

Translation from Bulgarian into English

ANNUAL SUMMARY REPORT ON STATE-OWNED PUBLIC ENTERPRISES FOR 2023



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ENCLOSURE 1 INFORMATION ON PUBLIC ENTERPRISES CATEGORIZED AS "LARGE"

Annex 2 Report on the results of the submitted reports on the performance of the overall non-financial indicators of the business programs of the public enterprises categorized as "large" in 2023.

ABBREVIATIONS

PECA	Public Enterprises and Control Agency
GDP	Gross domestic product
PEA	Public Enterprises Act
FA	Forestry Act
SBRBA	State Budget of the Republic of Bulgaria Act
Amendment Act	Amendment Act
FMCPA	Financial Management and Control in the Public Sector Act
EPA	Environmental Protection Act
AACT	Accountancy Act
EWRC	Energy and Water Regulatory Commission
MC	Council of Ministers
MH	Ministry of Health
MRDPW	Ministry of Regional Development and Public Works
MEI	Ministry of Economy and Industry
MTC	Ministry of Transport and Communication
MAF	Ministry of Agriculture and Food
MD	Ministry of Defense
MIG	Ministry of Innovation and Growth
MeG	Ministry of e-Governance
ME	Ministry of Energy
MC	Ministry of Culture
MYS	Ministry of Youth and Sports
MF	Ministry of Finance
MES	Ministry of Education and Sciences
MLSP	Ministry of Labour and Social Policy
MT	Ministry of Tourism
MJ	Ministry of Justice

MFA	Ministry of Foreign Affairs
MI	Ministry of Interior
MOEW	Ministry of Environment and Water
NCI	National Statistical Institute
OECD	Organization for Economic Co-operation and Development
IRPEA	Implementing Rules of the Public Enterprises Act
CA	Commerce Act
CR	Commercial Register
ESSF	“Electricity System Security” Fund

INTRODUCTION

The Annual summary report on state-owned public enterprises for 2023 has been prepared in accordance with the requirements of Art. 30 of the Public Enterprises Act and Art. 22 of the Implementing Rules of the Public Enterprises Act.

The report shall summarize the performance of public enterprises in 2023, the implementation of the OECD Guidelines for Corporate Governance for State-owned Enterprises (OECD Guidelines) and of the National Code for Corporate governance. The report has been prepared based on data from the annual reports of public enterprises, from other publicly available sources and registers and with the assistance of public enterprises and bodies exercising the rights of the state, who have provided the Public Enterprises and Control Agency with the necessary information.

The purpose of the report is to provide an overview of the performance of public enterprises categorised as "large" and to summarise the performance of enterprises by sector.

The report shall contain information on the business programs performance for each of the public undertakings categorised as "large", in accordance with the criteria set out in Section I and Section II of Chapter Two of the Accountancy Act, with a view to achieving the set financial and non-financial targets, as well as data on: significant events in the public undertaking's activities in 2023; revenues; returns; number of employees; members of the management and control bodies and their remuneration during the reporting period.

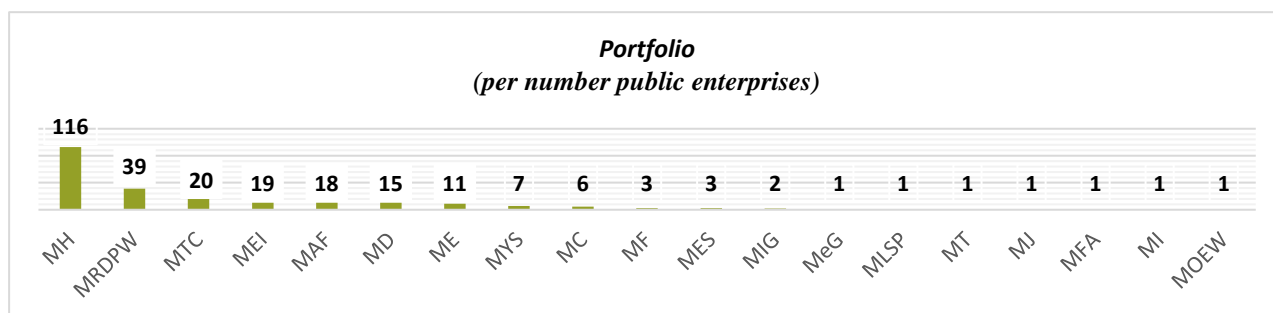
II. STATE PORTFOLIO IN PUBLIC ENTERPRISES

1. Overview of the state's portfolio

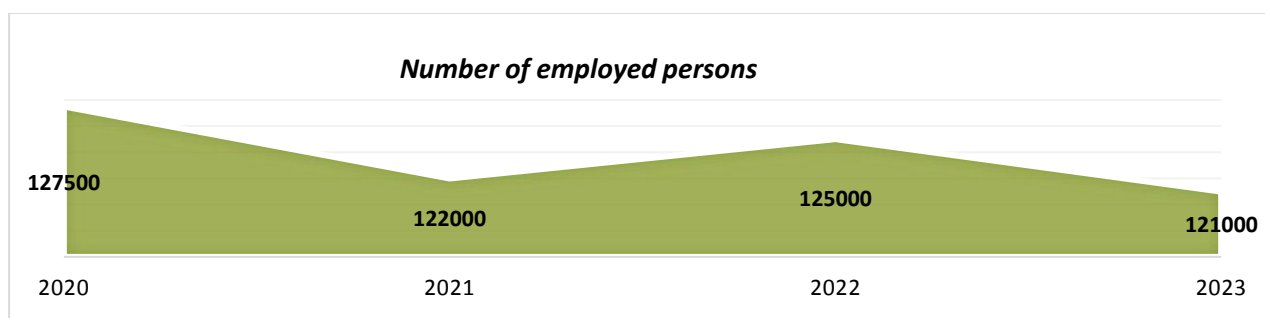
At the end of 2023, the Bulgarian state exercises a dominant influence in **266** public enterprises representing:

- commercial companies with more than 50 per cent state ownership or in which the state otherwise exercises a dominant influence;

- subsidiaries of commercial companies and state-owned enterprises, if through them the state controls more than 50 per cent of the voting shares or otherwise exercises a dominant influence;
- state-owned enterprises, established by special laws pursuant to art. 62, para 3 of the Commerce Act.



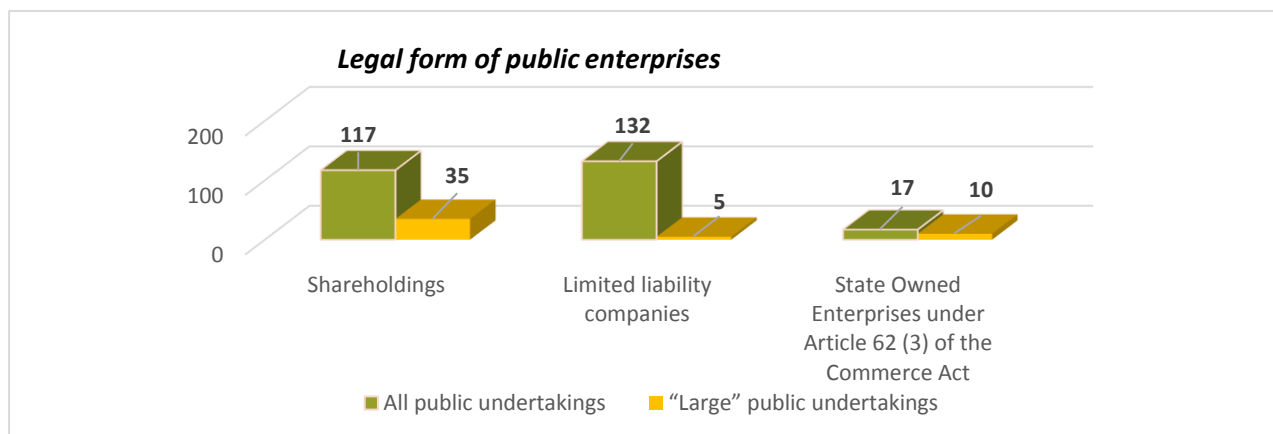
According to data from the annual reports on the activities of public enterprises for 2023, the number of persons employed in them is approximately 121,000, with the number remaining not significantly changed compared to 2022, when 125,000 persons were employed in state-owned public enterprises. The change in the number of employees is presented graphically as follows:



State owned enterprises operate in sectors covering 18 economic activities, according to the classification of economic activities (CEA-2008) of the National Statistical Institute by Sector, as follow: “Agriculture, forestry and fisheries”, “Extractive industry, Manufacturing”, “Production and distribution of electricity, heat and gaseous fuels”, “Water supply; Sewerage, waste management and remediation services”, “Construction”, “Trade; Repair of motor vehicles and motorcycles”, “Transport, storage and posts”, “Hospitality and restaurant industry”, “Creation and Distribution of Information and Creative Products”; “Telecommunications”, “Financial and insurance activities”, “Real estate operations”, “Professional activities and research”, “Administrative and support activities, “State Governance”, “Education, Human Health and Social Work”, “Culture, sport and entertainment”.

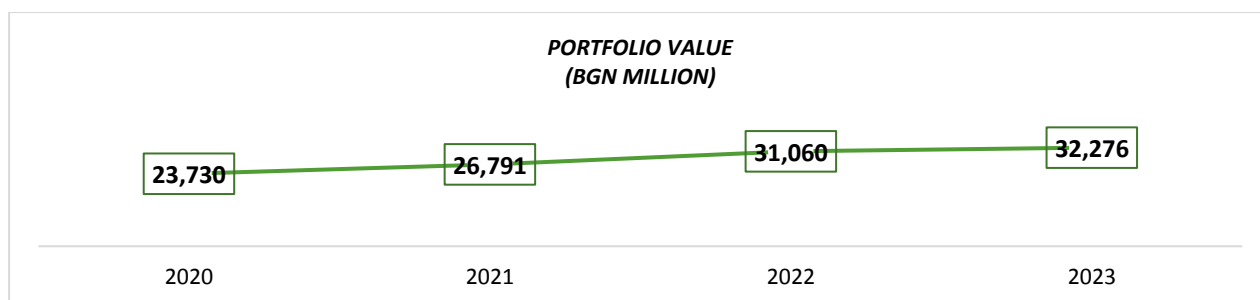
An analysis of the public enterprises’ performance by sector is presented in Section III.3 of this report.

Based on their legal form, public undertakings fall into the following categories:



Based on the criteria set out in Section I and Section II of Chapter Two of the Accountancy Act, 50 public enterprises are categorized as "large" for 2023. Of these, 35 are joint stock companies, 5 are limited liability companies, and 10 are state-owned enterprises established by special laws pursuant to Article 62 (3) of the Commerce Act.

The book value of the equity of public enterprises for 2023 was used as the basis for determining the value of the state portfolio:



As can be seen from the chart above, there is a trend of gradual increase in the total book value of the equity of public enterprises - from BGN 23 730 million in 2020 to BGN 32 276 million in 2023. The increase in the equity in 2023 is influenced by the increase in the capital of "Kozloduy NPP" EAD, Kozloduy with a cash contribution of BGN 1,500 million from "Bulgarian Energy Holding" EAD, Sofia. The goal is undertake action on the construction of units 7 and 8 on site No. 2 of "Kozloduy NPP" EAD, Kozloduy.

Twenty-three (23) public enterprises end 2023 with negative equity, of which Bulgarian Post EAD, Sofia by BGN (49.285 million and), "Water Supply and Sewerage" OOD, SHUMEN by BGN (29.176 million) and, "Terem Khan Krum" EOOD, Targovishte by BGN (20.873 million) and, "Water Supply and Sewerage" OOD, Plovdiv by BGN (18.876 million).

2. Changes in the state portfolio structure

According to the provision of Article 13 of the PEA, the Council of Ministers shall exercise the rights of the state in public enterprises and can delegate these rights to the ministers according to their sectoral competence.

In 2023, four (4) new companies were established as follows:

“Economic Zone Dobroslavtsi” EAD, Sofia

In order to implement public policy objectives related to the acceleration of the country's economic growth by attracting new investments and for the strategic development of the automotive industry in the Republic of Bulgaria, the Council of Ministers Decision No. 281 of 10 April 2023 established the Dobroslavtsi Economic Zone. In compliance with the decision, the “National Company Industrial Zones” EAD, Sofia, established a subsidiary undertaking "Dobroslavtsi Economic Zone" EAD, Sofia, with capital amounting to BGN 5 178 610.

“National Energy operator” EAD, Sofia

By permission of the Minister of Energy, Bulgarian Energy Holding EAD, Sofia, establishes a new subsidiary company with the main business of construction and operation of electricity facilities, with a capital of BGN 30 000 000. One of the main activities of the company is to develop and implement projects for the construction and subsequent operation of systems for storage and/or recovery of electricity generated mainly from renewable energy sources. In addition to the development and construction, the National Energy Operator EAD, Sofia, Bulgaria will also be the operator of these facilities and will provide access to the infrastructure to any commercial renewable electricity participant/generator for various types of services, such as third-party energy storage, providing "rental" services under standardized commercial terms and schedules.

“Geohazards protection” EOOD, Pernik and “Geohazards protection” EOOD, Pleven

The Minister of Regional Development and Public Works, as the sole owner of the capital, transformed "Geohazards protection" EOOD, Varna by separating the branches of the company in the city of Pernik and in the city of Pleven and establishes as new commercial companies “Geohazards protection” EOOD, Pernik and “Geohazards protection” EOOD, Pleven, with a registered capital of BGN 5,000 each.

In 2023, the following public enterprises were transformed and dropped from the state portfolio structure:

✓ By decision of the Minister of Economy and Industry, in implementation of a decision of the National Assembly and the Act to Amend and Supplement the State Contingency Reserves and Wartime Stocks Act (promulgated SG, edition 54 of 2023), a liquidation procedure has been opened for the “State Oil Company”, Sofia. The deletion of the merchant is recorded in the Commercial Register and Register of Non-Profit Legal Entities on 28.11.2023;

✓ “FRUIT AND VEGETABLE” EOOD, Gabrovo has been transformed by decision of the sole owner of the capital - the Minister of Economy and Industry by merging into the State Consolidation Company EAD, Sofia. The deletion of the merchant is recorded in the Commercial Register and Register of Non-Profit Legal Entities on 30.05.2023;

✓ By decision of the sole owner of the capital - "Specialized Hospitals for Rehabilitation – National Complex” EAD, Sofia, the “Medical Center– Rehabilitation – National Complex” EOOD, Sofia is liquidated. The deletion of the merchant is recorded in the Commercial Register and Register of Non-Profit Legal Entities on 12.10.2023;

✓ Occupational Medicine Service – “Alexandrovskia” EOOD, Sofia, has been declared in liquidation by the sole owner of the capital University Multiprofile Hospital for Active Treatment "Alexandrovskia" EAD, Sofia. The deletion of the merchant is recorded in the Commercial Register and Register of Non-Profit Legal Entities on 07.11.2023;

✓ By decision of the sole owner of the capital the “UMHAT Sveti IVAN RILSKI” EAD, Sofia, the “Medical Center For Specialized Outpatient Medical Care On Pulmonary Diseases” EOOD, Sofia has been transformed by merger into "Diagnostic and Consultative Centre - Sveti Ivan Rilski" EAD, Sofia. The conversion of the public undertaking is recorded in the Commercial Register and Register of Non-Profit Legal Entities on 23.08.2023.

✓ By decision of the Minister of Energy of 30 October 2023, a non-cash contribution amounting to BGN 1,000,000 was made to the capital of “Bulgarian Energy Holding” EAD, Sofia with the subject of the State's ownership right to 100% of the shares of “Minproekt” EAD, Sofia. The capital increase was registered in the Commercial Register and Register of Non-Profit Legal Entities on 16 November 2023 and the change of ownership was registered under the account of Minproekt EAD, Sofia on 7th of December 2023.

III. FINANCIAL AND OPERATIVE POSITION OF PUBLIC ENTERPRISES AS OF 31.12.2023; SECTOR ANALYSES

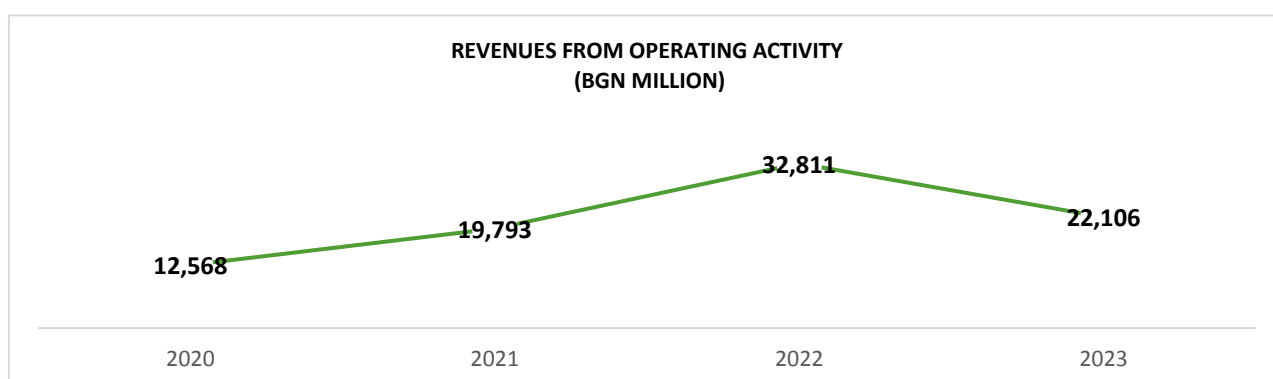
The main goal of the Bulgarian state is to achieve the best possible economic and social outcome as a result of activities of public undertakings. This determines the significant responsibility of the state to be an active and predictable owner, combined with high professionalism.

1. Aggregated reporting data

This section includes information on the financial performance of state-owned public enterprises in which ministers and holding structures exercise dominant influence, the dividend policy of the Bulgarian state, and an analysis of the performance of public enterprises by sector. A large number of state-owned public enterprises are essential to the country's economy and are leading in sectors related to energy, health care, transport, water and sewerage.

The total revenues resulting from the operating activities of the public enterprises from the state portfolio in 2023 amounted to BGN 22 106 million and show a significant downward trend compared to 2022, when they amounted in total to BGN 32 811 million, or in percentage terms the decrease is approximately 32.63%.

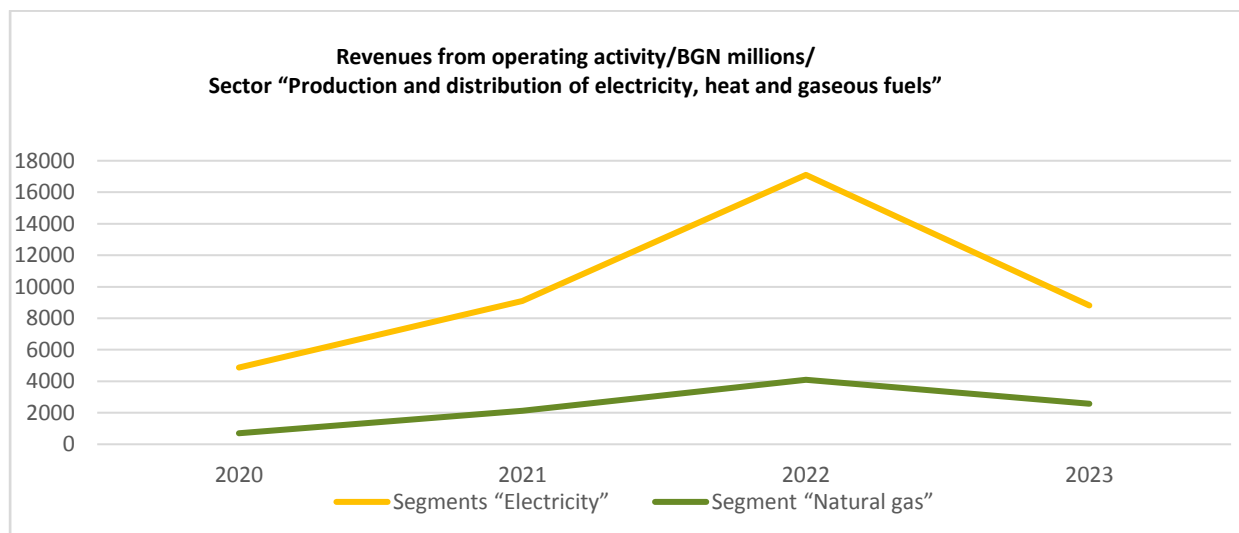
A Comparative chart of the operating revenues of the SOEs for the period 2020-2023 is presented below:



The most significant is the decrease in the operating revenues of the public enterprises in the sector "Production and distribution of electricity, heat and gaseous fuels". In 2023, the public enterprises in the

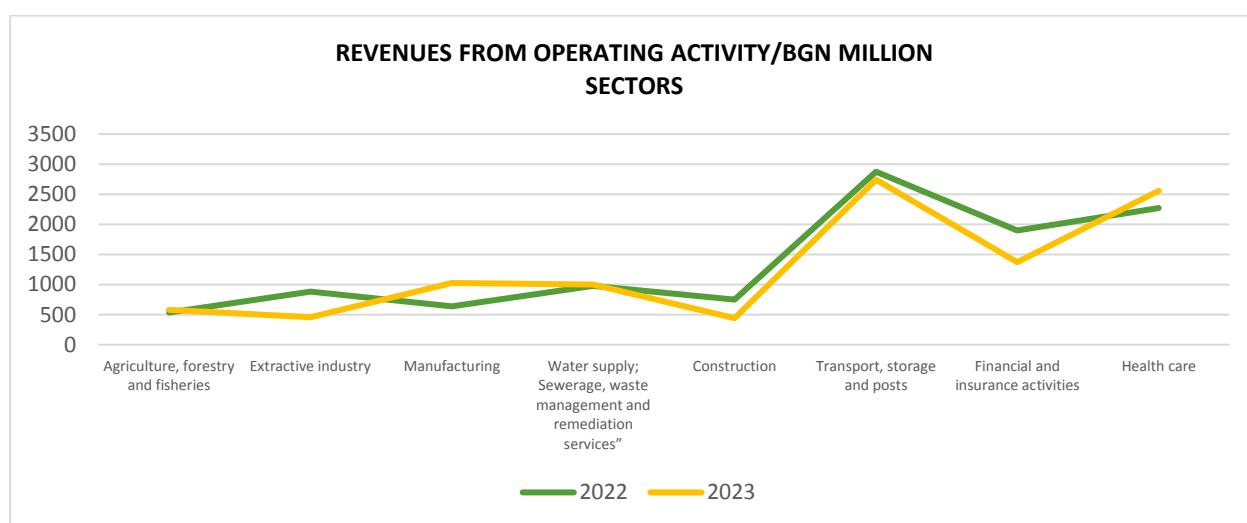
sector report a decrease in operating revenues by BGN 10 606 million compared to the previous year 2022, when they amounted in total to BGN 22 045 million or the decrease is approximately 51.89%.

The operating revenues of public enterprises in the “Electricity, Heat and Gaseous Fuels Generation and Distribution” sector, segments “Electricity” and “Natural Gas” are presented in the graph below:



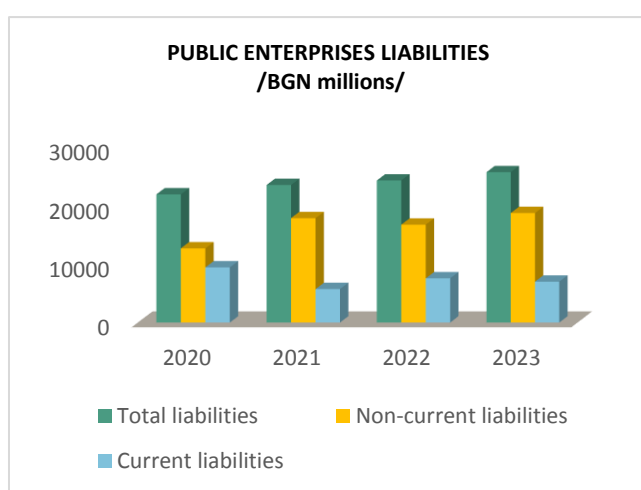
According to the data, the public enterprises’ revenues from operating activities in the Electricity segment have decreased from BGN 17,102 million in 2022 to BGN 8,814 million in 2023, or by approximately 48.46%. A major factor in the decrease of the operating income segment in 2023 compared to 2022 is the decline in electricity prices realized on the exchange markets. In the “Natural gas” segment, the public undertaking “Bulgargaz” EAD, Sofia, has realized revenues in the amount of BGN 2,566 million in 2023, which decreased by approximately 37.32% compared to 2022, when they totaled BGN 4,094 million, due to a decrease in the levels of natural gas exchange indices and reduced consumption in 2023.

A summarized information of the operating revenues of public enterprises in other major sectors of the economy is presented in the following graph:



The results of public enterprises through the dynamics of fixed assets, current assets, cash, non-current liabilities, current liabilities and equity are presented in summary form as follows:

BGN million	2023	2022	2021
Assets			
Total assets, including:	57,883	55,255	50,451
Long-term assets	40,649	36,617	36,056
Short-term assets	17,234	18,638	14,395
Cash	6,317	8,587	5,881
Liabilities			
Equity	32,276	31,060	26,791
Total liabilities, including	25,607	24,195	23,660
Non-current liabilities	18,648	16,668	17,776
Current assets	6,959	7,527	5,884
Total Liabilities and equity	57,883	55,255	50,451



The summarized data showed that the assets of the state-owned public enterprises for 2023 have a total book value of BGN 57 883 million and compared to the end of 2022, when they were BGN 55 255 million, they increase by BGN 2 628 million or by approximately 4.76%, with the most significant change in fixed assets, which increased by BGN 4 032 million or by approximately 11.01%. Current assets decreased from BGN 18,638 million at the end of 2022 to BGN 17,234 million in 2023, or expressed as a percentage - approximately 8.15%. In cash funds is observed a significant downward trend, respectively from BGN 8,587 million in 2022 to BGN 6,317 million

in 2023, or by approximately 26.44%.

The total amount of public enterprises' liabilities in 2023 increased to BGN 25,607 million, representing an increase of BGN 1,413 million compared to 2022, when the total liabilities amounted to BGN 24,195 million, resulting in an approximate 5.82% increase. The largest amount of liabilities is reported by public enterprises in the sectors "Electricity, Heat and Gaseous Fuels Generation and Distribution" - BGN 7,327 million; "Transport, Storage and Posts" - BGN 7,562 million and "Financial and Insurance Activities" - BGN 4,708 million, or in total, the liabilities of public enterprises operating in the mentioned sectors of the economy amounted to BGN 19,597 million, or approximately 76.53% of the total liabilities of public enterprises for 2023.

The results of operations of the public enterprises, including revenue, expenses and net profit, are presented in the table below:

Income statement

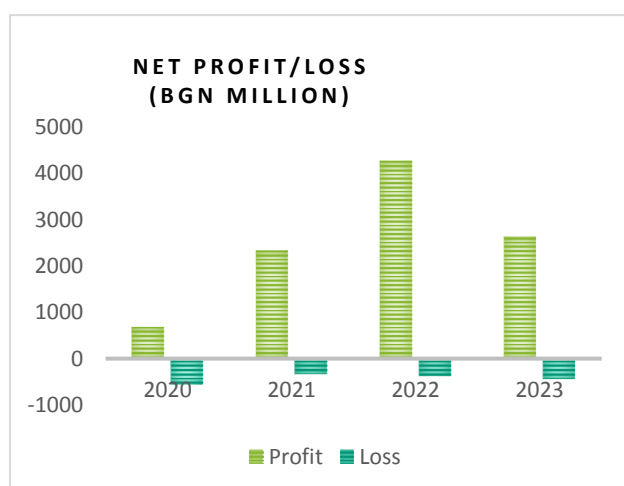
BGN million	2023	2022	2021
Total revenues	22,519	33,730	20,154
Sales revenues	22,106	32,811	19,793
Other revenues	413	919	361
Expenses			
Total expenses	20,136	29,543	18,044
For operating activity	19,750	29,193	17,009

Other expenses/ financial	386	350	1,035
Net profit/loss*	2,178	3,898	2,007

* After deduction of taxes

The total revenues resulting from the public enterprises' operating activities in 2023 amounted to BGN 22 519, with a decrease compared to 2022, when they amounted to 33 730 million BGN, or the reported decrease is approximately 49.78%. The decrease is mainly a result of the reported change in total sales revenue, namely from BGN 32,811 million for 2022 to BGN 22,106 million for 2023, or by approximately 48.43%.

For the period analysed, more significant changes are reported in operating expenditure, which follows the general trend of decreasing total expenditure of public enterprises in 2023 compared to 2022. The expenditures for operating activities for 2022 accounted for BGN 29,193 million and for 2023 — BGN 19 750 million, i.e. a reduction of approximately 47.81% compared to 2022 is reported. In the structure of total expenditure, the value of financial expenditure remains unchanged at BGN 350 million for 2022 and BGN 386 million for 2023.



According to the data from the individual annual financial statements of the public enterprises, including their subsidiaries as of 31.12.2023, the net profit for 2023 amounted to BGN 2 178 million and is by BGN 1 720 million less compared to 2022, when a net profit of BGN 3 898 million was reported.

At the end of 2023, one hundred seventy nine (179) public enterprises reported a net profit as a result of their activities.

For the same reporting period, seventy three (73) state-owned enterprises incurred a loss totaling BGN (437) million. The biggest loss amounting to BGN (136)

million was reported by “Mini Maritsa East” EAD, Radnevo.

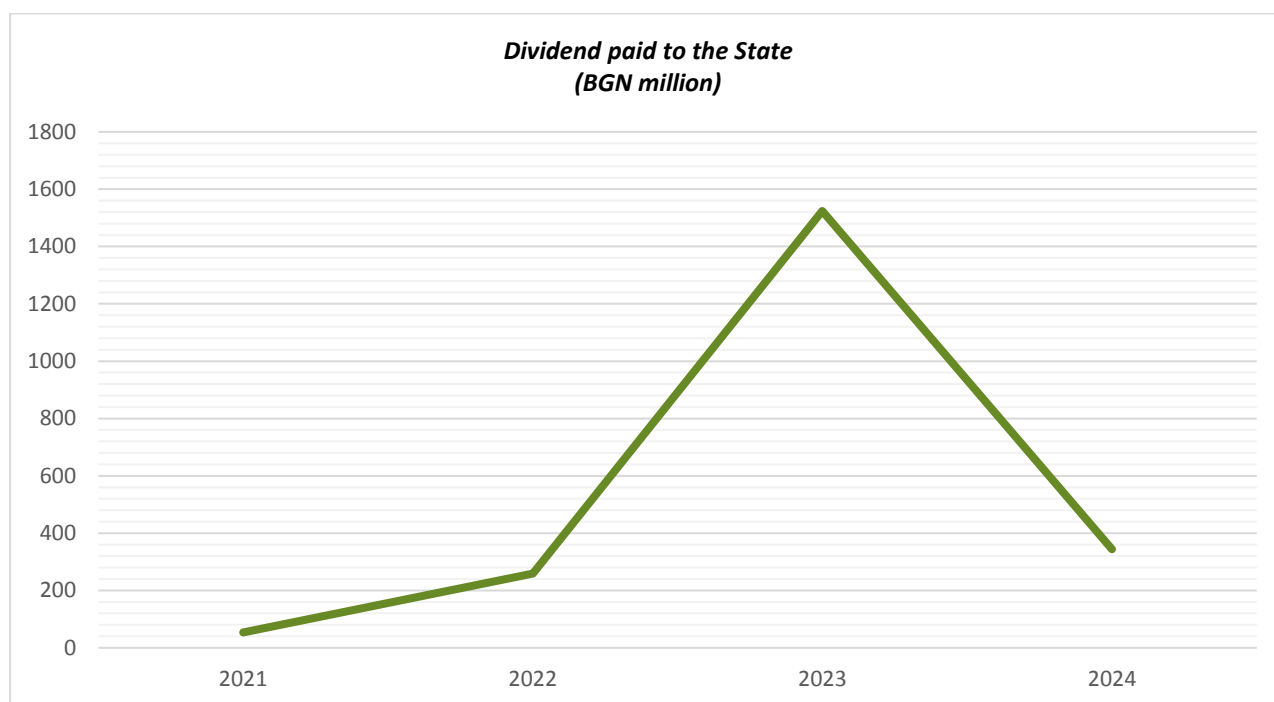
2. Dividend policy

The Council of Ministers shall, by its Decree, determine the dividend policy in respect of public enterprises in the Republic of Bulgaria for each financial year.

By Council of Ministers' Order No 1/27.03.2024, as amended and supplemented by the Council of Ministers' Order No 2/30.05.2024 and the Council of Ministers' Order No 3/16.10.2024, the amount of the profit deductions shall be determined, respectively the distributed dividend for the financial year 2023, to be paid by the State public enterprises in 2024.

Hospital care facilities, mental health centres and the undertakings of the “Water and sewerage” sector are exempted from the obligation to pay profit deductions or dividends for the financial year 2023.

The dividend paid by public enterprises with direct state participation in the period 2021-2024 is presented graphically in the following chart:



As it can be seen from the chart above, the data show that the amount of dividend paid to the state by the public enterprises is the largest in 2023 - BGN 1 524 million, as the dividend paid by “Bulgarian Energy Holding” EAD, Sofia, is in the amount of BGN 1 439 705 730 and represents a distributed dividend from the company's profit for 2022, from the retained earnings from previous years reported in the financial statements for 2022 and in the adopted and audited interim financial statements for the first half of 2023.

Establishment and payment of deductions from the profit of state-owned enterprises and trading companies with state participation in the capital in favour of the State

1. The bodies exercising the rights of the state in the sole trading companies with state participation in the capital, except hospital care facilities, mental health centers, and the companies of the "Water supply and Sewerage" sector, shall distribute their profit according to the annual financial statement for the **financial year 2023** after taxation and shall adopt a resolution as follows:

a) For deduction of a part of the profit on the Annual financial statements after taxation for the financial year 2023, reduced by the uncovered losses from previous years - 100 percent for limited liability companies, and for "Bul Bio – NCIPD" EOOD - in the amount of BGN 66 000;

b) for the distribution of dividend from the profit of joint stock companies, subject to the requirements of Article 247a of the Commerce Act, following the deduction of contributions to the Reserve Fund, in cases where the fund has not yet been fully replenished, in accordance with Article 101 of State Budget of the Republic of Bulgaria Act for 2024 - 100 per cent, with the exception of "Bulgarian Energy Holding" EAD, which shall pay a dividend for the financial year 2023 in the total amount of BGN 1 080 529 thousand, from which shall be deducted the dividend paid under item 5b) and item 6a) of the Council of Ministers' Order No. 2 of 2023 on establishing and paying the State deductions from the profits of State-owned enterprises and commercial companies with State capital participation, amended and supplemented by Orders Nos 3, 4, 5 and 7 of the Council of Ministers 2023, of the "National Company Industrial Zones" EAD, which shall paid a dividend of BGN 3 866 400, the "State Consolidation Company" EAD, which shall paid a dividend amounting to BGN 5 455 400, and "Balneological Centre - Kamena" EAD, which shall paid a dividend of BGN 45 500.

2. If not specified otherwise by the law, the management bodies of state-owned enterprises, established under Article 62 (3), of the Commerce Act, excluding those representing budgetary organizations within the meaning of the Public Finance Act, shall decide to allocate 100 percent of the profit from the Annual Financial Statements after taxation for the fiscal year 2023 to the State, reduced by any previous year's losses and the funds required to be set aside by the enterprise according to the law, with the exception of the state-owned enterprises under Article 163 of the Forestry Act, which shall distribute to the state an amount of the profit as follows:

- a) "North-West State Enterprise", Vratsa - BGN 130,000;
- b) "North-Central State Enterprise", Gabrovo - BGN 822, 000;
- c) "North-East State Enterprise", Shumen - BGN 25, 000;
- d) "South-West State Enterprise", Blagoevgrad - BGN 31, 000;

e) "South-Central State Enterprise", Smolyan - BGN 2 256 000;

f) "South-East State Enterprise", Sliven - 235 000.

3. The representatives of the state in the General meetings of trading companies with state participation in the capital, excluding hospitals, mental health centers, and companies in the "Water Supply and Sewerage" sector, in the distribution of profits for 2023 should propose and vote on the deduction from the profit for the shareholders, respectively distribution of a dividend for the shareholders, under the conditions and in the amounts specified in item 1, and for "Information Services" AD — in the amount of BGN 4 950 000.

4. State-owned enterprises and trading companies with more than 50 percent state participation in the capital, which own shares or stocks in other trading companies, shall authorize their representatives in the General meetings of these companies, when distributing the profit for 2023, to propose and vote a deduction of the profit for the partners, respectively a dividend distribution to the shareholders, of in the amount not less than 50 percent. "National Electricity Company EAD shall apply item 6c of Order No. 2 of the Council of Ministers of 2023 on the establishment and payment to the State of profit deductions from State-owned enterprises and commercial companies with State participation in the capital, as amended and supplemented by Orders No. 3, 4, 5 and 7 of the Council of Ministers of 2023.

5. The state-owned enterprises and the commercial companies referred to in items 1 - 4 shall pay the amounts of the allocated profit, respectively the allocated dividend for the financial year 2023 by 31 May 2024, and "Bulgarian Energy Holding" EAD - by 18 October 2024.

6. The representatives of the State in the General meetings of joint stock companies with state participation in the capital, which pay a 6-month dividend under the terms of Article 115c of the Public Offering of Securities Act, shall distribute an interim dividend of not less than 50 percent of the profit, according to the 6-month financial statement for the first half of 2024. Joint stock companies shall pay the 6-month allocated dividend by December 15, 2024.

7. Contributions to the State on the profits allocated, respectively on the dividends distributed, are received in a separate central budget revenue account of the Territorial Directorate "Large Taxpayers and Insurers" of the National Revenue Agency.

8. In the event of an amount paid in excess of the amount fixed by the order, the difference in excess shall be refunded to the depositor in the reverse order of its remittance through the authorities of the National Revenue Agency.

The total amount of dividends paid from the activities of public enterprises with direct state participation in 2024 is **BGN 344 million**. The amount includes the dividends paid by the public enterprises with direct state participation in the capital, including the state enterprises established by special laws in accordance with Article 62 (3) of the Commerce Act (Table 1).

Table 1

PUBLIC ENTERPRISES WITH DIRECT STATE PARTICIPATION	MINISTRY	Paid deductions from profit/dividends in 2024. (BGN)
"Bulgarian Energy Holding" EAD, Sofia	ME	280,529,000
"State Consolidation Company" EAD Sofia	MEI	5,455,400
"National Company Industrial Zones" EAD, Sofia	MEI	3,866 400
SE "North-West State Enterprise", Vratsa	MAF	130,000
SE "North-Central State Enterprise", GABROVO	MAF	822,000
SE "North-East State Enterprise", Shumen	MAF	25,000
SE "South-West State Enterprise", Blagoevgrad	MAF	31,000
SE "South-Central State Enterprise", Smolyan	MAF	2,256 000
SE "South-East State Enterprise", Sliven,	MAF	235,000
"Sistema za Agropazarna Informatsiya" EOOD, Sofia	MAF	2,876
"Agrolesprojekt" EOOD, Sofia	MAF	88,297
"Irrigation Systems" EAD, Sofia	MAF	3,681
"Port Varna" EAD, Varna	MTC	14,653,773
"Rousse Port Complex" EAD, RUSE	MTC	385,591
SE "Bulgarian Air Traffic Services Authority", Sofia	MTC	18,471,456
"SOFIA AIRPORT" EAD, Sofia	MTC	545,773
SE "Prisons Production", Sofia	MJ	10,979
"Bul Bio – NCIPD" EOOD, Sofia	MH	66,000
SPA "Kamena" EAD, Velingrad	MH	45,500
"Avtomagistrali" EAD, Sofia	MRDPW	1,873 465
"Geohazards protection" EOOD, Varna	MRDPW	3,840
"Geohazards protection" EOOD, PERNIK	MRDPW	5,194
"Geohazards protection" EOOD, Pleven	MRDPW	10,610
"Fund Flag" EAD, Sofia	MRDPW	3,147 563
"Building Research Institute – NISI" EOOD, SOFIA. Sofia	MRDPW	105,759
"Proinvex" EOOD, Sofia	MRDPW	412,067
"TEREM – HOLDING" EAD, Sofia	MD	1,334 131
"Intendanstko Obslujvane" EAD, Sofia	MD	340,859
"Diagnostic-Consultative Center "Saint George the Victorious" EOOD, Burgas	MD	130,203
"Diagnostics And Consultancy Center Sveti Georgi" EOOD Haskovo	MD	28,305

"Diplomatic Properties in the country Agency (ADIS)" EOOD, Sofia	MFA	2,178 896
"Information Services" AD, Sofia	MeG	4,925 023
"Bulgarian Stock Exchange" EAD, Sofia	MF	975,320
"CONTACTLESS MULTIPLEXING SYSTEMS" EOOD, Sofia	MI	572,201
"Alliance" EOOD Sofia	MC	7,098

** Danube Bridge Vidin – Calafat AD, Vidin, is not included in the above table as it is not a public undertaking within the meaning of the Public Enterprises Act.*

The data showed that in 2024 the largest amount of dividend was paid by "Bulgarian Energy Holding" EAD, Sofia, — BGN 280 529 000, followed by the State Enterprise "Air Traffic Control Sofia, —18 471 456 and "Port Varna" EAD, Varna – BGN 14 653 773.

