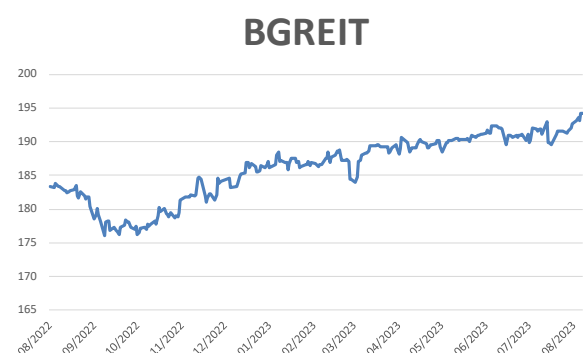
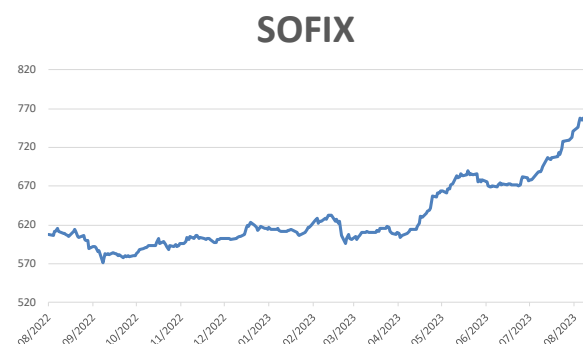


BG Indexes 12-month performance


Index	Close	Weekly Chg.%	YTD
SOFIX	758.33	2.31	26.08
BGBX 40	158.79	1.22	14.01
BGREIT	194.22	0.81	6.03

Index	P/E	EV/S	P/BV
SOFIX	7.74	0.10	1.54
BGBX 40	9.85	0.28	2.05
BGREIT	9.71	n/a	1.37

BSE Weekly Gainers & Losers

Top Gainers		Price	Chng %
SFB	Sopharma Buildings	35.00	25.00
ELHM	Elhim Iskra	0.90	9.76
ZHZA	Zaharni Zavodi AD	6.00	7.14
EMKA	EMKA AD	2.18	6.86
SLYG	Shelly Group	46.40	6.42

Top Losers		Price	Chng %
AROM	Elhim Iskra AD	1.48	-14.45
ZHBG	Zaharni Hrani Bulgaria	0.13	-5.80
ICPD	Intercapital Property	0.65	-5.80
SPDY	Speedy AD	120.00	-4.76
BDT	Biodit AD	1.57	-4.27

Market Overview (28 Aug – 01 Sept)

The main Bulgarian index **SOFIX** increased this week by 2.31% to another all-time high of 758.33 points. The broad index **BGBX40** increased by this week by 1.22% to 156.79 points and **BGREIT** increased this week to 194.22 points, up by 0.81%.

Corporate News

Monbat's (MONB) H1'23 revenue amounted to BGN 198.3m (+3.5% YoY), while OPEX advanced slightly more to BGN 180.2m (+3.6% YoY). The top markets of the company were France (9.8%), Germany (8.3%) and Italy (7.8%). Depreciation was 28.3% YoY higher at BGN 10.8m. Net interest expense surpassed BGN 4.1m (+80.9% YoY), while income from discontinued operations added BGN 2.2m as the BGN 5.9m of non-refundable deposit, received from Britishvolt in Q1'23 outweighed the revaluation losses from Monbat Immobilien. Consequently, the bottom line amounted to BGN 5.0m (EPS of BGN 0.13), just 0.2% lower than H1'22.

Bulgarian Stock Exchange (BSE) reported H1 2023 consolidated revenue amounted to BGN 8.5m, -4.0% YoY. OPEX increased to BGN 4.9m (+18% YoY) due to compensations growth (+22.2% YoY; BGN 1.9m). Thus, cons EBITDA came down to BGN 3.6m (-23.6% YoY). Moving to the bottom-line, BSE accumulated BGN 3.1m net interest income during the period, which enabled cons net profit to post 43.7% YoY growth to BGN 5.2m. TTM EPS amounted to BGN 0.93 and surpassed our forecast by 7.9%. On the balance sheet we noticed an increase of receivables by BGN 22.6m compared to 2022-end, as receivables under REPO grew from zero to BGN 124.3m while trade receivables for electric energy decreased from BGN 58.5m to BGN 8.5m and tax receivables were reduced to zero from BGN 51.8m.

Shelly Group (SLYG) announced the cooperation with Zendure, a solar systems provider, whose balcony electricity generation systems can be implemented in the smart home solutions, which Shelly group offers.

Telelink Business Services (TBS) announced Q2 results, where revenues fall 16.7% to BGN 60m. Sales across geographies experienced an overall decline, but the largest one, and main contributor to the overall decrease, was the one from the domestic market. In the same time, COGS fell by 20.3%, which resulted in Gross Profit staying the same at BGN 12.7m. However, the higher OPEX resulted in Net Profit crumbling down to BGN 1.3m from 4.8m.

Economic News

- ✓ The tourist arrivals in Bulgaria rose 19.7% YoY to 1.836 million in July 2023, extending the 23% yearly increase in the previous month as tourism continues to recover from the pandemic crash in 2020.
- ✓ The benchmark interest rate in Bulgaria was recorded at 3.12%.
- ✓ Producer prices in Bulgaria fell 13.7% YoY in July, the steepest decline since comparable records began in 2001, mainly caused by a substantial fall in prices of electricity, gas, steam & air-conditioning supply (-37% vs -24.7% in June 2023). Also, manufacturing costs continued to decrease (-2.6% vs -5.5%), although at a slower pace.
- ✓ Bulgaria's business confidence indicator decreased to 25.1 in August 2023 following a reading of 26.3 in the previous month, mainly because entrepreneurs were less optimistic about their expectations on the level of production over the next six months (12.9 vs 17.1 in July). Moreover, they've also lowered their expectations regarding the business situation for the upcoming six months (15.9 vs 17.3) and the level of orders (-19.8 vs -16.2).

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.