ayothaya Tower, Soi Ratchada 18, Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand – indirect through Allterco JSCo;
		Allterco Pte Ltd, a company incorporated under the laws of Singapore with seat and management address: 422 Orchard Road, #03-01 Claymore Connect, Singapore 238879 – indirect through Allterco JSCo;
		Allterco SDN Bhd., Malaysia, having its registered seat and headquarters address in A-3-35B IOI BOULEVARD, JALAN KENARI 7, BANDAR PUCHONG JAYA, 47170 PUCHONG, SELANGOR -indirect through Allterco JSCo;
		Global Teracomm Ltd., USA, having its registered seat and headquarters address in 5851 W.Charleston Blvd. Las Vegas, NV 89146, USA - direct;
		FF Film Haus OOD (Ltd.), Unified Identification Code (UIC): 130627604, having its registered seat and headquarters address in the city of Sofia, 60, Osogovo Street - direct;

Nikolay Martinov - as of 31.12.2020		
Participation in the governing and supervisory bodies of other companies, their participation as procurators and unlimited partners	Participation in the capital of other companies	Companies in which the person exercises control
Unicom Consult EOOD (Solely-owned LLC), Unified Identification Code (UIC): 121082655, having its registered seat and headquarters address in the city of Sofia	Unicom Consult EOOD (Solely-owned LLC), Unified Identification Code (UIC): 121082655, having its registered seat and headquarters address in the city of Sofia 1619,	Allterco Robotics EOOD (Solely-owned LLC), Unified Identification Code (UIC): 202320104, having its registered seat and headquarters address in the city

1619, Vitosha municipal district, 271, Tsar Boris III Blvd., Floor 5, Apt. 9;	Vitosha municipal district, 271, Tsar Boris III Blvd., Floor 5, Apt. 9 - direct;	of Sofia, 103, Cherni Vrah Blvd. - <i>indirect</i> through ALLTERCO JSCo;
Online Media OOD (Ltd.), Unified Identification Code (UIC):117004285, having its registered seat and headquarters address in the town of Ruse 7000, 6a, PRIDUNAVSKI Blvd., Entrance B (2), Floor 1, Apt. 1;	Online Media OOD (Ltd.), Unified Identification Code (UIC): 117004285, having its registered seat and headquarters address in the town of Ruse 7000, 6a, Pridunavski Blvd., Entrance B (2), floor 1, apt. 1 - direct and indirect through Unicom Consult EOOD (solely- owned LLC), Unified Identification Code (UIC): 121082655	Allterco Properties EOOD (Solely-owned LLC), Unified Identification Code (UIC): 204639442, having its registered seat and headquarters address in the city of Sofia, 103, Cherni Vrah Blvd. - indirect through ALLTERCO JSCo;
Inbro OOD (Ltd.), Unified Identification Code (UIC): 121003506, having its registered seat and headquarters address in the city of Sofia 1619, Vitosha District, 271, Tsar Boris III Blvd., Floor 5;	Inbro OOD (Ltd.), Unified Identification Code (UIC): 121003506, having its registered seat and headquarters address in the city of Sofia 1619, Vitosha municipal district, 271, Tsar Boris III Blvd., fl. 5 - direct and indirect through Unicom Consult EOOD (Solely-owned LLC), Unified Identification Code (UIC): 121082655;	Allterco Co Ltd, a company incorporated under the laws of Thailand with seat and management address: 19th Floor, Ayothaya Tower, Soi Ratchada 18, Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand – indirect through ALLTERCO JSCo;
Housmeister AD, Unified Identification Code (UIC): 203037803, having its registered seat and headquarters address in Sofia region, Municipality of Kostinbrod, town of Kostinbrod 2230, 1 Detelina Street;	Impetus Capital OOD (Ltd.), Unified Identification Code (UIC): 203592737, having its registered seat and headquarters address in the city of Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8 - direct;	Allterco Pte Ltd, a company incorporated under the laws of Singapore with seat and management address: 422 Orchard Road, #03-01 Claymore Connect, Singapore 238879 - indirect through ALLTERCO JSCo;
BIOSEEK JSC, Unified Identification Code (UIC): 204790412, having its seat address and management address at: city of Sofia 1505 Oborishte municipal district, 42, Ilarion Dragostinov Street, Apt. 37	Impetus Partners OOD (Ltd.), Unified Identification Code (UIC): 205679429, having its registered seat and headquarters address in the city of Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8 - indirect via Impetus Capital OOD (Ltd.), Unified Identification Code/Personal Identification Code (UIC/PIC): 203592737	Allterco SDN Bhd., Malaysia, having its registered seat and headquarters address in A-3-35B Ioi Boulevard, Jalan Kenari 7, Bandar Puchong Jaya, 47170 Puchong, Selangor - indirect through ALLTERCO JSCo;
BIODIT AD (PLC), Unified Identification Code (UIC): 203854303, having its seat address and management address at: city of Sofia 1756, Studentski municipal district, 125 Kliment Ohridski Blvd. - via IMPETUS CAPITAL OOD (Ltd.), Unified Identification Code (UIC): 203592737	Housmeister AD, Unified Identification Code (UIC): 203037803, having its registered seat and headquarters address in Sofia region, Municipality of Kostinbrod, town of Kostinbrod 2230, 1 Detelina Street - direct	Global Teracomm Ltd., USA, having its registered seat and headquarters address in 5851 W.Charleston Blvd. Las Vegas, NV 89146, USA - indirect through ALLTERCO JSCo;