In compliance with the orders of the Council of Ministers, the subsidiaries paid the following dividends to the sole owner of the capital (Table 2):

Table 2

Subsidiaries Of Public Enterprises	Deductions from profits/dividends in 2024 (BGN)
Subsidiaries of the "State Consolidation Company" EAD	
"Vazovski Machinostroitelni Zavodi" EAD, Sopot	85,000 000
"Kintex" SHC Sofia	2,819,000
"Lb Bulgaricum" EAD, Sofia	1,600 000
"NITI" EAD, Kazanlak	102,000
Subsidiaries of the "National Company Industrial Zones" EAD	
"Rousse Free Zone" JSC, RUSE	183,611
Subsidiaries of "Bulgarian Energy Holding" EAD	
"Kozloduy NPP" EAD, Kozloduy	241,673 000
"Electricity System Operator" EAD, Sofia	123,502,767
Subsidiary of the "Bulgarian Stock Exchange" EAD	
"BULGARIAN INDEPENDENT ENERGY EXCHANGE" EAD, Sofia	6,817,930
"Financial Market Services" EOOD, Sofia	1,388

The total amount of dividends paid by the subsidiary public enterprises to the sole owner of the capital in 2024 is **BGN 462 million**. The data shows that the public company subsidiaries that paid the largest amount of dividend in 2024 to their sole shareholder were: "Kozloduy NPP" EAD, town of Kozloduy- BGN 241 673 000; "Electricity System Operator" EAD, Sofia, —BGN 123 502 767 and "Vazovski Machinostroitelni Zavodi" EAD, Sopot — BGN 85 000 000.

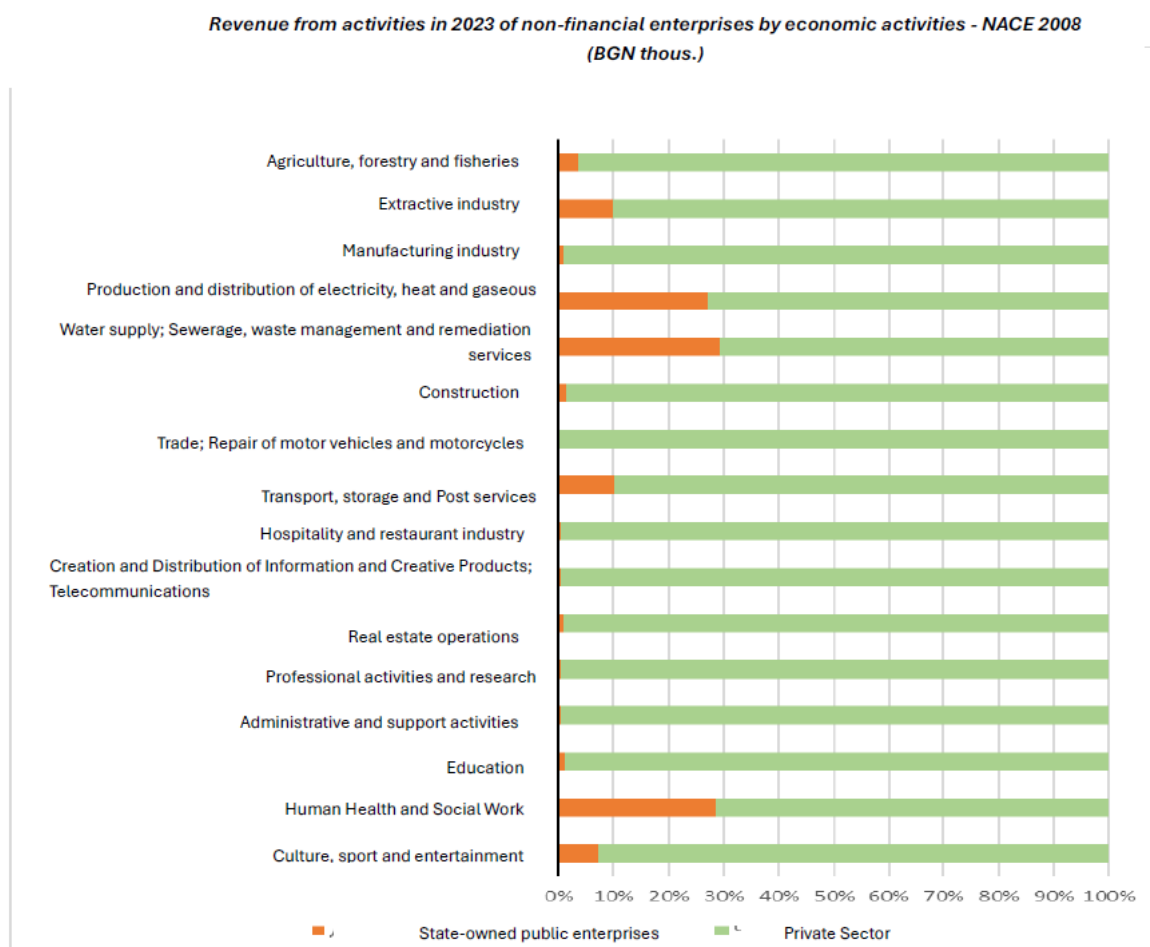
3. Analysis of the activity of public enterprises by sector

This section presents information on all state-owned public enterprises by sector according to the Classification of Economic Activities (NACE.BG – 2008) under Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities in the European Community. NACE – 2008 is the standard for the collection and presentation of statistics on economic activity in the field of economic statistics and has 21 sectors, of which the State owned public enterprises participate in 18 of them.

In the analysis were used statistical data from NSI for 2023 relating to non-financial enterprises – “Annual data by groups of enterprises according to the number of persons employed and by economic activities – NACE – 2008 (A21)”, summarizing: number of enterprises, number of persons employed and operating revenues of non-financial enterprises. An analysis of the participation of state-owned public enterprises in the relevant sectors by economic activity has been carried out according to the criteria listed.

The state-owned public enterprises in the sectors "Production and distribution of electricity, heat and gaseous fuels", "Water supply; Sewerage, waste management and remediation" and "Human health and social work" will account for the largest share of revenues from the activities of enterprises in the non-financial sector in 2023. They account for nearly 30% of total operating revenues in the sectors in which they operate.

The revenues from business activities in 2023 of non-financial enterprises in the different sectors of economic activities, compared in terms of shares realized by state-owned public enterprises and private enterprises, are as follows:



* The chart does not include the sectors "K - Financial and insurance activities" and "O - State governance"

3. 1. Sector A – Agriculture, forestry and fisheries

The sector comprises thirteen (13) public enterprises with the Minister of Agriculture and Food as the sole owner of the capital, including six (6) state-owned enterprises operating in accordance with the Forestry Act. According to the authority exercising the rights of the State, two of the State-owned public enterprises in the sector: “Agrouslugi” OOD, village of Mamarchevo and “Hop Pellet Workshop” EOOD, town of Kostandovo, are no longer active and actions are to be taken on their liquidation.

The total revenue from operating activities of the public enterprises in the agriculture, forestry and fisheries sector is mainly generated by the state-owned enterprises operating under the Forestry Act. The total amount of revenues from operating activities for 2023 is BGN 577 131 thousand, of which BGN 514 021 thousand are realized by the state enterprises under the Forestry Act.

The operating revenues of state-owned public enterprises represent approximately 3.6% of the operating revenues of all enterprises in the sector, representing a decrease compared to 2022, when they accounted for 5.92% of the operating revenues of all enterprises in the sector. The factors that determine this decrease are: reduced demand for wood products on international markets; high selling prices for wood reached in 2022; competitive prices for production from other countries; termination of some of the sales contracts and lower wood sales in 2023.

The financial performance of the State-owned public enterprises in the agriculture, forestry and fisheries sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	534 930	534 291	505 716	503 519	23 935	897 362	607 478	282 247	458 374	311 817	146 572	439 006	123 859	20 331
2023	578 102	577 131	566 566	564 742	7 406	934 776	660 886	266 868	499 946	390 004	109 942	434 830	123 843	13 843

Based on the criteria set out in Section I of Chapter Two of the Accountancy Act, six of the state-owned public enterprises in the sector are categorized as "large", including: SE “North-Central State Enterprise”, Gabrovo, SE "North-East State Enterprise", Shumen, SE “South-West State Enterprise”, Blagoevgrad, SE "South-Central State Enterprise", Smolyan, SE “South-East State Enterprise”, Sliven, “Irrigation Systems” EAD, Sofia.

According to data provided by the Ministry of Agriculture and Food, state-owned enterprises categorised as "large" that operate under Forestry Act contribute 0.26% to the country's GDP in 2023.

In 2023, the state-owned public enterprises in the “Agriculture, forestry and fisheries” sector employed 9 135 persons, accounting for 8.31% of the total workforce of the sector.

3. 2. Sector B - Extractive industry

The sector comprises two (2) state-owned public enterprises, representing 0,6% of all enterprises in the sector — “Mini Maritsa Iztok” EAD, town of Radnevo and “Eko Antratsit” EAD, Sofia.

The financial performance of the State-owned public enterprises in the “Extractive industry” sector for the period 2022-2023 is presented below:

														BGN thous.
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	889 297	883 805	877 142	876 004	-1 179	1 276 957	679 265	597 692	373 992	233 974	140 018	902 965	241 175	-41 006
2023	454 564	454 205	612 604	607 281	-158 688	1 091 829	689 297	402 532	356 516	218 709	137 807	735 313	241 175	-197 230

On the basis of the criteria set out in the Accountancy Act, “Mines Maritsa East” EAD, Radnevo is categorised as a "large" enterprise. The public enterprise generated revenues of BGN 452,900 thousand in 2023, marking a significant decrease compared to the BGN 865,196 thousand earned in 2022. The lower revenue is due to a decrease in coal sales revenue for 2023, with the company reporting a 47.65% decrease from the revenue realized in 2022. For 2023, the public enterprise has made a loss of BGN (135,736) thousand, while in 2022 a profit of BGN 7,552 thousand has been reported.

According to information from the Ministry of Energy, the share of Mines Maritsa East EAD, Radnevo for 2023 in the country's GDP is 0.25%.

“EKO Antratsit” EAD, Sofia is a subsidiaries of the “State Consolidation Company” EAD, Sofia. The main share of its revenue, totaling BGN 1,304 thousand for 2023, comes from funds allocated for financing costs of technical liquidation, conservation, and technical and biological reclamation. The company’s financial performance for the reporting year 2023 is a loss of BGN (22 952) thousand.

In 2023, the state-owned public enterprises in the sector employed 6 732 persons, accounting for 36% of the total workforce of the sector “Extractive industry”.

3. 3. Sector C - Manufacturing industry

The sector includes twelve (12) state-owned public enterprises as follows: “Vazovski Machinostroitelni Zavodi” EAD, city of Sopot, “NITI” EAD, city of Kazanlak, “AVIONAMS” AD, city of Plovdiv, “BUL BIO – NCIPD” EOOD, city of Sofia, (currently “BUL BIO – NCIPD” EAD), city of Sofia, “Education and Sciences” EAD, city of Sofia, Sofia, “TEREM- IVAILO” EOOD, city of Veliko Tarnovo, “TEREM-SHIPYARD FLOTSKI ARSENAL VARNA” EOOD, city of Varna, “Terem-Letets” EOOD, city of Sofia, “TEREM-KHAN KRUM” EOOD, city of Targovishte, “TEREM- TZAR SAMUIL” EOOD, city of Kostenets “Intendanstko Obslujvane” EAD, city of Sofia, “Contactless Multiplexing Systems” EOOD, city of Sofia.

State-owned public enterprises represent 0.04% of all enterprises in the sector and account for 0.95% of the operating revenues of all enterprises in the “Manufacturing industry” sector, which represents an increase of 0.3% in their share of the sector compared to 2022, when public enterprises in the sector accounted for 0.6% of the operating revenues of all enterprises in the “Manufacturing industry” sector.

The financial performance of the State-owned public enterprises in the “Manufacturing industry” sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	640 885	636 161	548 718	540 932	82 276	820 042	190 288	628 829	311 168	70 184	240 984	508 874	320 834	-29 427
2023	1 030 089	1 026 009	870 203	862 214	143 361	1 204 561	227 559	976 199	545 070	62 175	482 895	659 491	368 394	28 393

According to the Accountancy Act, two (2) public enterprises of the sector are categorized as "large", – “Vazovski Machinostroitelni Zavodi” EAD, city of Sopot, and “BUL BIO – NCIPD” EOOD, city of Sofia.

“Vazovski Machinostroitelni Zavodi” EAD, city of Sopot, reported revenues from operating activities for 2023 amounting to BGN 909 835 thousand, with an increase compared to 2022, when the revenues from operating activities of the public enterprise totalled BGN 520 848 thousand. The equity of “Vazovski Machinostroitelni Zavodi” EAD has increased from BGN 417 184 thousand for 2022 to BGN 563 415 thousand for 2023, or the reported increase is approximately 35.05%.

In 2023, the number of employees in “Vazovski Machinostroitelni Zavodi” EAD is 4 199 people, which is an increase compared to 2022, when the number of employees in the public enterprise was 3 624 people. The company is the largest employer of public enterprises in the sector.

According to the information from MEI, the share of the public enterprise in the country's GDP for 2023 is 2.07%.

“Bul Bio – NCIPD” EOOD (currently “BUL BIO – NCIPD” EAD), city of Sofia is the only manufacturer in the country of vaccines, serums, immunostimulants, allergens, diagnostic preparations, etc. The public undertaking exports vaccines to more than 140 countries in the world and for this activity is licensed by the World Health Organization as one of the few companies in the world entitled to sell vaccines for the needs of UNICEF. The operating revenues of the public enterprise amounted to BGN 31 224 thousand for 2023. The main part of the export revenues is generated from the sales of BCG vaccine, tetanus vaccine, diphtheria and tetanus vaccine for children and tetanus/diphtheria vaccine for adults and increasing quantities of active substances for supply to South Korea.

The activities of the public companies of the “Terem” Group are also of strategic importance for the sector. The public enterprises of the “TEREM” Group operate in the conditions of the ongoing war between Russia and Ukraine – with irregular workload and disruptions in the supply of spare parts, which disrupts the implementation of their production programs and negatively affects their financial and economic position.

The number of employees in the state-owned public enterprises in the sector is 6,146 and represents 1.27% of all employees in the “Manufacturing industry: sector in 2023, as an increase from 2022 is reported, when the number of employees was 5,583 or 1.14% of all employees in the “Manufacturing industry” sector.

3. 4. Sector D - Production and distribution of electricity, heat and gaseous fuels

The sector comprises seven (7) state-owned public enterprises, representing 0,13% of all enterprises in the sector. "Kozloduy NPP" EAD, town of Kozloduy, "National Electric Company" EAD, Sofia, SE "Electricity System Operator" EAD, Radnevo, "TPP Maritsa East 2" EAD, village of Kovachevo, "Bulgargaz" EAD, "W&S Energy Group" EOOD, Sofia and "Bulgarian Independent Energy Exchange" EAD, Sofia.

The state-owned public enterprises in the sector account for 27 % of the total workforce of the sector.

In 2023, the public enterprises in the sector "Production and Distribution of Electricity, Heat and Gaseous Fuels" report a decrease in operating revenues from BGN 22 045 568 thousand in 2022 to BGN 11 439 255 thousand in 2023. The main factors for the decrease in the revenues from operating activities of the state public enterprises in the sector are: the drop in electricity prices realized on the exchange markets, the drastic reduction in the levels of natural gas exchange indices and in natural gas consumption in 2023 compared to the previous year.

The financial performance of the State-owned public enterprises in the "Production and distribution of electricity, heat and gaseous fuels" sector for the period 2022-2023 is as follows:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous.
														Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	22 102 932	22 045 568	18 881 862	18 757 932	2 998 257	17 870 558	11 970 866	5 899 692	7 616 005	4 084 796	3 531 209	10 254 553	2 567 432	1 166 521
2023	11 504 081	11 439 255	10 499 118	10 388 341	901 892	19 128 160	13 481 321	5 646 839	7 327 097	4 774 883	2 552 214	11 801 063	4 067 432	1 158 864

Categorised as "large" public enterprises according to the criteria set out in the Accountancy Act are: "Kozloduy NPP" EAD, town of Kozloduy, "National Electric Company" EAD, Sofia, SE "Electricity System Operator" EAD, Radnevo, "TPP Maritsa East 2" EAD, village of Kovachevo, and "Bulgargaz" EAD, town of Sofia. These public enterprises contribute 5.87% to the country's GDP in 2023, with the share of "NPP "Kozloduy" EAD, Kozloduy in GDP accounting for 1,38 %, of the "National Electric Company" EAD, Sofia – 2,85 %, of the "Electricity System Operator" EAD, Sofia – 0,74 %, and of "TPP Maritsa East 2" EAD, village of Kovachevo – 0,78 %. Public undertakings carry out electricity generation, transmission and distribution activities.

"Bulgargaz" EAD, Sofia is engaged in gaseous fuels trading activities and contributes 0.12% to the country's GDP in 2023.

The "National Electric Company" EAD, Sofia is the largest producer of renewable energy in the country, actively participating in the regulated and free market and in the management and regulation of the electricity system. The "National Electric Company" EAD, Sofia is the public sector enterprise with the largest share in the country's GDP in 2023. In 2023, a 54.5% decrease in revenue from electricity sold in 2023 was reported, with the following factors contributing to the significant decline in the amount of revenue for the public undertaking: lower current market prices on the Bulgarian Independent Energy Exchange, low production from hydropower plants and lower demand for electricity. It should be noted that the activities of the "National Electric Company" EAD, Sofia in 2023 is highly dependent on the price levels and regulatory conditions set, as well as on the compensation mechanisms and the liquidity of the Electricity System Security Fund in relation to the reimbursement of the mandatory power purchase costs incurred by the Public Supplier.

“NPP Kozloduy ” EAD, town of Kozloduy ends 2023 with a net profit of BGN 537 052 thousand, compared to the reported profit for 2022 of BGN 729 463 thousand and cash of BGN 912 588 thousand against a reported cash of BGN 738 743 thousand for 2022. The main factors influencing the reported lower financial performance of the public enterprise are: a drop in electricity prices traded on the exchange market and targeted contributions to the EUSF, which in 2023 amount to BGN 576 275 thousand.

The employed persons in the sector’s state-owned public enterprises are 11 509, representing 34.82% of all employees in the Sector “Production and distribution of electricity, heat and gaseous fuels” in 2023.

3. 5. Sector E - Water supply; Sewerage, waste management and remediation services

The sector comprises thirty (30) state-owned public enterprises, which represent 3.5% of all enterprises in the sector and account for 29% of the operating revenues of all enterprises in the sector.

The financial performance of the state-owned public enterprises in the “Water Supply; Sewerage, Waste Management and Remediation Services” sector for the period 2022 to 2023 is presented in the following table:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	979 557	975 401	1 020 079	1 009 381	-40 821	1 180 530	749 877	379 031	1 096 126	805 862	290 264	84 404	42 689	-88 424
2023	1 001 764	999 081	1 006 243	996 062	-7 174	1 824 509	888 510	864 346	1 679 136	1 018 526	660 610	145 462	113 661	-95 335

According to the Accountancy Act, four (4) public enterprises of the sector are categorized as "large" – “W&S” EAD, Burgas “Water Supply and Sewerage” EOOD, Plovdiv “Water Supply and Sewerage – Varna” OOD, Varna and SE “Radioactive Waste”, Sofia.

“Water Supply and Sewerage- Varna” OOD, Varna is a commercial limited liability company with 51% participation of “Bulgarian W&S Holding” EAD, Sofia, and 49 % participation of 10 municipalities. The public enterprise is an operating company for water supply and sewerage services with a separate territory corresponding to the territory of Varna region. Realized net sales revenues in 2023 amount to BGN 96 796 thousand. The public enterprise closes the financial year 2023 with a positive financial result of BGN 5 621 thousand.

“WATER SUPPLY AND SEWERAGE” EOOD, Plovdiv Plovdiv is a single-member limited liability company, which as of 09.12.2020 is a subsidiary with a sole owner of the capital “Bulgarian W&S Holding” EAD. In 2023, it reports a loss of BGN 3,399 thousand and as a result of the losses realized from the activities of the water and sewerage operator, its equity is negative, amounting to BGN 18,876 thousand. In 2023, the company has made investments in public assets amounting to BGN 9,617 thousand and in corporate assets of BGN 2,235 thousand, which have been accounted for and recognised in accordance with the requirements of the contract with the Water and Sewerage Association and applicable legislation.

“WATER SUPPLY AND SEWERAGE” EOOD, Burgas is a sole joint stock company owned by “Bulgarian W&S Holding” EAD. In 2023, the company reports net profit amounting to BGN 7,767 thousand and revenues from operating activities in the amount of BGN 112,621 thousand. Realized net sales revenues in 2023

amount to BGN 88 403 thousand, and are increased compared to 2022 by BGN 15 722 thousand.

SE "Radioactive Waste" (SERAW), Sofia, fulfils its obligations under the "Strategy for Managing the Spent Nuclear Fuel and Radioactive Waste until 2030" by implementing: Program for the activities of the State Enterprise "Radioactive Waste" for 2023, approved by the Board of the Radioactive Waste Fund and the "Nuclear Facilities Decommissioning" Fund. The revenue for 2023 amounted in total BGN 93,223 thousand compared to 2022, when it was BGN 114,117 thousand, this including the revenues from grants provided by the International Fund for Assistance for the Decommissioning of Units 1-4 of "Kozloduy NPP" EAD, through the European Bank for Reconstruction and Development, from the "Radioactive Waste" Fund and the "Decommissioning of Nuclear Facilities" Fund and by Decision of the Council of Ministers. In 2023. SERAW is funded by a contract with the RAW Fund with BGN 25 558 thousand and by contract with the NFDF Fund in the amount of BGN 28 200 thousand.

In 2023, the total number of employees in the "Water Supply; Sewerage, Waste Management, and Remediation Services" sector's state public enterprises is 14 858. Specifically, public enterprises in the water supply and sewerage sector employ a total of 13,732 individuals.

3. 6. Sector F – Construction

The sector comprises seven (7) state-owned public enterprises, which represent 0.03% of all enterprises in the sector and account for 1.36% of the operating revenues of all enterprises in the sector. State-owned public enterprises in the sector are: "Montagi" EAD, Sofia, "Communicative Construction and Rehabilitation" EAD, "Transport Construction and Recovery" EAD, Sofia, "Avtomagistrali" EAD, Sofia, "National Energy operator" EAD, Sofia, "Health Investment Company for Children's Hospital" EAD, and "RESTAVRACIA" EAD, Sofia.

The financial performance of the State-owned public enterprises in the "Construction" sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous.
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	Financial result, incl. from past years
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	750 020	749 740	739 746	739 074	9 179	1 919 221	71 484	1 831 751	1 730 085	683 707	1 046 378	189 136	164 352	-4 632
2023	441 220	440 614	441 850	440 875	-776	1 889 277	79 394	1 802 664	1 673 722	501 381	1 172 341	215 555	202 313	-16 826

According to the Accountancy Act, public enterprises categorized as "large" in the sector are "Montagi" EAD, Sofia, "Transport Construction and Recovery" EAD, Sofia and "Avtomagistrali" EAD, Sofia.

In 2023, "Montagi" EAD contributes 0.03% to the country's GDP and by 0.98% to the "Construction" sector.

The share of "Transport Construction and Recovery" EAD in the country's GDP for 2023 is 0.03% and in the "Construction" sector it is 0.95%. The public undertaking performs construction works in the field of railway construction as an equal participant in the construction market.

The realized net sales revenues of “Avtomagistrali” EAD in 2023 amounted to BGN 315 880 thousand. The public enterprise closes the financial year 2023 with a positive financial result of its activities, as the profit after taxation amounted to BGN 1 874 thousand. According to the information from MRDPW, the share of “Avtomagistrali” EAD in the country's GDP for 2023 is 0.17%.

In 2023, the state-owned public enterprises in the sector employed 1,193 persons, accounting for 0,8% of the total workforce of the sector.

3. 7. Sector G – Trade; Repair of motor vehicles and motorcycles

There are three (3) state-owned public enterprises included in the sector accounting for 0.002% of all enterprises in the sector, as follow: “MOD Procurement and Trade” EOOD, Sofia, SE “Prisons Production”, Sofia and “KINTEX” SHC, Sofia.

The state-owned public enterprises in the sector account for 0.03 % of the total operating revenues of all enterprises in the sector.

The financial performance of the State-owned public enterprises in the “Trade; Repair of motor vehicles and motorcycles” sector for the period 2022-2023 is presented below:

Year	BGN thous.													
	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	95 456	84 400	89 776	80 959	4 699	141 221	16 122	124 856	33 452	18 172	15 280	107 769	11 770	5 342
2023	74 295	72 186	68 141	62 848	5 494	137 358	13 184	123 937	27 943	7 012	20 931	109 415	10 460	6 136

SE “Prisons Production”, Sofia governs the activities related to the improvement of the conditions for the execution of penalties and has the status of a state enterprise within the meaning of Article 62, par. 3 of the Commerce Act, and carries out other business activities which support, accompany or supplement its main activity. The activity is directly related to the State's public activity in the execution of penalties and to the educational measures and actions aimed at achieving the objectives of penalties as defined in the legislation in force. The activity is mainly aimed at improving the conditions for the execution of penalties, the other business activities carried out can only support or complement this main task. In 2023, the State Enterprise reports total operating revenues of BGN 33 309 thousand.

In 2023, “KINTEX” SHC, Sofia, operated in conditions of competition, both on international markets and among the numerous licensed trading companies on the territory of Bulgaria. Largest part of the Bulgarian manufacturers of specialized production have registered their own foreign trading companies operating in the main markets of the public enterprise. The objective difficulties in the conditions in which the public undertaking should operate are dictated both by the complicated international environment, as well from one side by the strong competitive environment of Bulgarian manufacturers directly on the international markets and from other side - by the strong positions of established foreign producers. A public company's business is subject to strict requirements of laws and regulations and regulatory approvals, and compliance with these is mandatory in view of international industry requirements. In 2023, the revenues from sales of goods for special purposes are in the amount of BGN 25,764 thousand.

In 2023, the state-owned public enterprises in “Trade; Repair of motor vehicles and motorcycles” sector employed 227 persons, accounting for 0,05% of the total workforce of the sector.

3. 8. Sector H – Transport, storage and posts

The sector comprises sixteen (16) state-owned public enterprises, which represent 0.07% of all enterprises in the sector and account for 10.11% of the operating revenues of all enterprises in the sector.

The financial performance of the State-owned public enterprises in the “Transport, storage and posts” sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	2 904 369	2 873 135	2 625 571	2 569 101	238 787	16 027 854	14 038 094	1 989 742	7 288 744	6 119 086	1 169 658	8 739 110	3 225 292	-511 938
2023	2 779 873	2 740 211	2 624 428	2 539 450	134 490	16 141 214	14 338 249	1 802 565	7 561 903	6 412 930	1 148 973	8 579 311	3 327 173	-228 889

According to the Accountancy Act, there are eight (8) public enterprises in the sector categorized as "large" – “Bulgartransgaz” EAD, Sofia, “BDZ Passenger Services” EOOD, “BDZ Cargo” EOOD, Sofia, SE “National Railway Infrastructure Company”, Sofia, SE “Bulgarian Air Traffic Services Authority”, Sofia, SE “Port Infrastructure”, Sofia, “Port – Varna” EAD, Varna, “Bulgarian Posts” EAD, Sofia.

"Bulgartransgaz EAD is a national combined gas operator and has responsibilities that stem from both domestic energy legislation and European standards. In connection with the expansion of natural gas storage activities at the Chiren Underground Gas Storage (UGS), new aboveground facilities are being constructed at the expanded storage site in 2023. In 2023, “Bulgartransgaz” EAD, Sofia, generated total operating income of BGN 958,478 thousand. Compared to 2022, the reported revenues from natural gas transmission for 2023 increase by BGN 58,714 thousand and by BGN 2,917 thousand for activity “Storage of natural gas”. In the total structure of revenues realized in 2023, the largest share is taken by the revenues for natural gas transmission in the amount of BGN 763,353 thousand, with a relative share in the net sales revenues of the public enterprise - 79.64%. In 2023, Bulgartransgaz EAD's operating revenues shall account for 3.5% of the operating revenues of public enterprises in the sector.

“BDZ Passenger Services” EOOD reported a deterioration of its financial position in 2023, with a loss for the reporting period amounting to BGN (37,510) thousand.

The manager of the railway infrastructure in the country, State Enterprise "National Railway Infrastructure Company" ended 2023 with a loss of BGN (14,066) thousand, but the total financial performance, including from previous years, decreased from BGN (593,633) thousand to BGN (587,865) thousand.

In 2023, “Port Varna” EAD reports a net financial result - a profit of BGN 14,654 thousand, which is by BGN 6,324 thousand (75.9%) higher than the corresponding previous reporting period.

The main activity of the SE “Bulgarian Air Traffic Services Authority” is focused on the provision of air navigation services (ANS) to aircrafts flying through the airspace (revenue from 'overflight' charges) and to aircrafts in the areas and regions of airports (revenue from 'approach' charges). In 2023, the company reports

an increase (13.33%) in revenue from ANS overflight charges due to the combined effect of the 20.68% growth in units served, the planned increase in the unit charge from the previous year (2.45%) as a result of the implementation of the exceptional European legislation Regulation 2020/1627 and the effects of the implementation of the efficiency scheme. The revenue from ANS charges in the airport zones and areas is up by 12.94% compared to 2022 in view of the gradual recovery in domestic and international flights after the unprecedented decline in connection with COVID-19.

“Bulgarian Posts” EAD performed services of public interest as the main provider of services to the population within the territory of the country, especially in small settlements and with a social focus. The revenues from the activities in 2023 amounted to BGN 250 945 thousand. The public enterprise realized an accounting loss on all its activities of BGN 35,081 thousand, with a reported accounting loss before taxation of BGN 67,473 thousand for the same period of 2022, with a decrease in the loss for 2023 compared to the previous year.

“Bulgaria Heli Med Service” EAD, Sofia, is registered in the Commercial Register on 02.08.2022. The public enterprise was declared in liquidation on March 7, 2023. By the Minister of Transport and Communications' decision, the liquidation was terminated on August 21, 2023, and the undertaking shall continue its activities. By Council of Ministers' Decree No 109 of 10 August 2023, the company has been entrusted for a period of 10 years with the performance of a service of general economic interest – flights for the provision of air transport by helicopters for the needs of emergency medical assistance, organised by the State under the terms and conditions of Commission Regulation (EU) No 965/2012 of 5 October 2012. During the period from 31.08.2023 to 31.12.2023 “Bulgaria Heli Med Services” EAD is structured administratively and functionally in accordance with the subject of its activity, and all planned activities for obtaining the certificate of aviation operator have been completed.

In 2023, the state-owned public enterprises in the “Transport, storage and posts” sector employed 29 661 persons, accounting for 18% of the total workforce of the sector.

The State Enterprise “National Railway Infrastructure Company” employs more than 8.7% of all employees in state-owned public enterprises.

State enterprise “National Railway Infrastructure Company” EAD, Sofia, and “Bulgarian Posts” EAD, Sofia are the largest employers both in the sector and compared to other state-owned public enterprises. They employ nearly 15% of all workers in state-owned public enterprises.

3. 9. Sector I – Hospitality and restaurant industry

The sector comprises three (3) state-owned public undertakings, representing 0,01% of all enterprises in the sector. “Student Recreation and Sports” EAD, Sofia, “Studentski Stolove & Obshtezhtiya” EAD, “Spa Center Kamena” EAD, Velingrad In 2023, the state-owned public enterprises in the “Hospitality and restaurant industry” sector employed 569 persons, accounting for 0,4% of the total workforce of the sector.

The financial performance of the State-owned public enterprises in the “Hospitality and restaurant industry” sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	26 237	26 205	36 561	36 508	-9 295	84 934	72 956	18 978	30 864	29 448	4 350	54 289	73 288	-28 695
2023	26 672	26 672	26 779	26 725	-197	87 713	77 823	9 695	31 120	27 833	3 287	56 593	71 999	-29 778

State-owned public enterprises in the sector realized 0,3% of the operating revenues of all enterprises in the sector.

3. 10. Sector J – Creation and Distribution of Information and Creative Products; Telecommunications

The sector comprises four (4) state-owned public enterprises, which represent 0.02% of all enterprises in the sector and account for 0.45% of the operating revenues of all enterprises in the sector. State-owned public enterprises in the sector are: “Information Services” AD, “Audiovideo Orpheus” INC, Sofia, “Vreme Film Studio” EOOD, Sofia and “Financial Market Services” EOOD, Sofia.

The financial performance of the State-owned public enterprises in the “Creation and Distribution of Information and Creative Products; Telecommunications” sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	103 849	103 849	98 585	98 424	4 736	169 071	139 580	29 491	22 874	4 110	18 764	146 197	115 108	4 549
2023	113 300	113 271	102 840	102 723	9 378	181 387	139 673	41 714	30 318	4 822	25 496	151 069	115 108	9 238

According to the Accountancy Act as categorized as a “large” enterprise” in the sector is SE “Information Services” AD”, Sofia. In the reporting year 2023, the public enterprise generated revenues of BGN 112 589 thousand, with a relative share of revenues from services of 72% and from the sale of goods of 27%.

In 2023, the state-owned public enterprises in the “Creation and Distribution of Information and Creative Products; Telecommunications” sector employed 623 persons, accounting for 0,44% of the total workforce of the sector.

3. 11. Sector K – Financial and insurance activities

The sector comprises nine (9) state-owned public enterprises, including “Bulgarian Energy Holding” EAD, Sofia, “Bulgarian Export Insurance Agency” EAD, Sofia, “Fund FLAG” EAD, Sofia, “Fund for Sustainable Urban Development” EAD, Sofia, “Bulgarian W&S Holding” EAD, Sofia, “Terem Holding” EAD, Sofia, “Bulgarian Stock Exchange” EAD, Sofia, “Fund Manager of Financial Instruments in Bulgaria” EAD, Sofia and

“State Consolidation Company” EAD, Sofia.

The financial performance of the State-owned public enterprises in the “Financial and insurance activities” sector for the period 2022-2023 is presented below:

BGN thous.														
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
	1	2	3	4		5	6	7	8	9	10	11	12	
2022	1 899 728	1 118 848	1 339 300	88 799	608 315	10 993 574	5 417 600	5 574 748	4 064 118	3 685 816	378 302	6 929 456	5 613 062	680 468
2023	1 370 814	1 087 425	243 026	101 236	1 103 957	11 267 230	7 304 147	3 962 928	4 708 396	4 601 714	106 682	6 558 834	5 614 101	312 603

According to the Accountancy Act, there are four (4) public enterprises in the sector categorized as "large" – “Bulgarian Energy Holding” EAD, Sofia, SE “State Consolidation Company” EAD, Sofia, “Bulgarian W&S Holding” EAD, Sofia and “TEPEM Holding” EAD, Sofia.

“Bulgarian Energy Holding” EAD carry out its activities operating in various market segments through its subsidiaries – Mini Maritsa Iztok” EAD, Radnevo, “TPP Maritsa East 2” EAD, village of Kovachevo, “Kozloduy NPP” EAD, Kozloduy, “National Electric Company” EAD, Sofia, SE “Electricity System Operator” EAD, Sofia, “Bulgargaz” EAD, and “Bulgartransgaz” EAD, Sofia, Sofia.

In 2023, the events that can be identified as significant and had an impact on the operations of “Bulgarian Energy Holding” EAD and its group companies are:

- Activities for the construction of Units 7 and 8 at Site No. 2 of “NPP Kozloduy” EAD with AP 1000 technology. Pursuant to the Resolution of the National Assembly (promulgated State Gazette, edition No. 105 of 19.12.2023) for the construction of the two units, “Bulgarian Energy Holding” EAD has increased the capital of “NPP Kozloduy” EAD by a cash contribution in the amount of BGN 1 500 000 thousand;
- Continuation in 2023 of the measure for compensation of non-household customers for high electricity prices. “NPP Kozloduy” EAD has made targeted contributions to the ESSF amounting to BGN 576 275 thousand;
- Construction and commissioning of the Bulgaria - Serbia Interconnector (IBS) in October 2023.

The build infrastructure included a new gas pipeline and its process sites, connecting the national gas transmission networks of Republic of Bulgaria and Republic of Serbia. The pipeline has a total length of about 170 km. From town of Novi Iskar to the town of Nis, Serbia, of which about 62 km on Bulgarian territory, with a capacity of 1.8 billion m3/year and the possibility of reverse flow. With the construction of the Bulgaria-Serbia interconnector, Bulgaria gains access to the LNG terminals in Croatia, as well as to the largest liquid market and storage in Central Europe - Baumgarten in Austria, and Serbia - to the Southern Gas Corridor and LNG terminals in the region. The procurement, construction works and commissioning of the project are co-financed by the Connecting Europe Facility (CEF) in the amount of approximately EUR 27.6 million;

➤ Expansion of the capacity of the UGS “Chiren” – the project aims to achieve higher volumes of stored gas, increased reservoir pressures and higher production and injection rates. In 2023, the project signed contracts for the supply of the necessary materials and equipment, construction and commissioning of two sites. In connection with the implementation of the project, “Bulgartransgaz” EAD has signed a long-term loan agreement with ING Bank N.V. in the amount of EUR 49 072 thousand and with “Bulgarian Energy Holding” EAD in the amount of BGN 87 527 thousand;

➤ Development and modernization of the electricity grid. In 2023, the peak of commissioned PV RES capacity was reached — 1,278 MW in the electricity transmission grid and 1,559 MW in the electricity

distribution network. For comparison, in 2022 these values were 574 MW and 1,152 MW, respectively, and lower in previous years;

- Key energy projects of national and regional importance due to their energy, economic, environmental and social significance;
- Actions to implement the country's climate and environment commitments at EU level. By Council of Ministers' Decision No. 59 of 26.01.2024 was adopted an update of Bulgaria's Climate Neutrality Roadmap;
- Securing the country's natural gas supply.

According to Ministry of energy data, the share of "Bulgarian Energy Holding" EAD in GDP is in the amount of 0,47%.

In 2023, "TEREM Holding" EAD, Sofia, and its subsidiaries reported a 12.3% increase in total output compared to the previous year 2022. In 2023, the Group produced BGN 40,110 thousand of which BGN 29,186 thousand was civil production. As of 31.12.2023 the investments of "TEREM Holding" EAD in subsidiaries amounted to BGN 52 352 thousand.

Revenues from operating activities of the "State Consolidation Company" EAD, Sofia amounted to BGN 7 774 thousand and the financial income amounted to BGN 45 243 thousand.

The number of persons employed in the state-owned public enterprises of the sector is 394 persons. Revenues from operating activities of the state-owned public enterprises in the sector amounted to BGN 1 087 million for 2023.

3. 12. Sector L – Real estate operations

The sector comprises thirteen (13) state-owned public enterprises, which represent 0.04% of all enterprises in the sector and account for 0.8% of the operating revenues of all enterprises in the sector.

"National Company Industrial Zones" EAD, Sofia is the sole owner of the capital of three public enterprises: "Rousse Free Zone" JSC, Ruse, "Industrial Sites And Warehouses" EAD, town of and "Economic Zone Dobroslavtsi" EAD, Sofia. "National Company Industrial Zones" EAD, Sofia aimed to attract companies that are planning to enter the Bulgarian market, as well as those from neighboring countries that are turning to outsourcing as a way to restructure their business. The company's operating result for 2023 is positive, a current profit of BGN 9 618 thousand has been reported. This financial result is attributable to sales of properties in the Industrial Park Sofia - Bojurishte, as well as recognition from previous years of proceeds from concluded transactions for the sale of land properties from this industrial park.

"Diplomatic Properties in the country Agency" EOOD, Sofia leases properties and provides property management services. The company's main customers in 2023 are embassies, local individuals and legal entities. The company's financial result for 2023 is a profit after tax of BGN 2 179 thousand.

The "National Palace of Culture– Congress Center Sofia" EAD, Sofia operates the National Palace of Culture, which is the largest multifunctional complex in Southeast Europe for congresses, cultural events and exhibitions. The public enterprise carries out activities for organizing and conducting cultural, scientific, educational, congress-conference and socio-political events in the country and abroad, renting the property provided. The total revenue for 2023 is BGN 14 049 thousand, which is by 5.77% more than the total revenue for 2022.

The financial performance of the State-owned public enterprises in the “Real estate operations” sector for the period 2022-2023 is presented below:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	69 808	69 224	63 677	56 180	3 895	801 066	686 996	114 004	42 138	5 293	36 845	758 805	780 842	-62 202
2023	70 232	69 122	56 508	56 058	12 124	814 879	713 486	101 326	17 573	6 609	10 964	797 306	821 679	-76 221

In 2023, the state-owned public enterprises in the “Real estate operations” sector employed 513 persons, accounting for 1,24% of the total workforce of the sector.

3. 13. Sector M – Professional activities and research

The sector comprises fourteen (14) state-owned public enterprises, representing 0,03% of all enterprises in the sector.

State-owned public enterprises in the sector account for 0.3% of the operating revenues of all enterprises in the sector.

Financial performance of the State-owned public enterprises in the “Professional activities and research” sector for the period 2022-2023:

Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		BGN thous. Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	53 676	51 987	41 931	40 743	11 043	308 566	247 837	60 389	40 990	22 623	18 367	267 576	258 745	-168 746
2023	46 004	44 729	45 882	43 942	3 584	308 216	249 336	58 783	41 263	21 838	19 365	266 953	259 037	-173 630

In 2023, the state-owned public enterprises in the “Professional activities and research” sector employed 426 persons, accounting for 0,35% of the total workforce of the sector.

