



Interim Activity Report of Advance Terrafund ADSIC for the period between 1 January 2024 and 30 September 2024

I. General background of the Company

Advance Terrafund ADSIC ("The Company") is a public joint-stock company established at the Constituent Assembly from 12 April 2005, with initial capital amounting to BGN 500 thousand, allocated into 500,000 shares with par value of BGN 1 each. After the establishment of the company, five subsequent increases of the capital of the Company have been carried out, and as of 30 September 2024 the capital of the Company amounts to BGN 85,110,091.

The Company was re-registered with the Trade Register of the Registry Agency under UIC 131418187.

The seat and registered office of the Company are at 1 Zlatovrah Str., Sofia.

The Company's subject of activity is investment of funds raised through public offering of securities in real estate through purchase of right of ownership and other material rights on real estate and building constructions and improvements thereof, with the purpose of their management, rental, leasing, and/or sale.

Advance Terrafund ADSIC obtained license № 10-DSIC/08.12.2005, issued on the basis of Decision № 452-DSIC from 14 July 2005 of the Financial Supervision Commission.

The Company has a one-tier management system.

The Board of Directors (BD) of the Company is composed as follows:

Radoslav Iliiev Manolov – Executive Director,

Borislav Vitanov Petkov – Chairman of the BD; and

Nencho Ivanov Penev – Member of the BD.

The Company is represented and managed by its Executive Director Radoslav Manolov.

II. Information about important events and their influence on the results

Key financial performance indicators:

INDICATOR	Current period	Preceding period
OPERATING REVENUES	8,935	6,541
OPERATING COSTS	(3,125)	(5,504)
PROFIT/LOSS FOR THE PERIOD	5,810	1,037
TOTAL ASSETS	327,387	338,758
SHARE CAPITAL	85,110	85,110
SHARE PREMIUM	43,411	43,411
OTHER RESERVES	45	45
RETAINED EARNINGS	196,169	190,360
TOTAL CAPITAL	324,735	318,926
TOTAL CURRENT LIABILITIES	2,652	19,832

	30.09.2024
Income from sale of investment property	7,290
Income from rent and lease of investment property	1,332
Income from interest	272
Other income	41
OPERATING INCOME	8,935

	30.09.2024
Costs for hired services	2,961
Employee benefits expense	158
Other expenses	4
OPERATING COSTS	2
	3,125

As of 30 September 2024, the Company's investment properties include: agricultural land with an area of approximately 180,826 decares worth BGN 313,661 thousand, properties in urban areas with an area of approximately 61 decares worth BGN 1,016 thousand or a total of BGN 314,677 thousand including BGN 187,733 thousand revaluation to fair value.

As of 30 September 2024, the Company has signed rental and lease contracts for 146,442 decares for the 2023-2024 business year, which make up 80.99% of the land purchased so

far. The average amount of the rent/lease payment for the economic year is BGN 64.88/decare.

During the past period, the Company realized direct sales of 693 decares of agricultural land.

III. Major risks and uncertainties facing the Issuer during the remainder of the financial year

Advance Terrafund ADSIC is exposed to the common risks facing all public companies and economic entities in the real estate segment. The Company is influenced by the land market environment, the liquidity of investments, the state of the investment property, as well as the changes in the effective legislation regulating the agricultural sector.

The company carries out its investment activity by selling concentrated own land and at the same time investing in agricultural land. The supply of agricultural land is relatively limited, but the interest of farmers in purchasing agricultural land is also limited, due to lower yields as a result of climate change and lower purchase prices for their production, which leads to a drop in the price of agricultural lands.

The financial assets and investments as at 30 September 2024 are denominated in BGN and EUR and, due to the operating currency board and the fixed BGN/EUR exchange rate, no currency risk exists. As to date, the Company has no exposure to currencies other than BGN and EUR.

The Company invests a minimum of 95% of its portfolio in land designated for agricultural purposes and up to 5% in land in urbanized territories.

Advance Terrafund ADSIC strictly adheres to its policy of investing in high-quality properties meeting the needs of developing modern agriculture and renting or leasing to first-class tenants under conditions favorable to the Company.

IV. Information about material transactions concluded between related parties

The related party transactions, including the transaction value and the nature of the relations between the parties, are reported in the Interim Financial Statements for the relevant period.

The transactions are concluded in accordance with the normal course of trade.

Date: .. October 2024

Executive Director:

/Radoslav Manolov/