IMVENTURE I KDA, Unified Identification Code (UIC): 204870431 Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8, Apt. 38 - as a representative representing legal entity - IMPETUS CAPITAL OOD (Ltd.), Unified Identification Code (UIC): 203592737	Housemeister Sofia OOD (Ltd.) Unified Identification Code (UIC): 205179541 having its registered seat and headquarters address in the city of Sofia, zh.k. Manastirski Livadi-B, 65 block, floor 5, building "Eurocenter"-direct	Allterco Trading OOD (Ltd.) (former name Allterco Finance), Unified Identification Code (UIC): 203348672, having its registered seat and headquarters address in the city of Sofia, 103, Cherni vrah Blvd. - indirect through ALLTERCO JSCo;
IMVENTURE II KDA, Unified Identification Code (UIC): 205737996 Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8, Apt. 38 - as a representative representing legal entity - IMPETUS CAPITAL OOD (Ltd.), Unified Identification Code/ (UIC): 203592737	BROWSWAVE AD (PLC), Unified Identification Code (UIC): 204458374, having its registered seat and headquarters address in the city of Sofia city, Serdica municipal – indirect through ImVenture I KDA, UIC: 204870431 and ImVenture II KDA, UIC: 205737996	Unicom Consult EOOD (Solely-owned LLC), Unified Identification Code (UIC): 121082655, having its registered seat and headquarters address in the city of Sofia 1619, district of Vitosha, 271, Tsar Boris III Blvd., Floor 5, Apt. 9 - direct;
UNITED COMMERCIAL OUTLETS, Unified Identification Code (UIC): 205329927, having its registered seat and headquarters address in the city of Sofia 1618, Ovcha Kupel municipal district, Ovcha Kupel residential district, Block of flats 48, Entrance B(2) Apt. 47	BIOSEEK JSC, Unified Identification Code (UIC): 204790412, having its seat address and management address at: city of Sofia 1505 Oborishte municipal district, 42, Ilarion Dragostinov Street, Apt. 37 - indirect through ImVenture I KDA, UIC: 204870431	Online Media OOD (Ltd.), Unified Identification Code (UIC): 117004285, having its registered seat and headquarters address in the town of Ruse 7000, 6a, PRIDUNAVSKI Blvd., Entrance B (2), Floor 1, Apt. 1 - direct;
IMPETUS CAPITAL OOD (Ltd.), Unified Identification Code (UIC): 203592737, having its registered seat and headquarters address in the city of Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8	UNITED COMMERCIAL OUTLETS, Unified Identification Code (UIC): 205329927, having its registered seat and headquarters address in the city of Sofia 1618, Ovcha Kupel municipal district, Ovcha Kupel residential district, Block of flats 48, Entrance B(2) Apt. 47 - indirect through ImVenture I KDA, UIC: 204870431	Inbro OOD (Ltd.), Unified Identification Code (UIC): 121003506, having its registered seat and headquarters address in the city of Sofia 1619, Vitosha municipal district, 271, Tsar Boris III Blvd., Floor 5 - direct;
Impetus Partners OOD (Ltd.), Unified Identification Code (UIC): 205679429, having its registered seat and headquarters address in the city of Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8 - indirect via Impetus Capital OOD (Ltd.), Unified Identification Code (UIC): 203592737		Impetus Capital OOD (Ltd.), Unified Identification Code (UIC): 203592737 having its registered seat and headquarters address in the city of Sofia city, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8, Apt. 38 - direct;

BROWSWAVE AD (PLC), Unified Identification Code (UIC): 204458374, having its registered seat and headquarters address in the city of Sofia city, Serdica municipal district		Impetus Partners OOD (Ltd.), Unified Identification Code (UIC): 205679429, having its registered seat and headquarters address in the city of Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8 - indirect through Impetus Capital OOD (Ltd.), Unified Identification Code (UIC): 203592737
		BIODIT AD (PLC), Unified Identification Code (UIC): 203854303, having its seat address and management address at: city of Sofia 1756, Studentski municipal district, 125 Kliment Ohridski Blvd. - indirect through IMPETUS CAPITAL OOD (Ltd.), Unified Identification Code (UIC): 203592737
		BIOSEEK JSC, Unified Identification Code (UIC): 204790412, having its seat address and management address in the city of Sofia 1505 Oborishte municipal district, 42, Ilarion Dragostinov Street, Apt. 37 – indirect through ImVenture I KDA, Unified Identification Code (UIC): 204870431
		IMVENTURE I KDA, Unified Identification Code (UIC): 204870431 Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8, Apt. 38 - indirect through Impetus Capital OOD, UIC/PIC 203592737
		IMVENTURE II KDA, Unified Identification Code (UIC): 205737996 Sofia 1784, Mladost municipal district, Mladost 1 residential district, Block of flats 29A, Entrance A, Floor 8, Apt. 38 - indirect through Impetus Capital OOD (Ltd.), Unified Identification Code (UIC) 203592737
		UNITED COMMERCIAL OUTLETS Unified Identification Code (UIC): 205329927 having its registered seat and headquarters address in the city of Sofia 1618, Ovcha Kupel municipal district, Ovcha Kupel residential district, Block of flats 48, Entrance B(2), Apt. 47 - indirect through ImVenture I KDA, Unified Identification Code (UIC): 204870431

		BROWSWAVE AD (PLC), Unified Identification Code (UIC): 204458374, having its registered seat and headquarters address in the city of Sofia city, Serdica municipal district, 14, Tayga Street - indirect through ImVenture I KDA, Unified Identification Code (UIC): 204870431 and ImVenture II KDA, Unified Identification Code (UIC): 205737996
		A4E OOD (Ltd.), Unified Identification Code (UIC): 203608928, having its registered seat and headquarters address in the city of Sofia city, Ovcha Kupel district, zh.k. Ovcha Kupel 1, block 48, entrance B, ap. 47, - indirect through ImVenture I KDA, Unified Identification Code (UIC): 204870431

5. Agreements signed in 2020 with the members of the Board of Directors or related to them parties that fall outside of the usual scope of business activity of the Company or deviate significantly from the market conditions

In 2020, no contracts were concluded with the members of the Board of Directors of the Company or with related persons who go beyond the ordinary activities of the company or significantly deviate from market conditions.

In October 2020, the majority shareholders and members of the Board of Directors - Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov concluded an Agreement for lock-up of the currently owned by them a total of 11 552 240 shares of the company's capital for a period of 3 years, as of the date of entry of the capital increase in the Commercial Register. Under certain conditions, after the expiration of 6 months from the date of entry of the capital increase in the Commercial Register, the majority holders will have the right to trade up to 7% of the shares held by them. Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov have agreed among themselves and in favor of the public company.

6. The planned economic policy in the next year, incl. expected investments and staff development, expected income from investments and development of the Company, as well as forthcoming transactions of material importance for the Company's activity

Changes in the economic policy of the Company in 2021 are not foreseen, regardless of the decision of Allterco JSCo to sell its stake in the capital of some of its subsidiaries operating in the field of telecommunications in Asia. Revenues will continue to be generated mainly from dividends.

Insofar as the Company has undertaken timely measures to reorganize its operating activities to ensure continuity of production and supply, no significant changes in the Company's economic policy are expected.

X. AVAILABLE BRANCHES OF THE ENTERPRISE

The Company has no registered branches.

XI. FINANCIAL INSTRUMENTS USED BY THE COMPANY

Allterco JSCo did not use financial instruments in 2020 to hedge risks from changes in foreign currency exchange rates, interest rates or uncertainty of cash flows. During the reporting year, the company did not perform currency risk hedging transactions as there were not enough large-scale and remote transactions in USD or other currencies with a floating exchange rate against BGN.

The Company could have exposure to liquidity, market, interest rate, currency and operational risks arising from the use of financial instruments.