3. 14. Sector N – Administrative and support activities

The sector comprises three (3) state-owned public enterprises, representing 0,02% of all enterprises in the sector: “Sofia Tech Park” AD, Sofia “Gorna Oryahovitsa Airport” EAD, Gorna Oryahovitsa and “MOBA” EOOD, Sofia. In 2023, the state-owned public enterprises of the sector employed 1 432 persons, which represent 1.34% of the total workforce employed in sector “Administrative and support activities”.

As of 31.12.2023 "MOBA" EOOD, Sofia reported a large reduction in staff, with the average number of employees decreasing by 707 persons, due to the termination of a contract for security services in the military formations of the Logistic Support Command.

State-owned public enterprises in the sector account for 0.3% of the operating revenues of all enterprises in the sector.

Financial performance of the State-owned public enterprises in the “Administrative and support activities” sector for the period 2022-2023:

BGN thous.														
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	34 020	30 749	45 943	35 873	-10 929	117 996	99 741	18 116	37 886	28 636	9 250	80 110	95 820	-15 534
2023	27 912	25 261	35 170	28 801	-6 690	115 239	93 614	21 623	33 689	26 340	7 349	81 546	103 945	-22 223

3. 15. Sector O – State Governance

The sector includes two (2) state-owned public enterprises — State Enterprise “Management of Environmental Protection Activities” (EMEPA), Sofia, and SE “Management and Maintenance of Dams” (SE MMD), Sofia. The number of persons employed in the state-owned public enterprises of the sector is 126 persons.

Financial performance of the State-owned public enterprises in the “State governance” sector for the period 2022-2023:

BGN thous.														
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	20 653	20 683	26 173	26 052	2 405	271 580	86 752	184 828	6 382	242	6 140	265 198	176 335	0
2023	40 240	40 240	23 317	23 317	40 161	311 827	98 991	212 836	6 468	304	6 164	305 359	225 609	40 161

In 2023, SE MMD has undertaken activities to develop its structure, and the staff of the eight (8) established territorial units across the country has been expanded. The process of securing their facilities for field operations continued.

The 2023, the total income of EMEPA was increased by 18% compared to the total revenue for 2022 by the proceeds under the Administrative Contract No. Д-34-51/ 10/27/2023 between EMEPA and the Directorate General "Operational Program Environment" of MOEW, by recovered from municipalities VAT under grant contracts, increased collection of fees under special environmental laws as a result of on-the-spot inspections carried out by experts from the regional structures of the Ministry of Environment and Water, as well the penal decrees, fines and sanctions imposed by them under special environmental laws.

3. 16. Sector P – Education

The sector comprises three (3) state-owned public enterprises, representing 0,07% of all enterprises in the sector, namely: SE “Bulgarian-German Vocational Training Centre”, Sofia, “Bulgarian Maritime Training Centre” EAD (currently “Bulgarian Maritime Training Centre” EOOD), Varna and “Alliance” EOOD, Sofia.

State-owned public enterprises in the sector account for 1% of the operating revenues of all enterprises in the sector. In 2023, the state-owned public enterprises in the “Education” sector employed 87 persons, accounting for 0,65% of the total workforce of the sector.

Financial performance of the State-owned public enterprises in the “Education” sector for the period 2022-2023:

BGN thous.														
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2022	6 347	6 248	6 592	6 580	2 183	24 293	18 390	5 866	1 279	381	898	23 014	35 421	-13 222
2023	6 809	6 577	7 765	7 710	-818	22 956	18 453	4 493	871	214	657	22 085	35 421	-14 326

3. 17. Sector Q – Human Health and Social Work

At the end of 2023, the sector includes 121 public enterprises, 113 of which are under the portfolio of the Minister of Health, 4 under the portfolio of the Minister of Defence, 2 under the portfolio of the Minister of Transport and Communications and 2 under the portfolio of the Minister of Youth and Sports. Public enterprises, represent 0,80% of all enterprises in the sector. In 2023, state-owned public enterprises in the sector account for 28.52% of the operating revenues of all enterprises in the sector.

State Medical Establishments – public enterprises are significant part of the national health care system. The organization of hospital care is in line with the situation and needs at district and national level, within the framework of the National and District Health Maps. The healthcare system is crucial for providing accessible, high-quality hospital care for the country's population. This is demonstrated by the special provisions that allow certain healthcare facilities to be opened only by the state, due to their exceptional importance in ensuring access to and quality of specific services. Pursuant to current legislation, medical facilities providing hospital care are established as commercial companies and public enterprises, as defined in Art. 2, para. 1 of the Public Enterprises Act. They can offer hospital care after obtaining permission from the Minister of Health.

Public enterprises from the sector end the financial year 2023 with a total revenue from operating activity in the amount of BGN 2,550,682 thousand, of which the largest amount of revenue from operating activity is of UMHAT “Sveti Georgi” EAD, Plovdiv – BGN 267,461 thousand.

Financial performance of the State-owned public enterprises in the “Human Health and Social Work” sector for the period 2022-2023:

														BGN thous.
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2022	2 269 148	2 258 064	2 298 455	2 293 131	-34 067	1 839 087	1 128 444	708 325	888 996	468 630	420 501	911 780	1 102 425	-373 623
2023	2 555 840	2 550 682	2 553 089	2 546 057	- 2 359	1 884 148	1 180 962	700 424	894 383	474 508	419 875	989 750	1 189 104	-401 192

Seventy-two (72) public enterprises end the financial year 2023 with a positive financial result. With the largest amount of profit are UMHAT “Sveti Georgi” EAD, Plovdiv – BGN 12,227 thousand, UMHAT “Sveti Ivan Rilski” Sofia – BGN 4,939 thousand and MHAT “Sveta Anna – Sofia” AD, Sofia – BGN 4,623 thousand. The remaining public enterprises ended the financial year 2023 at a loss, as MHAT “Lozenets” EAD, Sofia, reported the largest loss of BGN (22,369) thousand, followed by “Sveta Ekaterina” EAD, Sofia with a loss amounting to BGN (6,759) thousand.

The state-owned public enterprises in the “Human Health and Social Work” sector employed 36,544 persons, accounting for 32% of the total workforce of the sector.

3. 18. Sector R – Culture, sport and entertainment

The sector comprises four (4) state-owned public enterprises, which represent 0.07% of all enterprises in the sector and account for 7.15% of the operating revenues of all enterprises in the sector. State-owned public enterprises in the sector are: SE “BULGARIAN SPORTS TOTALIZER”, Sofia NATIONAL SPORTS BASE” EAD, Sofia “ACADEMICA 2011” EAD, Sofia and “NATIONAL MUSIC AGENCY” EOOD, Sofia.

Financial performance of the State-owned public enterprises in the “Culture, sport and entertainment” sector for the period 2022-2023:

BGN thous.														
Year	Revenues		Costs		Net profit/loss	Assets			Liabilities			Equity		Financial result, incl. from past years
	Total	From operating activity	Total	For operating activity		Total	Long term assets	Short term assets	Total	Non-current liabilities	Current liabilities	Total	Fixed capital	
	2	3	4	5		6	7	8	9	10	11	12	13	
2022	360 667	357 061	355 295	311 531	4 636	504 010	391 192	112 784	149 119	95 125	53 994	354 891	350 244	-76 087
2023	421 491	417 108	363 297	362 610	7 638	538 126	394 877	143 171	171 573	97 783	73 790	366 553	356 244	-70 050

According to the Accountancy Act, categorized as a “large” enterprise” in the sector is SE “Bulgarian Sports Totalizer”, Sofia. Part of its revenues are allocated to support physical education and sport in the Republic of Bulgaria and to maintain, repair, reconstruct, completely renovate or create new sports facilities and/or sports facilities in state and municipal schools. Pursuant to Article 14 of the Gambling Act, the undertaking has allocated to the Ministry of Youth and Sports a portion of its proceeds from the organised

by him gambling games, in accordance with a scheme approved by the Minister of Youth and Sports. For 2023, the directly attributed funds amounted to BGN 49,812 thousand, compared to 2022 where the amount was BGN 42,886 thousand.

In 2023, the state-owned public enterprises in the “Culture, sport and entertainment” sector employed 1,718 persons, accounting for 6,4% of the total workforce of the sector.

IV. PRESENTATION OF PUBLIC ENTERPRISES AND IMPLEMENTATION OF THE SET OF STRATEGIC GOALS AND PLANNED OUTCOMES IN 2023.

The **Methodology for the performance assessment of the approved business programs of the public enterprises** was adopted in 2023 (Council of Ministers’ Decree No. 309 of 15 December 2023, promulgated in State Gazette, edition No. 106 of 22.12.2023). The methodology has been developed in accordance with the adopted Policy on State Participation in Public Enterprises and the requirements of the Public Enterprises Act and the Implementing Rules of the Public Enterprises Act (IRPEA).

The Methodology for the performance assessment of the approved business programs of public enterprises established a detailed regulation of the possible hypotheses of fulfilment or non-fulfilment of the financial and non-financial objectives set by the public enterprises, applying a uniform approach to the assessment by the relevant authorities.

The Methodology for the performance assessment of the approved business programs of public enterprises (the Methodology) shall regulate the procedure, method and criteria for the evaluation of the implementation of the approved business programs of the public enterprises. For the purpose of assessing the performance of the approved business programs of public enterprises, the Methodology uses the grouping of public enterprises according to the grouping approved by the Council of Ministers by Decision No. 776 of 12 October 2022. Policy on State Participation in Public Enterprises.

According to §2 of Council of Ministers Decree No. 309, dated 15 December 2023, the initial assessments under the Methodology will be performed for the execution of the business plans for 2023.

Performance evaluation is carried out on the basis of the documents submitted through the Electronic Information System for public enterprises, namely: annual financial statements, approved business programs and business programs performance reports.

The report on the implementation of the business program shall be drawn up in the format according to the Methodology and shall contain a comparative analysis of the indicators achieved against those set in the business program for the period concerned.

In the Methodology it is envisaged that the achievement of the set financial and non-financial objectives, as well as the implementation of the approved business programs, is to be reported on a four-level scale, including the following levels:

Level of reporting	Range (score)
Unsatisfactory	0 – 30,00
Satisfactory	30.01 – 60,00
Good	50.01 – 80,00
Very good	80.01 – 100

According to the Methodology, the final evaluation of the business program is formed as the sum of the final evaluation of the financial objectives with a certain weighting and the final evaluation of the non-financial objectives with a certain weighting coefficient. The weighting coefficients applicable to the financial and non-financial targets for each group of public undertakings in view of the grouping of public undertakings as approved by the Council of Ministers by Decision No 776 of 12 October 2022. The policy for the State's participation in public undertakings shall be as follows:

Targets/Groups enterprises	Group A1	Group A2	Group B1	Group B2
Financial targets:	70%	50%	30%	50%
Non-financial targets:	30%	50%	70%	50%

The level of performance of the business program is determined on the basis of the final performance assessment obtained and is reported on the above four-point scale.

In 2024, the Public Enterprises and Control Agency (PECA) conducted an assessment of the implementation of business programs for 2023 for public undertakings categorized as "large". Additionally, PECA evaluated public undertakings defined in the "Plan for Assessing the Implementation of Business Programs for Micro, Small, and Medium Public Enterprises for 2023". PECA shall communicated the results of these assessments to the bodies that exercise state rights over public enterprises.

Summarized results of the performance assessment of the approved business programs of 50 public enterprises categorised as "large" according to the criteria set out in Section I and Section II of Chapter Two of the Accountancy Act are presented in the following table:

Level of performance Targets	Number of public undertakings with a performance level of "very good"	Number of public undertakings with a performance level of "good"	Number of public undertakings with a performance level of "Satisfactory"	Number of public undertakings with a performance level of "Unsatisfactory"
Non-financial targets:	36	13	0	1
Financial targets:	21	19	7	3
Final score	28	21	0	1

The public enterprises subject to assessment by PECA have generally submitted the required documents according to the Methodology, on the basis of which the assessment of the business programs' performance for 2023 has been carried out with a view to achieving the set financial and non-financial targets. It is noteworthy that in the preparation of the business programs and the reports on their implementation, some of the public enterprises encounter difficulties in view of the requirements of the Methodology, which are applied for the first time both in relation to public enterprises and in the work of PECA. In this sense, when assessing the business programs' performance for 2023, the PECA has used a broader approach with regard to the public enterprises that have not strictly complied with the requirements of the Methodology, assessing their performance in order to inform the authorities exercising the rights of the State in public enterprises and paying attention to compliance with the explicit norms of the Methodology in the next reporting period.

For the purpose of tracking the implementation of the Policy on State Participation in Public Enterprises, public enterprises shall submit a report on the implementation of the general non-financial targets, including the following categories, to the report on the implementation of business programs: social policy, environmental agenda, anti-corruption and corporate governance. Summarised results of the submitted performance reports on the overall non-financial indicators for 2023 of the public enterprises categorised as "large" according to the criteria set out in Section I and Section II of Chapter Two of the Accountancy Act are presented in **Enclosure 2** to this report.

V. PUBLIC ENTERPRISES THAT HAVE BEEN ASSIGNED OBLIGATIONS TO PERFORM A PUBLIC SERVICE AND/OR TO FULFIL PUBLIC POLICY OBJECTIVES

According to the data provided by the line ministries exercising the rights of the State, the obligations assigned to public enterprises for the performance of public services and/or the fulfilment of public policy objectives are as follows:

"TPP Maritsa East 2" EAD, village of Kovachevo, municipality Radnevo

The public undertaking is charged with a public service obligation and a public policy objective. Pursuant to item 2 of the Decision of the National Assembly of 31.01.2020 to take all necessary measures to prevent in the long term the cessation of the operation and/or the limitation of the production capacity of the coal-fired thermal power plants (TPP) of the "Bulgarian Energy Holding" EAD, Sofia, group in view of the security of electricity supply on the territory of the country, the Minister of Energy has assigned to "TPP Maritsa East 2" EAD, Radnevo a total annual quota of 2 200 000 MWh for a mandatory purchase of electricity from "NEK" EAD, Sofia, for the period from 01.07.2023 to 30.06.2024.

By Decision No. C - 14/30.06.2023 of the EWRC the quantities of electricity from the total annual quota of "TPP Maritsa East 2" EAD, Radnevo in the amount of 2 200 000 MWh are included in the total estimated amount of electricity, realized by the "National Electric Company" EAD, Sofia to ensure the consumption of the customers of the final suppliers. The plant has concluded Agreement No. 18651/18.07.2023 for electricity supply with "National Electricity Company" EAD, Sofia, for the regulatory period until 30.06.2024, taking into account the compensation of the costs of the "National Electricity Company" EAD Sofia, in the EWRC decision.

For the second half of 2023, the plant's allocated quota is 641,380 MWh. In the second half of 2023, a total of 773,754.5 MWh were sold at regulated prices to NEK EAD. This represents a performance of

120.64% for the half-year and 35.17% performance based on the obligation under Order No. E-RD-16-295/01.06.2023 from the Minister of Energy.

The amount allocated to the public undertaking to compensate for the public service is BGN 246,649 thousand.

“Bulgartransgaz” EAD, Sofia

After the start of the military conflict in Ukraine and the termination of natural gas supplies to the Republic of Bulgaria at the end of April 2022 under the long-term contract with “Gazprom Export” OOO, by Orders No. E-ПД-16-113/24.02.2022 and No. E-ПД-16-219/ 06.04.2022 of the Minister of Energy, the public enterprise was assigned a public service obligation: “Ensuring security of gas supply by storing natural gas quantities at the Underground Gas Storage Facility Chiren (UGS Chiren)”. The obligation is to purchase and store up to 280,000 MWh of natural gas, in accordance with the technical capacity of the UGS Chiren facility during the injection period as ordered.” Pursuant to the same orders of the Minister of Energy, the public company is obliged to store natural gas quantities in the UGS Chiren facility in the amount of 205,300 KWh, and to release them in case of natural gas shortage in case of a permanent interruption of natural gas supply in the country. In connection with this obligation, “Bulgartransgaz” EAD is obliged **to purchase natural gas at its own expense** and store it in the Underground Gas Storage Facility Chiren (UGS Chiren).

The amount allocated to the public undertaking to compensate for the public service is BGN 37,865 thousand.

National Electric Company” EAD, Sofia

On the basis of the Energy Act and the price decisions of the EWRC for 2022-2023 and 2023-2024, the public undertaking has been entrusted with the obligation to perform the public services: "public supply of electricity" and "supply of electricity by a supplier of last resort" and fulfil public policy objectives: "Compensation mechanism from the Fund "Security of the Electricity System" in connection with mandatory purchase of electricity from "National Electricity Company" EAD, town of Sofia and "supply to consumers who have not contracted with a supplier on the free market".

Pursuant to the Energy Act and the price decisions of the EWRC for 2022-2023 and 2023-2024, the Company is entrusted with the public supply of electricity in implementation of the price decisions of the EWRC. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 1,669,008 thousand.

According to the Energy Act, the company has been entrusted with an obligation to supply electricity from a supplier of last resort with a performance period of one year. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 58,103 thousand, and the term of the said obligation is 1 (one) year.

“Specialized Hospital for Rehabilitation – Sveta Bogoroditsa” EOOD, village Narechenski Bani

Based on a contract with the Ministry of Defence, the public undertaking is entrusted with the obligation to carry out public services for treatment, rehabilitation, prevention and medical services, included in the issued by the Ministry of Health "License to perform medical activities" of the public enterprise, to the extent that the same is not paid to him under the contract with the National Health Insurance Fund, in return for which he receives, if possible, funds from the budget of the Ministry of Defence. The assigned public services are as follows:

- On the basis of a contract with the NHIF – hospital care on clinical pathways - treatment of patients with diseases of the musculoskeletal system and peripheral nervous system. The contract has a term of three (3) years. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 1,826 thousand.
- On the basis of a contract with the National Social Insurance Institute – prophylaxis and rehabilitation of eligible persons under the program of the National Social Insurance Institute. The contract has a term of one (1) year. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 102 thousand.
- Based on a contract with the MoD – treatment, rehabilitation, prophylaxis and medical services. The contract has a term of one (1) year. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 1,005 thousand.

“SPECIALIZED HOSPITAL FOR REHABILITATION – VITA” LTD, Velingrad

Based on a contract with the Ministry of Defence, the public undertaking is entrusted with a public service obligation: hospital care under clinical pathways; prophylaxis and rehabilitation of eligible persons under the programs of the National Insurance Institute and activities for the implementation of curative activities.

The assigned public services are in accordance with the “License to perform medical activities” of the public enterprise issued by the Ministry of Health. The subsidies for 2023 amounted to BGN 5,761 thousand.

- On the basis of a contract with the NHIF – hospital care on clinical pathways - treatment of patients with diseases of the musculoskeletal system and peripheral nervous system. The contract has a term of three (3) years. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 2,868 thousand.
- On the basis of a contract with the National Social Insurance Institute – prophylaxis and rehabilitation of eligible persons under the program of the National Social Insurance Institute. The contract has a term of one (1) year. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 1,163 thousand.
- Based on a contract with the MoD – treatment, rehabilitation, prophylaxis and medical services. The contract has a term of one (1) year. The amount allocated to the public undertaking to compensate for the public service for 2023 is BGN 1,730 thousand.

Diagnostics and Consultancy Center “Sveti Georgi” EOOD Haskovo

The public undertaking is entrusted with the implementation of three public services, including: health services – check-ups; health services – examinations and package of health services - preventive check-ups. The assigned activities have been financed with funds totalling BGN 741 thousand for 2023:

- Based on a contract with the NHIF – check-ups and tests of patients. The deadline of the contract is 2023. The amount allocated for the provision of health services is BGN 511 thousand for check-ups and BGN 212 thousand for tests.
- Based on a contract with a Health Insurance Fund, NHIF and "Grupama Insurance" EAD – a package of health services – preventive check-ups. The deadline of the contract is 2023. The amount allocated for the provision of health services is BGN 18 thousand.

Diagnostic-Consultative Center “Saint George the Victorious” EOOD, Burgas

The public undertaking is entrusted with the implementation of public services, including: health services - check-ups; health services - tests and package of health services - preventive check-ups. The assigned activities have been financed with funds totalling BGN 2,482 thousand for 2023:

- Based on a contract with NHIF – check-ups and tests of patients. The deadline of the contract is 2023. The amount allocated for the provision of health services is BGN 1,612 thousand for check-ups and BGN 483 thousand for tests.
- Based on a contract with a Health Insurance Fund, NHIF and "Grupama Insurance" EAD – a package of health services – preventive check-ups. The deadline of the contract is 2023. The amount allocated for the provision of health services is BGN 335 thousand.
- Based on a contracts with Occupational Health Services – package of health services - preventive check-ups. The deadline of the contract is 2023. The amount allocated for the provision of health services is BGN 52 thousand.

State Enterprise “Kabiuk”,. Shumen

For the period 01.01.2022 – 31.12.2024 by Contract No ПД -50-32 /27.07.2022 concluded between the Ministry of Agriculture and Food and SE "Kabiuk" and based on Paragraph 54 of the Transitional and Final Provisions of the Amending and Supplementing Act of the Livestock Act, Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, the SE “Kabiuk” has been entrusted with the public service of maintaining the autochthonous and other valuable breeds of the National Livestock Gene Pool and preserving them as a treasure.

For the activities carried out, SE “Kabiuk” shall receive compensation from the State budget through the budget of the Ministry of Agriculture and Food, calculated on the basis of net costs and constituting an unfair financial burden for the enterprise, which is established by a decision of a Commission appointed by Order of the Minister of Agriculture and Food.

For the activities carried out in 2023, SE “Kabiuk” received compensation from the state budget through the budget of the Ministry of Agriculture and Food in the amount of BGN 1,680 thousand.

“Irrigation Systems” EAD, Sofia

In accordance with the Water Act and based on an Contract No. ПД-50-23/05.04.2019 between the Ministry of Agriculture and Food and “Irrigation Systems” EAD the public undertaking is entrusted with the public service of protection against the harmful effects of water through the operation, construction and maintenance of water management systems and facilities for protection against the harmful effects of water – state-owned property. The award of services of general economic interest is in accordance with Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest. The service shall be provided under the terms of compensation from the state budget, which shall not exceed the means to cover the necessary, related, and inherent costs incurred in performing the assigned obligation for the provision of the public service, and considering the relevant revenues, when there are any.

The deadline of the obligation is 04.04.2024.

The 2023 State Budget Act of the Republic of Bulgaria has been approved funds amounting to BGN 29,300 thousand for the provision of a public service for protection against the harmful effects of water, assigned to "Irrigation Systems" EAD. Sofia

State Enterprise "National Railway Infrastructure Company", (SE NRIC), Sofia

In 2023 the State Enterprise "NRIC" shall carry out its activities in accordance with the transport policy of the Ministry of Transport and Communications and the Budget Programs included in the scope of the policy: "Development and Maintenance of Railway Infrastructure" and "Organisation, Transport Management, Safety, Security and Environment". The public undertaking is entrusted with the implementation of public policy objectives "management of the railway infrastructure, through the management and administration of the property assigned to it – public and private state property, the construction, maintenance, development and operation of the railway infrastructure".

Based on the Contract between the Republic of Bulgaria and SE "NRIC" and on the Annual Program for the construction, maintenance, repair, development and operation of the railway infrastructure approved by the Minister of Transport and Communications, the State Budget Act of the Republic of Bulgaria for 2023 and the Decree No. 108 / 09.08.2023, the funds used are as follows:

- subsidy in the amount of BGN 270,755 thousand, as the used subsidy is directed to the activities of routine maintenance, payment of salaries and social security contributions to the staff and operation of the railway infrastructure, which are not covered by the revenue generated from the activity;
- capital transfers amounting to BGN 153,944 thousand, with which the implementation and corresponding financing of projects from the enterprise's investment program for repair, rehabilitation, and construction of sites of the railway infrastructure is ensured. Funds for financing projects under the "Connecting Europe Facility" and under Operational Program "Transport and Transport Infrastructure" are also included.

"BDZ–Passenger Services" EOOD, Sofia

"BDZ–Passenger Services" EOOD has a long-term contract with the Ministry of Transport and Communications for the provision of public transport services in the field of rail transport on the territory of the Republic of Bulgaria. The Contract was concluded on the grounds of Article 54 of the Railway Transport Act and the Ordinance on the Assignment and Performance of the Obligations for the Provision of Public Transport Services in Railway Transport, and shall enter into force on 01.01.2010, being be valid for 15 years. The contract expires on 31.12.2024. The contract concluded on the basis of Article 54 of the Railway Transport Act is in accordance with Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road, and repealing Council Regulations (EEC) No 1191/69 and (EEC) No 1107/70.

Pursuant to Council of Ministers' Decree No. 108/23.12.2020 on the implementation of the state budget of the Republic of Bulgaria for 2023 and art. 25 (1), section II, item 1.2.1.1 of State Budget of the Republic of Bulgaria Act for 2023, the allocated funds under the Budget program "Organization, management of transport, ensuring safety, security and environmental compatibility" as subsidies for the transport of passengers on the territory of the Republic of Bulgaria by rail are in the amount of BGN 196,190 thousand. The funds were spent under the main activity of the company, for internal passenger transport.

“Bulgarian Posts” EAD, Sofia

In 2023, “Bulgarian Post” EAD shall provide public services assigned by a regulatory act as follows:

- Provision of Universal Postal Service through the postal network throughout the country – by the Postal Services Act (PSA).
- Payment of pensions through post offices throughout the country – by the Pensions and Insurance Service Ordinance (PISO);
- Distribution of periodicals (newspapers and magazines) with wholesale and retail discounts, directly or on a subscription basis on the territory of the Republic of Bulgaria – by Council of Ministers’ Decree №113/28.5.2020.

The annual compensation for the performance of assigned public service obligations shall be as follows:

- The universal postal service for 2023 – BGN 28,456 thousand. The term of the obligation is until 30.12.2025.
- Payment of pensions through post offices throughout the country. – BGN 29,337 thousand. The term of the obligation is until 01.07.2031.
- Distribution of periodicals – 27,638. The term of the obligation is until 01.03.2030.

The award of services of general economic interest is in accordance with Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

“Bulgaria Heli Med Service” EAD, Sofia, Sofia

The public entity is assigned the duty to perform "Flights to provide air transportation for emergency medical needs organized by the State for the purpose of rapid transportation by transporting medical personnel or medical supplies (equipment, blood, organs, medicines) or sick or injured persons and other directly related persons, under the terms and conditions of the Commission Regulation (EU) No 965/2012 of 5 October 2012 laying down technical requirements and administrative procedures related to air operations pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council by an aviation operator with an Air Operator Certificate and SPA.HERMS approval issued by the Chief Director of the General Directorate “Civil Aviation Administration”. The public service is awarded based on the State Budget of the Republic of Bulgaria Act for 2023 and Council of Ministers’ Decree No. 109 of 10 August 2023 on the award of a service of general economic interest – flights for the provision of air transport for the needs of emergency medical assistance. The award of services of general economic interest is in accordance with Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

The term of the obligation is until 10.08.2033. The funds allocated for the public service in 2023 are in the amount of BGN 4 472 thousand.

State Enterprise “Port Infrastructure”, Sofia

The SE “Port Infrastructure”, Sofia, is entrusted with the implementation of public policy objectives, based on Article 115m of the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act (MSIWPRBA), as follows:

- Ensuring the safety of navigation in the channels and water area of the ports under Article 106a of the MSIWPRBA and in the other public transport ports – state-owned – the activity is financed from the State Enterprise "Port Infrastructure", Sofia's own funds, in accordance with Article 115r of MSIWPRBA;
- Management of the state property in the ports under Article 106a of the MSIWPRBA – the activity shall be financed in accordance with Article 115r of MSIWPRBA – the activity shall be financed with own funds and with funds from capital transfer, which amounts to BGN 28,377 thousand;
- Provision of services through the Global Maritime Distress and Safety System (GMDSS) - the activity shall be financed by the State Enterprise "Port Infrastructure" own funds in accordance with Article 115r of MSIWPRBA.
- Ship-to-shore and shore-to-ship telecommunication services – funding is in accordance with Article 115r of the MSIWPRBA;
- Provision of traffic management and information services for shipping and the provision of river information services to ship traffic – the activity shall be financed in accordance with Article 115r of the MSIWPRBA.
- Provision of hydro meteorological information – the activity shall be financed by the State Enterprise "Port Infrastructure" own funds in accordance with Article 115r of MSIWPRBA.
- Maintaining forces and means of participation in rescue and emergency and rehabilitation works carried out at the water areas of ports referred to in Article 106a and of public transport ports owned by the State in accordance with the National Disaster Protection Plan through the maintenance and operation of facilities for prevention and response to operational or emergency pollution - the activity shall be financed from the SE Port Infrastructure's own funds and from a capital transfer, which for 2023 amounts to BGN 870 thousand.

SE “Prison Fund”, Sofia (SE “PF”)

Based on art. 39 of the Implementation of Penal Sanctions and Detention in Custody Act (IPSDCA) and art. 4 (1) and (2) of the Rules on the Structure and Operation of the SE “PF” the company implement public policy objectives, which include:

- Construction and improvement of residential and production conditions in penitentiary facilities and equipping them with security and technical facilities, construction, building repairs, promotion of medical care, cultural and sporting activities, funding for research and publishing in the area of prison-related activities, business, services and commercial activities carried out in penitentiaries, and increasing the scope of employment of prisoners;
- Working capital with production significance and financing of risk events related to production activities;
- Health-care improvement in places of detention;
- Funding research and publishing activities in the field of penal enforcement;

- Training and professional qualification of prisoners and staff of the General Directorate “Execution of Penalties” and its territorial offices;
- Cultural and sporting activities;
- Other expenditure relating to the activity of enforcement of sentences.

The obligation to meet the above targets is open-ended, with funding for 2023 of BGN 32,494 thousand.

“Vazovski Machinostroitelni Zavodi” EAD, Sopot

“Vazovski Machinostroitelni Zavodi” EAD is entrusted with the obligation to meet public policy objectives: "The renewal of wartime stocks of ammunition stored in the armed forces by concluding a contract between the Ministry of Defence and “Vazovski Machinostroitelni Zavodi” EAD for the replacement, within the meaning of Article 19a of the Ordinance on the conditions and procedure for the establishment of departmental wartime stocks of the Ministry of Defence, of ammunition representing wartime stocks stored in the armed forces with newly produced ones by the public enterprise". The financing is BGN 346,852 thousand including VAT for a period not exceeding 36 months. The Contract shall remain in force until the obligations of the parties have been fully implemented.

“Sofia Tech Park” AD, Sofia Sofia

By Council of Ministers’ Decision No. 812 of 17.11.2023, the public enterprise was assigned an obligation for the fulfillment of public policy objectives, consisting in the establishment of a gratuitous and perpetual building right in favour of the National STEM Centre to the Minister of Education and Science on the following land property owned by the company.

“Fund Manager of Financial Instruments in Bulgaria” EAD, Sofia (SE “FMFIB” EAD)

The Public Enterprise shall carry out activities for the implementation of financial instruments implemented under funds, mechanisms, programmes and projects co-financed by the European Union for the programming periods 2007-2013, 2014-2020, 2021-2027 and following. The undertaking may implement investment strategies that provide for the investment of the funds referred to in the preceding sentence in coordination with other financial resources, including recycled funds from financial instruments already implemented or its own funds. SE “FMFIB” EAD may implement projects funded by European, national and other programs to promote the implementation of financial instruments, protect the environment and combat climate change, promote innovation, research and training, tackle social inequalities, develop the start-up ecosystem and other similar activities. The use of financial instruments to achieve the goals of the respective operational programs for the 2014-2020 and 2021-2027 programming periods is a matter of public interest. This task is aimed at developing the specific segment of final beneficiaries and enhancing the competitiveness of the Bulgarian economy. The functions of the SE “FMFIB” EAD are outlined in the European Funds Management under the Shared Management Act (EFSMA) and in the company’s Articles of Association. The Managing Authorities are responsible for carrying out the management functions of the respective programs to achieve the specific objectives and activities set by the Council of Ministers of the Republic of Bulgaria and approved by the European Commission.

By financial agreement and on the basis of Article 5(2) and (3) of EFSMA and Art. 38, (7), a) of Regulation (EU) No 1303/2013, the company has been entrusted with the management of the "Fund of Funds" and the management of the funds and resources of the "Fund of Funds" under:

- "Human Resources Development" 2014 - 2020 Operational Program. The deadline for the implementation of the obligation is 31.12.2023, the funds allocated for 2023 amounted to BGN 5,991 thousand;
- "Innovation and Competitiveness" Operational Program , PO 2 and PO 6 2014 –2020 The deadline for the implementation of the obligation is 31.12.2023, and the funds allocated for 2023 amounted to BGN 291,791;
- "Regions in Growth" 2014–2020 Operational Program. The deadline for the implementation of the obligation is 31.12.2023 and the funds allocated for 2023 amount to BGN 190,452 thousand;
- "Environment and waters" Operational program , Priority Axis (PA) "Waters", 2014 r. – 2020. The deadline for the obligation fulfilment is 31.12.2023 and the funds allocated for 2023 amounted to BGN 7,411 thousand;
- "Rural Development 2014 - 2020" Operational program. The deadline for the implementation of the obligation is 31.12.2023 and the funds allocated for 2023 amount to BGN 240 thousand; "Human Resources Development" 2014 – 2020 Operational program. The deadline for the implementation of the obligation is 31.12.2023, the funds allocated for 2023 amounted to BGN 240 thousand;
- "Maritime Affairs and Fisheries Program 2014-2020". The deadline for the implementation of the obligation is 31.12.2023 and the funds allocated for 2023 amount to BGN 12 thousand;

By the financial agreement for the assumption of rights and obligations of the Holding Fund and § 9 of the Transitional and Final Provisions of the EFSMA and Regulation (EU) No 1828/2006 the company is entrusted with:

- Reinvestment of Jessica Program funds under "Regions in Growth" 2007–2013 Operational program. The deadline for the implementation of the obligation is 31.12.2025 and the funds allocated for 2023 are in the amount of BGN 3,975 thousand;

By financial agreement and based on Article 5(2) and (3) of EFSMA and Art. 59(5), (a) of Regulation (EU) No 2021/1060, the company has been entrusted with the management of the "Holding fund" and the management of the funds and resources of the "Holding fund" under:

- "Competitiveness and Innovation in Enterprises program". The deadline for the implementation of the obligation is 31.12.2029 and the funds allocated for 2023 amount to BGN 1,262,732 thousand.
- "Development of Regions" 2021-2027 Operational Program. The deadline for the implementation of the obligation is 31.12.2029 and the funds allocated for 2023 amount to BGN 462,055 thousand.
- "Research, Innovation and Digitalization for Smart Transformation Program" 2021-2027. The deadline for the implementation of the obligation is 31.12.2029 and the funds allocated for 2023 amount to BGN 117,416 thousand;

The amounts indicated represent the contractual management resources under the funding agreements concluded with the Managing Authorities of the respective programs of 2021-2027 programming period.

By financial agreement and based on Article 5(2) and (3) of EFSMA and Art. 38 (7), (a) and Regulation (EU) No 1303/2013, the company has been entrusted with the management of the provided resource of the "Fund of Funds" (residual funds) and under:

- "Innovation and Competitiveness" Operational program, PA 2 and PA 6 for the period 2014–2020, as well as the funds reimbursed to financial instruments and the revenues that can be attributed to investments under the financial agreement. The deadline for fulfilling the obligation is 31.12.2031;
- "Regions in Growth" Operational program, 2014–2020, as well as the funds reimbursed to financial instruments and the revenues that can be attributed to investments under the financial agreement; The deadline for fulfilling the obligation is 31.12.2031;
- "Human resources development" Operational program, 2014–2020, as well as the funds reimbursed to financial instruments and the revenues that can be attributed to investments under the financial agreement. The deadline for fulfilling the obligation is 31.12.2031;

The funds for a given period are based on the resources received from the reimbursement of eligible investments already made.

VI. COMPLIANCE OF THE PUBLIC ENTERPRISES' ACTIVITY WITH THE APPLICABLE STANDARDS FOR CORPORATE GOVERNANCE AND DISCLOSURE. READINESS OF PUBLIC ENTERPRISES TO IMPLEMENT SUSTAINABILITY REQUIREMENTS (ESG)

The Organisation for Economic Co-operation and Development 's Guidelines on Corporate Governance of State-Owned Enterprises (the OECD Guidelines, the latest version of which was adopted in 2024 and reflects the latest developments in global market and corporate governance) is a document outlining the basic principles of public enterprise governance. The guidelines include agreements between the most advanced and economically developed countries and are recognized as an international benchmark. Periodic updates of the guidelines take into account developments and country experiences to identify emerging issues at national and international level. The OECD Principles on Corporate Governance represent a global standard for corporate governance and cover the known and practiced basic rules of corporate governance.

Public undertakings shall comply with the National Corporate Governance Code as appropriate. In 2023, the latest version of the Code, dated July 2021, approved by the Chairman of the Financial Supervision Commission and adopted by the National Corporate Governance Commission (updated in 2024), is applicable. The 2024 version of the National Corporate Governance Code includes additions in line with EU and Republic of Bulgaria's sustainable development policy. The objectives set out in the Green Deal, the Taxonomy Regulation, the Corporate Sustainability Reporting Directive are taken into account. The provisions of the Code are also in line with the 2015 UN Sustainable Development Goals and the UN Guiding Principles on Business and Human Rights adopted in 2011.

Public enterprises shall comply with transparency standards by disclosing material financial and non-financial information in accordance with applicable international and national standards and regulations. They shall apply good corporate governance practices that contribute to achieving their long-term goals, adhering to the principles of responsible business conduct, and establishing transparent relationships with stakeholders.

Pursuant to the National Strategy for Preventing and Combating Corruption (2021-2027) and the Roadmap for the Implementation of the National Strategy for Preventing and Combating Corruption (2021-2027), adopted by a Decision of the Council of Ministers of the Republic of Bulgaria (Priority 5. Freeing citizens

from "petty" corruption, Measure 6. "Introducing tools for counteracting corruption and promoting integrity in the work of state-owned enterprises) The Agency for Public Enterprises and Control has adopted a Code of Ethical Conduct for Persons Employed in State-Owned Enterprises.

The purpose of the Code of Ethics is to establish the norms that determine the conduct of all employees of the public enterprise during the performance of their duties, their relations with each other and with the authority exercising the rights of the State in the public enterprise, as well as their relations with persons from other commercial companies - clients and partners, as well as with the state authorities.

The Code of Conduct has been prepared based on the universal principles and values set out in the OECD Guidelines on Corporate Governance of State-Owned Enterprises and in the light of best practice solutions of existing codes of ethical conduct of leading state-owned companies from OECD member countries. An integral part of the Code of Ethics is an appendix, which includes models of good practices in and regarding corporate governance in order to optimally and pragmatically implement the objectives (activities) of the respective company.

The accounting of public undertakings shall be carried out in accordance with the Accountancy Act. Public enterprises prepare their financial statements based on the National Accounting Standards or International Accounting Standards in accordance with the requirements of the Accountancy Act. More than half of the public enterprises categorized as "large" under the accountancy Act shall apply the international accounting standards. The Annual Financial Statements of public undertakings shall be subject to a statutory independent financial audit by registered auditors in accordance with the Accountancy Act and the Independent Financial Audit Act.

Public undertakings categorized as "large" under the Accountancy Act shall maintain a website, have developed and implemented a disclosure policy.

In 2024, amendments to the Accountancy Act were adopted, introducing an obligation for companies to prepare and submit a sustainability report in their annual report. The reporting obligation shall be phased in. The disclosure shall be performed in accordance with the requirements of the European Sustainability Reporting Standards introduced by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU (Directive (EU) 2022/2464) as regards corporate sustainability reporting

Given the importance of the new sustainability reporting requirement and the lack of previous experience in this regard, conducted a study on the readiness of public enterprises to implement the environmental, social and governance ("ESG") disclosure requirements. The results shall provide information for assessing the implementation of the requirements of the National Corporate Governance Code and the level of preparedness of the addressees of the Directive with regard to sustainability reporting by public undertakings, covering issues specific to the activities of each public undertaking and not addressing material sectoral or individual topics.

The study was carried out on 60 public undertakings, including those categorised as 'large' according to the criteria set out in Section I and Section II of Chapter Two of the Accountancy Act. The survey was carried out in due course after the promulgation in the SG of the Act on Amendment and Supplement to the Accountancy Act in the period 31.08.2024 – 30.09.2024. The data collection was carried out through a semi-structured questionnaire with 54 questions covering various topics related to the responsible supply of products or services in different areas. The questions were divided into eight topics and the results of the survey are summarized below.

Topic #1 - General Public Enterprise Performance - The questions included in this topic are intended to assess the awareness of the topic of sustainability and the readiness of public enterprises to implement the requirements at the sector level.

