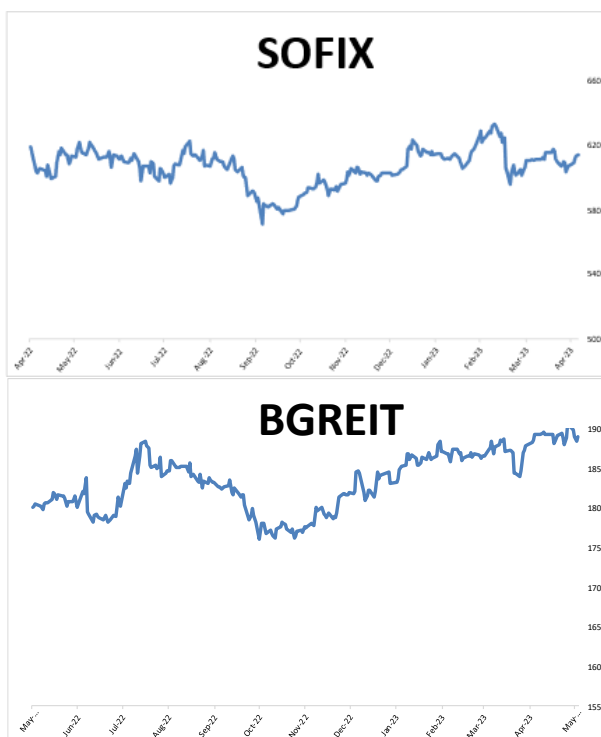


BG Indexes 12-month performance



Index	Close	Weekly Chg. %	YTD
SOFIX	613.91	1.14	2.06
BGBX 40	140.53	0.58	0.90
BGREIT	189.06	-0.82	3.22

Index	P/E	EV/S	P/BV
SOFIX	5.34	0.14	1.21
BGBX 40	6.80	0.26	1.91
BGREIT	8.76	n/a	1.38

BSE Weekly Gainers & Losers

Top Gainers		Price	Chng %
NEOH	Neochim AD	37.90	5.87
EMKA	EMKA AD	4.06	5.73
HSOF	Holding Sveta Sofia AD	3.60	4.05
EUBG	Eurohold Bulgaria AD	1.38	3.76
SFA	Sopharma AD	5.74	3.61
Top Losers		Price	Chng %
FPP	Fairplay Properties REIT	0.80	-13.04
SNRG	Synergon Holding AD	0.96	-6.80
FORM	Formoplast AD	6.00	-6.25
KBG	Korado Bulgaria AD	5.20	-5.45
ALCM	Alcomet AD	8.25	-4.07

Market Overview (01st May – 05th May)

The main Bulgarian index **SOFIX** increased this week by 1.14% to 613.91 points. The broad index **BGBX40** increased by 0.58% to 140.53 points and **BGREIT** decreased this week to 189.06 points, down by 0.77%.

Corporate News

Fibank's Q1'23 unconsolidated net income rose almost 2.5-fold YoY to BGN 32.1m (EPS of BGN 0.22). The main reasons for this were the 26.2% YoY (+BGN 17.4m) growth of net interest income, the 17.8% YoY (+BGN 5m) increase of net F&C income and the 34.8% YoY (+BGN 1.4m) increase of net trading income. On the other hand, other OPEX also grew 26.5% YoY (+BGN 1.4m) as well as credit provisions (+5% YoY; +BGN 1.5m). It is worth noting that administrative cost remained flat YoY despite overall inflation pressure and wage growth. Total operating income was up 23.3% YoY to BGN 125.4m. Gross loans portfolio added 2% both on YoY and YtD basis to BGN 6.9bn as retail loans increased 5.4% YoY (+2.4% YtD) while corporate loans added 0.2% YoY (+1.8% YtD). NPL's were down by 17.1% YoY and by 10.1% compared to previous quarter with ratio at 12.7% (based on loans & advances according to EBA definition) while 90-days past due loans declined by 19.4% YoY (-9% YtD). The bank continued increasing its investment portfolio by 8.8% YtD, thus adding to 117.6% YoY growth. The total capital ratio (20.36%) and CET 1 ratio (16.80%) remained comfortably above requirements even though declining over the quarter.