XII. ADDITIONAL INFORMATION UNDER SECTION IVA UNDER APPENDIX No 10 TO ORDINANCE No 2 OF FSC

1. **Information about the value and quantity on the main categories of goods, products and/or services provided, indicating their share in the issuer's sales revenue as a whole and the changes occurring during the accounting financial year.**

Allterco JSCo does not carry out direct production activities. The production activity is carried out by the Issuer's subsidiaries.

2. **Information on revenues broken down by category of activity, internal and external markets as well as information on the sources of supply of materials necessary for the production of goods or the provision of services reflecting the degree of dependence on each individual seller or buyer/user, in case the relative share of any of them exceeds 10 per cent of the costs or revenues from sales, information is provided for each person separately, about their share in the sales or purchases and their relations with the issuer.**

Information on revenue, broken down by main categories of activities is presented in the following table:

Table No 10

(in BGN thousand)					
REVENUES	2018	%	2019	%	2020
a	1		2		3
A. Operating income					
I. Net revenues from sales					
1. Production	0	0%	0	0%	0
2. Goods	0	0%	0	0%	0
3. Services	371	-27%	272	-100%	0
4. Others	28	-60.71%	11	36.36%	15
Total Group I	399	-29.07%	283	-94.70%	15
II. Revenues for financing	0	0%	0	0%	0
including by the Government	0	0%	0	0%	0
Total Group II	0	0%	0	0%	0
III. Financial income					
1. Income from interest	7	186%	20	75%	35
2. Income from dividends	1 192	0%	820	0%	0
3. Positive differences from operations with financial assets and instruments	0		8 475	-59.34%	3 446
4. Positive differences from exchange rate fluctuations	0	0%	0		136
5. Others	0	0%	0	0%	0
Total Group III	1 199	676.90%	9 315	-61.17%	3 617
B. Total operating revenue (I + II + III):	1 598	500.63%	9 598	-62.16%	3 632

As of the end of the reporting period, Allterco JSCo reported on individual basis net sales revenues in the amount of BGN 15 thousand, which is a decrease of 94,70% compared to the net sales revenues for 2019, which amounted to BGN 293 thousand. This is due to the fact that in 2020 the Company did not invoice any management fees to its subsidiaries.

The total revenues from the Company's activity in 2020 are BGN 3 632 thousand which is a drop of 62,16 % compared to 2019.

3. Information about concluded significant deals

In 2020, Allterco JSCo did not conclude any significant transactions within the meaning of Ordinance 2 of the FSC, except for those specified in this report, namely:

- During the reporting period Allterco JSCo sold part of the shares it owned from the capital of Victory Partners VIII Norway Holding AS (current name Link Mobility Group Holding ASA, “Link Holding”) received as part (20%) of the price under Share Purchase Agreement (SPA) dated 29.06.2019 for sale of the telecommunications business of Allterco JSCo in Europe, concluded with Link Mobility Group AS. As part of the procedure for public offering of new and existing shares from the capital of Link Holding, under a prospectus dated 12.10.2020 and according to the terms of the offer, Allterco JSCo in its capacity of selling shareholder sold a total of 588 599 shares, which represent part of the total of 1 345 180 shares owned by Allterco JSCo. The shares were sold at a price of NOK 47 per share. The gross income for Allterco JSCo before transaction costs amounts to NOK 27 664 153 (NOK) or BGN 4 955 784.03 by the BNB fixing as of 23.10.2020. The specified amount is gross and accrued transaction costs.
- In connection with additional cash contributions provided in 2019 by Allterco JSCo to Allterco Properties EOOD and Allterco Trading EOOD in the amount of EUR 900 000 each, by the end of the reporting period Allterco Properties EOOD paid in full the additional cash contribution, and the term of the additional cash contribution provided to Allterco Trading EOOD was extended by one year.
- Within the scope of its activity as a joint stock company - holding - Allterco JSCo increased the capital of its subsidiary Allterco Properties EOOD from BGN 3 520 494 to BGN 5 280 000 and the increase was entered in the Commercial Register at the Registry Agency.

4. Information on transactions concluded between the Issuer and related parties during the reporting period, proposals for such transactions as well as transactions that are outside its ordinary activity or materially deviate from the market conditions, where the issuer or its subsidiary is a party with indication of the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the Issuer's financial position.

In 2020, Allterco JSCo did not enter into large transactions with related party, nor did it make or received offers for such transactions.

The Company did not enter into transactions with subsidiaries that are outside its ordinary scope of business or substantially deviate from the market conditions.

In 2020, Allterco JSCo did not enter into transactions with related parties within the meaning of ISA 24, nor did it receive or make proposals for such transactions, with the exception of:

- transactions in the ordinary course of business with its subsidiaries, which include:
 - The Company uses leased office and cars provided by its subsidiary at a total cost of BGN 18 thousand.
 - Allterco JSCo has also provided additional cash contributions to two of its subsidiaries, namely Allterco Properties EOOD and Allterco Trading EOOD. The additional cash contributions are in the amount of EUR 900 000 each and are granted for a period of 1 year, at an annual interest rate of 1%,

which is calculated on a 360-day basis. Interest income on provided additional cash contributions amounts to BGN 35 thousand. In 2020, Allterco Properties EOOD paid in full the additional cash contribution, and the term of the additional cash contribution provided to Allterco Trading EOOD was extended by one year.

- In the previous years, the Company agreed to bear joint and several liability or provide a guarantee in connection with bank financing agreements concluded by the subsidiary Allterco Robotics EOOD. These commitments continued to be in force in 2020.

All transactions with related parties are described in the audited annual financial statement prepared in accordance with IAS.

1. Information about events and indicators of unusual for the Issuer nature that have a significant impact on its activities and its realized revenues and expenses; assessing their impact on results in the current year.