The survey shows that most of the public enterprises included in the study are familiar with the topic of sustainability, having involved representatives of the management and control bodies and/or their employees. In answering the questions included in the topic aimed at assessing the awareness and readiness of SOEs to implement sustainability requirements, twenty (20) of the SOEs included in the survey indicated that the person directly involved in the topic of sustainability is a senior management official, a member of the governing body, including an executive member, which is understandable as the Accountancy Act establishes a general responsibility of these individuals. The number of public undertakings that have not engaged a specific person on sustainability issues at this stage is the same. In fourteen of the public enterprises, the subject of sustainability is dealt with by the Chief Financial Officer or the Chief Accountant, which could again be explained by the requirements of the Accountancy Act, which, by regulating the preparation of a sustainability report, leads to the idea of responsibility for its preparation being borne by the persons who are involved in the financial statements, even though this is neither explicitly provided for in a legal act nor is the matter in the category of a financial or accounting operation. Four (4) of the public enterprises have set up committees or working groups comprising employees with a variety of skills and areas of expertise in order to address sustainability issues. This approach is appropriate given the diversity of sustainability topics, which include environmental, social, and governance issues. In three other public enterprises, the employees involved have different qualifications. Only four of the public enterprises included in the study have prepared and published sustainability reports, accounting for 6.70% of all surveyed public enterprises.

Summarised results on the readiness of public enterprises to implement sustainability requirements are presented in the table below:

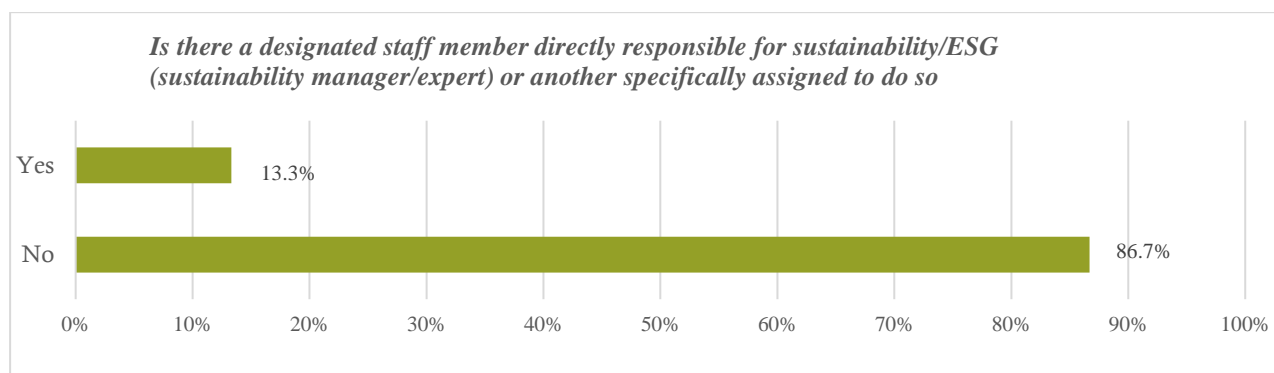
Category	Number public enterprises	%
Representative of senior management*	20	33.30
Finance Director/Chief Accountant	14	23.30
Commission/working group*	4	6.70
Employees with different qualifications - law, human resources management, financial analysis	3	5.00
There is no designated officer dedicated to the topic of sustainability	20	33.30

** One respondent also listed the CEO of the company as a member of the established sustainability group, so the response is reported in both categories*

In summary, it can be pointed out that most of the public undertakings included in the study are at the stage of exploring and integrating sustainability into their operations by preparing strategic documents and organizing training. Although the public enterprises surveyed are moving in the right direction, the integration of sustainability is not yet complete, and more steps need to be taken to ensure effective implementation.

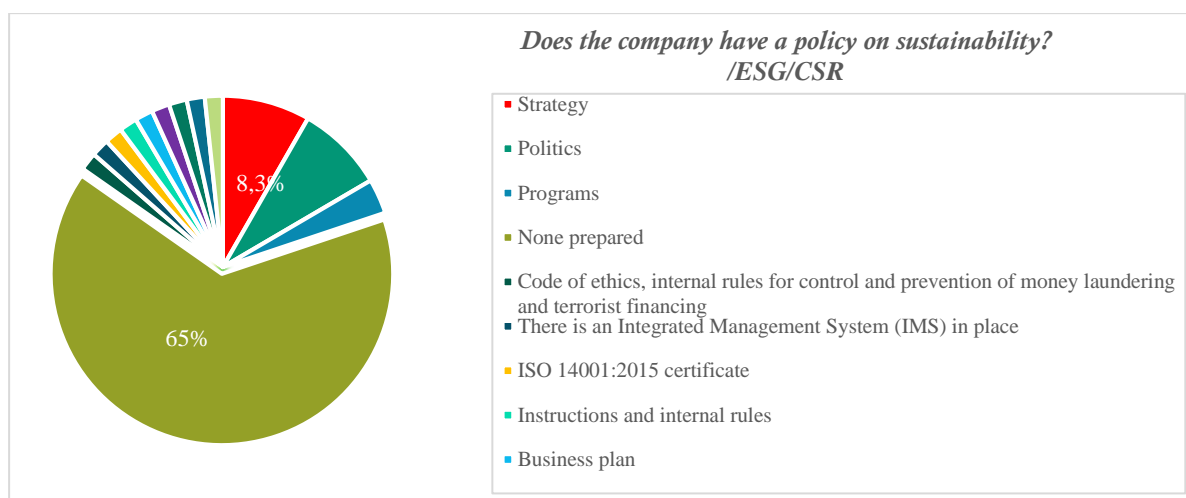
Topic No. 2 - Governance and Risk Management - the objective is to test senior management's familiarity and readiness with sustainability topics and the extent to which they have engaged their employees with them.

In 33.3% of the public companies, the persons involved in sustainability are representatives of senior management, and in eight (8) of all respondents, or 13.3%, there is a person directly assigned to deal with the topic - a sustainability officer.

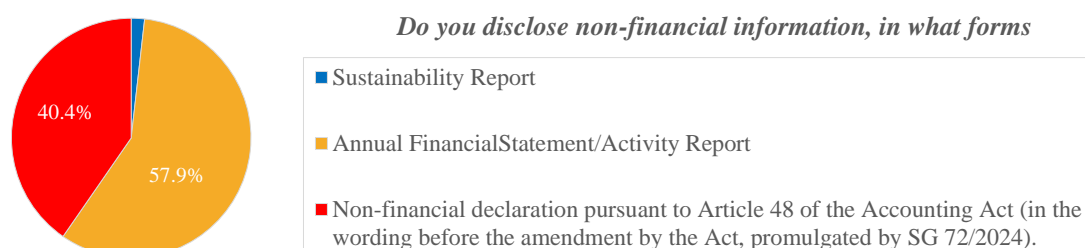


The data showed that twenty-nine (29) of the public enterprises included in the survey have taken action related to sustainability. Of these, eleven (11) have already initiated concrete steps; the rest are exploring requirements, training, consulting, and so on. Currently, thirty-nine (39) of the public enterprises have no drafted general document on sustainability issues, while the remaining nineteen (19) have undertaken action in this direction. Two (2) public enterprises have indicated that they are in the process of drafting a Code of Ethics.

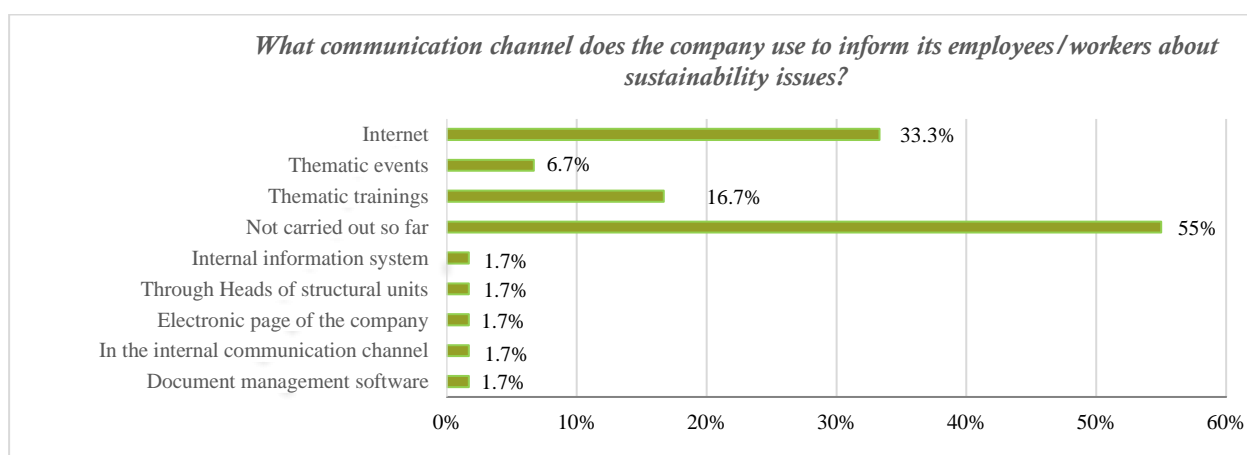
Only twelve (12) or 20% of the respondents indicated the content of their internal sustainability document, with only one of the responses indicating that there was a structured document with targets and their metrics.



In view of the obligations of public undertakings to submit a non-financial declaration in accordance with the requirements of Article 61(1), 61, para. 3(1) of the Implementing Rulers of the Public Enterprises Act (IRPEA) it is understandable that 59% of respondents indicated that they disclose non-financial information. This information is provided in various forms, but currently, only one (1) undertaking has indicated that it has prepared a sustainability report:



Thirty-three (33) of the public enterprises indicate that they have not engaged their employees in a mass way on the topic of sustainability; twenty-two (22) use intranets to communicate these issues to their staff; ten (10) of the public enterprises have organized thematic trainings and the representatives of four (4) of the enterprises have participated in thematic events.



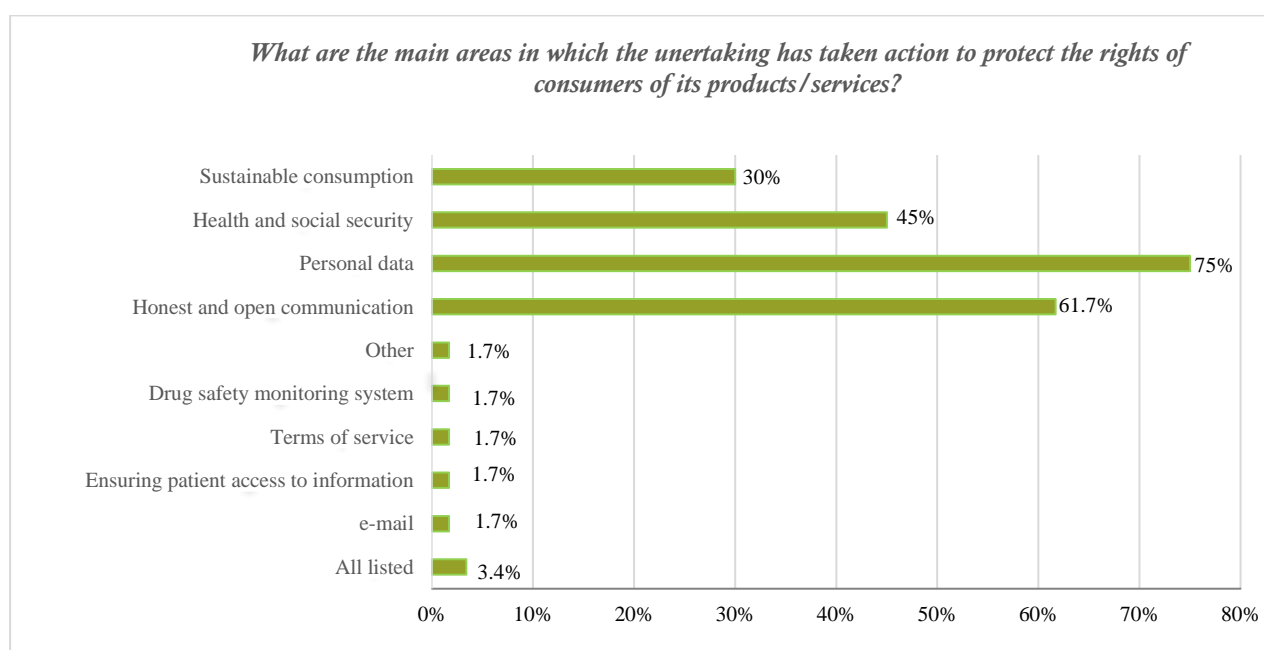
* The total is over 100% because participants were allowed to indicate more than one answer.

The survey results clearly indicate that the topic of sustainability is well-known among most of the public undertakings included. Many of them are at the stage of exploring the requirements and carrying out an analysis and assessment of their individual situation at the moment. They have started to integrate these issues into their organizations by recruiting staff, providing training and preparing strategic documents. This is largely due to the requirement to submit non-financial statements, which contain general questions and guidance on the subject.

Companies fully recognise the importance of customers as key stakeholders. They are taking decisive action to protect their rights, health and the privacy of their data. However, there are no clear formal documents to protect these rights. This means that customer relationship management could be more structured. It is essential that clearer and more systematic documents on consumer rights and policies to protect them are developed.

Topic No. 3 - Consumers and End Users - the questions aim to identify key areas where the public undertaking has taken action to protect the rights of consumers of its products/services, in different areas.

Public enterprises, in their approach to users of their products/services, have identified the following key themes: practices to promote sustainable consumption were identified by eighteen (18) public enterprises; care for their health was identified by twenty-seven (27) of the respondents; privacy was recognized as a responsibility by forty-five (45) or 75% of the respondents; thirty -seven (37) or 61.7% felt that honest and open communication was their responsibility.

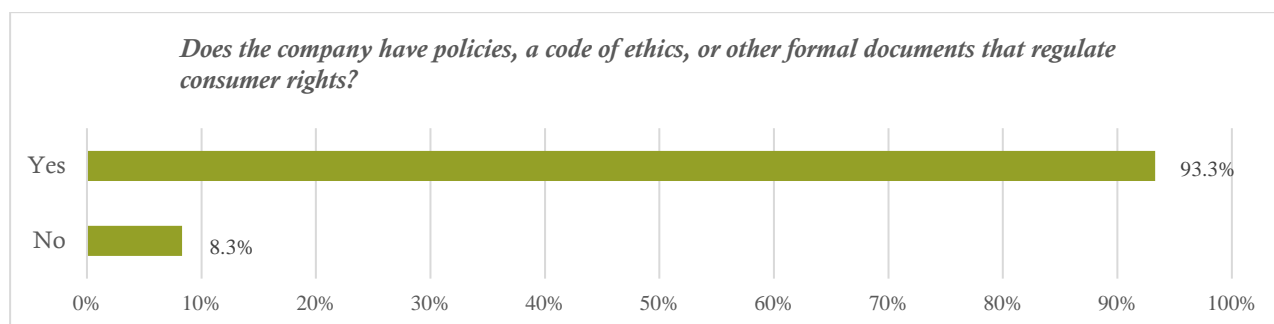


* The overall sum is over 100% because participants were allowed to indicate more than one answer.

The practices indicated by the participants varied with regard to their areas of activity: encouraging economical use of resources; providing information for more efficient use of the product or safer consumption of the service; providing assistance to the customer; providing feedback channels; established system of notifications in case of changes in legislation; technical and organizational measures in place to protect personal data; fair marketing practices; offering non-discriminatory services among different users; conducting awareness campaigns, participation in public discussions; surveys/studies on customer satisfaction are conducted; information centres are established to inform about the activities and their

potential consequences; planning and reporting of customer relationship management activities are carried out. Only 56.7% (34) of the respondents provided specific answers to the question, while the rest conflated their commitments to their employees with those to their customers or stated the mission or vision of the enterprise.

93,3% (56) of the companies have developed a formalised document regulating the rights of their consumers.



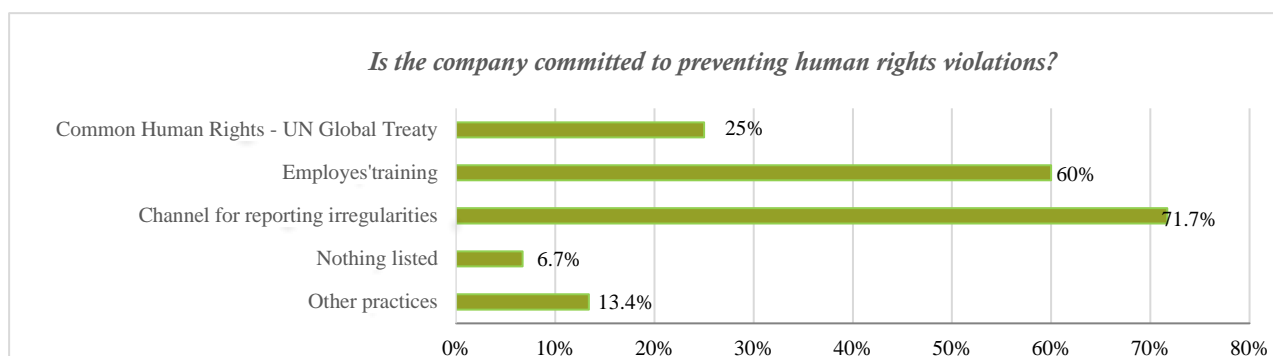
* The percentage is above 100 because one of the participants marked both answers.

The forty-seven (47) public enterprises that have responded to the question on the type and content of the document regulating the rights of consumers, most often indicate that it is an adopted code of ethics, a small part of them - 17% (8) indicated that they have created separate, customer-oriented documents - patient charter, terms and conditions of play, uniform general conditions of service use.

The public enterprises surveyed recognise consumers of their services/goods as their primary stakeholder and have practices in place to not only meet their needs but also to protect their health, sustainable consumption, dispute resolution, data protection and privacy, access to essential products and services, meeting the needs of vulnerable and disadvantaged consumers. Most of them at this stage do not have a stand-alone document regulating these rights, and the acts adopted are rather directed to the employees, the result of whose actions will have an effect on the client.

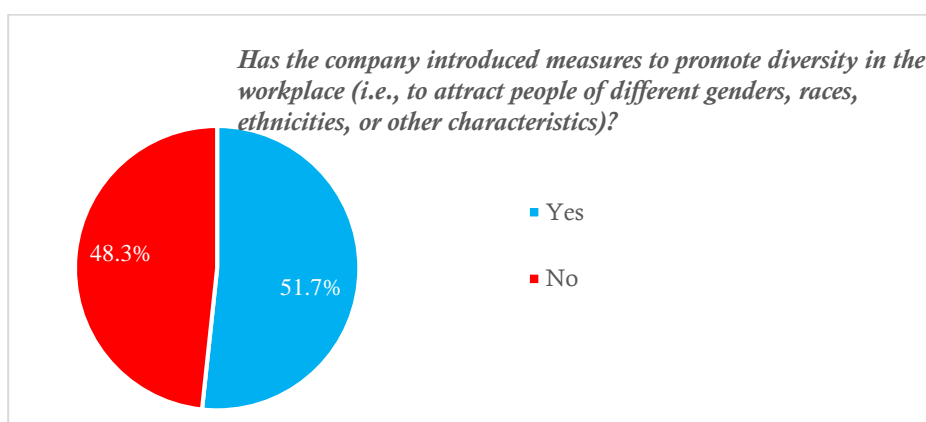
Topic 4 - Own workforce, labour practices and human rights - the questions included in this topic aim to understand the extent to which the human rights of employees/workers are recognised and respected; what kind of working environment is created and how it helps to improve living standards.

Only 6.7% (4) of the enterprises indicated that they had no commitment to preventing human rights violations, but when compared with their subsequent responses on the topic, it is rather found that they recognized measures implemented by them in the field as relevant to the question asked. 71.7% (43) of enterprises indicated that they had an established channel for reporting irregularities (*Act on Protection of Persons, Reporting Information, or Publicly Disclosing Information about Breaches (Whistleblowers)*); 60% (30) indicate that they regularly conduct training for their employees, 25% (15) state that universal human rights are their priority, 1 public enterprise carries out an impact assessment and 11.7% (7) of public enterprises indicate other practices - mainly in the area of non-discrimination.



* The percentage is above 100 because one of the participants marked both answers

51,7 % (31) of public enterprises indicate that they have introduced certain measures to promote diversity in the workplace, while 48.3% (29) state that they have not taken any explicit measures."

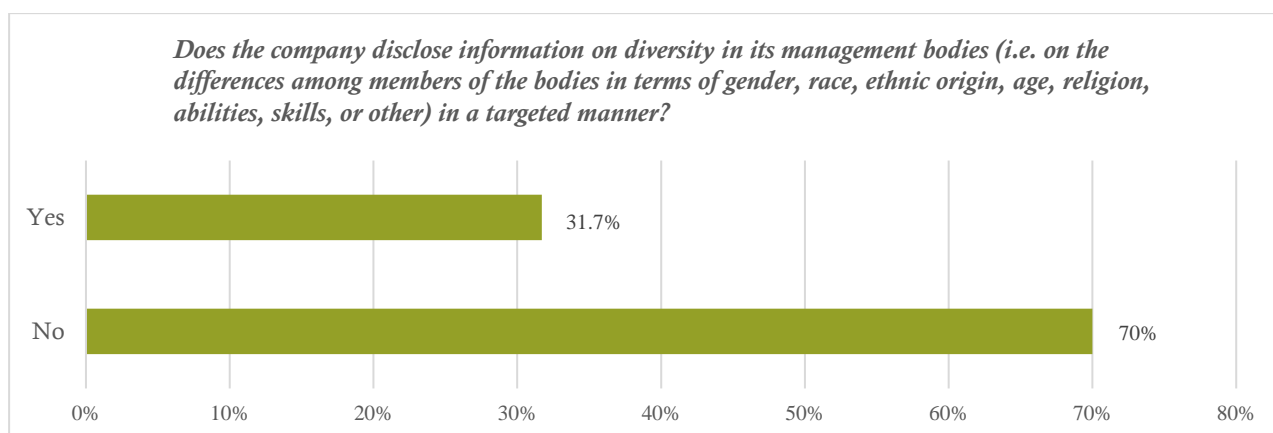


Thirty-one (31) of the of the public enterprises have indicated measures applicable to them in this area, as follows:

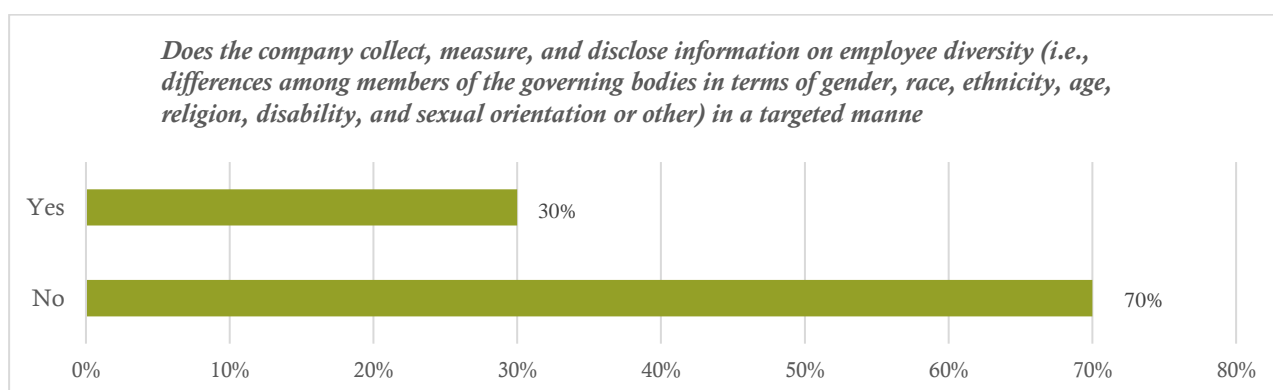
- Commitment to diversity and inclusion at management level – 41.9% (13);
- Policies on diversity, equality, and inclusion of employees – 51.6% (16);
- Training and guidance on diversity, equality, and inclusion – 25.8% (8);
- Internal body for diversity, equality, and inclusion established – 3.2% (1);
- National or international guidelines in this field – 9.7% (3).

Internal documents on the subject (including collective labor agreements) indicate that 16.1% (5) of the enterprises have developed such policies.

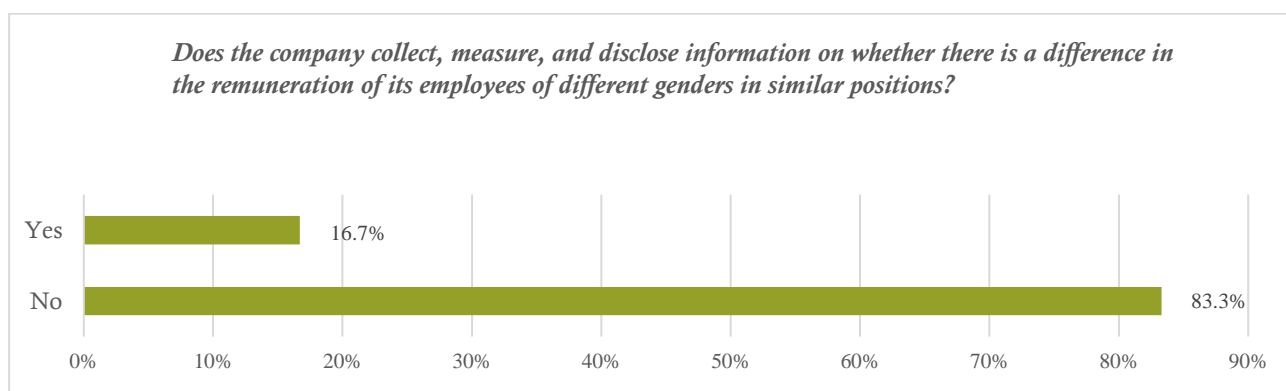
Public information on diversity in management bodies is provided by 30% (18) of respondents, while the remaining 70% (42) state that they do not disclose such information. The data on the disclosure of such information for employees is identical.



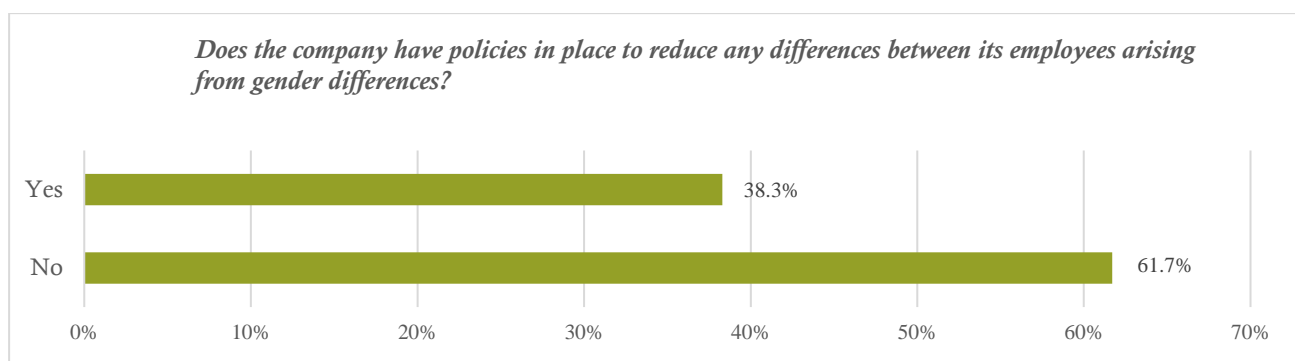
* The percentage is above 100 because one of the participants marked both answers



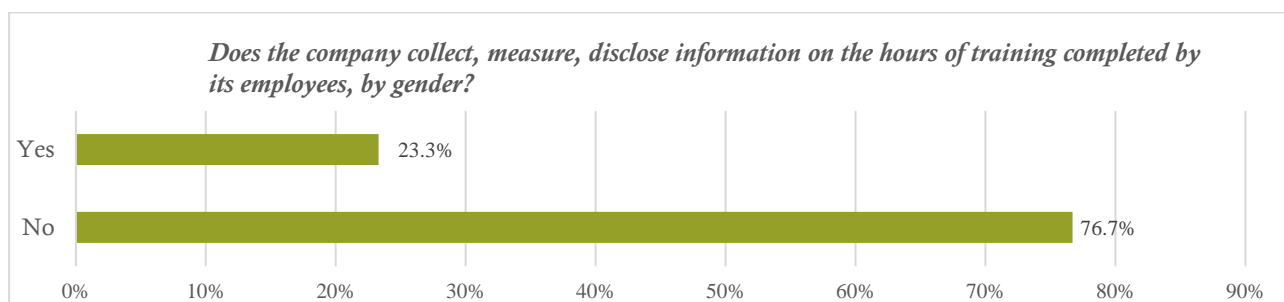
16.7% (10) of companies claim that they collect and provide information on whether there is a gender pay gap between employees in the same job, while 83.3% (50) do not yet process such data.



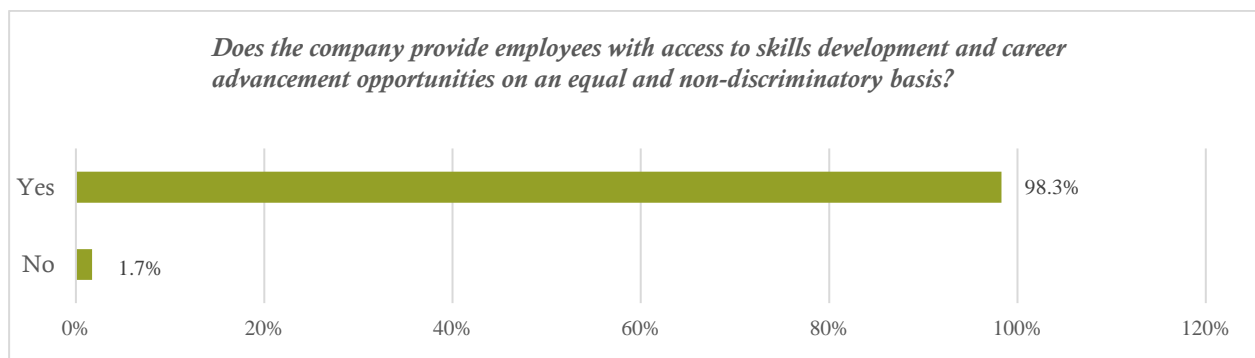
Measures to prevent gender inequality have been introduced by 38.3% (23) of respondents, while 61.7% (37) do not indicate the presence of such. The 20 public enterprises that indicated the existence of internal documents on the subject reported actions for: zero discrimination; employee awareness-raising on the subject; non-discrimination in remuneration, training, and appointments



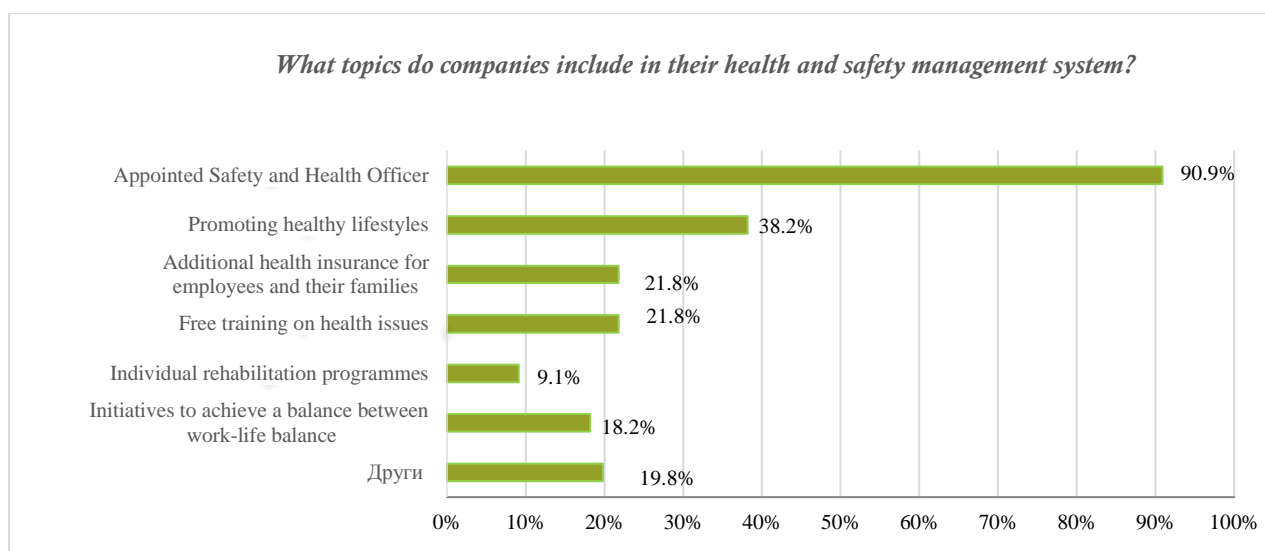
23,3 % (14) of enterprises have started to quantify the training received by gender, while the remaining 76.7% (46) have not yet.



Almost all of the public enterprises 98.3% (59) indicate that they provide their employees with career development opportunities through annual programmes, targeted training, access to specialised platforms, mentoring.

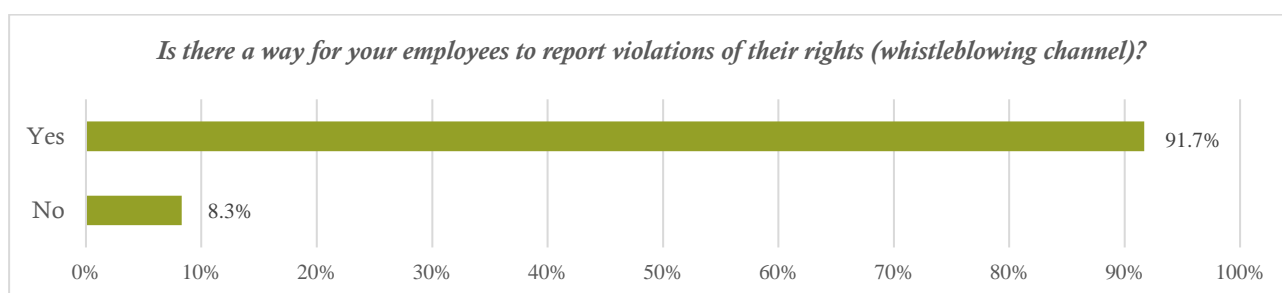


A high percentage of public enterprises indicate that they have a health and safety management system in place, 95% (57), using a variety of tools to do so: a dedicated health and safety officer in 90.9% (50); promotion of healthy lifestyles, 38.2% (21); supplementary health insurance for employees and their families provided by 21.8% (12); free training on health issues (addictions, stress management, etc.), 21.8% (12); 9.1% (5) provide individual rehabilitation programs for employees returning from extended sick leave; 18.2% (10) of respondents have introduced various work-life balance initiatives (flexitime, homeworking, hourly work, etc.). Other measures suggested were: use of occupational health services, preventive check-ups, provision of funds for treatment/medicines; supplementary health and pension insurance.



* The percentage is above 100 because one of the participants marked both answers

91.7% (55) of respondents reported that an established whistleblowing channel was in place, while only 8.3% (5) reported that they did not yet have a channel in place.

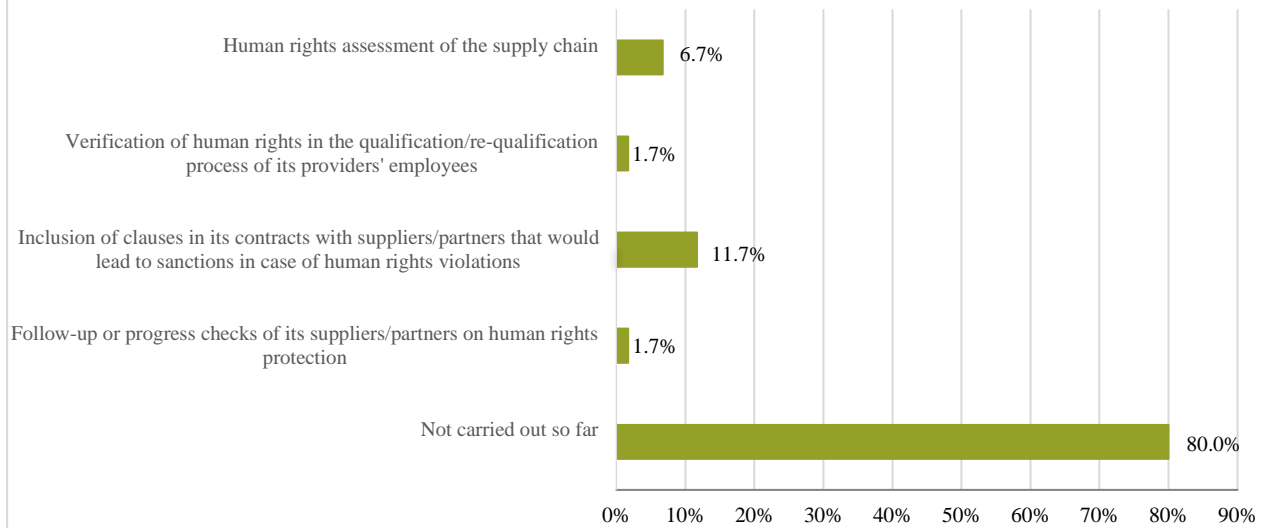


The issue of recognising and respecting the human rights of employees/workers is well-known and widespread among large enterprises. They comply both with the legal requirements in place in the field, but have also put in place additional tools, which shows their commitment. Diversity and equality are treated as non-discriminatory measures, which are declared to be respected, but more practices should be put in place and implemented. Employee health, safety and training are the main areas in which companies, as employers, make efforts, and these are discussed both at collective and individual level.

Topic 5 - Supply chain workers (i.e. workers/employees of third party partners: suppliers, manufacturers; warehouses; distributors; traders and final traders, depending on the activity) - The answers to these questions indicate whether enterprises have requirements in place for their partners to track their practices on decent work issues.

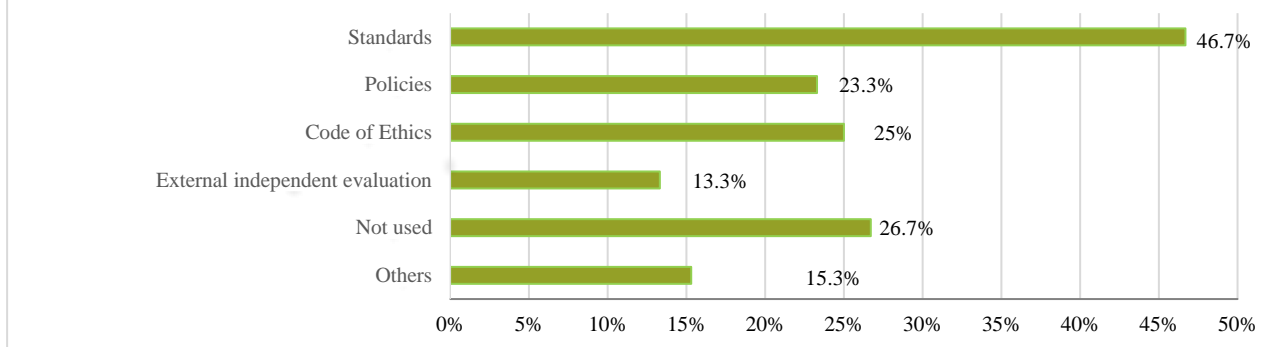
Only 20% (12) of the enterprises' partners conduct check for compliance with human rights, while the remaining 80% (48) have not examined this issue. Of these, 6.7% (4) carry out human rights assessment in the supply chain, human rights verification in the qualification/re-qualification process of suppliers' employees is carried out by 1.7% (1) of the enterprises, inclusion of explicit penalty clauses in contracts with partners for violation of basic human rights is practiced by 11.7% (7) of the respondents and again 1.7% (1) carry out follow-up/progress checks on partners' human rights protection.

Has the enterprise carried out any of the following activities in relation to its suppliers and other partners?



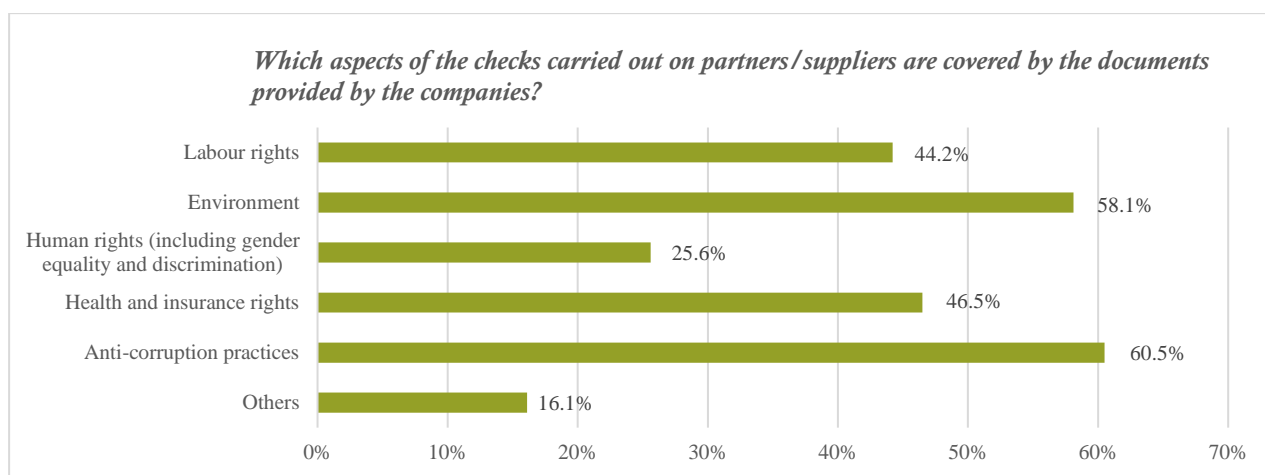
When entering into contractual relationships with partners, enterprises indicate that they use formal documents to guide the process/require compliance: standards - 46.7% (28), policies - 23.3%(14); code of ethics - 25% (15); external independent assessment is used by 13.3% (8) of them. Another 26.7% (16) do not yet check their partners on the extent to which they respect the human rights of their employees/workers.