Albena (ALB) reported Q1'23 unconsolidated revenue of BGN 898k (-16.3% YoY). The drop is entirely on lower government financing of BGN 72k, compared to BGN 676k in Q1'22. The decrease is probably related to much lower electricity prices YoY, resulting in much lower compensations under the mechanism introduced by the government. On the other hand, revenue from tourism services jumped 242.8% YoY to BGN 737k as there were no pandemic related restrictions. However, the increase in activity of the core business came with increase in costs as OPEX jumped 11.6% YoY to BGN 4.0m. Consequently, EBITDA came at negative BGN 3.8m, compared to negative BGN 2.5m in Q1'22. The 6.9% YoY drop in depreciation was entirely offset by higher financial expenses of BGN 535k (+178.7% YoY), as higher interest rates began to take effect. This resulted in 9.6% YoY expansion of the Q1'23 net loss to BGN 7.5m, which translates into EPS of negative BGN 1.77. On the positive side, the removal of the pandemic related restrictions is starting to show some positive effects – Q1'23 cash inflows from clients, likely related to early bookings have more than doubled to BGN 8.8m (+110.6% YoY). This allowed Albena to finance its CAPEX of BGN 3.5m almost entirely from positive CFO of BGN 3.4m. As a result, the cash position of the company has deteriorated by only BGN 9k YtD to BGN 928k.

Economic News

➤ Bulgaria's consumer confidence indicator rose to -30.8 in the second quarter of 2023, from -35 in the previous three-month period. Consumers were less pessimistic about their financial situation for the next 12 months (-20.3 vs -22.4 in Q1), household budget (-2.9 vs -5.4) and intentions for making major purchases for durable goods (-45.2 vs -50), while outlook both eased for future inflation (10.2 vs 21.6) and unemployment concerns (14.7 vs 19.3). Also, the assessment of the general economic situation for the last 12 months grew less negative (-63.4 vs -68.1). The benchmark interest rate in Bulgaria was last recorded at 2.17 percent.

Disclaimer

Guarantees

The analyst (s) responsible for the preparation of this document shall ensure that: (1) they take all necessary care to accurately reflect the information contained in this document; (2) no part of the analyst's remuneration is, has been or will be linked, directly or indirectly, to the recommendation or opinions expressed in this document.

Financial interest: *Sofia International Securities may trade or own the financial instruments specified in this document. Sofia International Securities does not own more than 5% of the financial instruments in circulation, subject to analysis or comment in this document. The analyst (s) do not own any shares of the companies, unless explicitly mentioned.*

Disclosure of information

Due care has been taken to ensure the accuracy of the facts cited, the reliability of the sources of information and the clear definition of the assumptions, predictions, forecasts and expected prices in this document. The information presented in this document is based on publicly available information, which is considered reliable, but for which no responsibility is taken for completeness and accuracy. Neither Sofia International Securities nor the company's employees should be held responsible for the publicly available information used. The opinion expressed in this document may differ from the disclosed views in other departments and divisions of Sofia International Securities or from other employees. Additional information on this document is available upon request. The sources of information in the tables and graphs in this document are calculations by Sofia International Securities, unless otherwise stated.

Risks for investors

This document has been prepared and presented for the purpose of summary and informational purposes only and does not constitute a study within the meaning of Art. 13 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016. The information in this document should not be considered as an offer to buy or sell financial instruments or an independent investment council within the meaning of Directive 2014/65 / EU of The European Parliament and the Council of 15 May 2014, Sofia International Securities AD has not assessed the appropriateness in relation to the financial instruments mentioned in this document. The investment opportunities discussed in this document may not be appropriate for certain investors depending on their investment objectives and time horizon or in the context of their overall financial condition. The risks associated with investing in the financial instruments mentioned in this document are not fully explained. The price or value of the investment may decrease or increase. Securities or investments can lead to losses for the investor. A previous achievement is not a guarantee of future performance. Changes in exchange rates may have an adverse effect on the value, price or return on investment in securities. Sofia International Securities AD assumes no responsibility for losses incurred in connection with investments made on the basis of information contained in this document.

Copyright

The analyzes of Sofia International Securities are the exclusive property of the investment intermediary and any publication, distribution, reprinting and citation of content is possible only after the explicit written consent of the "Research and Analysis" department of the company. It is not allowed to use the analyzes of the investment intermediary from a third party for commercial purposes.