In 2020, there were no events or indicators in unusual nature for Allterco JSCo. Allterco JSCo is a joint stock company - holding, whose scope of business includes acquisition, management, assessment and sale of participations in Bulgarian and foreign companies. Within the scope of its business in 2020, the Company has carried out a transaction for sale of participations in companies outside its economic group, namely:

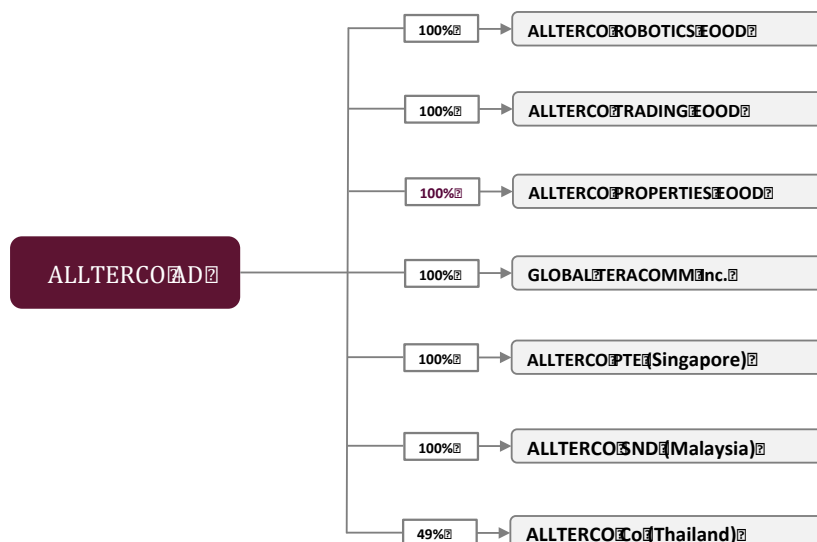
- Sale of part of the shares owned by Allterco JSCo from the capital of Victory Partners VIII Norway Holding AS (current name Link Mobility Group Holding ASA, "Link Holding"), received as part (20%) of the price under Share Purchase Agreement (SPA) dated 29.06.2019 for the sale of the telecommunications business of Allterco JSCo in Europe, concluded with Link Mobility Group AS. As part of the procedure for public offering of new and existing shares from the capital of Link Holding, under prospectus of 12.10.2020 and according to the terms of the offer, Allterco JSCo in its capacity of selling shareholder sold a total of 588 599 shares, representing part of the total of 1 345 180 shares owned by Allterco AD. The shares were sold at a price of NOK 47 per share. The gross income for Allterco JSCo before transaction costs amounts to NOK 27 664 153 (NOK) or BGN 4 955 784.03 by the BNB fixing as of 23.10. 2020. The indicated amount is gross and accrued transaction costs.

6. Information about off-balance-sheet transactions - nature and business purpose, indication of the financial impact of transactions on the business if the risk and benefits of those transactions are material to the company and disclosure of such information is material to the Issuer's financial condition.

In 2020, the Company did not enter into transactions that were conducted off-balance sheet beside those reported under item 6 Conditional Liabilities of the individual financial statement of the Company.

7. Information on stakeholdings of the Issuer, its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate) as well as investments in equity securities outside its Group of companies within the meaning of the Accountancy Act and the sources/ways of financing.

As of the end of the reporting period, the economic group of Allterco JSCo consists of the following subsidiaries:



The company holds 756 581 shares of the capital of Victory Partners VIII Norway Holding AS (current name Link Mobility Group Holding ASA, "Link Holding"). The specified number of shares represents the balance of a total of 1 345 180 shares received as part (20%) of the price, under the Share Purchase Agreement (SPA) dated 29.06.2019 for the sale of the telecommunications business of Allterco JSCo in Europe, concluded with Link Mobility Group AS. The indicated number of shares is blocked for a period of 180 days, starting from the first day of trading and registration on a regulated market of the shares of Link Holding.

8. Information about loan agreements concluded by the company or its subsidiary or parent company, in their capacity of borrowers, with specification of their terms, including deadlines for repayment, as well as information on guarantees and commitments.

Allterco JSCo is a borrower under a Mortgage (investment) loan agreement dated 06.10.2017, concluded with Raiffeisenbank Bulgaria EAD, secured by a guarantee of the subsidiary Allterco Properties EOOD.

Allterco JSCo has assumed joint liability and a guarantee obligation for securing the following bank financing agreements concluded by its subsidiary Allterco Robotics EOOD with Raiffeisenbank Bulgaria EAD.

Contract	Annex	Creditor	Debtor	Joint debtor/ Guarantor	Amount/ Limit	Financial conditions	Term	COLLATERAL provided by the borrower
Factoring 09.11.2016 (terminated as of 09.02.2021)	Annexes 1/ 27.07.2017 2/ 12.11.2018 3/ 28.10.2019	Raiffeisen bank Bulgaria EAD	Allterco Robotics EOOD	Tera Communications AD, (excluded) Allterco JSCo - joint debtor, replacing Tera Communications AD pursuant to Annex 2 dated 12.11.2018.	BGN 600 000	Reference interest rate and a margin of 2 points but not less than 2% of the aggregate annual interest rate; Annual management fee; Fee for invoice processing	09.02.2021	Contract for special pledge of receivables on bank accounts; Promissory note for the value of the limit plus 10% interest per annum on the amount from the date of issue, with a deadline for submission 09.03.2021;
Investment credit 25.08 2017 Contract pursuant to Art. 114, Paragraph 10 of the Public	Annex 1/ 31.10.2018	Raiffeisen bank	Allterco JSCo	Tera Communications AD -joint debtor (excluded) Allterco Properties EOOD - joint debtor	EUR 1 620 000	Fixed interest rate for the whole period 3% annually; Management fee	10.05.2029	Mortgage on real estate, owned by Allterco Properties EOOD; Pledge of receivables on all accounts of the

Offering of Securities Act		Bulgaria EAD						group opened with the bank; Pledge under Financial Collateral Contracts Act;
Contract for revolving bank credit 12 + 12 + 12 09.11.2018 Contract under Art. 114, Paragraph 10 of the Public Offering of Securities Act	Annex 1/30.09.2020	Raiffeisen bank Bulgaria EAD	Allterco Robotics EOOD	none	BGN 1 600 000	short-term BNB interest rate, increased by 2.5 percentage points, but not less than 2.5% (amended with Annex No 1) Management fee; Commitment fee	25.10. 2021	Pledge of receivables on bank accounts of the company in the bank
Overdraft 30.09.2019 - contract in accordance with Art. 114, Paragraph 10 of the Public Offering of Securities Act	Annex 1/ 28.08.2020	Raiffeisen bank Bulgaria EAD	Allterco Robotics EOOD	Allterco JSCo - guarantor	EUR 1 000 000	1-month EURIBOR, increased by 2.5 percentage points, but not less than 2.5% Management fee; Commitment fee; Guarantee issue fee;	29.09. 2022	Pledge of receivables on bank accounts;
Contract for standard investment No 2757 dated 28.09.2020	none	DSK Bank AD	Allterco Properties EOOD	Allterco Trading EOOD – joint debtor	EUR 450 000	Annual interest formed by variable interest rate 1-month EURIBOR+2.1%, but not less than 2.1%; Annual management fee;	28.09. 2024	Real estate mortgage, owned by Allterco Properties EOOD; Pledge on receivables on bank accounts of Allterco Properties EOOD and Allterco Trading EOOD in DSK Bank.

9. Information on loan agreements concluded by the Issuer, its subsidiary or parent company, in their capacity as lenders, including the provision of guarantees of any kind, including to related parties, with specification of their special terms, including the final payment deadlines, and the purpose for which they were granted.