When negotiating with suppliers / partners, do you use one or more of the following formal documents?

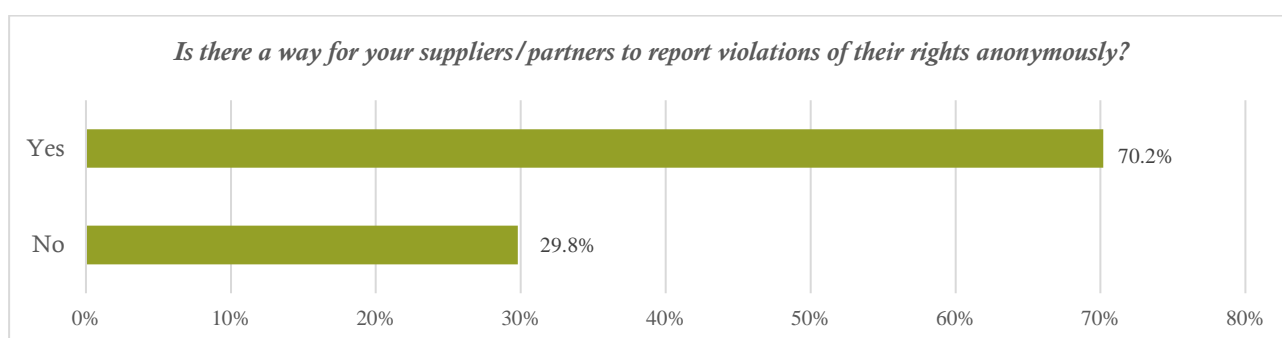


**The percentage is above 100 because one of the participants marked both answers*

The forty-three (43) undertakings that state they are verifying their partners/suppliers' compliance with specific sustainability requirements highlight the following areas as the focus of their audits: labour rights (44.2%, 19); environment (58.1%, 25); human rights (25.6%, 11); health and social security rights (46.5%, 20); and anti-corruption practices (60.5%, 26).



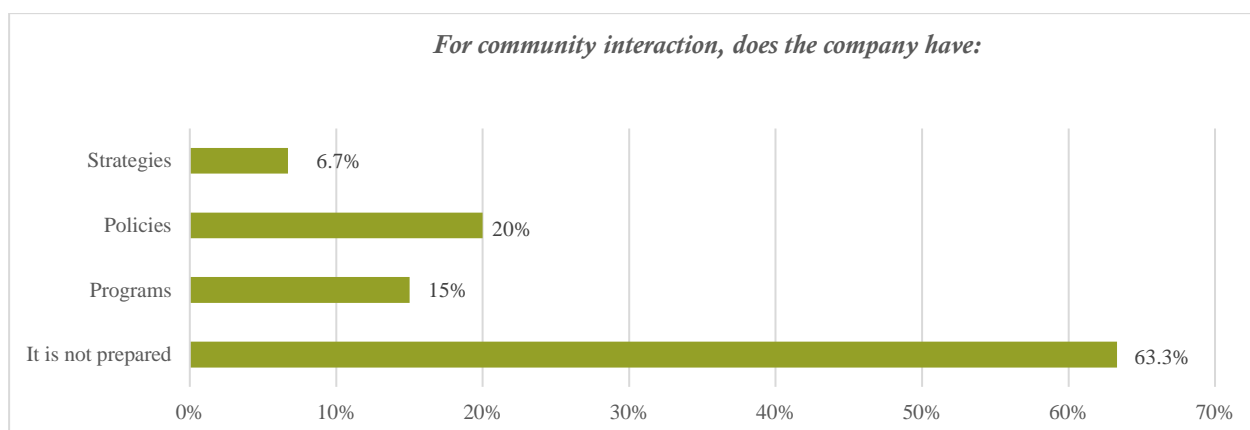
70.2% (40) of undertakings indicated that they have established a whistleblowing channel that can also be used by their partners/suppliers, while a further 28.8% (17) said they do not have such a channel in place.



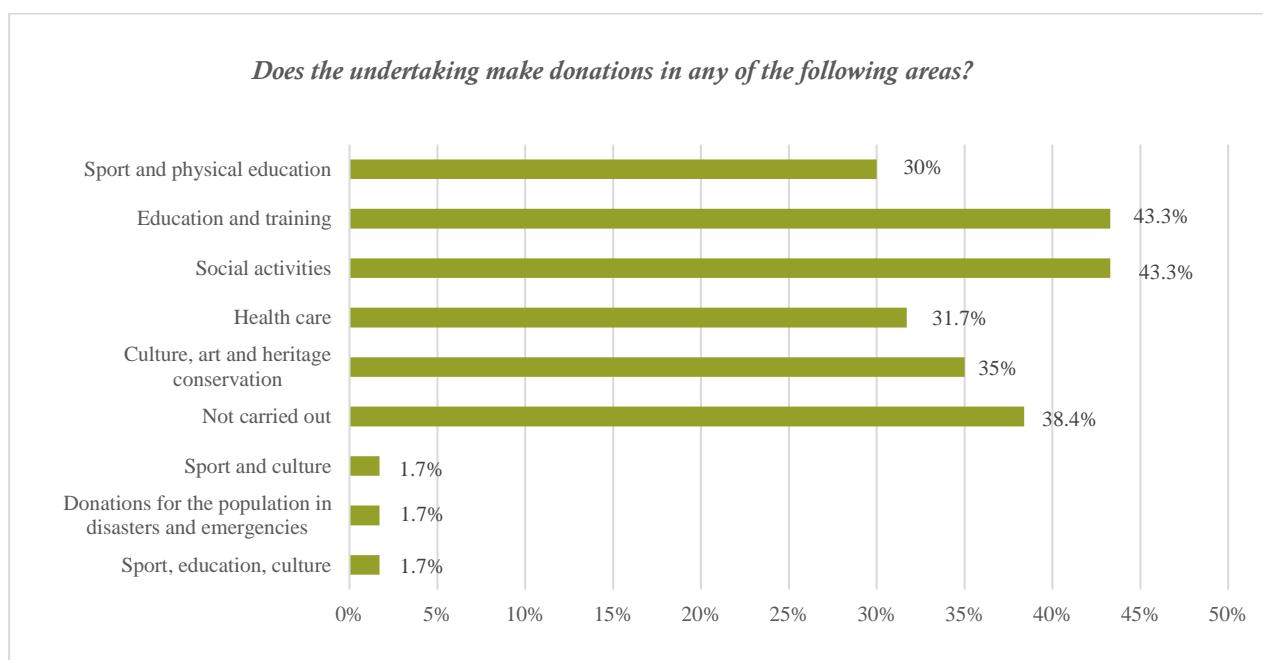
The answers provided to the questions on this topic indicate a lack of focus by public undertakings in assessing the practices of their partners/suppliers. Check for compliance with workers' rights is mainly carried out in public procurement, requiring certification by the competent authorities (compliance with labour, tax, social security rights). Although assessments are also carried out in the areas of environment, human rights and anti-corruption practices, the tools through which this is done are not specified, with only one company claiming to use dedicated questionnaires and collect evidence of this. The difference in the result of questions 27 (topic 4) and 31 (topic 5), shows the lack of knowledge of the possibilities of the introduced tools by almost 1/4 of the enterprises.

Topic No 6 - Affected communities – the questions aim to establish the attitude of public enterprises to care for and support the community in which they operate, and to encourage their employees in this direction.

63,3 % (38) of the respondents said that they did not have a formalized document to structure and guide their actions in their relationship with the community in which they carry out their scope of activities. 36.7% (22) have developed acts in this regard – three (3) of the enterprises indicate that they have two formal documents (policies and programmes), while all the others - 31.7% (19) have one (1). Existing documents identify stakeholders, their degree of influence, sphere of influence, role and relationship to sustainable development; spheres of influence and focus; and how public communication is managed.

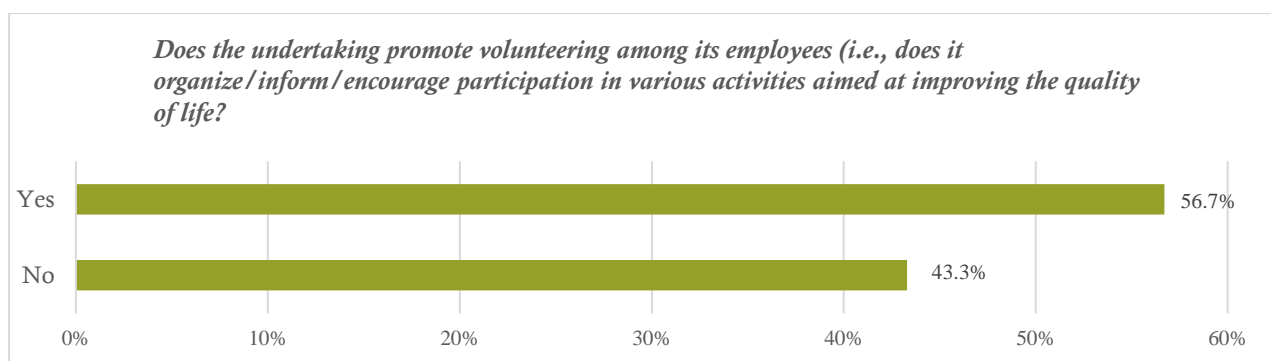


Businesses identified the following areas in which they make donations that benefit the community: 43.3% (26) allocate funds to education and training and to fund social activities; 35% (21) fund cultural, arts and heritage activities; 31.7% (19) support health-related activities, 30% (18) of them support sports and physical education, and only 1 respondent donates during disasters and emergencies. 36.7% (22) are enterprises that do not allocate funds to any social causes.



**The percentage is above 100 because one of the participants marked both answers*

Volunteering is promoted by 56.7% (34) of enterprises, while the remaining 43.3% (26) do not engage their employees in such initiatives. A number of activities were listed by respondents, some of them being: blood donation, participation in firefighting, reforestation, "car-free day", charity bazaars, cleaning polluted areas, "lift-free day", collecting donations, "caps for the future", involvement in repairs, reconstruction and renovation of schools, kindergartens and social centres for the accommodation of disadvantaged people, participation in disaster and emergency response activities; rewarding employees for volunteering - "artists of good" programme.

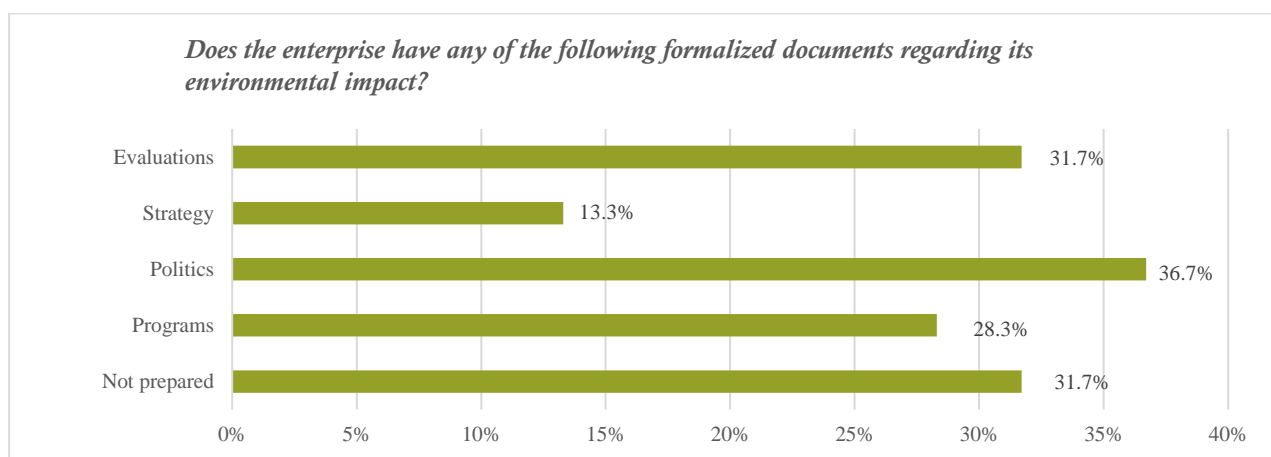


Summary of the results on the questions under topic No. 6 “affected communities”

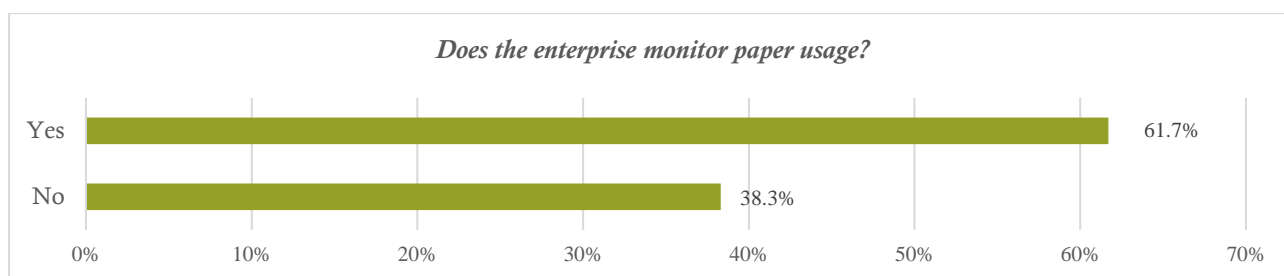
Although most of the enterprises do not have a formal document that systematizes their actions in support of the community in which they operate, a significant number of them carry out independently or engage in a number of initiatives that are not directly related to their activities and aim to support the population or vulnerable groups thereof. Volunteering is a topic of discussion in many organisations, with a range of opportunities available. It is evident that the content is provided by the enterprises, however the process could be more efficiently structured to ensure a positive image for each of them.

Theme No. 7 - Environment - Environmental issues are the most prominent themes in the sustainability concept, and the impact of public enterprises on them varies greatly with respect to their scope of activity. The questions formulated seek to gather information on their level of preparation and understanding with regard to the most general topics relevant to each of them.

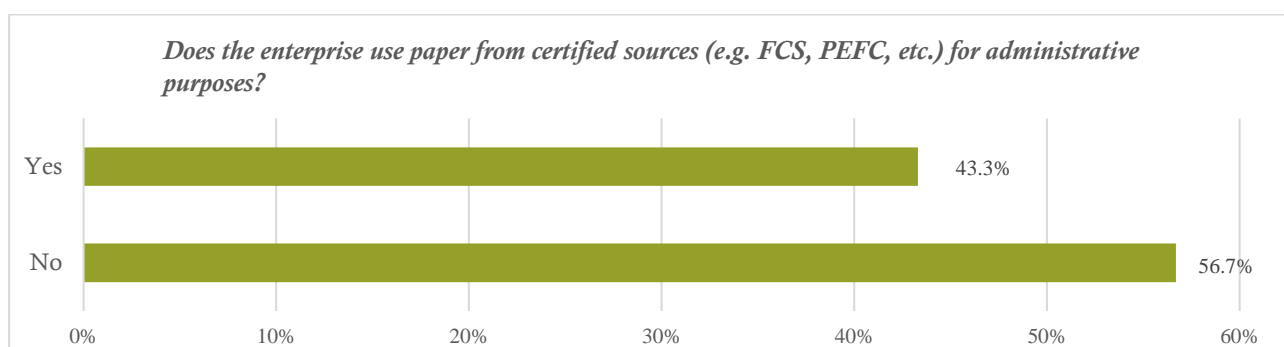
The environment is one of the most important issues in the concept of sustainability, and it is therefore no coincidence that 68.3% (41) of companies report that they have created an internal document to guide their efforts in this area. 36.7% (22) have developed policies on their environmental impact, 31.7% (19) have carried out assessments, 28.3% (22) have drawn up programmes that they follow, and 13.3% (8) have drawn up comprehensive strategies.



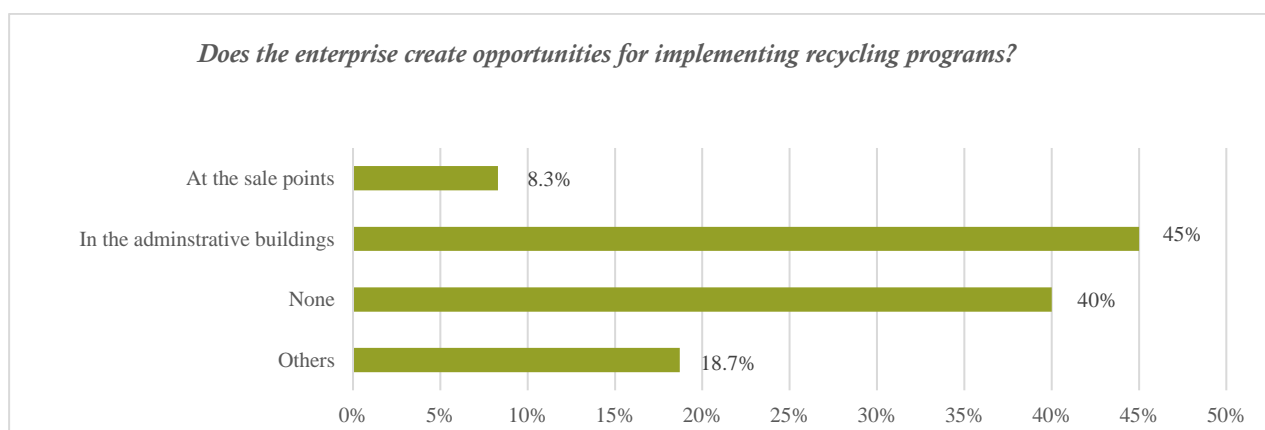
Paper, which is one of the most frequently used resources in administrative activities, is tracked by 61.7% (37) of organisations, while 38.3% (23) have not yet implemented such a tool.



The proportion of those who consume paper from certified sources (e.g. FCS, PEFC, etc.) is reversed at 43.3% (26) compared to those who do not at 56.7% (34).

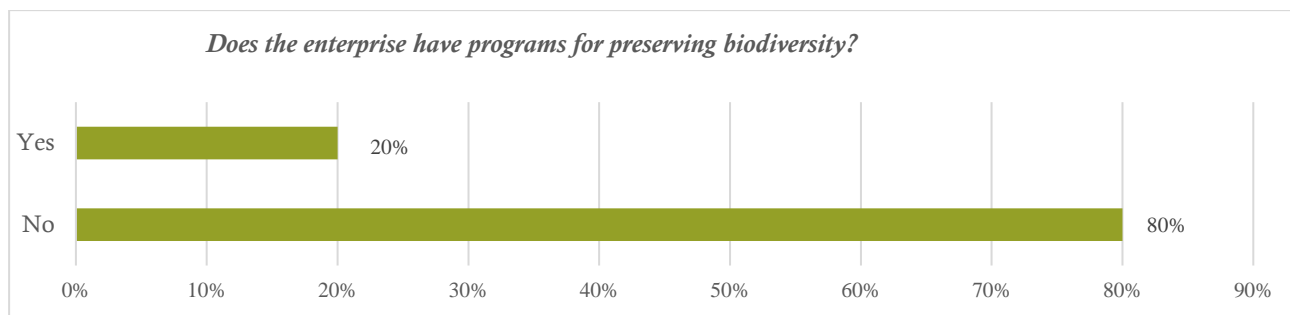


60% (46) of the enterprises have recycling programs in place, of which 45% (27) are organized in their administrative buildings and 8.3% (5) at the point of sale; some of the organizations indicate that they deliver waste to specialized landfills, in accordance with regulatory requirements.

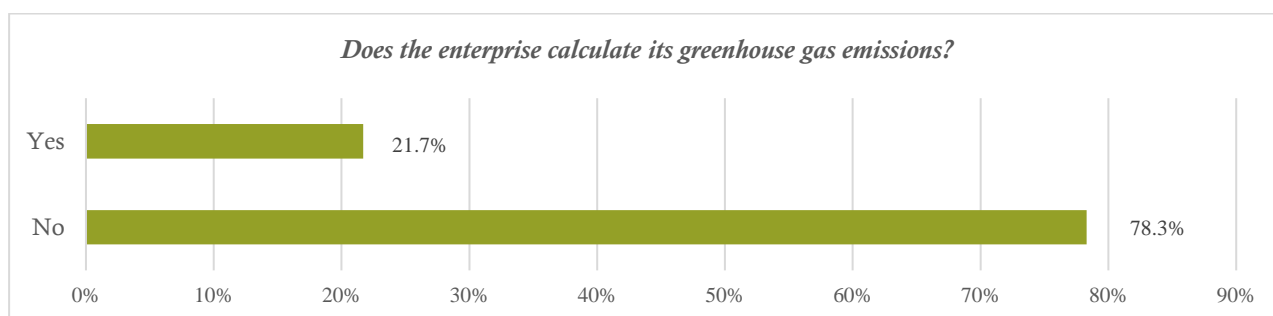


Some of the measures introduced for waste recycling are: provision of conditions for separate collection of plastic, paper, hazardous waste (used oil, filters, batteries, tires), non-ferrous and ferrous metals and their subsequent transfer for specialized treatment; on-site installation of a glass recycling machine; placement of containers for separate waste collection; regeneration of oils in the Transformer Oil Regeneration Base, etc.

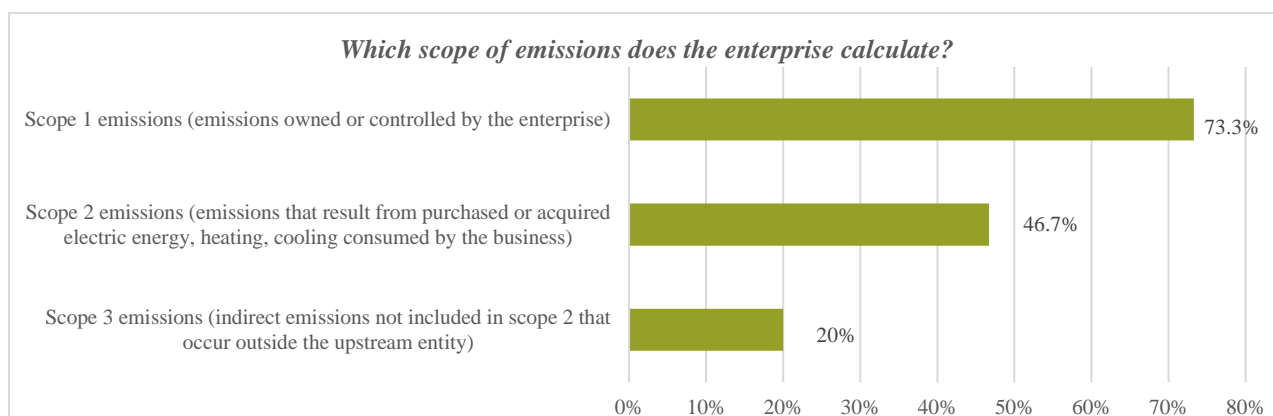
The topic of biodiversity conservation is less addressed by public enterprises, with only 20% (12) of them indicating that they have developed and implemented programmes on the topic - some of them do so through impact assessments, soil, land and site remediation, and for some - the conservation of flora and fauna is mandated by law. 80% (48) of the organizations do not make efforts in this direction.



Only 21.7% (13) of enterprises estimate GHG inventories from their operational activities, while 78.3% (47) state that they have not yet started activities in this regard.

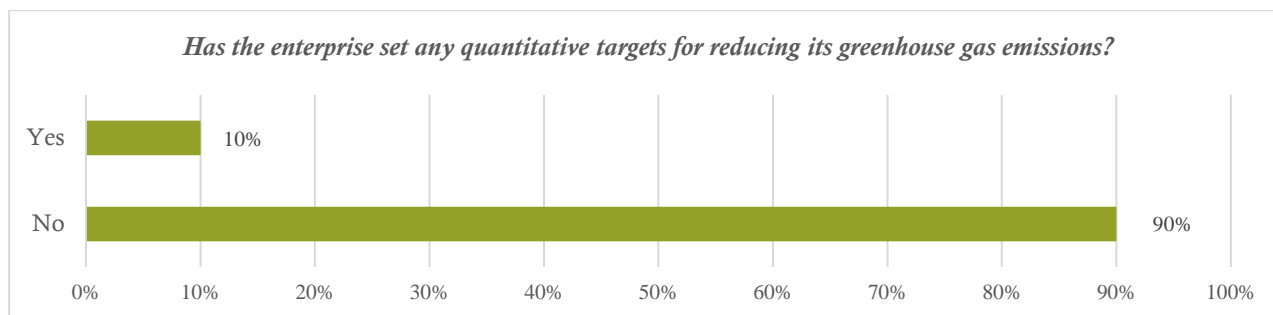


Given the level of complexity of the data collection included in a given scope of emissions, 73.3% of respondents from which scope of emissions they calculate indicate those from scope 1; 46.7% (7) also include scope 2 and only 20% (3) also consider scope 3 emissions.

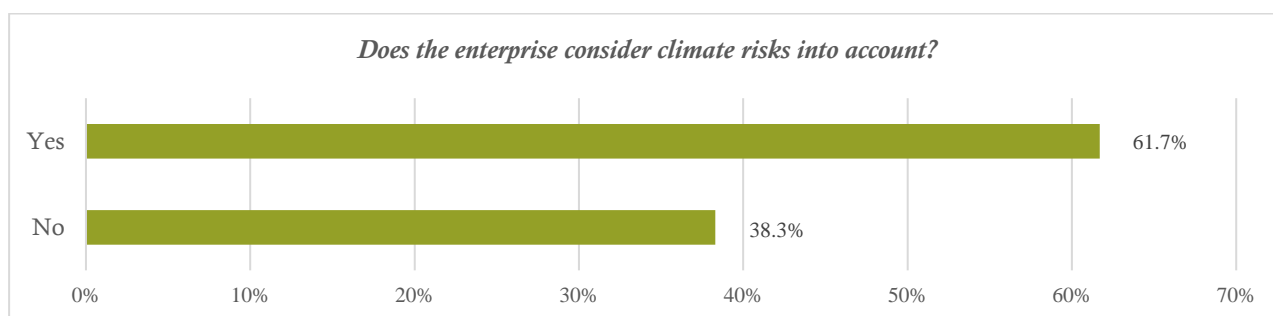


**The percentage is above 100 because one of the participants marked both answers*

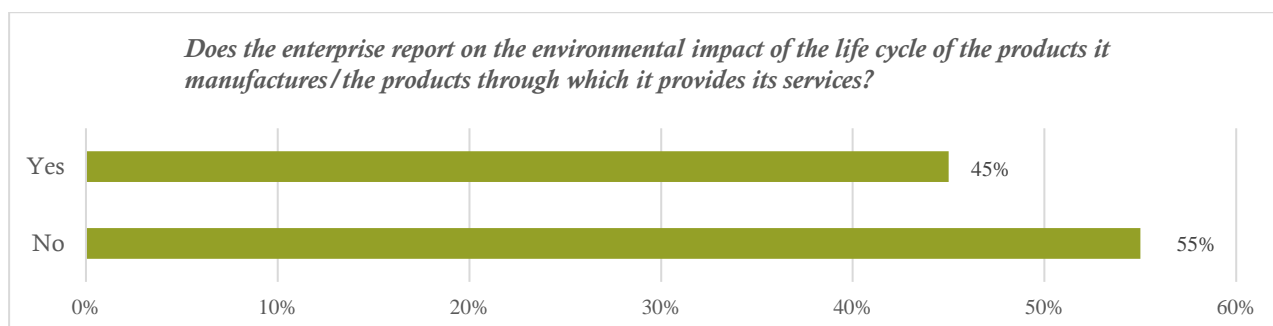
10% (6) of the enterprises indicate that they have also set quantitative targets for reducing GHG emissions from their operations, while the remaining 90% (50) do not have targets.



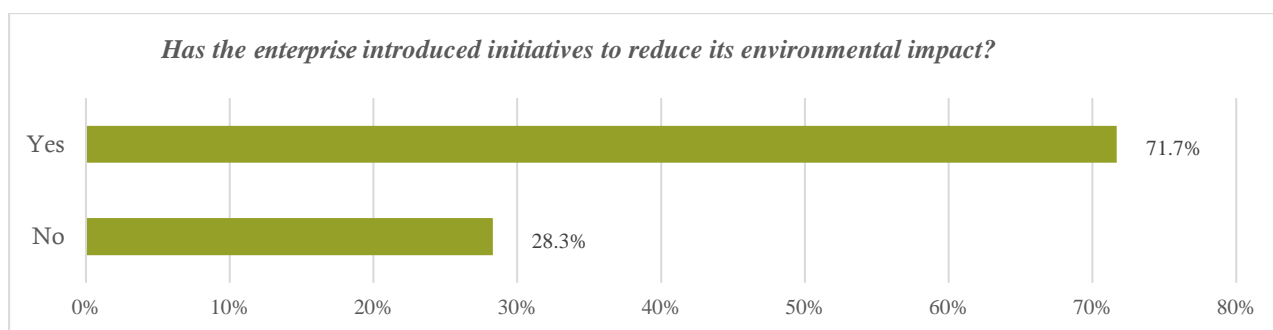
Climate risks are considered by the majority of enterprises (61.7%, or 31), while only 38.3% (23) do not address them or have not included them in their risk register.



45% (27) of the organisations indicated that they consider the life cycle environmental impact of the products they manufacture or through which they provide their services, and a further 55% (33) do not.



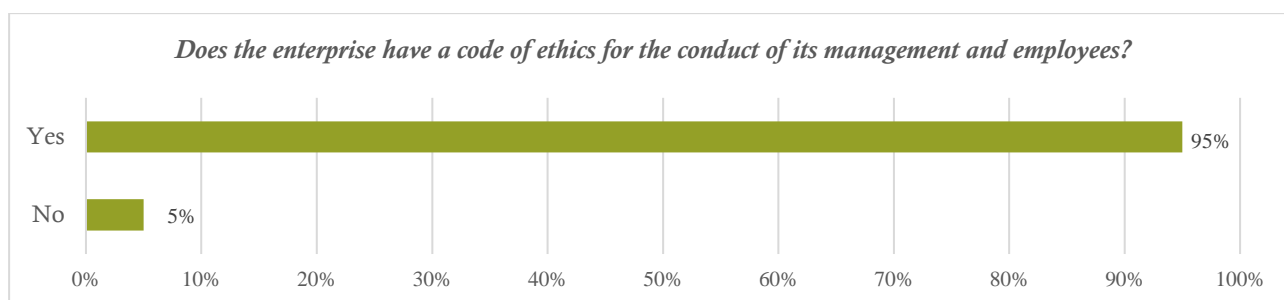
Despite the above response, 71.7% (43) of the enterprises stated to have introduced some initiatives to reduce the environmental impact of their operations, citing the following activities in this regard: tree planting, separate waste collection, fleet replacement, purchase of energy efficient machinery; wood waste recovery (chip production), radiation monitoring, toxic waste decontamination, use of renewable energy sources, phased replacement of used machinery from ICE to electrically driven machines, conservation and efficient use of water resources, compliance with construction waste management plans, energy efficient construction, installation of drinking water purification systems to limit the purchase of mineral water in plastic bottles, reduction of resource consumption, etc. Only 28.3% (17) of enterprises reported that they had not taken measures in this respect.



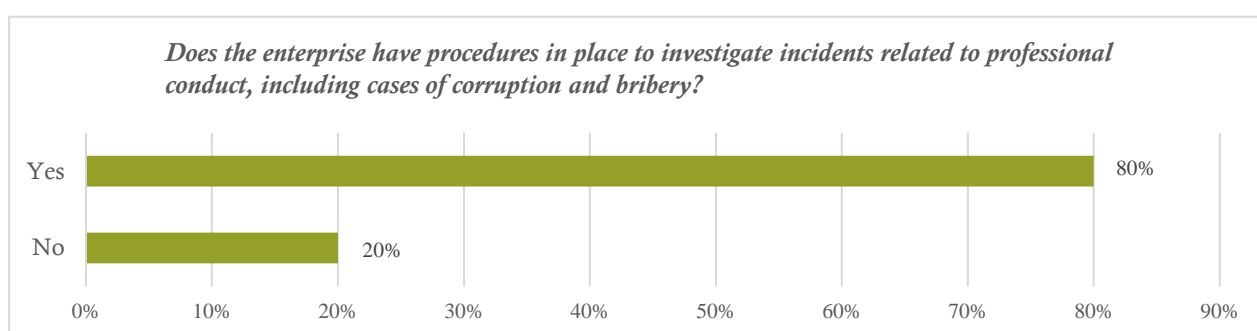
Most of the companies have made a concerted effort to address environmental issues, and the preparation of structured documents is impressive. The paper used by the organisations' administrations is monitored, and almost half of them prefer paper from certified sources. Recycling, or the concept of using waste as a raw material, is supported by respondents, with various practices being introduced, used and encouraged. Measures regarding biodiversity conservation are rather taken as a result of regulatory requirements and are not yet mainstreamed in the companies' programmes. The calculation of GHG emissions from business activities has started to be carried out, but there is still a lack of initiative in this direction, there are organisations that have made progress on the subject, calculating both Scope 2 and 3 emissions and also setting specific targets for their reduction. A significant proportion of businesses recognise climate change as a potential risk and incorporate it into their risk assessments. At this stage, approximately half of the organisations carry out a life cycle assessment of the environmental impacts of the products they produce or the services they provide, but three-quarters of those indicate that they have measures in place to minimise the negative environmental impacts of their activities. It is evident that although the operations of numerous public enterprises do not directly impact environmental elements, this subject is recognised and targeted initiatives have been implemented.

Topic 8 - Professional Conduct - the questions under this topic are intended to highlight the extent to which public enterprises have established ethical practices in their dealings with other organisations so as to promote positive outcomes.

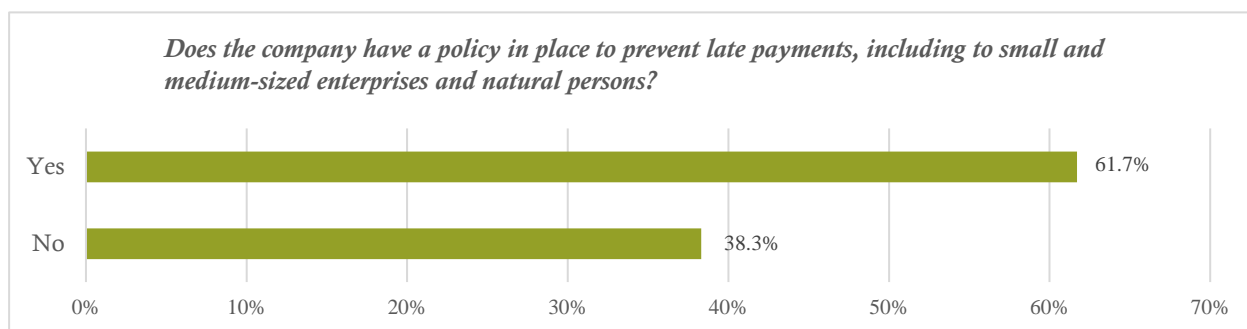
95% (57) of public enterprises reported that they had developed, implemented and enforced a Code of ethical conduct applicable to both employees/workers and senior management. Only 5% (3) indicated that they had not adopted such rules. The document sets out the ethical norms of internal organisational behaviour and the conduct expected towards partners and customers. It also covers respect for rights, equality, non-discrimination, rules and measures against creating and overcoming a corrupt environment, rules and measures to prevent money laundering and terrorist financing, avoiding conflicts of interest, establishing whistleblowing channels, etc., related to the sector affiliation of each.



Procedures for investigating incidents related to professional conduct, including corruption and bribery, have been introduced by 80% (40) of respondents, while 20% (12) have not yet developed such procedures.



61.7% (37) of the enterprises have a policy in place to prevent late payments, but 38.3% (23) of them do not have a document regulating this issue.



It is clear from the responses submitted that entities have written documents that seek to establish ethical practices both within the organisation and in their relationships with suppliers, partners and customers. Anti-corruption practices, measures to counter money laundering, terrorist financing are also in place.

The readiness of the public enterprises included in the survey can be assessed at sectoral level, i.e. a group of organisations with similar/identical activities shows approximately the same readiness on sustainability issues. Efforts should be focused on systematizing the practices to date, learning and introducing new ones and looking for additional areas where organizations can make a positive difference. From the analysis of the information provided on the different topics, a general awareness of sustainability issues is found.

VII. COMPOSITION OF THE MANAGEMENT AND CONTROL BODIES AND THE CHANGES MADE IN THEM

Over the last four years, many changes have been made to the management and control bodies of public undertakings. In cases of early termination of a management and control contract, the bodies exercising the State's rights in the undertakings have appointed new members on a temporary basis, pending a competitive procedure.

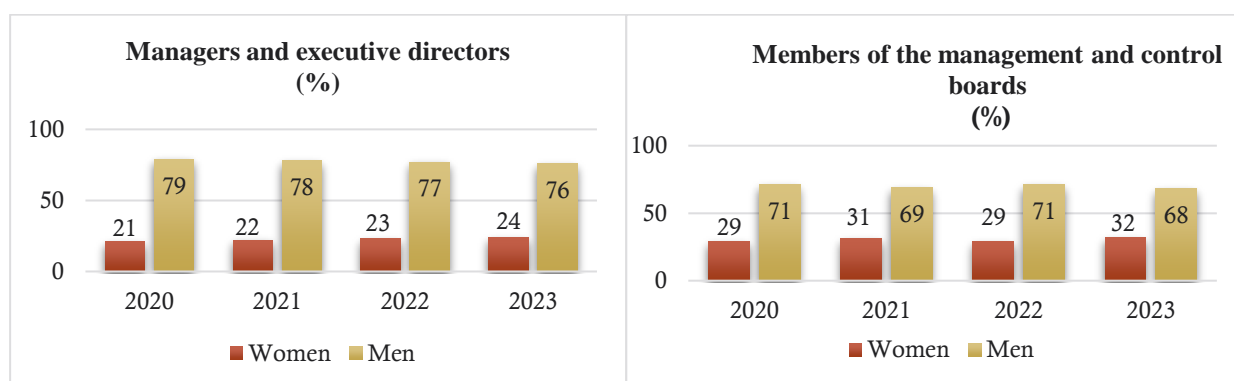
In 2023, the Council of Ministers make an operational decision to bring the management and control bodies of public enterprises categorised as "large" in line with the requirements of the Public Enterprises Act and the Implementing Rules of the Public Enterprises Act in a timely manner and in connection with the implementation of the commitments under the Action Plan with measures to address the Republic of Bulgaria's subsequent commitments after accession to the Monetary Mechanism II and the Recovery and Resilience Plan. In accordance with the decision, the Public Enterprises and Control Agency shall prepare and submit to the Ministry of Finance weekly reports on the progress of the tendering procedures.

As of 31.12.2023, all members of the management and control bodies of 192 (72%) public undertakings have been elected and appointed following a competitive procedure in accordance with the procedure set out in the IRPEA. In 17 public undertakings some members of the management and control bodies have been appointed on a temporary basis pending a competitive procedure and in 57 public undertakings the members of the management and control bodies have been appointed entirely without a competitive procedure.

As of 31.12.2023, the appointed members of the management and control bodies of the public enterprises are 624 persons, of which 477 persons or 76% of all appointed members of the management and control bodies are appointed after a competitive procedure.

At the end of the reporting year, the representatives of the state and independent members of the management and control bodies of joint stock company and state-owned enterprises established by special laws on the basis of Art. (3) of the Commerce Act accounted for 361 persons. The number of persons appointed after competitive procedures to the management and control bodies of limited liability companies is 116.

The analysis as of 31.12.2023 of the gender distribution in the management and control bodies of public enterprises shows that women are still underrepresented in management positions and as members of the management and control boards of public enterprises.



The remuneration of the members of the executive and supervisory bodies of public undertakings is determined according to the value of assets, the number of staff, profitability, the financial result, the variation in value added per employee, the servicing of debts, and the specific obligations and responsibilities

assumed in the contracts concluded. The total amount of remuneration for 2023 for the members of the management and control bodies of the public enterprises categorised as "large" according to the criteria set out in the Accountancy Act amounted to BGN 18,000 thousand.

Enclosure 1 provides information for 2023 separately for each of the public undertakings categorised as "large" under the Accountancy Act.

