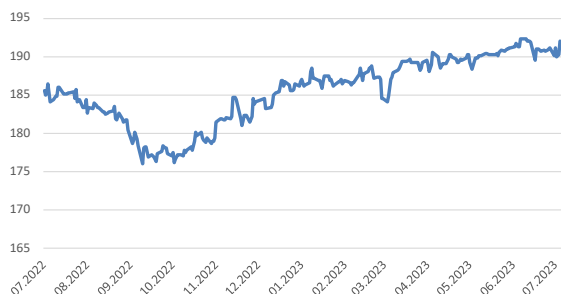


BG Indexes 12-month performance
SOFIX

BGREIT


| Index | Close | Weekly Chg.% | YTD |
|---------|--------|--------------|-------|
| SOFIX | 679.54 | -0.46 | 12.98 |
| BGBX 40 | 147.71 | 0.00 | 6.05 |
| BGREIT | 192.08 | 0.50 | 4.86 |

| Index | P/E | EV/S | P/BV |
|---------|------|------|------|
| SOFIX | 6.17 | 0.10 | 1.27 |
| BGBX 40 | 7.85 | 0.28 | 1.90 |
| BGREIT | 8.86 | n/a | 1.37 |

BSE Weekly Gainers & Losers

| Top Gainers | | Price | Chng % |
|-------------|-----------------------------|-------|--------|
| BRP | Bulgarian River Shipping AD | 0.75 | 48.51 |
| FZLS | Fazerles AD | 18.10 | 23.13 |
| SNRG | Synergon Holding AD | 0.96 | 7.87 |
| SGH | Sirma Group Holding AD | 0.69 | 6.15 |
| 11C | Eleven Capital AD | 21.80 | 5.83 |

| Top Losers | | Price | Chng % |
|------------|------------------------------|-------|--------|
| LOMP | Lomsko Pivo AD | 0.18 | -12.14 |
| ICPD | Intercapital Property Develo | 0.70 | -11.39 |
| T57 | Trace Group Hold AD | 3.60 | -6.74 |
| NEOH | Neochim AD | 30.40 | -5.00 |
| EUBG | Eurohold Bulgaria AD | 1.65 | -4.62 |

Market Overview (24th July – 28th July)

The main Bulgarian index **SOFIX** decreased this week by 0.40% to 679.54 points. The broad index **BGBX40** remained unchanged this week at the 147.71 points and **BGREIT** increased this week to 192.08 points, up by 0.50%.

Corporate News

Stara Planina Hold (SPH) reported June revenue of BGN 34.6m, down 3.1% YoY and 3% below management expectations. This was the first drawdown in the holding's monthly performance since September 2020, caused by weak results from MSH and HES. Jan-Jun total sales stood at BGN 206.8m (+13.3% YoY), compared to BGN 182.6m a year ago. July 2023 forecast is for monthly revenue of BGN 33.8m (-5.1% YoY), which would result in 10.3% YoY growth of YTD sales to BGN 240.6m.

Neochim (NEOH) reported Q2'23 revenue tumbled to BGN 38.9m (-71.0% YoY) with substantial part of the sales being a result of reduction of already existing inventory. OPEX amounted to BGN 49.3m, as only its main element – materials and energy (BGN 39.9m) surpassed revenue as existing inventory was produced at much higher natural gas prices. EBITDA fell to negative BGN 10.4m, compared to positive BGN 14.2m a year ago. EPS is negative BGN 5.02. H1'23 revenue amounted to BGN 147.6m (-63.4% YoY) with OPEX falling slower at 48.6% YoY to BGN 165.3m. This resulted in EBITDA of negative BGN 17.7m. Thanks to the debt-free nature of Neochim, other than depreciation of BGN 5.1m (-4.7% YoY), not much else weighed down the line and 6-mo earnings reached negative BGN 22.8m (EPS of negative BGN 8.83). On the balance sheet, the large cash position of BGN 101.5m has melted nearly in half to BGN 54.1m (-46.7% YtD), while receivables have surged 183.2% YtD to BGN 48.5m. A possible explanation of this could be the inventory build-up in farmers, who were waiting on higher grain prices to sell their production, therefore some lacked working capital to pay for fertilizers right away. Meanwhile, some media outlets revealed that Neochim will likely be fined for poisoning of Maritsa river, resulting in dead fish. The water samples, examined by the respective regulatory authorities indicated increased levels of nitrogen compounds, above the norms. No comments have been made by Neochim so far.

Bulgarian Real Estate Fund (BREF) announced that it signed two new lease contracts. The first one is with Private primary school Canadian Bear. It has an area of 1 889.25 sq.m. in Kampanite Green Office building and a term of 10 years. Following this contract, the occupancy of the property should jump to 74.25% from 55.26% as of 31 March. The second lease contract is with Kalever for an area of 255.49 sq.m. in the Business Park property. The lease has a term of 3 years and lifts the occupancy of the building to 71.05% from 67.56% as of 31 March.

Economic News

✓ Bulgaria's business confidence indicator eased to 26.3 in July 2023, down from a more than two-year high of 26.9 in the previous month, mainly because entrepreneurs were less optimistic about their expectations on the business situation of the enterprises over the next six months (17.3 vs 18 in June). Moreover, they've also lowered their expectations regarding employment for the upcoming three months (5.6 vs 6.6) and the level of export orders (-24.1 vs -22.6). On the contrary, businesses grew more pessimistic about production over the next three months (17.1 vs 13.9) and the level of orders (-16.2 vs -17.6). Concerning selling prices, companies expect them to decrease for the upcoming three months (6.9 vs 9.3).

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