Allterco JSCo has provided to its subsidiaries Allterco Properties EOOD and Allterco Trading EOOD additional cash contributions in the amount of EUR 900 000 each, for a period of 1 year, against an annual interest rate of 1%, the interest being accrued on base of 360 days. The interest income on provided additional cash contributions amounts to BGN 35 thousand. In 2020, Allterco Properties EOOD paid in full the additional cash contribution, and the term of the additional cash contribution provided to Allterco Trading EOOD was extended by one year.

Allterco JSCo did not conclude other loan agreements in its capacity of a lender.

The subsidiaries have provided guarantees in the form of joint liability under bank financing agreements, as indicated in the table in the foregoing item 8.

10. Information on the use of funds from new issue of securities during the reporting period.

In 2020, the Company issued new securities as a result of a successful capital increase through an initial public offering. In the course of the offer were subscribed and paid 2 999 999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) dematerialized ordinary registered voting shares with a nominal value of one lev. The public offering of shares from the capital increase of Allterco JSCo was carried

out in the period 28.09.2020 - 30.10.2020 as per a Prospectus, together with its amendments, confirmed by the Financial Supervision Commission with Decision No 148- F of 18.02.2020, Decision No 405-E of 11.06.2020, Decision No 601-E of 13.08.2020 and Decision No 791-E of 29.10.2020. The capital increase in the amount of BGN 2 999 999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) is entered in the Commercial Register at the Registry Agency.

As of the end of the reporting period, the Company has not started spending the funds from the new issue of shares, and in the coming years it will make investments as follows:

- Expansion and building of the distribution network: increase of the sales team and sales representatives by regions; participation in local and international exhibitions;
- Working capital for the establishment of regional logistics centers in order to optimize deliveries and redirect sales channels.
- Development activity: increase of IT and engineering staff; device certification.

11. Comparison between the achieved financial results presented in the financial statements for the financial year and previously published forecasts.

The Company presented as part of the prospectus for initial public offering in 2016 forecasted audited consolidated statement of comprehensive income for the period 2016 - 2020.

In relation to the Prospectus, confirmed with Decision № 148 of 18.02.2020 of the Financial Supervision Commission, Allterco JSCo has submitted new forecasts for the period 2020 - 2024, including them in the Registration Document, Part II of the Prospectus, published on the website of the Issuer https://allterco.com/en/IPO_2020_PROSPEKT and on the website of the investment intermediary Karoll AD (<https://karollbroker.bg/bg/cap-increase-allterco>).

12. Analysis and evaluation of the policy on financial resources management, specifying the capabilities for servicing the obligations, possible threats and measures that the Issuer has undertaken or is about to undertake to mitigate the risks.

ALLTERCO JSCo carries out its operational activities in a way that the management of the the financial resources is exclusively subordinated to the maintaining of such a capital structure that will allow the company to combine the lower risk of using only own funds with the higher efficiency and flexibility of cash flow under conditions of debt financing so that the Company is able at any time to switch from one type of financing to another, depending on its specific needs.

In connection with the state of emergency declared in the Republic of Bulgaria on 13.03.2020 and the related measures to combat the COVID 19 pandemic, the company has taken appropriate measures to limit the impact of this situation on the business operation and to ensure continuity of the work and production processes with minimal delay.

Impact of COVID 19 on the business activity:

On 13 March 2020, the National Assembly of the Republic of Bulgaria declared a state of emergency in the country due to the coronavirus (COVID-19) epidemic and intensified anti-epidemic measures and restrictions were introduced. The state of emergency was lifted on 13 May 2020, but some of the anti-epidemic measures remained in force.

As early as March 2020, the Company undertook measures to limit the impact of this situation on the business and ensure the continuity of work and production processes and supply chain in the subsidiaries.

The companies in the group undertook a number of measures to limit the negative effects of the situation, including:

- Ensuring timely supply of goods, as well as its delivery to end customers through contracts with new logistics companies;
- Launch of new products, some of them related to reducing the risk of infection and improving air purity, remote diagnosis of patients with COVID-19, as well as personal diagnostic tools;
- Successful registration of the subsidiary of Allterco JSCo - Allterco Trading EOOD in the Bulgarian Drug Agency as a wholesaler of medical devices;
- Active continuation of the work on medical certification of products from the MyKi Care series.

Based on the actions undertaken so far and the reported results, the management of the Company believes that the COVID-19 pandemic and the measures introduced in connection with it internationally and nationally have not had a negative impact on the activities and financial position of Allterco JSCo and the companies in the Group. On the contrary, subsidiaries whose focus is on the production and trade of smart devices managed to significantly increase revenues and profits from their operations in 2020.

In addition, Allterco JSCo has sufficient financial resources to cover the Group's expenses in the short term. At present, the company does not report delays in the fulfillment of payment obligations to suppliers or delays in payments by customers.

13. Assessment of the possibilities for realization of investment intentions, indicating the amount of the available funds and stating the possible changes in the structure of financing this activity.

The Company plans to continue investing in 2021 in the development of Internet of Things through its subsidiaries.

The investment program will be funded with its own and raised funds.

14. Information on changes that occurred during the reporting period in the key management principles of the Company and its subsidiaries within the meaning of the Accountancy Act.

In 2020, there were no changes in the basic principles for managing the Company and its Group of companies.

15. Information on the main features of the internal control and the risk management system applied by the Company in the financial reporting.

A general description of the internal control and risk management system

The Company has a system of internal control and risk management ("the system") that guarantees the effective functioning of the reporting and disclosure systems as well as an audit committee. The system is built and functioning in order to identify the risks associated with the Company's activities and their effective management. The Board of Directors has the primary responsibility and role in establishing the internal control and risk management system. It performs both managing and guiding function as well as ongoing monitoring.

The ongoing monitoring by the management consists of assessing whether the system is still appropriate for the company in a changed environment, whether it operates as expected and whether it adapts successfully to the changed conditions. The evaluation of selected areas is in line with the company's priorities. The evaluation is also commensurate with the specifics of the company and the impact of the identified risks.

The Board of Directors monitors the main features and characteristics of the system, including identified incidents and the respective applied corrective actions.

The Audit Committee assists the Board of Directors in the exercise of their control functions and powers with regard to the financial reporting process, the internal control system, the audit process and monitoring on compliance with the provisions of applicable national and European legislation, as well as the company's internal policies. The Audit Committee holds regular meetings, fulfilling the functions assigned to it by law and the General Meeting of Shareholders in accordance with the adopted Statutes.

Control environment

The control environment includes the functions of general management, as well as the attitude, awareness and actions of the corporate management with respect to internal control.