CONCLUSION

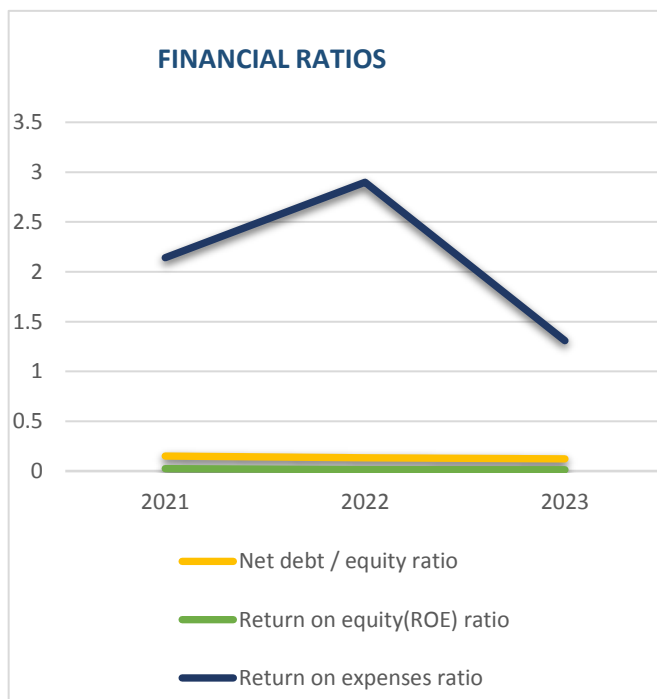
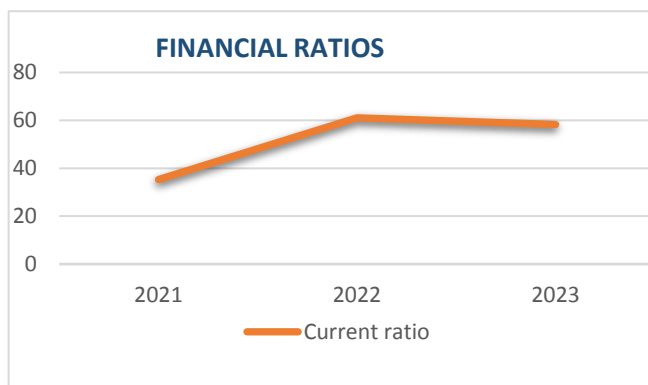
At the 41st meeting of the Corporate Governance Committee and the Working Group on “State Ownership and Privatisation Practices”, held in the period October 24–26, 2023, at the OECD headquarters in Paris, France, a Report on State-Owned Enterprises in Bulgaria was presented. The report summarizes the steps the country has taken so far to align its national legislation, policies, and practices with the Guidelines on Corporate Governance of State-Owned Enterprises.

The Corporate Governance Committee and the OECD Working Group on State Ownership and Privatisation Practices assessed Bulgaria's position under the OECD instruments related to corporate governance of state-owned enterprises in order to assess the country's readiness and ability to implement the legal instruments within the remit of the Committee and the Working Group, as well as the policies and practices it is implementing against OECD best policies and practices in the area of corporate governance.

The OECD pointed to a number of positive results regarding Bulgaria's achievements in the area of corporate governance of state-owned public enterprises and publicly traded companies. It was noted that the adoption of the Public Enterprises Act in 2019 and the Implementing Rules of the Public Enterprises Act in 2020 have led to significant progress in the corporate governance of state-owned public enterprises, including the implementation of disclosure and information control obligations.

Efforts to implement the highest standards and advanced models of corporate governance continue to be actively pursued as part of the ongoing commitment to good governance practices.

The scope of business of SCC EAD is: acquiring, managing, evaluating, and selling stakes in Bulgarian and foreign companies. The company is also engaged in acquiring, managing, and selling bonds, leasing real estate owned by the company, and any other production and commercial activities not prohibited by law.



Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of State Consolidation Company EAD, Sofia for 2023 is 53.93 points and the Business Program level of implementation of is "Good", as:

- the financial targets score is 66.33 points, with a performance level of "Good";
- the non-financial targets score is 25.00 points, with a performance level of "Unsatisfactory".

ENCLOSURE 1:

100% state-owned
Minister of Economy and Industry

Board of Directors as of 31.12.2023

Ivan Zangotchev, Elena Boltadzhieva, Desislava Chalamova and Venelin Shakov

Executive Director

Ivan Zangotchev

Independent auditor:

"Bulgarian Auditing Company" EOOD, Maya Nachkova, Reg. No. 0436

Remuneration paid to the Board of Directors members for 2023: BGN 347,000

Average staff composition for 2023: 19 persons

FINANCIAL INFORMATION

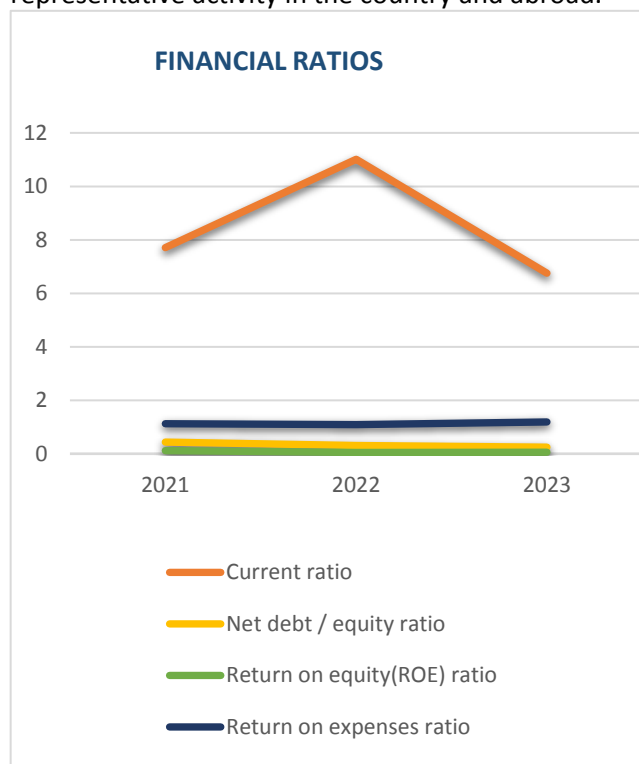
	2022	2023
Income Statement, BGN thsd.		
Total revenues	22,208	53,017
Revenues from operating activity	725	7,774
Net profit/loss	14,436	14,198
Balance sheet, BGN thsd.		
Total assets	1,204 385	1,194 031
Long-term assets	504,528	525,735
Short-Term Assets	699,708	668,141
Deferred expenses	149	155
Total liabilities	140,216	130,459
Non-current liabilities	128,754	118,988
Current assets	11,462	11,471
Equity	1,064 169	1,063 572
Financial ratios		
Return on expenses	2.8985	1.3085
Current ratio	61.0459	58.2461
Net debt/equity	0.1318	0.1227
Return on equity	0.0136	0.0133
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is BGN 5 455 400.



"KINTEX" SHC

The scope of business of "Kintex" SHC is import, export and re-export of special production, engineering activity, technical assistance and training, transfer of technology and know-how, industrial cooperation in the field of special production, marketing, services, advertising, commission and representative activity in the country and abroad.



In 2023, "Kintex" SHC operated in conditions of intense competition, both on international markets and among the numerous licensed trading companies on the territory of Bulgaria.

In 2023, the public enterprise initiated a relationship with the Republic of Azerbaijan by delivering items ahead of schedule under a project with the country's Foreign Intelligence Service.

During the year, the embargo imposed on "Kintex" SHC was lifted ahead of schedule, enabling the public company to participate in tenders on this market.

100% owned by "State Consolidation Company" EAD
Minister of Economy and Industry

Board of Directors as of 31.12.2023:

Boris Yanchev, Stanislava Georgieva, Nikolay Stanchev, Milen Nikolov and Plamen Peshev

Executive Director

Plamen Peshev

Independent auditor:

"ABVP – Audit Standard" OOD, Reg. No. 165

Remuneration paid to the Board of Directors members for 2023: BGN 418,000

Average staff composition for 2023: 50 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	65,305	39,593
Revenues from operating activity	54,250	37,486
Net profit/loss	4,355	5,638
Balance sheet, BGN thsd.		
Total assets	117,561	116,000
Long term assets	5,282	4,476
Short-Term Assets	112,055	111,331
Deferred expenses	224	193
Total liabilities	27,962	22,940
Non-current liabilities	17,787	6,454
Current assets	10,175	16,486
Equity	89,599	93,060
Financial ratios		
Return on expenses	1.0889	1.1892
Current ratio	11.0128	6.7531
Net debt/equity	0.3121	0.2465
Return on equity	0.0486	0.0606
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is BGN 2,819,000.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of "Kintex" SHC, Sofia for 2023 is 96.20 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 94.57 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



The scope of business of the public undertaking is: manufacturing, engineering, commission and commercial activities in the country and abroad, marketing, design, consulting and entrepreneurial activities, construction, assembly, welding control, welding joints, electrical control, providing vocational training, rental of movable and immovable property.

100% owned by "State Consolidation Company" EAD
Minister of Economy and Industry

Board of Directors as of 31.12.2023

Nikola Nachev, Alexandra Sariyska, Georgi Hristov, Hristo Ivanov, Daniel Petrov

Executive Director

Nikola Nachev

Procurator

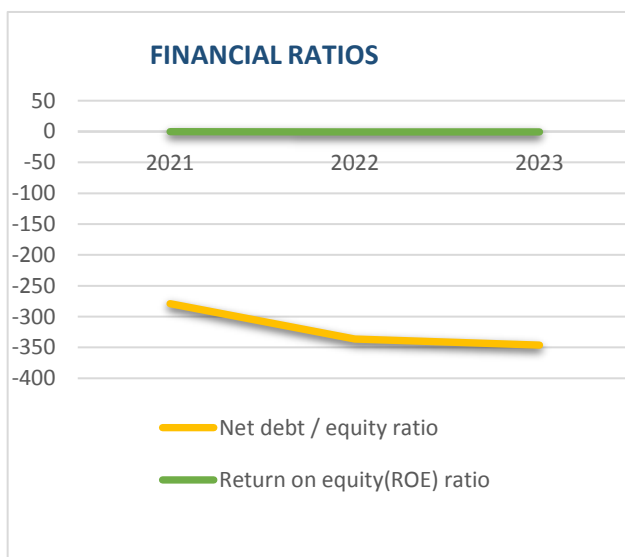
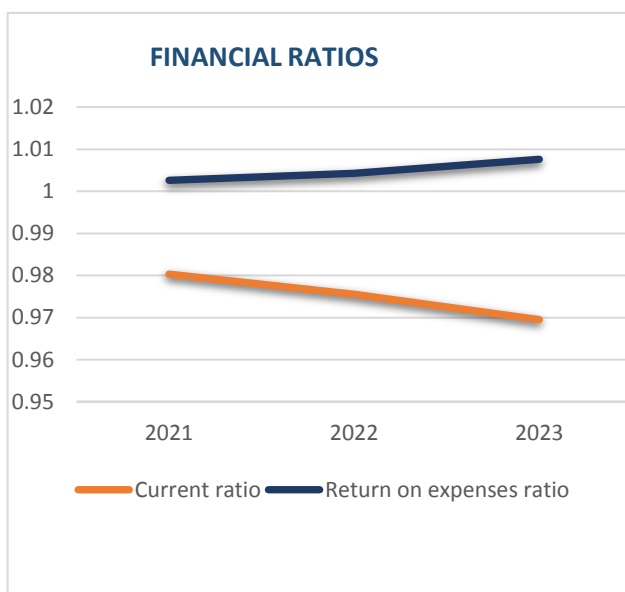
Donko Uzunov

Independent auditor:

"Brain Storm Consult – OD" Ltd, reg." No. 148

Remuneration paid to the Board of Directors members
for 2023: BGN 253,000

Average staff composition for 2023: 186 persons



FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	141,769	60,441
Revenues from operating activity	141,752	60,119
Net profit/loss	621	462
Balance sheet, BGN thsd.		
Total assets	325,103	271,999
Long term assets	5,693	7,756
Short-Term Assets	317,879	264,221
Deferred expenses	1,531	22
Total liabilities	326,073	272,787
Non-current liabilities	223	252
Current liabilities	325,850	272,535
Equity	(970)	(788)
Financial ratios		
Return on expenses	1.0043	1.0076
Current ratio	0.9755	0.9695
Net debt/equity	(336.1577)	(346.1764)
Return on equity	(0.6402)	(0.5863)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

No dividend is payable in 2024 by "Montagi" EAD.

The company has specialized in the following activities:

- Manufacture of steel structures for construction and industry according to EN 1090-2;
- Mechanical installation, electrical installation, Control and measuring instruments and Automation;
- Design, manufacture and installation of various types of ventilation and air conditioning systems;
- Design, manufacture and installation of tanks, silos, metal structures, etc.;
- Construction of oil pipelines, gas pipelines and any industrial pipelines.

Implementation of the business program for 2023:

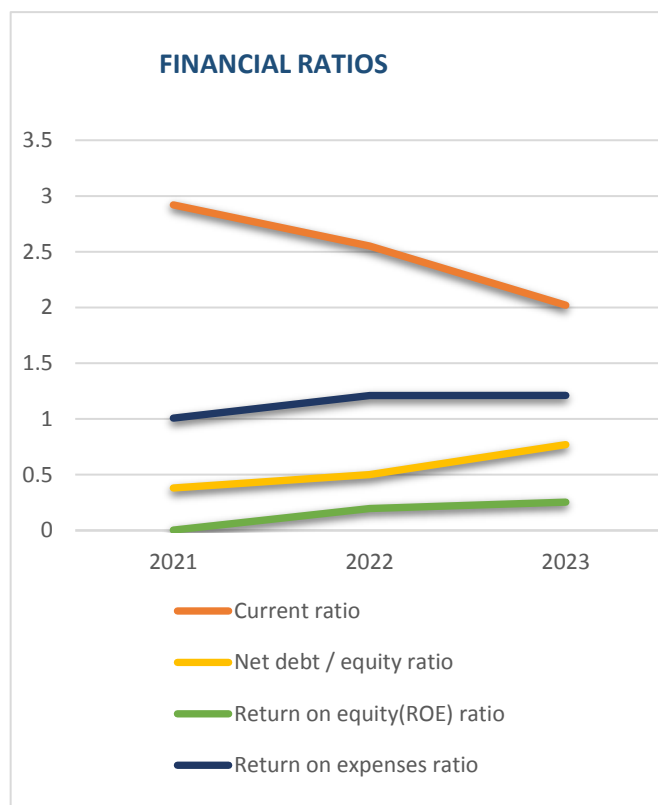
The final evaluation of the implementation of the Business Programme of “Montagi” EAD, Sofia for 2023 is 69.41 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 70.59 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 66.66 points, with a performance level of "Good".



VAZOVSKI MACHINOSTROITELNI ZAVODI EAD (VMZ EAD)

The scope of business of VMZ EAD is manufacturing and trade of special products, tools and equipment; rental of tangible assets; sale of goods of own production and provision of services to the public.



In 2023, the activities of the public enterprise include mainly the production of special products, with the largest relative share of sales being: artillery ammunition; RPG-7 rounds; SPG-9 heavy anti-tank grenade launcher rounds and unguided rocket projectiles.

The public enterprise is in the process of implementation of 155mm projectiles analogous to the M107.

In order to reduce air pollution in 2023, new steam boilers were installed in the steam plant in the town of Sopot. The system is high quality and efficient, meeting all European directives.

100% owned by "State Consolidation Company" EAD
Minister of Economy and Industry

Board of Directors as of 31.12.2023:

Ivailo Kanev, Nikolay Nikolov, Ivan Angelov, Stella Kostova, Ivan Stoenchev

Executive Director

Ivan Stoenchev

Independent auditor:

"ABVP – Audit Standard" OOD, Reg. No. 165

Remuneration paid to the Board of Directors members for 2023: BGN 295,000

Average staff composition for 2023: 4,199 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	524,027	913,210
Revenues from operating activity	520,848	909,835
Net profit/loss	81,870	143,072
Balance sheet, BGN thsd.		
Total assets	625,627	997,195
Long term assets	126,826	150,153
Short-Term Assets	497,922	846,281
Deferred expenses	879	761
Total liabilities	208,443	433,780
Non-current liabilities	13,209	14,894
Current liabilities	195,234	418,886
Equity	417,184	563,415
Financial ratios		
Return on expenses	1.2106	1.2112
Current ratio	2.5504	2.0203
Net debt/equity	0.4996	0.7699
Return on equity	0.1962	0.2539
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 85,000,000.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Programme of "Vazovski Machinostroitelni Zavodi" EAD, Sopot for 2023 is 88.10 points and the Business Program level of implementation is "Very Good", as:

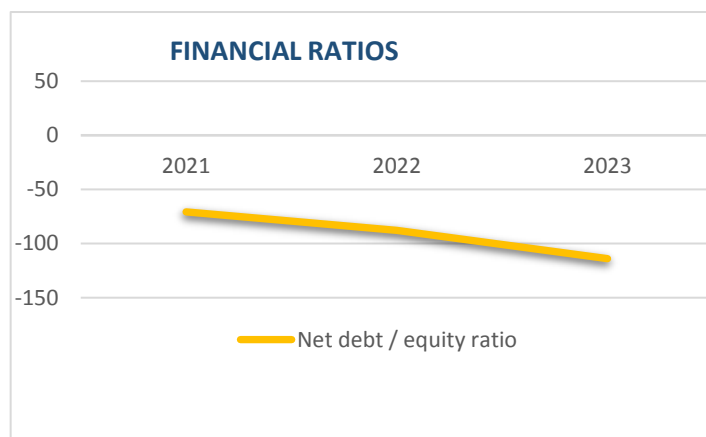
- the evaluation score of financial targets is 83.00 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



STATE ENTERPRISE RADIOACTIVE WASTE (SERAW)

SERAW was established based on the Safe Use of Nuclear Energy Act and is the national operator responsible for the management of radioactive waste generated off-site, in accordance with the National Strategy for Spent Nuclear Fuel and Radioactive Waste Management and international good practices.

The scope of business of the state-owned undertaking includes: radioactive waste management: all activities related to the handling, pre-processing, treatment, conditioning, storage and disposal of radioactive waste, including the decommissioning of radioactive waste management facilities; construction, operation, rehabilitation and reconstruction of radioactive waste management facilities, based on site selection, design, construction and commissioning permits issued by the Chairman of the Nuclear Regulatory Agency (NRA) for site selection, design, construction and commissioning and a license to operate a management facility of radioactive waste; carrying out off-site transport of radioactive waste at the relevant nuclear facility; decommissioning of nuclear facilities when SERAW is the owner or holder of property rights over the facility or on the basis of a contract with the person who is the owner or holder of property rights over the facility.



100% state-owned
Minister of Energy

Management Board as of 31.12.2023

Dilyan Petrov, Sergey Tsochev and Margarita Korkinova

Executive Director

Dilyan Petrov

Independent auditor:

"Veles Audit" Ltd., Reg. No. 170

Remunerations paid to the Management Board members for 2023: BGN 278,713

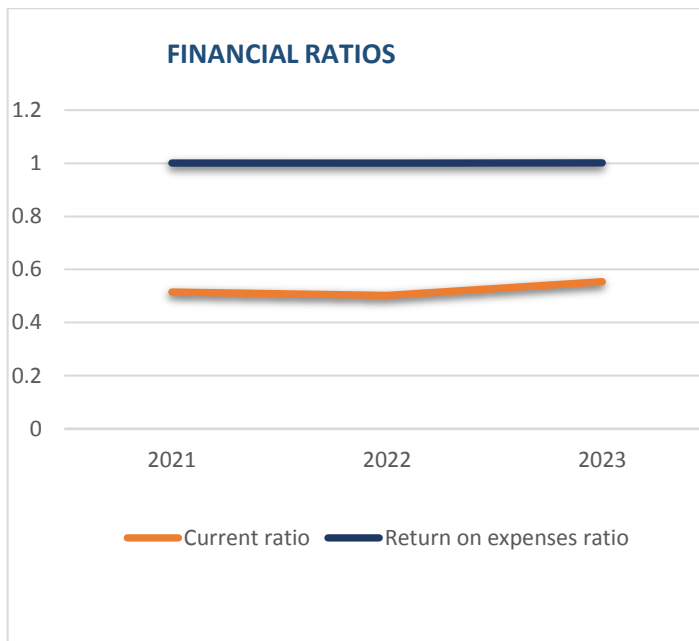
Average staff composition for 2023: 1,012 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	114,117	93,223
Revenues from operating activity	114,115	93,223
Net profit/loss	56	117
Balance sheet, BGN thsd.		
Total assets	331,191	358,728
Long term assets	311,461	335,700
Short-Term Assets	19,730	23,028
Total liabilities	334,999	361,904
Non-current liabilities	295,721	320,327
Current liabilities	39,278	41,577
Equity	(3,808)	(3,176)
Financial ratios		
Return on expenses	1.0005	1.0014
Current ratio	0.5023	0.5539
Net debt/equity ratio	(87.9724)	(113.9496)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

SERAW does not owe a dividend for the 2023 financial year.

Pursuant to article 80(4) of the Safe Use of Nuclear Energy Act and article 5(4) of the Regulation on the structure and operation of the SE "Radioactive Waste", upon realization of an annual profit, the said profit shall be credited to the budget of the Ministry of Energy on the transit account of the RAW Fund.



On December 21 and 22, 2023, SERAW successfully conducted a complex pilot operation. During this operation, they removed the 3rd unit from the pit and transported the first of 24 steam generators from the 440-megawatt units of the nuclear power plant that is currently being decommissioned.

The activities and financial support of SERAW are funded through funds from the “Radioactive Waste” Fund (RAWF) and “Nuclear Facilities Decommissioning” Fund (NFDF) administered by the Minister of Energy. The activities on decommissioning of nuclear facilities are also financed through funds from the “Kozloduy International Decommissioning Support Fund” (KIDSF) administered by the European Bank for Reconstruction and Development. In 2023, SERAW is funded by a contract with the RAW Fund with BGN 25 558 thousand and by contract with the NFDF Fund in the amount of BGN 28 200 thousand.

Implementation of the business program for 2023.

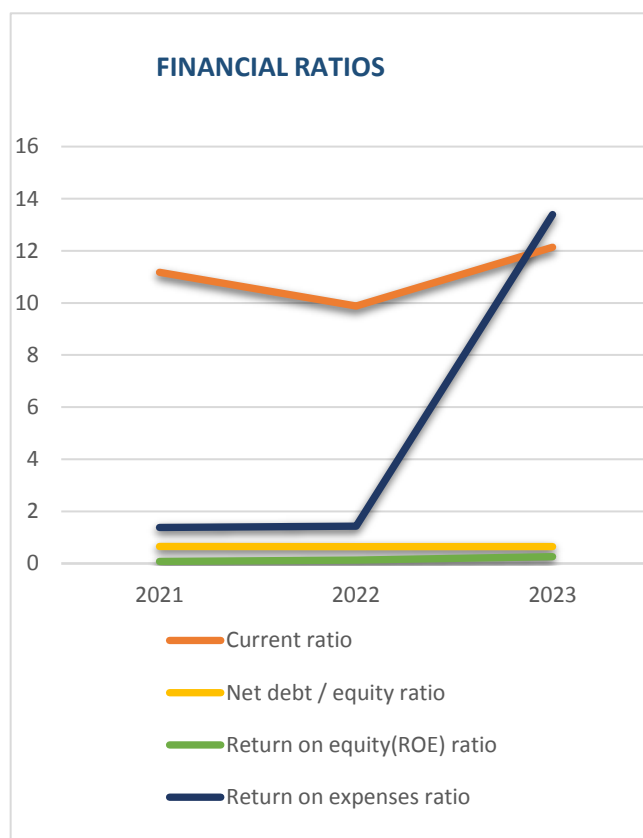
The final evaluation of the implementation of the Business Programme of SERAW, Sofia for 2023 is 66.66 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 66.65 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 66.66 points, with a performance level of "Good".



BULGARIAN ENERGY HOLDING EAD (BEH EAD)

The scope of activity of the “Bulgarian Energy Holding” EAD is: acquisition, evaluation and sale of participations in trading companies operating in the fields of production, extraction, transmission, transit, storage, management, distribution, sale and/or purchase of natural gas, electricity, thermal power, coal, as well as any other types of energy and raw materials for the production and participation in the management of such companies, their financing, acquisition, evaluation, issuance and sale of bonds, acquisition, evaluation and sale of patents, concession of licenses for use of the above companies as well as performance of own production or trade activity.



The Bulgarian Energy Holding EAD is one of the country's leading energy companies and is the country's largest publicly held company based on assets.

100% state-owned
Minister of Energy

Board of Directors as of 31.12.2023:

Diyan Dimitrov; Kalin Filipov; Ivo Todorov; Veselina Kanatova-Buchkova; Ivan Andreev

Executive Director

Ivan Andreev

Audit Committee:

Magdalena Lateva, Vanya Georgieva, Elena Stoilova

Independent auditor:

Consortium DZZD “AUDIT BEH” with audit firms participating in the consortium “Grant Thornton Bulgaria” OOD, registered respectively under Reg. No. 032 and “Zaharinova Nexia” EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 857,000

Average staff composition for 2023: 101 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	1,764,475	1,195,008
Revenues from operating activity	1,022,254	976,988
Net profit/loss	582,061	1,080,629
Balance sheet, BGN thsd.		
Total assets	7,403,641	6,805,834
Long term assets	4,625,173	6,208,479
Short-Term Assets	2,778,468	597,355
Total liabilities	2,919,552	2,680,258
Non-current liabilities	2,638,354	2,631,041
Current liabilities	281,198	49,217
Equity	4,484 089	4,125 576
Financial ratios		
Return on expenses	1.4334	13.3915
Current ratio	9.8808	12.1372
Net debt/equity ratio	0.6511	0.6497
Return on equity	0.1298	0.2619
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024 is in the amount of BGN 280,529,000.

Implementation of the business program for 2023:

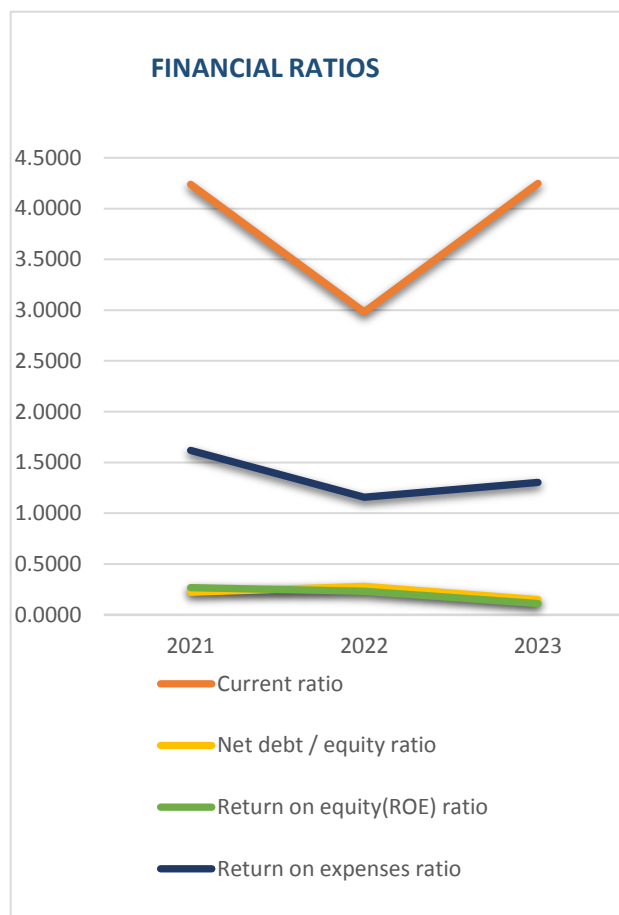
The final evaluation of the implementation of the Business Program of “Bulgarian Energy Holding” EAD, Sofia 2023 is 94.05 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 91.50 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



"KOZLODUY NPP" EAD

The scope of business of "Kozloduy NPP" EAD is: use of nuclear energy for the generation of electricity and heat; import of fresh nuclear fuel and export of spent nuclear fuel; investment activities in connection with the activities of the company as defined in its scope of activity; construction, installation and repair activities in the field of electricity and heat production; sale of electricity and heat.



"Kozloduy NPP" EAD is the only nuclear power plant in Bulgaria and is the biggest electricity generation company in the country, providing more than a one third of the national annual electricity production. "Kozloduy NPP" EAD is the holder of the licenses and permits and has the primary responsibility for the safety of nuclear facilities, within the meaning of the Vienna Convention, the Convention on Nuclear Safety, and the Safe Use of Nuclear Energy Act.

In 2023 the capital of "Kozloduy NPP" EAD was increased by a cash contribution of BGN 1,500 million from the "Bulgarian Energy Holding" EAD. Respectively, "Kozloduy NPP" EAD increased the

100% owned by "BEH" EAD
Minister of Energy

Board of Directors as of 31.12.2023

Ilya Iliev; Valentin Nikolov; Svilena Nikolova; Georgi Kirkov; Iva Nikolova

Executive Director

Valentin Nikolov

Independent auditor:

Consortium DZZD "AUDIT BEH" with audit firms participating in the consortium "Grant Thornton Bulgaria" OOD, registered respectively under Reg. No. 032 and "Zaharinova Nexia" EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 638,000

Average staff composition for 2023:

3,796

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	6,078,778	2,550,722
Revenues from operating activity	6,072,178	2,545,128
Net profit/loss	729,463	537,052
Balance sheet, BGN thsd.		
Total assets	4,041,616	5,552,368
Long term assets	2,449,315	3,888,081
Short-Term Assets	1,592,301	1,664,287
Total liabilities	882,855	721,610
Non-current liabilities	348,847	329,786
Current liabilities	534,008	391,824
Equity	3 158 761	4,830 758
Financial ratios		
Return on expenses	1.1576	1.3053
Current ratio	2.9818	4.2475
Net debt/equity ratio	0.2795	0.1494
Return on equity	0.2309	0.1112
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid for 2024, deducted from the profit for 2023 is in the amount of BGN 241,673,000.

capital of its subsidiary NPP Kozloduy-New Builds Plc for the future implementation of the project. The goal is to undertake action on the construction of units 7 and 8 on site No. 2 of "Kozloduy NPP" EAD, Kozloduy.

Pursuant to the decision of the National Assembly of the Republic of Bulgaria of 09.11.2022 to accelerate the process of securing an alternative supplier, partnership agreements with Westinghouse Electric Sweden AB and Framatome were signed. A contract has been signed between "Kozloduy NPP" EAD and Westinghouse for the supply of fresh nuclear fuel assemblies for Unit 5 for a period of 10 years starting from 2024. A contract for the supply of nuclear fuel for Unit 6 has been concluded with the French company Framatome for a period of 10 years starting from 2025.

In 2023. The nuclear power plant has produced 16 163 GWh of electricity in compliance with all safe operation requirements. In the country's power system for 2023 "Kozloduy NPP" EAD has reached 15 365 GWh of net active electricity for 2023, realized in accordance with the current regulations. Sales at unregulated prices in 2023 are 11,289 GWh, most of them in the mandatory exchange market.

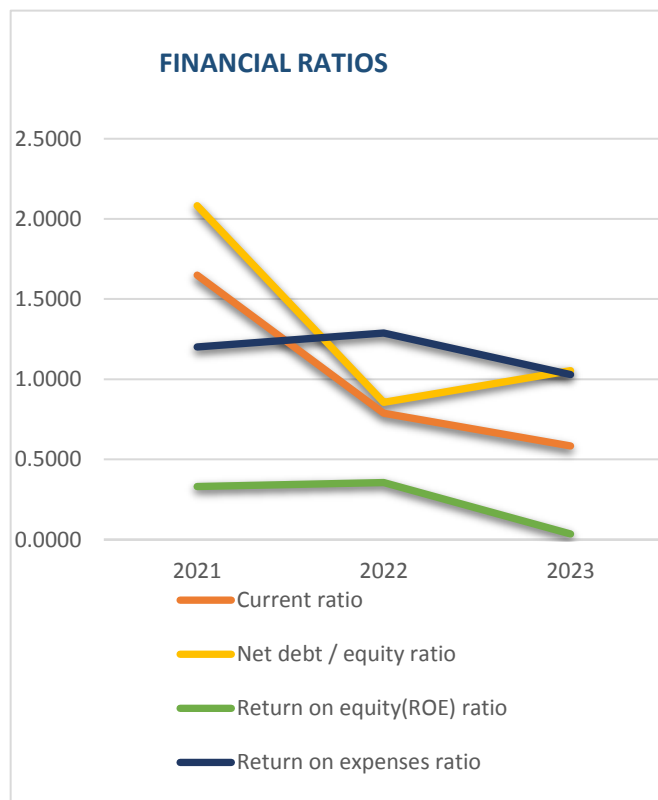
Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Programme of "Kozloduy NPP" EAD, for 2023 is 95.23 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 95.64 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 94,28 points, with a performance level of "Very good".



The scope of business of NEK EAD include electricity generation, centralized purchase and sale of electricity, supply of electricity to customers connected to the transmission grid, electricity import and export, construction and maintenance works in the field of electricity generation, investment activities, implementation and promotion of energy efficiency in electricity generation.



In 2023, NEK EAD has fulfilled its obligations under the licenses held and those to the public in accordance with the requirements of the Energy Act to provide the necessary amount of electricity to the final suppliers, as well as to provide the supply of electricity to consumers who have not chosen another supplier. In accordance with the regulations and the decisions of the EWRC, NEK EAD sells at market prices on the platforms of IBEX EAD the remainder of the mandatory purchased electricity under bilateral contracts with producers.

**100% owned by "BEH" EAD
Minister of Energy**

Board of Directors as of 31.12.2023:

Momchil Vanov, Albena Tudzharova, Angel Petrov, Martin Georgiev and Irena Beloreshka

Executive Director

Martin Georgiev

Independent auditor:

Consortium DZZD "AUDIT BEH" with audit firms participating in the consortium "Grant Thornton Bulgaria" OOD, registered respectively under Reg. No. 032 and "Zaharinova Nexia" EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 487,000

Average staff composition for 2023: 1,980 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	5,276,526	3,520,021
Revenues from operating activity	5,276,919	3,470,804
Net profit/loss	1,083,256	95,020
Balance sheet, BGN thsd.		
Total assets	5,649,069	5,519,612
Long term assets	5,071,282	5,044,415
Short-Term Assets	577,787	475,197
Total liabilities	2,605,756	2,831,090
Non-current liabilities	1,872,873	2,017,635
Current liabilities	732,883	813,455
Equity	3,043,313	2,688,522
Financial ratios		
Return on expenses	1.2884	1.0293
Current ratio	0.7884	0.5842
Net debt/equity ratio	0.8562	1.0530
Return on equity	0.3559	0.0353
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

In 2024, the "National Electric Company" EAD, Sofia, does not distribute or pay a dividend.

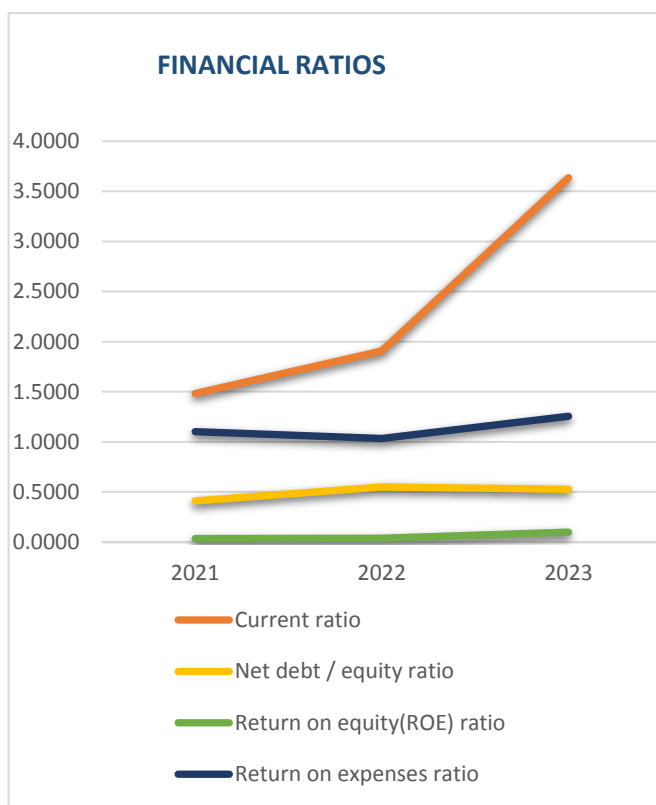
In 2023. NEK EAD has realised on the free market 1,075,195 MWh. With the current market prices for electricity and the high levels of carbon prices on the power exchanges in 2023, the company is having difficulty covering the full costs of the power plants with which it has power purchase and availability agreements, "TPP AES-3C", "Maritsa East 1" and "TPP Contour Global", "Maritsa East 3", in order to fully participate in the IBEX and on the free market, which is reflected in a significant reduction in their production for 2023.

Implementation of the business program for 2023:

The final assessment of the implementation of the updated Business Programme of NEK EAD for 2023 is 83.25 points, and the level of implementation of the updated Business Programme is "Very Good", as:

- the evaluation score of financial targets is 66.50 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

ESO EAD has as its scope of business the transmission of electricity, the unified operational planning, coordination and management of the electricity system of the Republic of Bulgaria, the provision and management of access to third parties on a non-discriminatory basis between network users or groups of network users, the implementation of the joint operation of the electricity system with the electricity systems of other countries, the coordinated development and interoperability of the electricity network with interconnected electricity networks, expansion, reconstruction, modernization, operation, maintenance and ensuring the reliable functioning of the electricity transmission network, including the availability of all necessary ancillary services, maintenance and development of ancillary networks, repair and energy services, other commercial activities and services.



ESO EAD is the owner of the assets related to the electricity transmission business, including the electricity transmission grid.

100% owned by "BEH" EAD
Minister of Energy

Management Board as of 31.12.2023:

Alexander Trichkov; Nikola Alymanski; Ilian Skarlatov;
Andrey Valchev; Plamen Radonov; Kostadin Popov;
Evden Nikolov

Management Board: Plamen Yordanov; Anton Slavov;
Angelin Tsachev

Executive Director
Angelin Tsachev

Independent auditor:
"HLB Bulgaria" OOD, Reg. No. 017

**Remunerations paid to members of the Supervisory
and Management Board for 2023:** BGN
1,013,000

Average staff composition for 2023: 3,321 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	1,805,151	1,367,432
Revenues from operating activity	1,805,060	1,366,039
Net profit/loss	91,086	250,451
Balance sheet, BGN thsd.		
Total assets	3,578,309	3,846,409
Long term assets	2,884,635	2,969,389
Short-Term Assets	693,674	877,020
Total liabilities	1,269,654	1,326,376
Non-current liabilities	905,880	1,085,138
Current liabilities	363,774	241,238
Equity	2,308,655	2,520,033
Financial ratios		
Return on expenses	1.0339	1.2556
Current ratio	1.9069	3.6355
Net debt/equity ratio	0.5500	0.5263
Return on equity	0.0395	0.0994
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024, deducted from the profit for 2023 is in the amount of BGN 123,502,767.

In 2023, ESO EAD has built and commissioned an automated substation management system in 208 substations owned by the public company in the country. In 2023, the peak of commissioned PV RES capacity was reached — 1,278 MW in the electricity transmission grid and 1,559 MW in the electricity distribution network. For comparison, in 2022 these values were 574 MW and 1,152 MW.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of the “Electricity System Operator” EAD, Sofia for 2023 is 95.75 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 91.50 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

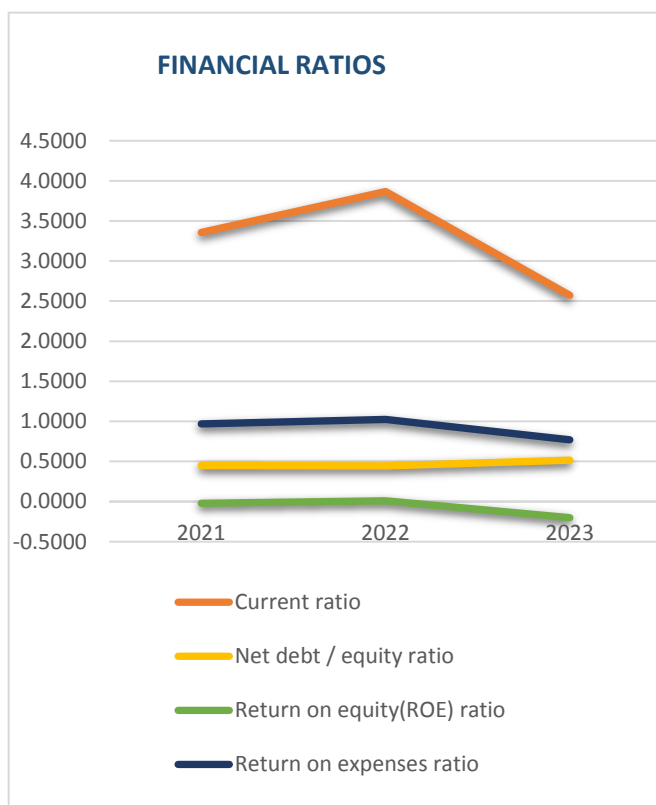


MINI MARITSA IZTOK EAD

The scope of business of “Mini Maritsa Iztok” EAD is coal mining and disposal, industrial, commercial, leasing, repair, external – economic activity, training and retraining of personnel for coal mining in order to generate income, carrying out preventive maintenance and rehabilitation activities in rest stations owned by the company, trading in electricity, rail freight.

The core activity of the company is the extraction and sale of coal.

The lignite mined in the Company is intended for supplying the TPP “Maritsa East 2” EAD, “Contour Global Maritsa East 3” AD, “AES-3C Maritsa East 1” EOOD and “Brickel” EAD. They produce over 40% of the electricity in the Republic of Bulgaria.



In 2023, “Mini Maritsa Iztok” EAD has paid concession contributions to the Ministry of Energy in the amount of BGN 11,643 thousand.

100% owned by “BEH” EAD
Minister of Energy

Board of Directors as of 31.12.2023:

Svetoslav Minevski, Elvira Shopova, Nikolay Nikolov, Ilza Chinkova, Georgi Koev, Nikolay Dikov, Tsvetolin Bogdanov

Executive Director

Ilza Chinkova

Audit Committee:

Vesko Mitrev, Lilyana Dragieva, Kiril Terziev

Independent auditor:

Consortium DZZD “AUDIT BEH” with audit firms participating in the consortium “Grant Thornton Bulgaria” OOD, registered respectively under Reg. No. 032 and “Zaharinova Nexia” EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 539,000

Average staff composition for 2023: 6,768 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	870,686	453,259
Revenues from operating activity	865,196	452,900
Net profit/loss	7,552	(135,736)
Balance sheet, BGN thsd.		
Total assets	1,183,329	1,022,580
Long term assets	679,114	689,083
Short-Term Assets	504,215	333,497
Total liabilities	364,341	348,292
Non-current liabilities	233,926	218,640
Current liabilities	130,415	129,652
Equity	818,988	674,288
Financial ratios		
Return on expenses	1.0246	0.7704
Current ratio	3.8662	2.5722
Net debt/equity ratio	0.4449	0.5165
Return on equity	0.0092	(0.2013)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

“Mini Maritsa Iztok” EAD does not owe a dividend for the fiscal year 2023, as the public company is at a loss.

Implementation of the business program for 2023:

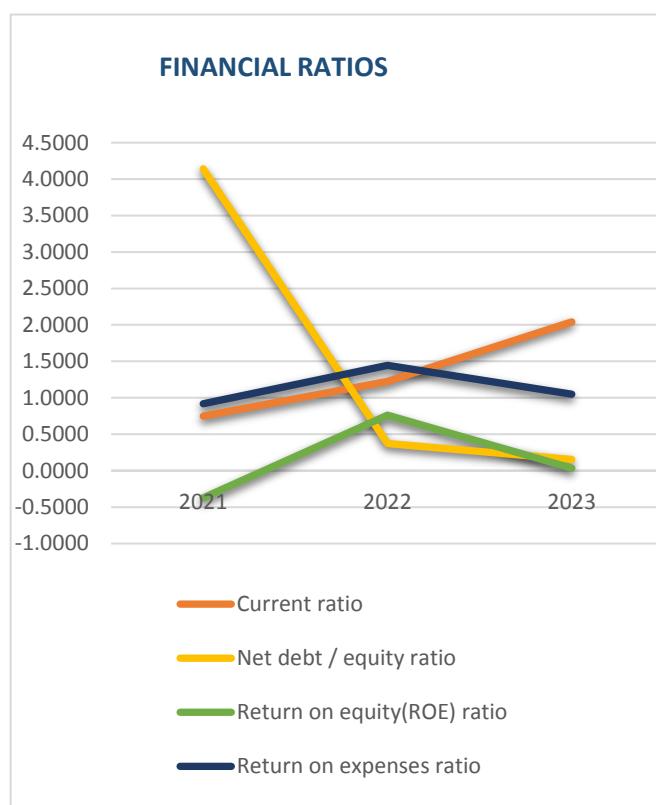
The final evaluation of the implementation of the Business Program of “Mini Maritsa Iztok” EAD, Radnevo for 2023 is 57.35 points and the level of implementation of the updated Business Program, as measured by the four-level scale defined in Article 7 of the Methodology, is "Good".

- the evaluation score of the financial targets is 39.07 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



“TPP MARITSA EAST 2” EAD

The scope of business of “TPP Maritsa Iztok 2” EAD is the generation of electricity, construction and repair activities in the field of electro-energy and heat-energy, investment activities, acquisition and disposal of copyrights, rights to inventions trademarks and industrial designs, know-how, as well as other intellectual property titles. “TPP Maritsa Iztok 2” EAD is the only power plant that has a connection to all three voltage levels of the country's power system – 110, 220 and 400 kV, making it a key factor in the sustainable operation of the power system, limiting the spread of severe accidents and supporting rapid system restoration.



The Minister of Energy has assigned to “TPP Maritsa East 2” EAD a total annual quota of 2,200,000 MWh for mandatory purchase of electricity from 01.07.2023 to 30.06.2024, produced from domestic primary fuel sources. The plant has concluded an agreement for electricity supply with “NEK” EAD for the regulatory period until 30.06.2024.

In 2023, “TPP Maritsa Iztok 2” EAD received as a non-domestic end customer compensation in the amount of BGN 385 thousand on the basis of the Program for compensation of non-domestic end customers of electricity with fixed amount support per Mwh, approved by Council of Ministers’ Decision No. 30 of

100% owned by “BEH” EAD
Minister of Energy

Board of Directors as of 31.12.2023

Zhivko Dinchev, Hristo Ivanov, Milan Milanov, Boyan Boev and Boncho Bonev

Executive Director

Zhivko Dinchev

Independent auditor:

Consortium DZZD “AUDIT BEH” with audit firms participating in the consortium “Grant Thornton Bulgaria” OOD, registered respectively under Reg. No. 032 and “Zaharinova Nexia” EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 418,000

Average staff composition for 2023: 2,318 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	4,008,990	1,431,684
Revenues from operating activity	4,008,855	1,431,550
Net profit/loss	1,189,727	57,611
Balance sheet, BGN thsd.		
Total assets	2,143,261	1,863,333
Long term assets	1,536,824	1,537,458
Short-Term Assets	606,437	325,875
Total liabilities	579,897	248,313
Non-current liabilities	85,488	88,634
Current liabilities	494,409	159,679
Equity	1,563,364	1,615,020
Financial ratios		
Return on expenses	1.4447	1.0470
Current ratio	1.2266	2.0408
Net debt/equity ratio	0.3709	0.1538
Return on equity	0.7610	0.0357
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The public undertaking does not owe a dividend in 2024.

25.01.2022, amended by Council of Ministers' Decision No. 105 of 02.03.2022 and Art. 366, para 1, item 4 and para 3 of the Energy Act.

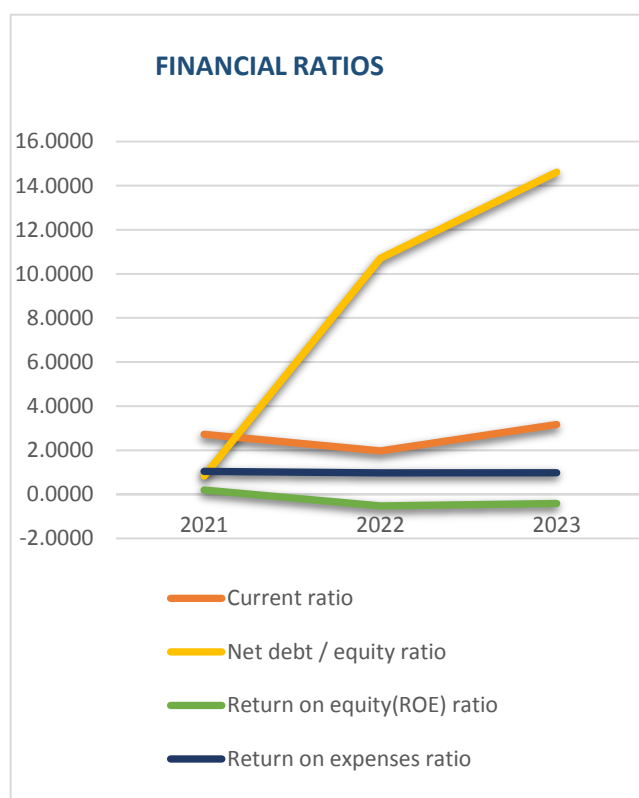
Implementation of the business program for 2023:

The final assessment of the implementation of the updated Business Program of "TPP Maritsa East 2" EAD for 2023 is 90.79 points, and the level of implementation of the updated Business Program is "Very Good", as:

- the evaluation score of financial targets is 86.84 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

The scope of business of “Bulgargaz” EAD include the public supply of natural gas and related purchasing and sales, the acquisition of natural gas for storage in gas storage facilities, and market research and analysis of the natural gas market in the country.

In 2023. "Bulgargaz" EAD organized transparent and competitive tenders for LNG supply for the year. For the first time, the undertaking participated independently in the tenders held by the operator of the Revitusa liquefied gas terminal in Greece for the allocation of regasification and storage slots for 2023.



Through the tendering procedures, "Bulgargaz" EAD secured the necessary quantities to secure the contracts concluded with the customers and the quantities for injection into the Underground Gas Storage Facility Chiren (Chiren UGS), achieving an extremely competitive price.

“Bulgargaz” EAD also has obligations to meet individual energy savings targets for the period 2021-2030. In terms of the absolute level of energy consumption for 2030, Bulgaria has set a target of 17,466 thousand tonnes of oil equivalent primary energy consumption and 10,318 thousand tonnes of oil equivalent of final energy consumption, with obligations for “Bulgargaz” EAD to provide annual information on the quantities of energy sold to final

100% owned by “BEH” EAD
Minister of Energy

Board of Directors as of 31.12.2023

Ivan Topchiiski; Veselin Sinabov; Tatyana Petrova-Boyadjieva; Dimitar Spasov; Deniza Zlateva

Executive Director

Deniza Zlateva

Audit Committee:

Independent auditors:

Consortium DZZD “AUDIT BEH” with audit firms participating in the consortium “Grant Thornton Bulgaria” OOD, registered respectively under Reg. No. 032 and “Zaharinova Nexia” EOOD, Reg. No. 138

Remuneration paid to the Board of Directors members for 2023: BGN 579,000

Average staff composition for 2023: 53 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	4,099,819	2,565,981
Revenues from operating activity	4,093,541	2,565,981
Net profit/loss	(93,485)	(52,381)
Balance sheet, BGN thsd.		
Total assets	2,083,774	1,959,482
Long term assets	23,027	28,831
Short-Term Assets	2,060,747	1,930,651
Total liabilities	1,905,856	1,833,967
Non-current liabilities	859,426	1,224,007
Current liabilities	1,046,430	609,960
Equity	177,918	125,515
Financial ratios		
Return on expenses	0.9736	0.9808
Current ratio	1.9693	3.1652
Net debt/equity ratio	10.7120	14.6115
Return on equity	(0.5254)	(0.4173)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

“Bulgargaz” EAD does not owe a dividend in the 2024.

customers in the territory, as well as to meet the individual energy savings targets set by law.

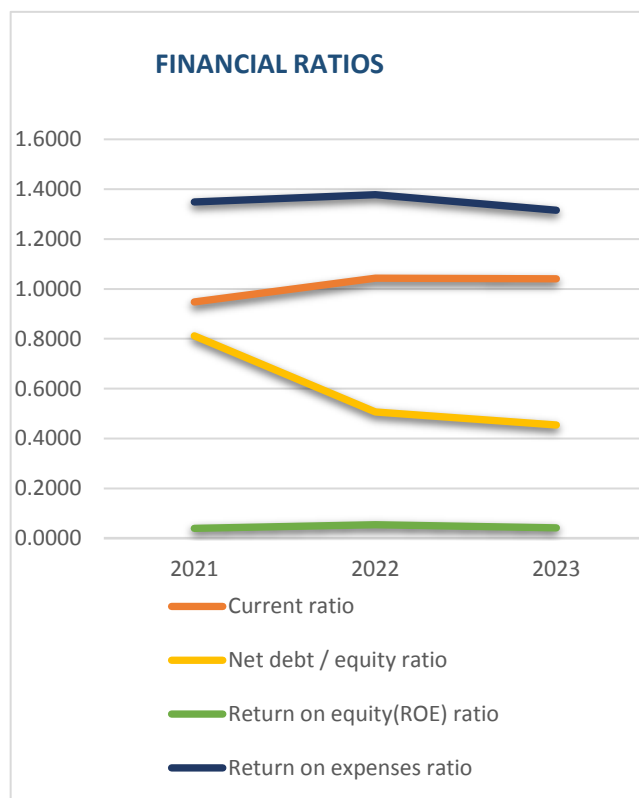
The country's natural gas requirements for the remaining months of 2023 were secured by "Bulgargaz" EAD, as a public natural gas supplier, through imports of liquefied natural gas via terminals in Greece and Turkey. In October 2022, the Greece-Bulgaria Interconnector (IGB) was put into commercial operation, creating further technical prerequisites for trade with neighboring markets and improved access to LNG terminals in Greece.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Programme of "Bulgargaz" EAD, Sofia for 2023 is 64.50 points and the Business Program level of implementation is "Good", as:

- the evaluation score for financial targets is 29.00 points, indicating a performance level of "Unsatisfactory.";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

The scope of business of “Bulgartransgaz” EAD storage and transmission of natural gas; maintenance, operation, management and development of gas transmission networks; maintenance, operation, management and development of underground gas storage facilities; development of programs and activities for compliance of natural gas transmission and storage activities with the requirements of the European energy legislation; development of pricing policy for access to and transmission on gas transmission networks, storage of natural gas and connection to gas transmission networks; administration of natural gas transactions and organization of balancing of the natural gas market in accordance with the requirements of the current legislation; engineering, investment, production and service activities; import of goods, machinery and equipment related to the company's activities; centralized operational management, coordination and control over the operation of the gas transmission networks.



Of paramount importance is the expansion of “Bulgartransgaz” EAD's gas transmission infrastructure as part of the concept for the development of a gas hub capable of meeting the

100% owned by “BEH” EAD
Minister of Energy

Management Board as of 31.12.2023:

Kiril Georgiev; Blagovest Donovan; Bojan Baev; Nikolay Stefanov; Stefan Iliev; Delian Koinov; Snezhana Jovkova - Markova

Management Board as of 31.12.2023:

Darina Koleva, Vladimir Malinov, Kiril Ravnacki

Executive Director:

Vladimir Malinov

Independent auditor:

“HLB Bulgaria” OOD, Reg. No. 017

Remunerations paid to members of the Supervisory and Management Board for 2023: BGN 1,116,000

List of the average staff composition as of 31.12.2021: 978 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	1,148,573	975,588
Revenues from operating activity	1,123,376	958,478
Net profit/loss	283,450	210,584
Balance sheet, BGN thsd.		
Total assets	7,907,920	7,404,431
Long term assets	7,156,528	6,820,287
Short-Term Assets	751,392	584,144
Total liabilities	2,660,102	2,312,197
Non-current liabilities	1,939,688	1,751,095
Current liabilities	720,414	561,102
Equity	5,247,818	5,092,234
Financial ratios		
Return on expenses		
	1.3780	1.3156
Current ratio	1.0430	1.0411
Net debt/equity ratio	0.5069	0.4541
Return on equity		
	0.0540	0.0414
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024, deducted from the profit for 2022, amounts to BGN 257,251,000.

country's demand through different, independent routes and alternative sources, including LNG.

On 25.01.2023. Bulgartransgaz EAD and ING Bank signed a long-term loan agreement in the amount of EUR 49,072 thousand for the financing and refinancing of investment costs for the implementation of activities under the Project of Common Interest of the European Union - Bulgaria-Serbia Interconnector. On 17.02.2023. Bulgartransgaz EAD and BEH EAD signed a loan agreement in connection with the expansion of the capacity of the Chiren UGS - drilling fund in the amount of BGN 65,157 thousand. On 07.04.2023 an Annex to the contract was signed, whereby the loan amount was changed to BGN 87,527 thousand.

The Public Undertaking contributes to the European objectives of improving security of supply, diversification of sources and routes of natural gas supply.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "Bulgartransgaz" EAD, Sofia for 2023 is 100 points and the Business Program level of implementation is "Very Good", as:

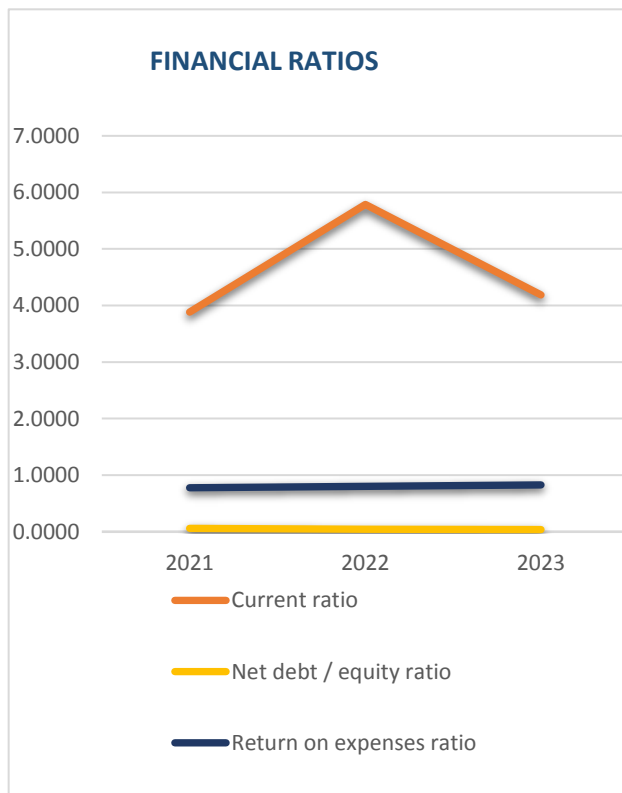
- the evaluation score of financial targets is 100 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



STATE ENTERPRISE PORT INFRASTRUCTURE (SE PI)

SE PI was established under the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act as a legal entity within the meaning of Art. 62 (3) of the Commerce Act.

The core activity of SE "Ports Infrastructure" is the management of the Bulgarian ports for public transport and the provision of traffic management and shipping information services.



In 2023, the SE "Ports Infrastructure" is entrusted with the operational management of the port terminal "Rosenets" - part of the Port for public transport of national importance - Burgas. During the year, a modern digital platform was introduced on ships in Bulgarian seaports (Bulgarian Port Community System – BulPCS), which was presented on 14 November 2023 in the city of Burgas

100% state-owned

Minister of Transport and Communication

Management Board as of 31.12.2023:

Dirk Pergot; Ivaylo Ivanov; Kaloyan Bogeov

Director General

Dirk Pergot

Audit Committee:

Lidiya Davidova; Delia Dzhambova, Monika Paunova and Pavlina Staykova

Independent auditor:

"Audit Consult 2004 "OOD, Reg. No. 122

Remunerations paid to key staff members for 2023: BGN 458,579

Average staff composition for 2023: 373 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	52,762	59,321
Revenues from operating activity	47,973	51,759
Net profit/loss	(11,581)	(11,130)
Balance sheet, BGN thsd.		
Total assets	1,416,244	1,499,661
Long term assets	1,322,464	1,406,391
Short-Term Assets	93,780	93,270
Total liabilities	59,350	54,961
Non-current liabilities	43,144	32,671
Current liabilities	16,206	22,290
Equity	1 356 894	1,444 700
Financial ratios		
Return on expenses	0.8043	0.8275
Current ratio	5.7867	4.1844
Net debt/equity ratio	0.0437	0.0380
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

SE "Ports Infrastructure" has no dividends due and paid in 2024.

Implementation of the business program for 2023:

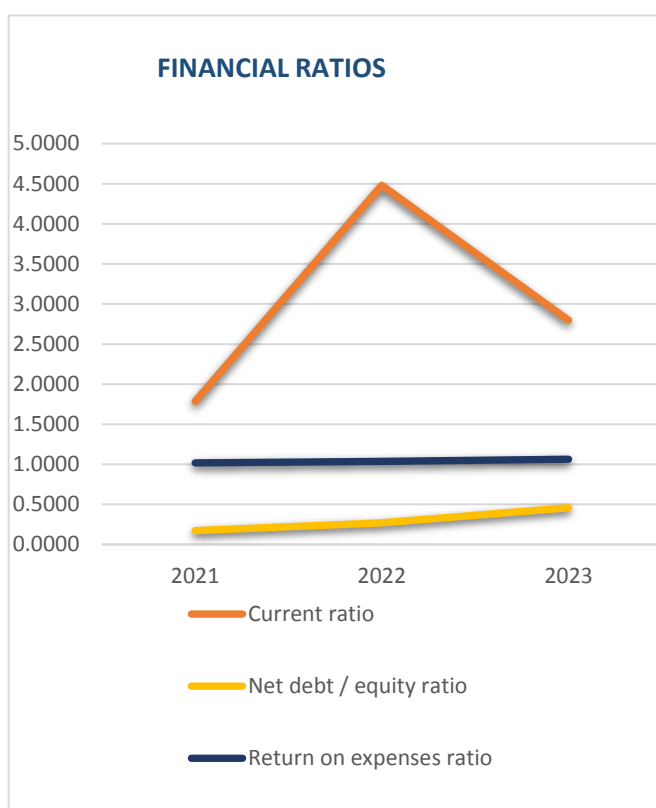
The final evaluation of the Business Program's implementation of SE "Ports Infrastructure", Sofia for 2023 is 82.45 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 64.90 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



SE "BULGARIAN AIR TRAFFIC SERVICES AUTHORITY" (BULATSA)

The principal activity of SE "BULATSA" is providing air navigation services, and the company performs state functions to provide air navigation services in the civil airspace of the Republic of Bulgaria. The provision of the services is not time-limited and is not financed from the State budget, but from dedicated air navigation service charges set in accordance with directly applicable European legislation.



The main activities of SE "BULATSA" shall include: air traffic management to achieve safety, efficiency and regularity of flights in the civil airspace served; air traffic management at controlled airports, design of airspace structures; development of flight procedures; planning, provision, implementation, operation and maintenance of facilities, systems and equipment for communication, navigation, surveillance, power, meteorological and aeronautical provision of the serviced air traffic and the accompanying infrastructure; communication services, navigation and surveillance services, meteorological services, aeronautical information services, aircraft search and rescue information services; management of

100% state-owned

Minister of Transport and Communication

Management Board as of 31.12.2023

Veselina Karamileva - Todorova; Yanko Stoimenov, Georgi Peev

Director General

Georgi Peev

Independent auditor:

"Brain Storm Consult- OD" Ltd, Reg." No. 148

Remunerations paid to members of the Management bodies for 2023: BGN 612,000

Average staff composition for 2023: 1,140 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	293,280	342,174
Revenues from operating activity	293,046	331,648
Net profit/loss	9,624	18,472
Balance sheet, BGN thsd.		
Total assets	444,491	522,226
Long term assets	293,866	293,557
Short-Term Assets	150,625	228,669
Total liabilities	94,070	164,276
Non-current liabilities	60,446	82,571
Current liabilities	33,624	81,705
Equity	350,421	357,950
Financial ratios		
Return on expenses	1.0377	1.0637
Current ratio	4.4797	2.7987
Net debt/equity ratio	0.2684	0.4589
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024 is BGN 18,471,456.

the air traffic safety system within the scope of its competence, the fulfilment of the obligations of the Republic of Bulgaria arising from international agreements in the field of air traffic management to which the Republic of Bulgaria is a party; the collection of charges for air navigation services.

In 2023, due to the widespread effects of the war between Russia and Ukraine, SE “BULATSA” is handling increased levels of air traffic over Bulgaria.

The second half of 2023 also sees a recovery in flights to/from China after the pandemic due to the late lifting of pandemic measures in that country.

In 2023, the number of days across the Southeast with adverse meteorological conditions increased by more than 20 compared to 2022, with unusually long periods of convective cloud cover. These are extreme values for aviation, unlike in previous years when bad weather occurred mostly in the spring months of May and June. As a consequence of bad weather, there is an additional reduction of capacity in the airspace of certain countries, which leads to a correspondingly significant additional increase in air traffic flows served by SE “BULATSA”.

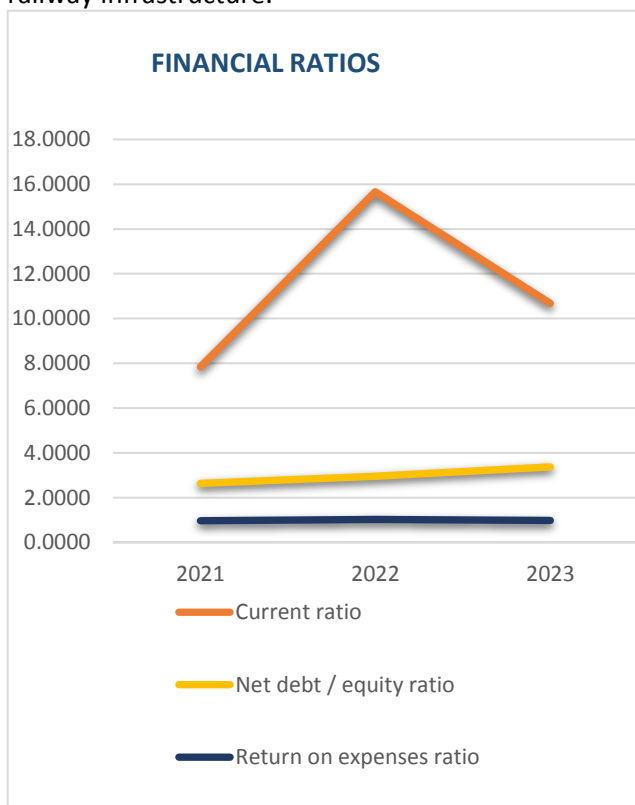
Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of SE “BULATSA”, Sofia for 2023 is 100.00 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 100 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

SE "NRIC" is established under a special law (Rail Transport Act) within the meaning of Art. 62, para. 3 of the Commercial Act.

The core activity of SE NRIC is the management of the railway infrastructure, through the management and administration of the property assigned to it – public and private state property, the construction, maintenance, development and operation of the railway infrastructure.



Under the provisions referred to in Art. 25 of the Railway Transport Act, the State shall participate in the funding of these activities. The funding amount shall be determined through a long-term contract between the State, represented by the Minister of Transport and Communications on the one hand, and by SE NRIC on the other hand.

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	576,472	593,274
Revenues from operating activity	574,668	591,740
Net profit/loss	15,234	(14,066)
Balance sheet, BGN thsd.		
Total assets	5,028,453	5,486,680
Long term assets	4,428,754	4,979,926
Short-Term Assets	599,261	506,419
Deferred expenses	438	335
Total liabilities	3,754,742	4,230,801
Non-current liabilities	3,716,478	4,183,378
Current liabilities	38,264	47,423
Equity	1,273,711	1,255,879
Financial ratios		
Return on expenses	1.0228	0.9707
Current ratio	15.6612	10.6788
Net debt/equity ratio	2.9479	3.3688
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

SE "NRIC" does not owe a dividend in 2024

Implementation of the business program for 2023:

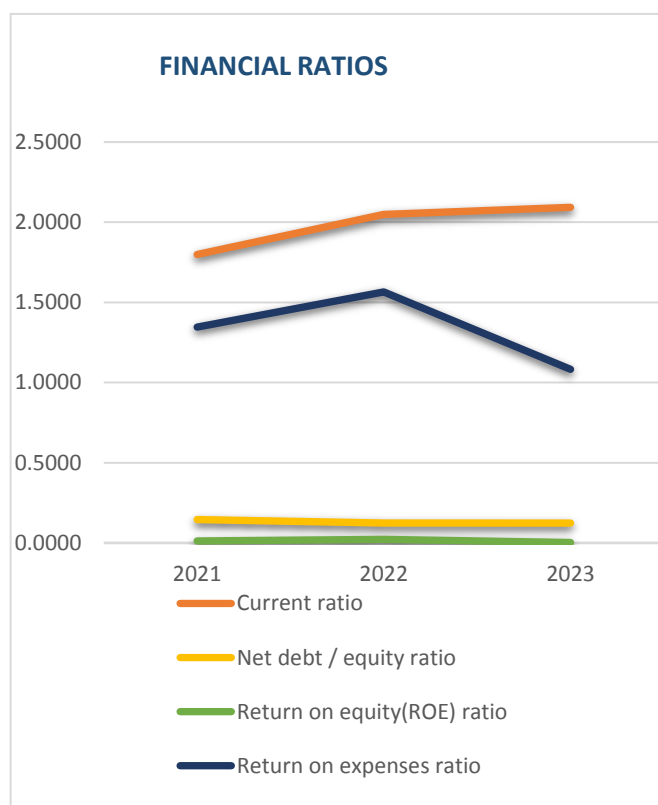
The final evaluation of the Business Program's implementation of SE "NRIC", Sofia for 2023 is 72.22 points and the level of the Business Program implementation is "Good", as:

- the evaluation score of the financial targets is 44.43 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



HOLDING BULGARIAN STATE RAILWAYS EAD (Holding BDZ)

The scope of activities of the public undertaking shall include: acquisition, management, valuation and sale of participations in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, valuation and sale of patents, assignment of licenses for the use of patents to companies in which the holding company participates; financing of companies in which the holding company participates; carrying out production activities.



In 2023, the following significant events take place for Holding BDZ :

- Funding received for compensation of non-household end-users of electricity in the total amount of BGN 19 thousand;
- Funding received under the Program for Humanitarian Assistance to Displaced Persons from Ukraine in the total amount of BGN 1,261 thousand.
- A distributed dividend was received from Eurofima for 2022 in the amount of BGN 7 thousand.

100% state-owned

Minister of Transport and Communication

Board of Directors as of 31.12.2023:

Yulia Varadinova-Milkova, Georgi Drumev, Dimitar Mihaylov

Executive Director:

Georgi Drumev

Audit Committee:

Petar Stefanov, Delia Dzhambova and Vladimir Tudzharov

Independent auditor:

"Filipov Auditing Ltd, Reg.No 168

Remuneration paid to the Board of Directors members for 2023: BGN 279,000

Average staff composition for 2023: 88 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	14,908	8,408
Revenues from operating activity	14,800	8,401
Net profit/loss	5,016	614
Balance sheet, BGN thsd.		
Total assets	253,986	255,829
Long term assets	231,625	232,836
Short-Term Assets	22,361	22,993
Total liabilities	28,132	28,175
Non-current liabilities	17,216	17,189
Current liabilities	10,916	10,986
Equity	225,854	227,654
Financial ratios		
Return on expenses	1.5653	1.0827
Current ratio	2.0485	2.0929
Net debt/equity ratio	0.1246	0.1238
Return on equity	0.0222	0.0027
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

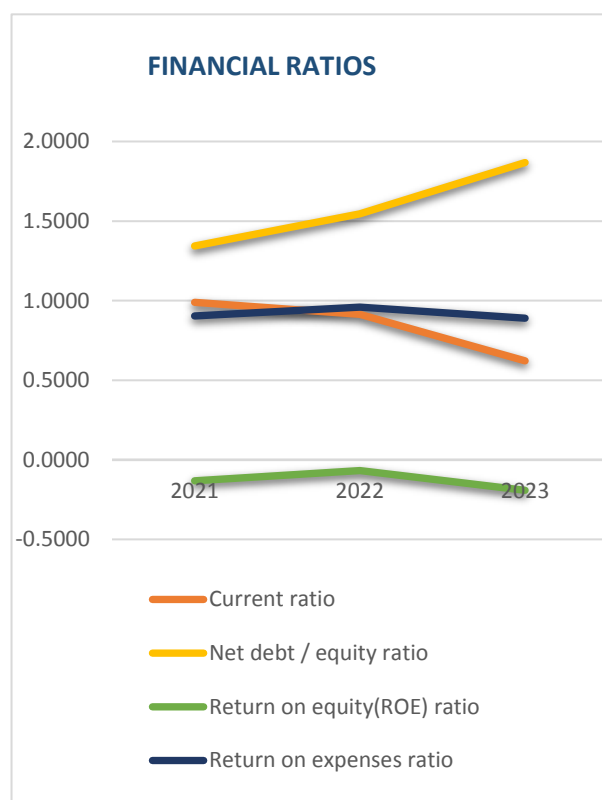
Holding BDZ does not owe a dividend in 2024.

Implementation of the business program for 2023:

The final evaluation of the implementation of Holding BDZ's Business Program, Sofia for 2023 is 79.96 points and the Business Program level of implementation is "Good", as:

- the evaluation score of the financial targets is 85.66 points, with a performance level of "Very good";
- the evaluation score non-financial targets is 66.67 points, with a performance level of "Good".

The scope of activities of the public undertaking include: carrying out passenger railway transport in domestic and/or international traffic, renting locomotive traction and wagons for railway passenger transport, maintenance and repair of rolling stock (locomotive and wagons).



In 2023, the public enterprise enters into two contracts with DZZD "Siemens Tron". One contract is for the supply of 10 newly manufactured mainline electric locomotives. The other contract is for "Maintenance of 15 Siemens X4-E-Lok-D Series 1080 – Smarttron mainline electric locomotives for a 9-year period".

On 16.08.2023 in the Commercial Register and Register of Non-Profit Legal Entities was entered the merger of "BDZ-Bulwagon" EAD into "BDZ - Passenger Services" EOOD .

100% owned by Holding BDZ EAD
Minister of Transport and Communication

Manager as of 31.12.2023:

Ventsislav Slavkov

Audit Committee:

Bozhana Stoeva,, Philip Stoyanov; Ulya Angelova

Independent auditor:

"Filipov Auditing Ltd, Reg.No 168

Remuneration paid to the key management personnel for 2023: BGN 138,000

Average staff composition for 2023: 5,173 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	343,656	314,083
Revenues from operating activity	343,656	314,082
Net profit/loss	(15,821)	(37,510)
Balance sheet, BGN thsd.		
Total assets	594,527	561,841
Long term assets	497,503	498,518
Short-Term Assets	97,024	63,323
Total liabilities	360,996	365,934
Non-current liabilities	254,915	264,088
Current liabilities	106,081	101,846
Equity	233,531	195,907
Financial ratios		
Return on expenses	0.9594	0.8898
Current ratio	0.9146	0.6218
Net debt/equity ratio	1.5458	1.8679
Return on equity	(0.0677)	(0.1915)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

"BDZ-Passenger Services" EAD does not owe a dividend in 2024

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of “BDZ-Passenger Services” EAD, Sofia for 2023 is 59.14 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 52.56 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 65.72 points, with a performance level of "Good".

The scope of activities of the public undertaking shall include: providing rail freight services for domestic and international traffic, renting locomotive traction and wagons for rail freight operations, and maintaining and repairing rolling stock (locomotives and wagons).

"BDZ Cargo" EOOD is a licensed operator for railway transport on the territory of the Republic of Bulgaria and abroad.

Manager as of 31.12.2023:

Hristyan Krastev

Audit Committee:

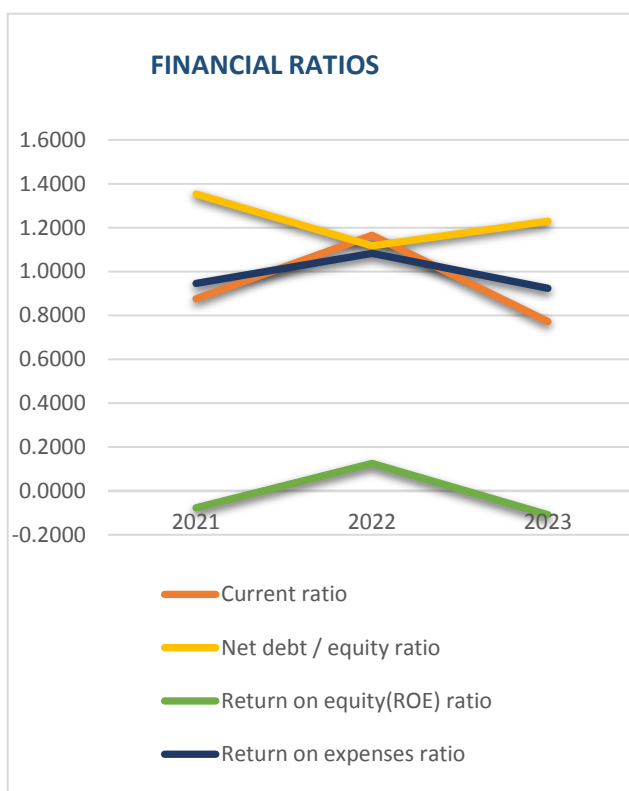
Petar Blagoev, Petar Dimitrov, Hristina Nikolova,

Independent auditor:

"Filipov Auditing Ltd, Reg.№ 168

Remuneration paid to the key management personnel for 2023: BGN 128,000

Average staff composition for 2023: 2,240 persons



FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	165,035	128,641
Revenues from operating activity	164,954	128,618
Net profit/loss	12,978	(10,398)
Balance sheet, BGN thsd.		
Total assets	219,603	212,893
Long term assets	174,358	174,124
Short-Term Assets	45,245	38,769
Total liabilities	115,878	117,395
Non-current liabilities	77,048	67,180
Current liabilities	38,830	50,215
Equity	103,725	95,498
Financial ratios		
Return on expenses	1.0828	0.9235
Current ratio	1.1652	0.7721
Net debt/equity ratio	1.1172	1.2293
Return on equity	0.1251	(0.1089)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

"BDZ Cargo" EOOD does not owe a dividend in 2024

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "BDZ Cargo EOOD" EAD, Sofia for 2023 is 26.66 points and the Business Program level of implementation is "Unsatisfactory", as:

- the evaluation score of the financial targets is 0 points, indicating a performance level of "Unsatisfactory";
- the evaluation score of non-financial targets is 88.88 points, with a performance level of "Very good".

"Port Varna" EAD is a "port operator" within the meaning of the Maritime Spaces, Inland Waterways and Ports of the Republic of Bulgaria Act and operates the two largest multi-purpose port terminals – Port Varna-East and Port Varna-West, parts of the Port for Public Transport – Varna.

The scope of activities of the public undertaking include: port activities and related agency and commercial services, technical services, forwarding, investment and engineering activities, research and development, training and qualification of personnel; internal and external trade.

100% state-owned

Minister of Transport and Communication

Board of Directors as of 31.12.2023:

Tihomir Todorov, Alexander Miladinov Alexandrov, Kiril Vasilev Karagoyzov, Yavor Dimitrov Dimitrov, Ivaylo Slavov Gavrailov

Executive Director:

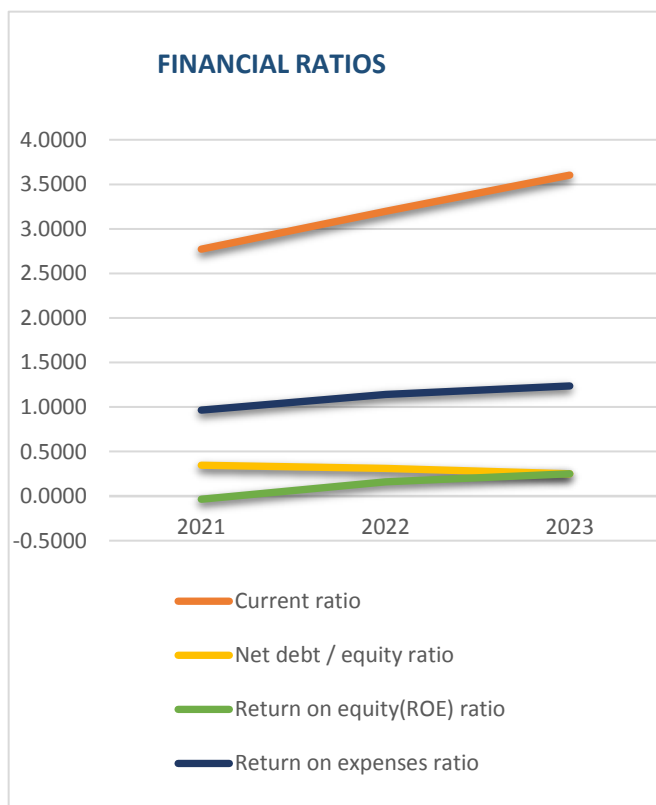
Ivaylo Gavrailov

Independent auditor:

"Svrakov i Milev" Ltd, Varna, Reg No. 087

Remuneration paid to the Board of Directors for 2023: BGN 353,496

Average staff composition for 2023: 1,194 persons



Significant Activities implemented by "Port Varna EAD in 2023:

- The financial performance in 2023 /revenue and profit/ is record-breaking for the company since its establishment;
- A total of 8,772 thousand tonnes of cargo were handled. Compared to the previous year an increase of more 3.8% was recorded;

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	73,093	85,073
Revenues from operating activity	73,093	85,002
Net profit/loss	8,330	14,654
Balance sheet, BGN thsd.		
Total assets	68,327	73,072
Long term assets	32,200	30,138
Short-Term Assets	36,127	42,934
Total liabilities	16,240	14,661
Non-current liabilities	4,937	2,746
Current liabilities	11,303	11,915
Equity	52,087	58,411
Financial ratios		
Return on expenses	1.1418	1.2369
Current ratio	3.1962	3.6034
Net debt/equity ratio	0.3118	0.2510
Return on equity	0.1599	0.2509
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is BGN 14 653 773.

- For “Port of Varna” EAD, 2023 is the first year in which the seven-year negative trend towards declining volumes of grain cargo handled is reversed, with the increase in cargo throughput more than doubling compared to 2022;
- Containers handled (150,667 TEU), which is an increase of 9.3% compared to 2022 (137,826 TEU);
- The number of ships visited and handled at Port Varna EAD in 2023 is 982, with an increase by 74 ships compared to 2022.