- **Commitment for competence.** The Board of Directors, as well as those involved in the internal control and risk management process, have the relevant knowledge and necessary skills to perform the tasks that their subordinates fulfil. The executive members of the Board of Directors take care to monitor the levels of competence required for the specific jobs and the ways in which those competences become necessary requisites.
- **Participation of persons involved with general management.** The control environment is greatly influenced by the people involved in the general management, namely the Board of Directors. The responsibilities of the members of the Board of Directors are stated in the Statutes of the company and the management contracts. In addition, the Executive Members of the Board of Directors are also responsible for the supervision and the effective functioning of the early warning procedures and for the improvement of company's internal controls.
- **Philosophy and operational style of the management.** The philosophy and operational style of the management cover a wide range of characteristics. The attitudes of the members of the Board of Directors and their actions in relation to financial reporting are manifested through the choice of more conservative accounting principles.
- **Organizational structure** Establishing an appropriate organizational structure involves defining an appropriate number of hierarchical levels and the basic powers and responsibilities for each of these levels. The Board of Directors assesses the appropriateness of the organizational structure of the company, taking into consideration the scope and nature of the activities performed.
- **Assignment of powers and responsibilities.** When assigning powers and responsibilities of the employees in the companies, the management shall take into account the applicable business practices, knowledge and experience of employees and available resources within the Company.
- **Policies and practices related to human resource.** When recruiting staff, the Executive members of Board of Directors focus on qualifications, previous professional experience, past accomplishments, and evidence of integrity and ethical conduct. The purpose of corporate management is to hire competent and reliable employees.

Risk assessment process for the Company

The process of risk assessment is the basis on which the Board of Directors of the Company determines the risks to be mitigated.

The Board of Directors of the Company identifies the following types of risk that affect the Company and its operations: general (systematic) and specific (non-systematic) risks.

Systematic risks are related to the macro environment in which the Company operates, which is why in most cases they cannot be controlled by the management.

Non-systematic risks are directly related to the operations of the Company and depend mainly on corporate governance. To minimize them, the management relies on increasing the efficiency of internal company planning and forecasting, which provides opportunities to overcome possible negative consequences of a risky event.

Each of the risks related to the country - political, economic, credit, inflation, foreign exchange, has its own significance, but the interaction between them forms a comprehensive picture of the main economic indicators, market and competitive conditions in the country in which each company operates.

A detailed description of the risks typical for the activity of ALLTERCO JSCo is presented in the section MAIN RISKS, WHICH THE COMPANY FACES in this report.

16. Information about the changes in the Board of Directors of the Company in 2020

In 2020, no changes were made to the Board of Directors of the Company and with a decision of the General Meeting of Shareholders dated 21.09.2020 the mandate of the Board of Directors with the same members was extended with a new 5-year term.

As of the end of the reporting period, the members of the Board of Directors are:

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

17. Information on the amount of remuneration, rewards and/or additional benefits of each member of the Board of Directors for the financial year paid by the Company and its subsidiaries, regardless of whether they were included in the Company's expenses or are attributable to distribution of profits, including:

A) received amounts and non-monetary remunerations

In 2020, the members of the Board of Directors received remuneration in the total amount of BGN ... in accordance with the effective Remuneration Policy.

- Dimitar Stoyanov Dimitrov - BGN 36 000
- Svetlin Iliev Todorov - BGN 36 000
- Nikolay Angelov Martinov - BGN 7 200

The members of the Board of Directors did not receive any non-cash benefits in 2020.

B) contingent or deferred wages arising during the year, even if the remuneration is due at a later date;

As of the end of the reporting period, Allterco JSCo has no conditional or deferred remunerations incurred during the year, including remuneration that is due at a later date.

C) an amount owed by the Company or its subsidiaries for the payment of pensions, retirement benefits or other similar benefits.

As of the end of the reporting period, the Company does not report amounts due for payment of pensions, retirement benefits or other similar benefits.

18. Information about shares owned by members of the Board of Directors, procurators and senior management, including the shares held by each of them as a percentage of the shares of each class, as well as options provided by the Company on securities - the type and size of the securities on which the options are issued, the exercise price, the purchase price, if any, and the term of the options.

As of the end of the reporting period, the shares held by members of the Board of Directors of ALLTERCO JSCo are:

Table No 16

Name	PERCENTAGE OF THE CAPITAL
Svetlin Todorov	38.51 %
Dimitar Dimitrov	38.51 %
Nikolay Angelov Martinov*	0 %

* * Nikolay Martinov has no direct interest in the capital of the Issuer. The companies Unicom Consult EOOD, in which he is the sole owner of the capital and manager, Impetus Capital OOD and Impetus Partners OOD, in which he is a partner respectively with 50% and 43,75 % of the capital and manager, as well as Imventure I KDA and Imvencher II KDA, in which he is a representative of the legal entity - "IMPETUS CAPITAL" OOD, have respectively: "Unicom Consult "EOOD – 84,750 shares (0.47%), Impetus Capital OOD 27,000. shares and 162,000 voting rights (0.9%), Impetus Partners OOD 405,000 shares (2.25%) ImVenture I KDA 123,288 shares (0.68%), Imventure II KDA - 68,493. shares (0.38%) in the capital of Allterco JSCo and a total 708,531 number of shares and 843,531 voting rights (4.686%) of the voting rights in its General Meeting.

19. Information for the commitments known to the Company (including after the end of the financial year), which in the future may result in changes in the relative portion of shares or bonds held by present shareholders or bondholders.

The company is not aware of any commitments that may in the future result in a change in the number of shares or bonds held by current shareholders.

In October 2020, the majority shareholders and members of the Board of Directors - Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov concluded an Agreement for blocking the currently owned by them a total of 11 552 240 shares of the company's capital for a period of 3 years, as of the date of entry of the capital increase in the Commercial Register. Under certain conditions, after the expiration of 6 months from the date of entry of the capital increase in the Commercial Register, the majority holders will have the right to trade up to 7% of the shares they hold. Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov have agreed among themselves and in favor of the public company.

20. Information on pending litigation, administrative or arbitration proceedings concerning payables or receivables of the Company amounting to at least 10 percent of its equity.

As of the date of preparing this Report, there are no pending legal, administrative or arbitration proceedings involving payables or receivables of Allterco JSCo at an amount of at least 10 percent of its equity.

Allterco JSCo is claimant in court case number 10685 on the inventory for year 2020 at the Administrative Court of Sofia, challenging an Audit Act, confirmed in the appealed part by the Director of the Appeals and Tax Insurance Practice Directorate at the Central Office of the NRA, which denied the Company the right to deduct tax credit in the total amount of BGN 54 571.20. As of the date of this Report, the Administrative Court of Sofia has ruled a decision upholding the appeal of the Company and the decision has entered into force.

21. Information on the Investor Relations Director, including telephone and correspondence address
Denitsa Stefanova

 Tel: +359 2 9571247 e-mail: investors@allterco.com
XIII. CHANGES IN THE PRICE OF THE COMPANY'S SHARES

Date	Volume	Turnover	Highest value	Lowest value	Opening value	Closing value
30.12.2020	77451	535386.30	7,250	6,100	6,100	6,950
30.11.2020	128097	750999.95	6,250	5,100	5,100	6,050
30.10.2020	82329	394926.30	5,450	3,700	3,960	4,980
30.09.2020	30903	118805.54	4,000	3,740	3,880	3,960
28.08.2020	15818	60522.96	3,920	3,720	3,820	3,880
31.07.2020	11673	43981.70	3,880	3,640	3,800	3,780
30.06.2020	27058	104677.66	4,000	3,680	3,680	3,780
28.05.2020	17698	58736.32	3,760	3,020	3,040	3,760
30.04.2020	17124	52373.62	3,180	3,000	3,020	3,080
30.03.2020	92982	274522.94	3,800	2,700	3,700	3,040
28.02.2020	17337	64579.14	3,920	3,420	3,860	3,520
31.01.2020	53960	209647.86	4,180	3,400	3,920	3,880

Source: Investor.bg

XIII. ANALYSIS AND CLARIFICATION OF THE INFORMATION UNDER ANNEX 11 TO ORDINANCE No 2 BY THE FINANCIAL SUPERVISION COMMISSION

1. Structure of the company's capital, including securities not admitted to trading on a regulated market in the Republic of Bulgaria or another Member State, with indication of the different classes of shares, rights and obligations pertaining to each of the classes of shares and the share of the total capital, which makes up each class

As of the end of the reporting period, the capital of Allterco JSCo amounts to BGN 17 999 999 (seventeen million nine hundred and ninety-nine thousand nine hundred and ninety-nine) divided into 17 999 999 (seventeen million nine hundred and ninety-nine thousand nine hundred and ninety-nine) ordinary registered, dematerialized voting shares with a nominal value of BGN 1 each. All shares of the company are of one class and each share gives the right to one vote in the General Meeting of Shareholders, the right to dividend and liquidation share, proportional to the nominal value of the share. At the end of the reporting period the entire capital of the company is registered for trading on the Bulgarian Stock Exchange.

As a result of a successful capital increase through an initial public offering of shares, the capital was increased by 2 999 999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) against 2 999 999 (two million nine hundred and ninety-nine thousand nine hundred and ninety-nine) subscribed and paid dematerialized ordinary registered voting shares with a nominal value of BGN 1 as a result of a procedure for Initial 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 its amendments, confirmed by the Financial Supervision Commission with Decision No 148-F of 18.02.2020, Decision No 405-E of 11.06.2020, Decision No 601-E of 13.08.2020 and Decision No 791-E of 29.10.2020.

The Company has not issued any other securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another EU Member State. As of the date of preparing this document, the entire issue of shares of ALLTERCO JSCo is traded on BSE Sofia AD.

As of the date of preparing this Report, the Company has started a process of listing its shares on the Frankfurt Stock Exchange.

As of the end of the reporting period, the capital structure of ALLTERCO JSCo is as follows:

Table No 17

SHAREHOLDER	PERCENTAGE OF THE CAPITAL
Svetlin Todorov	32.48%
Dimitar Dimitrov	32.48%
Viktor Atanasov*	6.23%
Other individuals and legal entities	28.81%

** After the end of the reporting period, the Company has received a notification from the shareholder Viktor Atanasov for reduction of its shareholding to 2.09%, as of 12.01.2021, on the basis of which a change should be reported as well as a change in the share of minority shareholders - a total of 32.95%.*

2. Restrictions on transfer of securities such as restrictions on holding securities or need to obtain approval from the Company or other shareholder

All shares of the Company are transferred freely, without restriction, subject to the provisions of the Bulgarian legislation in force. The transfer of shares issued by the Company shall be effective from the moment the transaction is entered in the register of the Central Depository, which issues a document certifying the rights over these shares. Acquisition and ownership of shares in the capital of the Company does not require the approval of the Company or another shareholder.

The Company has announced under Art. 114a, para. 9 of the Public Offering of Securities Act that the majority shareholders and members of the Board of Directors - Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov have entered into an Agreement for blocking the total of 11 552 240 shares of the Company's capital for a period of 3 years currently owned by them as of the date of entering the capital increase in the Commercial Register. Under certain conditions, after expiry of 6 months from the date of entry of the capital increase in the Commercial Register, the majority holders will have the right to trade up to 7% of the shares held by them. Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov agreed among themselves and in favor of the public company. Allterco JSCo agreed to use the stipulations in its favor, namely the right to penalties and/or damages in the event such occur from non-performance by the contracting parties in connection with the blocking of their shares.

Insofar as the commitment was subject to the successful implementation of capital increase, after its completion and entry of the increase in the Commercial Register, Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov submitted applications for blocking the specified shares.

3. Information on direct and indirect holding of 5 percent or more of the voting rights in the Company's General Meeting, including details of the shareholders, the size of their shareholding and the way in which the shares are held.

Information on the direct and indirect ownership of 5 percent or more of the voting rights at the Company's General Meeting is presented in Table 17. The Company has no other shareholders who directly or indirectly hold 5 percent or more than 5 percent of the voting rights at the General Meeting.

4. Details of shareholders with special control rights and description of these rights

Allterco JSCo has no shareholders with special controlling rights.

5. Control system for exercising the right to vote in the cases where employees of the Company are also its shareholders and when the control is not directly exercised by them

The Company does not have a control system for exercising voting rights in cases where employees of the Company are also its shareholders and when the control is not directly exercised by them. Any employee who is a shareholder votes at their own discretion.

6. Limitations on voting rights, such as limitations on the voting rights of shareholders with a certain percentage or number of votes, deadline for the exercising voting rights or systems in which, with the cooperation of the Company, the financial rights attached to the shares are separated from holding the shares.

There are no restrictions on the voting rights of the shareholders of Allterco JSCo, such as restrictions on voting rights of shareholders with a certain percentage or number of votes, deadline for exercising voting rights or systems in which, with the cooperation of the company, the financial rights attached to the shares are separated from holding the shares.

7. Agreements between the shareholders which are known to the Company and which may result in restrictions on the transfer of shares or voting rights

The Company has announced under Art. 114a, para. 9 of the Public Offering of Securities Act that the majority shareholders and members of the Board of Directors - Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov have entered into an Agreement for blocking the total of 11 552 240 shares of the Company's capital for a period of 3 years currently owned by them as of the date of entering the capital increase in the Commercial Register. Under certain conditions, after expiry of 6 months from the date of entry of the capital increase in the Commercial Register, the majority holders will have the right to trade up to 7% of the shares held by them. Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov agreed among themselves and in favor of the public company. Allterco JSCo agreed to use the stipulations in its favor, namely the right to penalties and/or damages in the event such occur from non-performance by the contracting parties in connection with the locking-up of their shares.

The commitment of Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov was subject to the successful increase of the company capital, as per the Prospectus for public offering of 3 million new shares of Allterco JSCo, together with its supplements, as confirmed by the Financial Supervision Commission. After the successful completion of the capital increase of the Company and its entry in the Commercial Register, Svetlin Iliev Todorov and Dimitar Stoyanov Dimitrov submitted applications for blocking the said shares.

The Company is not aware of any agreements between shareholders in force as of the date of preparation of this document, which may lead to restrictions on the transfer of shares or the right to vote.

8. Provisions on the appointment and dismissal of the members of the management bodies of the Company and on amending and supplementing the Statutes

In accordance with the provisions of the Statutes of the Company, the General Meeting of Shareholders amends and supplements the Statutes of the Company as well as determines the number, elects and dismisses the members of the Board of Directors and determines the remuneration for their work in the Company. The Board of Directors is elected for a term not exceeding 5 years.

The General Meeting of Shareholders may at any time decide to make changes in the number and composition of the Board of Directors, and members of the Board may be re-elected without restriction. A member of the Board of Directors may be any legally capable individual and a legal entity.

Only the General Meeting of Shareholders may amend and supplement the Statutes of the Company.

9. The powers of the management bodies of the Company, including the right to take decisions for the issue and redemption of shares of the Company

The Board of Directors meets at regular meetings at least once in three months to discuss the status and development of the Company. Each member of the Board of Directors may request the Chairperson to convene a meeting to discuss particular issues.

The Board of Directors approves the organizational and management structure and the internal rules of the Company.

The Board of Directors takes decisions to open and close branches and to participate or terminate participation in commercial and civil companies in the country and abroad, to acquire and alienate real estate and real rights, to use loans, to provide guarantees and to take over guaranteeing, acquiring or granting licenses,

concluding credit agreements with third parties, agreements for establishing a pledge and mortgage on the tangible fixed assets of the Company.

The Board of Directors discusses and resolves all issues other than those within the competence of the General Meeting.

The Board of Directors may take decisions in absentia by a protocol signed by all its members.

With Decision of the General Meeting of Shareholders of 29.01.2018, the Board of Directors is authorized within five years from the announcement of the amendment to the Statutes in the Commercial Register to take decisions to increase the company capital to a total nominal amount of 18 000 000 BGN (eighteen million BGN) through issue and public offering of up to 3 000 000 (three million) new dematerialized, ordinary, registered shares with one vote, with a nominal value of BGN 1 (one) each and an issue value per share, determined with an explicit decision of the Board of Directors of the Company. The increase of the capital by the Board of Directors under Art. 196, para. 1 of the Commercial Act may be carried out without a specific delegation for this by the General Meeting of Shareholders for each specific case, but entirely on the basis of the powers granted to the board by the Statute.

According to Art. 18 the Statute the company may acquire more than 3% of voting shares within one calendar year in cases of reduction of the capital through cancellation of shares and redemption only under the conditions and by the order of trade offering under Art. 149b of the Public Offering of Securities Act. In this case, the requirements for holding at least 5% of the voting shares and a minimum redemption amount of more than 1/3 of the voting shares do not apply.

Acquisition of more than 3% of own shares with voting rights in the cases of reduction of the capital by buyback within one calendar year is allowed only under the conditions and by the order of tender offer under Art. 149b of the POSA.

It is not necessary to submit a tender offer if the acquisition of own shares is up to 3% within one calendar year, and the Statute provides for repurchasing of shares to be carried out as decided by the General Meeting of Shareholders (by majority of the represented capital), as well as by decision of the Board of Directors (by a majority of 2/3 of the members of the Board), explicitly authorized for this in the Statute of the Company, and this authorization is valid for 5 years, starting from 15 August 2019. The decision shall determine the minimum and maximum number of shares subject to repurchase; the conditions and the order under which the Board of Directors carries out the repurchase within a certain term not longer than eighteen months from the date of the decision; the minimum and maximum value of one share for repurchase, as well as the investment intermediary through which repurchase will be performed.

10. Substantial contracts of the Company that are effective, altered or terminated due to a change in the Company control in the course of a mandatory tender offer and the consequences thereof, unless the disclosure of such information could cause serious damage to the Company; exception under the preceding sentence shall not apply in cases where the Company is obliged to disclose the information under the law

The Company has not entered substantial contracts that are effective, amended or terminated due to change in the Company control in the course of a mandatory tender offer.

11. Agreements between the Company and its Managing Authorities or Employees for payment of compensation upon leaving or dismissing without legal basis or upon termination of the employment relationship for reasons related to tender offering.

There are no agreements between the Company and the members of its Board of Directors and employees of the Company for payment of compensation in case of leaving or dismissal without legal basis or termination of the employment relationship for reasons related to tender offering.

XV. OTHER INFORMATION AT THE COMPANY'S DISCRETION

In connection with the need to limit and control the spread of coronavirus (COVID-19) in the country, from 13 March to 13 May 2020, a state of emergency was declared in Bulgaria, and after this period – an emergency epidemic situation. The restrictive measures taken by the government throughout 2020, which were mandatory for all individuals and legal entities, could lead to a decline in revenues, as well as to a reduction and slowdown in the cash flows generated by the Company. As a consequence can be expected reduction in the solvency of the Company, which will be reflected in the annual financial statements as of 31 December 2021.

In the reporting year 2020, the management successfully implemented certain stabilization measures, which limit the negative financial effect on its business. As a result of these measures no deterioration of the financial state of the Group is to be found. Right in opposite, the Company and its subsidiaries, which operate in business fields that are not affected by the crises, have improved their financial indicators. The Company also relies on a similar effect in 2021, so that if the emergency situation continues, this will not have a significant negative impact on its ability to continue its activities as an operating enterprise.

During the reporting period the Company has raised capital through a successful initial public offering of ne shares, which will additionally increase the financial stability of the Group.

The Company considers that there is no other information that is not publicly disclosed by the Company and that would be important to shareholders and investors when making an informed investment decision.

Date: 31 March 2021

Executive Director:

(Dimitar Dimitrov)