Implementation of the business program for 2023:

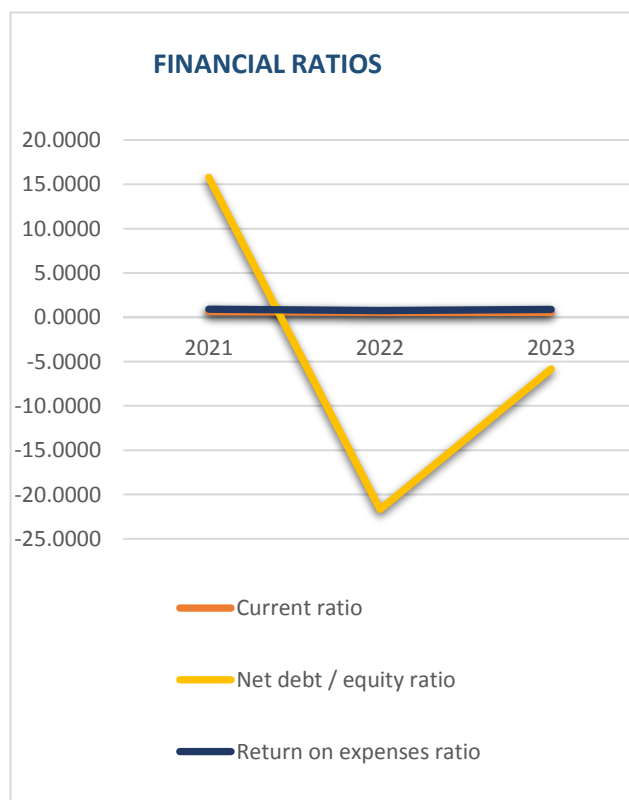
The final evaluation of the implementation of the Business Program of “Port of Varna” EAD, Varna for 2023 is 96.01 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 94.30 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



BULGARIAN POSTS EAD

The scope of activities of the public undertaking include: construction, use and maintenance of the national postal network, provision of domestic and international postal services, money-transfer and payment activities, printing and distribution of stamps and document books under control, printing of securities, in accordance with the license obtained from the Ministry of Finance, distribution of printed publications, information services, representation and intermediation of Bulgarian and foreign persons, commercial, marketing, engineering and production activities for postal communications, currency exchange.



100% state-owned
Minister of Transport and Communication

Board of Directors as of 31.12.2023

Martin Bogdanov, Filip Alexiev, Pavel Masov, Miko Milanov, Radoslav Benevreski

CEO

Filip Alexiev

Independent auditor:

Grant Thornton Ltd, Reg. No. 032

Remuneration paid to the Board of Directors members for 2023: BGN 521,724

Average staff composition for 2023: 7,646 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	206,453	250,945
Revenues from operating activity	206,334	250,475
Net profit/loss	(66,580)	(35,081)
Balance sheet, BGN thsd.		
Total assets	208,671	239,101
Long term assets	98,808	94,730
Short-Term Assets	109,863	144,371
Total liabilities	218,760	288,386
Non-current liabilities	24,489	26,441
Current liabilities	194,271	261,945
Equity	(10,089)	(49,285)
Financial ratios		
Return on expenses	0.7537	0.8793
Current ratio	0.5655	0.5512
Net debt/equity ratio	(21.6830)	(5.8514)
Return on equity	_*	_*
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

* the public undertaking has a negative financial result and negative equity, therefore no value is derived for the return on equity ratio.

"Bulgarian Posts" EAD does not owe a dividend in 2024 due to a negative financial result.

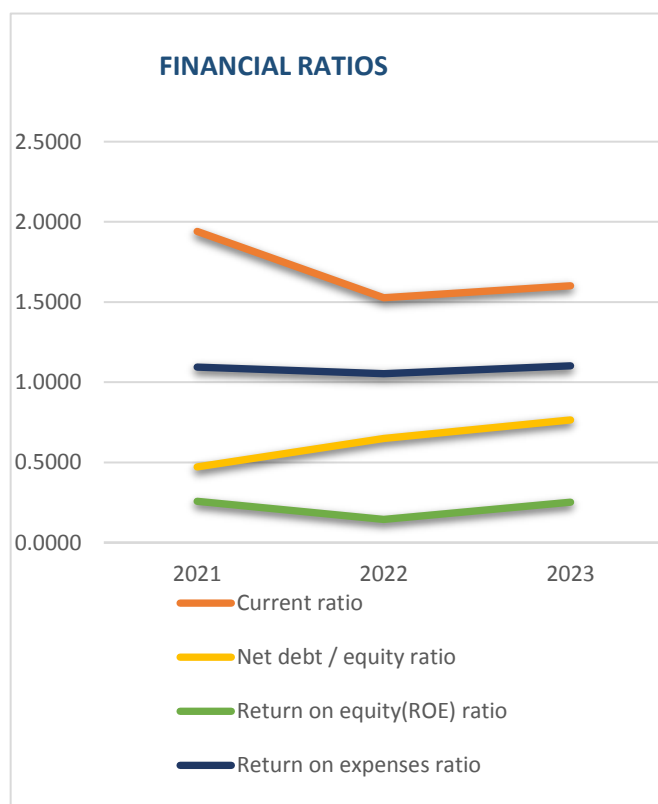
Implementation of the business program for 2023:

The final evaluation of the implementation of "Bulgarian Posts" EAD Business Program, Sofia for 2023 is 71.85 points and the Business Program level of implementation is "Good", as:

- the evaluation score of the financial targets is 43.70 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



The scope of activities of the public undertaking include: production and trade in the country and abroad of information products and consumables, scientific research and development, leasing, including financial, renting of own movable and immovable property and equipment, carrying out training and professional qualification for the purpose of realization of income, mediation in informing and employment of Bulgarian citizens in other countries and of Bulgarian and foreign citizens in the Republic of Bulgaria.



The main activities carried out by the public undertaking in 2023 are as follows:

- Activities as a National Systems Integrator, which include building, maintaining, developing and monitoring the performance of information systems used by administrative bodies; building and managing information and communication infrastructure;
- Computer processing of voting data and results of all elections held;
- Development of the Institutional Architecture of the Customs Agency in terms of various modules, maintenance and upgrading of customs information systems;

99.49% state-owned
Minister of e-Governance

Board of Directors as of 31.12.2023

Ivaylo Filippov, Yuliana Kalcheva, Nikolina Naydenova, Diana Tomova, Dimitar Todorov

Executive Director:

Ivaylo Filipov

Independent auditor:

“Veles Audit” Ltd., Reg. No. 170

Remuneration paid to the Board of Directors members for 2023: BGN 396,607

Average staff composition for 2023: 607 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	103,245	112,589
Revenues from operating activity	103,225	112,560
Net profit/loss	4,690	9,371
Balance sheet, BGN thsd.		
Total assets	53,522	65,884
Long term assets	25,716	25,819
Short-Term Assets	27,806	40,065
Total liabilities	21,053	28,550
Non-current liabilities	2,840	3,544
Current liabilities	18,213	25,006
Equity	32,469	37,334
Financial ratios		
Return on expenses	1.0532	1.1023
Current ratio	1.5267	1.6022
Net debt/equity ratio	0.6484	0.7647
Return on equity	0.1444	0.2510
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024 is BGN 4,925,023.

– Provision of information systems development, upgrade, implementation and maintenance services on information systems and management of information and communication technologies (ICT) services for clients under trade agreements.

Implementation of the business program for 2023:

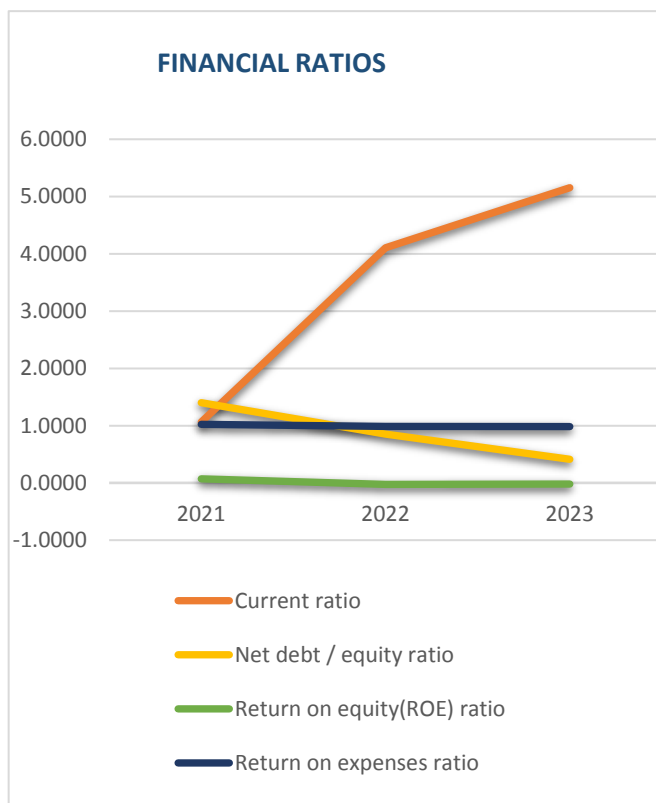
The final evaluation of the Business Program implementation of "Information Services AD, Sofia for 2023 is 90,99 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 87.13 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



TRANSPORT CONSTRUCTION AND RECOVERY EAD (TCR-EAD)

The scope of activities of the public undertaking include: construction, maintenance and restoration of transport facilities, design, construction, repair and entrepreneurial activity in the field of transport communications, rail freight transport, road passenger and freight transport.



TCR-EAD's revenues are mainly generated from the execution of civil engineering works in the field of railway construction.

100% state-owned
Minister of Transport and Communication

Board of Directors as of 31.12.2023:

Mihail Ivanov, Marin Hristov, Vanyo Todorov, Todor Kondakov, Svetlozar Veshkov

Executive Director:

Mihail Ivanov

Audit Committee:

Miglena Pavlova, Valentin Bozhkov, Milcho Lambrev

Independent auditor:

Radka Marinova Boevska, with Reg. No. 0270

Remuneration paid to the Board of Directors for 2023: BGN 323,000

Average staff composition for 2023: 510 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	93,111	60,461
Revenues from operating activity	92,913	60,285
Net profit/loss	(1,324)	(933)
Balance sheet, BGN thsd.		
Total assets	92,515	69,166
Long term assets	47,453	45,544
Short-Term Assets	45,061	23,622
Deferred expenses	1	
Total liabilities	42,608	20,192
Non-current liabilities	31,626	15,609
Current liabilities	10,982	4,583
Equity	49,907	48,974
Financial ratios		
Return on expenses	0.9845	0.9832
Current ratio	4.1032	5.1543
Net debt/equity ratio	0.8537	0.4123
Return on equity	(0.0265)	(0.0191)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

TCR-EAD does not owe a dividend in 2024

Implementation of the business program for 2023:

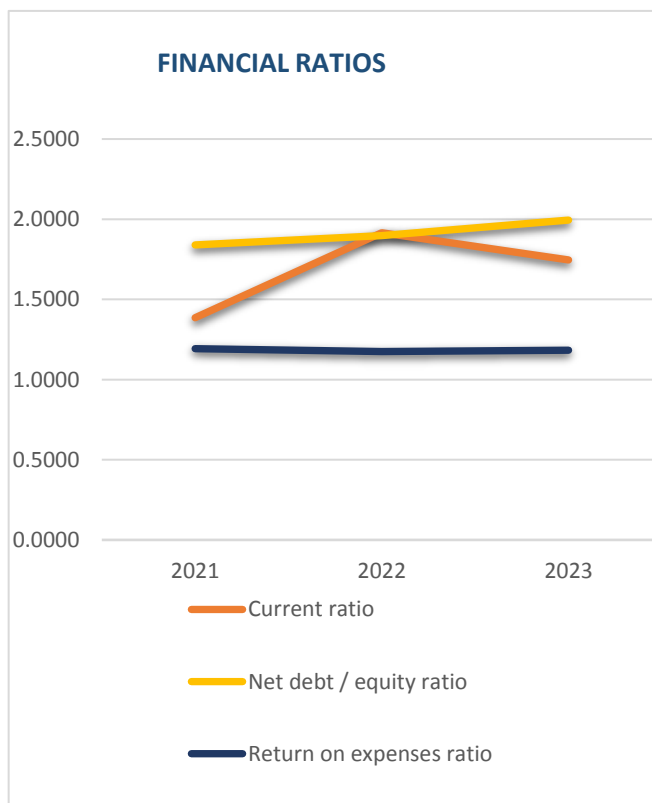
The final evaluation of the implementation of the Business Program of TCR-EAD, Sofia for 2023 is 70.60 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 58.00 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



STATE ENTERPRISE BULGARIAN SPORTS TOTALIZER (SE BST)

SE "Bulgarian Sports Totalizer" is established under the Gambling Act pursuant to Art. 62 (3) of the Commerce Act with scope of activity: Organization of traditional lottery, number lottery games, instant lotteries, and betting on results of sports competitions and horse and dog races on the country's territory in accordance with the requirements of the Gambling Act and its implementing regulations, as well as other activities that support, accompany or complement its core business. The enterprise aims to raise money to support: activities in the field of physical education, physical activity, sport and sports-tourism and for the maintenance, repair, reconstruction, complete renovation or creation of new sports facilities and/or sports facilities in state and municipal schools a joint annual programme of the Minister of Youth and Sports and the Minister of Education and Science.



In April 2023, SE BST acquired a Certificate of Commitment to the Responsible Gaming Standard developed by the European Lottery Association and the World Lottery Association and thus became the first gaming operator in the country to undergo an independent, international, specialized audit for the successful implementation in its operations of practices

100% state-owned
Minister of Youth and Sports

Management Board as of 31.12.2023:

Petr Peychev; Georgi Tarlekov; Gea Holechkova;
Rada Gyonova; Radoslav Shterbakov;

Manager:

Georgi Tarlekov

Independent auditor:

Stoyanka Ivanova, Reg. No. 0615

Remunerations paid to the Management Board members for 2023: BGN 223,000

Average staff composition for 2023: 1365 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	341,102	403,622
Revenues from operating activity	340,498	399,272
Net profit/loss	7,543	12,558
Balance sheet, BGN thsd.		
Total assets	184,066	221,777
Long term assets	99,929	100,999
Short-Term Assets	84,137	120,778
Total liabilities	120,540	147,719
Non-current liabilities	76,617	78,567
Current liabilities	43,923	69,152
Equity	63,526	74,058
Financial ratios		
Return on expenses	1.1747	1.1838
Current ratio	1.9156	1.7466
Net debt/equity ratio	1.8975	1.9946
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

State Enterprise "Bulgarian Sports Totalizer" does not owe a dividend for the 2024 financial year.

In 2023, after a carry out a recertification audit by the certification body TUV NORD, SE "BTS" successfully defended its internationally recognized certificates certifying the effectiveness and efficiency of the implemented Integrated Information Security Management System (ISIS), as well as the compliance of the system with international standards: ISO/IEC

and mechanisms for social corporate responsibility towards stakeholders, with a focus on consumers.

27001:2013 and WLA SCS (Security Control Standard):2020 (the latter standard is specific to lottery organisers and is internationally recognised as an industry best practice).

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of SE "Bulgarian Sports Totalizer", Sofia for 2023 is 69.66 points and the Business Program level of implementation is "Good", as:

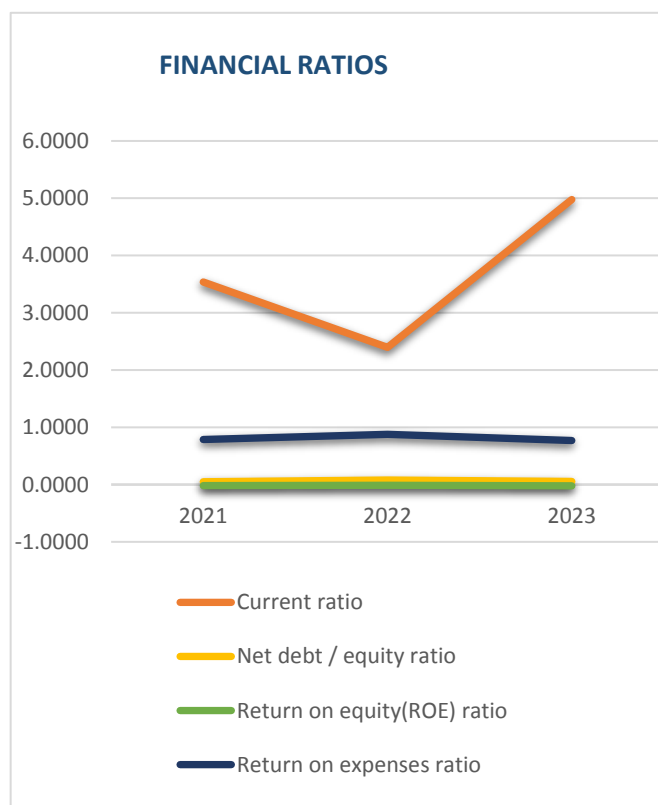
- the evaluation score of financial targets is 64.31 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 75.00 points, with a performance level of "Good".



NATIONAL SPORTS BASE EAD (NSB EAD)

The scope of business of the “National Sports Base” EAD is: servicing of Bulgarian and foreign national and club teams; marketing of sports and other events; sports services to the population; advertising and information activities; accompanying productions and other services; transfer of athletes and sports know-how; scientific service of sports; domestic and international sports tourism; hotel and restaurant management; organization of sports and commodity exchange and games of fortune; rental of sports equipment, sports facilities and adjacent premises and other fixed tangible assets.

The main source of income is the rental of fixed assets.



The nature of the commercial activity of NSB EAD is to create and offer real conditions for the use of sports services by athletes, including athletes with disabilities, sports clubs and federations, associations, international sports clubs and organizations, as well as to offer and support the holding of sports events of regional, national and international scale.

The “National Sports Base” EAD manages and operates 23 sports facilities.

The sites fully managed by “NSB” EAD include various units and facilities, some of which are key components of the company's structure. These units not only

100% state-owned
Minister of Youth and Sports

Board of Directors as of 31.12.2023:

Danail Dimov; Svetoslav Rusinov; Martin Arsov, Viktor Popov, Yordan Yovchev

Executive Director:

Svetoslav Rusinov

Independent auditor:

Stoyanka Ivanova, Reg. No. 0615

Remuneration paid to the Board of Directors members for 2023: BGN 239,780

Average staff composition for 2023: 265 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	14,237	12,658
Revenues from operating activity	14,204	12,653
Net profit/loss	(2,441)	(4,258)
Balance sheet, BGN thsd.		
Total assets	210,290	206,789
Long term assets	190,019	191,306
Short-Term Assets	20,271	15,483
Total liabilities	15,452	10,180
Non-current liabilities	6,989	7,069
Current liabilities	8,463	3,111
Equity	194,838	196,609
Financial ratios		
Return on expenses	0.8770	0.7692
Current ratio	2.3953	4.9769
Net debt/equity ratio	0.0793	0.0518
Return on equity	(0.0125)	(0.0217)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The “National Sports Base” EAD does not owe a dividend in 2024

generate economic benefits but also create a significant social impact through their activities.

Implementation of the business program for 2023:

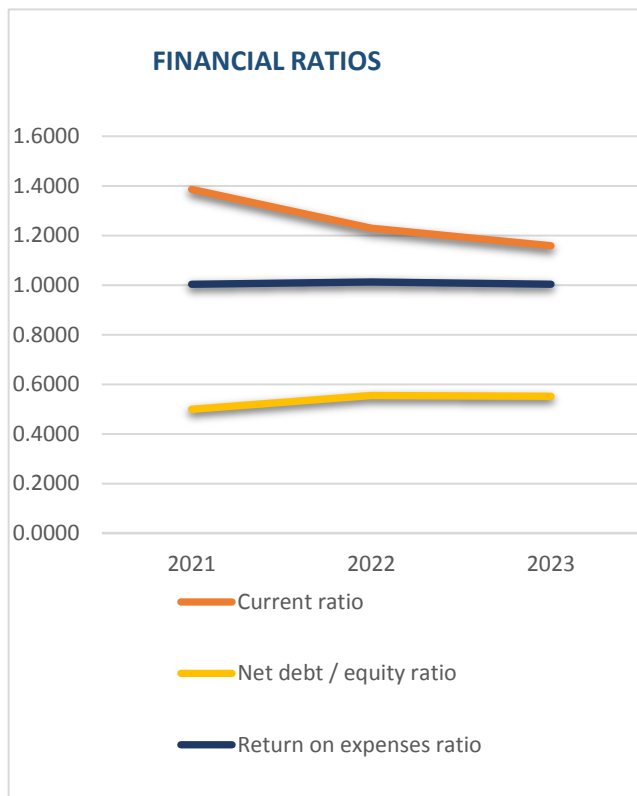
The final evaluation of the Business Program implementation of “NSB” EAD, Sofia for 2023 is 70.50 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 66.43 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 80.00 points, with a performance level of "Good".



SOUTH-WEST STATE ENTERPRISE, BLAGOEVGRAD

State-owned enterprise established under a special law (Forest Act) pursuant to art. 62 (3), of the Commerce Act.



The scope of activities of the public undertaking include: implementation of forest management plans for state-owned forest areas; implementation of hunting management plans in state hunting farms and state forest farms; implementation of maintenance and/or restoration activities in state-owned forest areas, provided for in management plans for protected areas; organizing and conducting measures for the protection of state-owned forest areas; organizing and conducting anti-erosion measures; maintenance of the ecosystems' diversity and biodiversity conservation; organization and commissioning of design and construction in forests and forest lands – state-owned property; creation of new forests on agricultural territories; conservation of forest territories – state-owned property; provision and performance of public services; other activities assigned to the state enterprise by the Minister of Agriculture and Food or on the basis of a contract.

According to the financial plans of the territorial subdivisions under the scope of South-West State

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023

Mario Grachenov, Valentin Chambov, Maria Marinova

Executive Director:

Valentin Chambov

Independent auditor:

Nadka Stoyanova, Reg. No. 0143

Remunerations paid to the Management Board members for 2023: BGN 206,000

Average staff composition for 2023: 1,578 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	86,564	100,260
Revenues from operating activity	86,263	99,600
Net profit/loss	1,031	69
Balance sheet, BGN thsd.		
Total assets	303,705	301,746
Long term assets	265,284	274,169
Short-Term Assets	34,264	22,416
Deferred expenses	4,157	5,161
Total liabilities	108,359	107,260
Non-current liabilities	80,499	87,909
Current liabilities	27,860	19,351
Equity	195,346	194,486
Financial ratios		
Return on expenses	1.0126	1.0034
Current ratio	1.2299	1.1584
Net debt/equity ratio	0.5547	0.5515
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 31,000.

Enterprise, Blagoevgrad, the planned use of timber for 2022 accounts for a total volume of 1,038,908 cubic meters. As of 31.12.2023, a total of 1 106 842 cubic meters of timber had been realized, or 82 % of the planned quantity for the year was recorded. For cultivation in 2023, were planned 31,041 acres newly established crops at a value of 2,161,293, with actual cultivation for the year covering 24,278 decares at a value of BGN 1,448,188.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "South-West State Enterprise", Sofia for 2023 is 97.88 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 95.76 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



SOUTH-EAST STATE ENTERPRISE, SLIVEN

State-owned enterprise established under a special law (Forest Act) pursuant to art. 62 (3), of the Commerce Act.

The scope of activities of the public undertaking include: implementation of forest management plans for state-owned forest areas; implementation of hunting management plans in state hunting farms and state forest farms; implementation of maintenance and/or restoration activities in state-owned forest areas, provided for in management plans for protected areas; organizing and conducting measures for the protection of state-owned forest areas; organizing and conducting anti-erosion measures; maintenance of the ecosystems' diversity and biodiversity conservation; organization and commissioning of design and construction in forests and forest lands – state-owned property; establishment of new forests on agricultural territories; conservation of forest territories – state-owned property; provision and performance of public services; as well as to carry out other activities not prohibited by law and those entrusted to them by the Minister of Agriculture and Food or on the basis of a contract.

Implemented activities in state-owned forest areas in 2023:

For 2023 is planned the sale of root wood by auction and tender to companies in the amount of 256,772 cubic meters in the amount of BGN 20,216,753, and as of 31.12. 2023 were realized 232,327 cubic meters /90.48 %/ amounting to BGN 19,447,297.

– The planned areas for soil preparation in 2023. are 2,820 ares. By the end of the year, 2 956 ares were realized, and the implementation was 105%.

– Crop replanting: The planned areas for replanting in 2023 amounted to 3,050 decares, of which 2,814 decares /92 %/ were completed. Average cost – BGN 278/ha.

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023

Valentin Totev, Dimcho Radev, Nedyalko Nedyalkov

Executive Director:

Dimcho Radev

Independent auditor:

"BISICOM – 61 "Ltd., Reg. No. 019

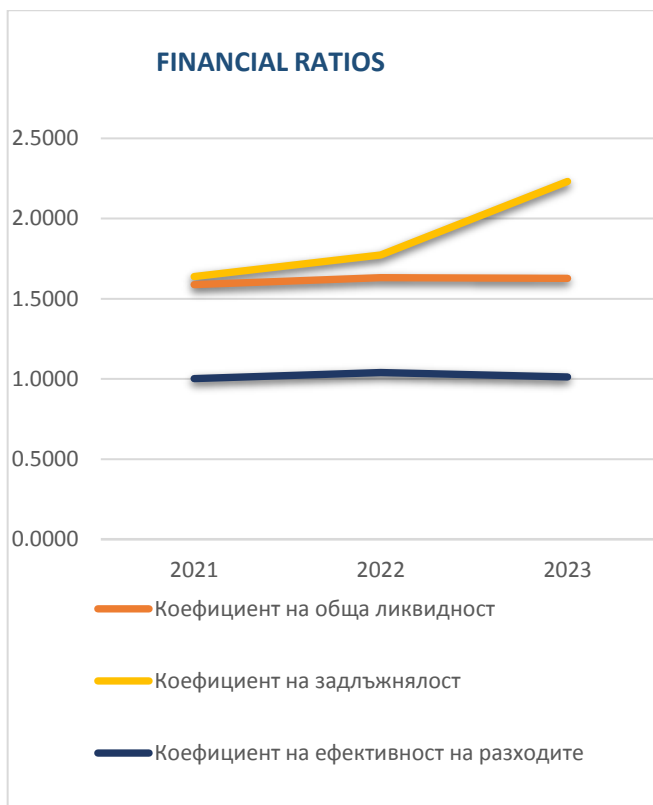
Remunerations paid to the Management Board members for 2023: BGN 280,000

Average staff composition for 2023: 1465 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	83,241	97,994
Revenues from operating activity	83,175	97,921
Net profit/loss	2,495	523
Balance sheet, BGN thsd.		
Total assets	73,823	80,377
Long term assets	39,275	47,930
Short-Term Assets	34,023	31,983
Deferred expenses	525	464
Total liabilities	47,197	55,505
Non-current liabilities	26,342	35,849
Current liabilities	20,855	19,656
Equity	26,626	24,872
Financial ratios		
Return on expenses	1.0398	1.0117
Current ratio	1.6314	1.6271
Net debt/equity ratio	1.7726	2.2316
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 235,000.



Implementation of the business program for 2023:

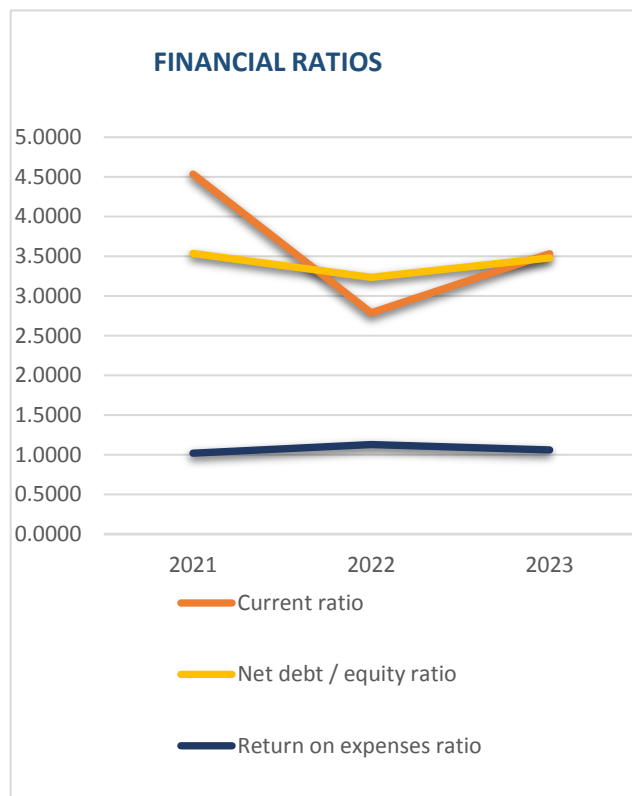
The final evaluation of the implementation of the Business Program of the "South-East State Enterprise", Sofia, Bulgaria. for 2023 is 64.08 points and the Business Program level of implementation is "Good", as:

- the evaluation score of financial targets is 61.83 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 66.33 points, with a performance level of "Good".



SOUTH-CENTRAL STATE ENTERPRISE, SMOLYAN

State-owned enterprise established by special law (Forest Act) pursuant to art. 62 (3) of the Commerce Act.



The scope of activities of the public undertaking include: implementation of forest management plans for the state-owned forest areas; implementation of hunting management plans in state hunting farms and state forest farms; implementation of maintenance and/or restoration activities in state-owned forest areas, provided for in management plans for protected areas; organizing and conducting measures for the protection of state-owned forest areas; organizing and conducting anti-erosion measures; maintenance of the ecosystems' diversity and biodiversity conservation; organization and commissioning of design and construction in forests and forest lands – state-owned property; creation of new forests on agricultural territories; conservation of forest territories – state-owned property; provision and performance of public services; as well implementation of other activities assigned by the Minister of Agriculture and Food or on the basis of a contract.

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023

Ventsislav Cholakov, Nikolina Cholakova, Zdravko Bakalov

Director

Zdravko Bakalov

Independent auditor:

"BISICOM – 61 "Ltd., Reg. No. 019

Remunerations paid to the Management Board members for 2023: BGN 367,000

Average staff composition for 2023: 1,961 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	146,012	138,072
Revenues from operating activity	145,821	137,871
Net profit/loss	13,216	5,014
Balance sheet, BGN thsd.		
Total assets	216,597	198,271
Long term assets	99,647	120,433
Short-Term Assets	114,403	77,106
Deferred expenses	2,547	732
Total liabilities	165,456	154,015
Non-current liabilities	124,423	132,196
Current liabilities	41,033	21,819
Equity	51,141	44,256
Financial ratios		
Return on expenses	1.1285	1.0623
Current ratio	2.7881	3.5339
Net debt/equity ratio	3.2353	3.4801
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 2,256,000.

The undertaking manages 715,661 ha of state forest areas, of which 429,494 ha (60%) fall within Natura 2000 protected areas. The project has implemented activities aimed at improving the conservation status of forest habitats and supporting the ecosystem services provided by forests in line with the key commitment "Planting three billion new trees in the EU in full respect of environmental principles".

Implemented activities in state-owned forest areas in 2023:

– Total timber sales – by the end of 2023, have been sold 986,160 cubic meters of timber accounting for a total value of BGN 119,080 thousand.

– Afforestation – 1,935 ares were afforested as of the end of December, accounting for 98% of the planned 1,967 ares for the year.

– Protection of forest territories from fires - the funds spent for the implementation of the planned fire-fighting measures amounted to BGN 382,4 thousand against the estimated BGN 824,4 thousand.

Implementation of the business program for 2023:

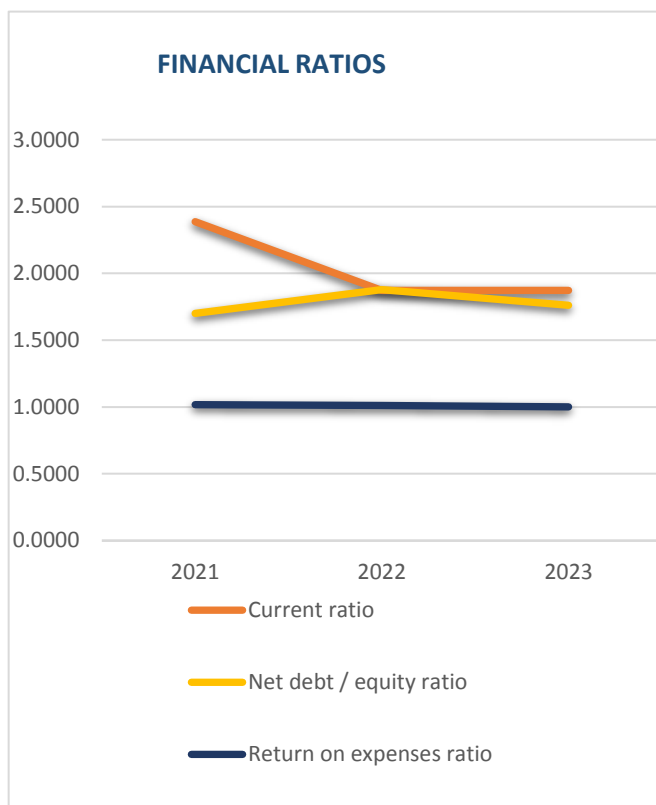
The final evaluation of the Business Program implementation of "South-Central State Enterprise", Smolyan for 2023 is 90.49 points, with a performance level of "Very Good" as:

- the evaluation score of the financial targets is 80.97 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



NORTH EAST STATE ENTERPRISE, Town of SHUMEN

State-owned enterprise established by special law (Forest Act) pursuant to art. 62(3) of the Commerce Act.



The scope of activities of the public undertaking include: implementation of forest management plans for state-owned forest areas; implementation of hunting management plans in state hunting farms and state forest farms; implementation of maintenance and/or restoration activities in state-owned forest areas, provided for in management plans for protected areas; organizing and conducting measures for the protection of state-owned forest areas; organizing and conducting anti-erosion measures; maintenance of the ecosystems' diversity and biodiversity conservation; organization and commissioning of design and construction in forests and forest lands – state-owned property; establishment of new forests on agricultural territories; conservation of forest territories – state-owned property; provision and performance of public services; as well other activities assigned to the state enterprise by the Minister of Agriculture and Food or on the basis of a contract.

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023

Alexander Aramov, Snezhka Yankova, Simeon Davidkov

Director

Simeon Davidkov

Independent auditor:

Svetla Petrova, Reg. No. 0632

Remunerations paid to the Management Board members for 2023: BGN 343,000

Average staff composition for 2023: 1000 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	63,359	79,951
Revenues from operating activity	63,358	79,948
Net profit/loss	604	55
Balance sheet, BGN thsd.		
Total assets	71,621	67,356
Long term assets	44,645	44,111
Short-Term Assets	26,878	22,992
Deferred expenses	98	253
Total liabilities	46,738	42,966
Non-current liabilities	32,384	30,687
Current liabilities	14,354	12,279
Equity	24,883	24,390
Financial ratios		
Return on expenses	1.0109	1.0010
Current ratio	1.8725	1.8725
Net debt/equity ratio	1.8783	1.7616
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 25,000.

Implemented activities in state-owned forest areas in 2023:

- Total timber sales in 2023 - 580,167 cubic meters, 94% of the planned use in 2023, reported revenues of BGN 59,990 thousand ;
- Afforestation – during the year 1,741 acres of the planned 2,290 acres were afforested and 460 acres of crops were replenished against the estimated 352 acres;
- Soil preparation – with an annual estimate of 2,254 acres, by the end of December were reported 1,810 acres of soil preparation, which accounts for 80% implementation of the plan.

– Realized revenues from hunting and game management activities amounted to BGN 1,217.736 thousand, against the estimate of BGN 1,479 thousand, including BGN 371,635 from contracts for the management and use of game and rent of hunting bases. The costs for the implementation of the hunting management measures are BGN 2,555,545 thousand, including the processing of 8,976 hectares of the specialized forage base for game. During the reporting period, a total of over 296 biotechnical facilities were repaired and constructed.

Implementation of the business program for 2023:

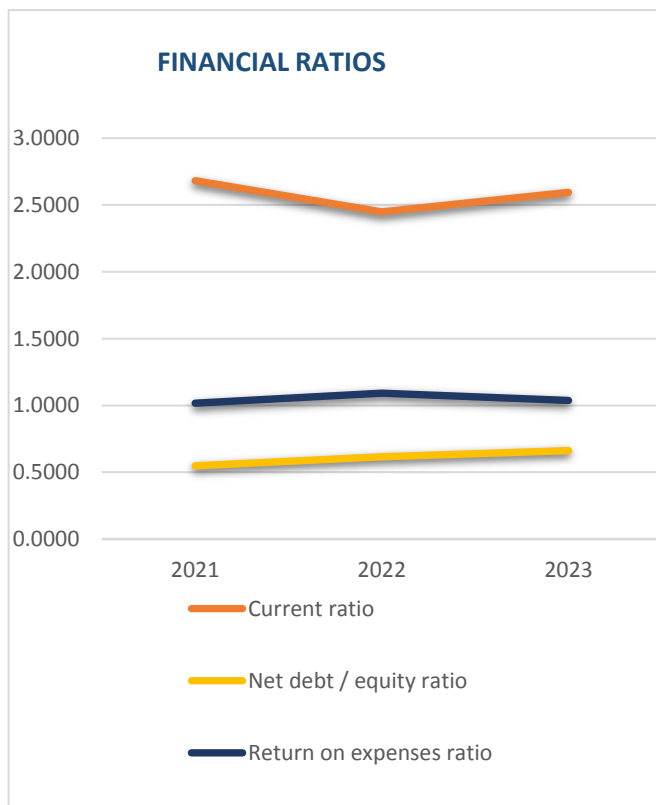
The final evaluation of the Business Program implementation of “ North East State Enterprise”, Shumen for 2023 is 76.83 points, with a performance level of "Good" as:

- the evaluation score of the financial targets is 82.54 points, with a performance level of "Very good";
- the non-financial targets score is 71.12 points, with a performance level of "Good".



"NORTH-CENTRAL STATE ENTERPRISE", GABROVO

State-owned enterprise established by special law (Forest Act) pursuant to art. 62, para 3 of the Commercial Act.



The scope of activities of the public undertaking include: implementation of forest management plans for state-owned forest areas; implementation of hunting management plans in state hunting farms and state forest farms; implementation of maintenance and/or restoration activities in state-owned forest areas, provided for in management plans for protected areas; organizing and conducting measures for the protection of state-owned forest areas; organizing and conducting anti-erosion measures; maintenance of the ecosystems' diversity and biodiversity conservation; organization and commissioning of design and construction in forests and forest lands – state-owned property; creation of new forests on agricultural territories; conservation of forest territories – state-owned property; provision and performance of public services; as well as to carry out other activities not prohibited by law and those entrusted to them by the Minister of Agriculture and Food or on the basis of a contract.

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023
Nikolay Mitev, Georgi Kostov, Ivan Nedkov

Executive Director:
Ivan Nedkov

Independent auditor:
"Accounting Auditing" OOD, Reg. No. 150

Remunerations paid to the Management Board members for 2023: BGN 305,000

Average staff composition for 2023: 562 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	51,973	56,254
Revenues from operating activity	51,915	56,248
Net profit/loss	3,827	1,826
Balance sheet, BGN thsd.		
Total assets	91,448	91,340
Long term assets	54,422	58,396
Short-Term Assets	36,795	32,635
Deferred expenses	231	309
Total liabilities	34,864	36,375
Non-current liabilities	19,837	23,795
Current liabilities	15,027	12,580
Equity	56,584	54,965
Financial ratios		
Return on expenses	1.0919	1.0377
Current ratio	2.4486	2.5942
Net debt/equity ratio	0.6161	0.6618
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 822,000.

Implemented activities in state-owned forest areas in 2023: afforestation - afforestation is 2,842 ha. A total of 3,921 hectares are planned for afforestation in 2023. The implementation at the end of 2023 is 3,212 hectares (82%) and the invested funds for the activity amounted to BGN 716,806; the cultivation of forest crops is planned according to the requirements of Ordinance No. 2 of 07.02.2013. The estimated volume is 24,639 ha. As of 31.12.2023, the implementation amounted to 23,045 acres with a total value of 700,912 BGN; restocking of wild game populations – of the planned for purchase and restocking 20 pcs. of fallow deer, 3,800 pcs. of pheasants and stocking of rivers with 20,000 pcs. of trout, as of 31.12.2023, 1,430 pcs. of pheasants were restocked, including 1,070 pcs. – TD SHF “Dunav” – and 360 pcs. – TD SFF “Seslav” and stocked rivers with 25,000 trout and many others.

Implementation of the business program for 2023:

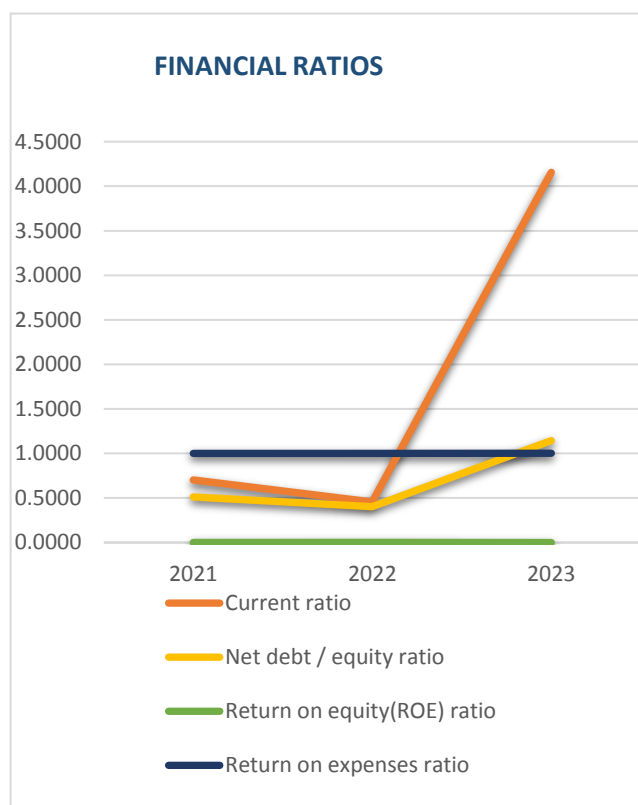
The final evaluation of the implementation of the Business Program of the "North-Central State Enterprise", Gabrovo for 2023 is 97.15 points and the level of Business Program implementation is "Very Good", as:

- the evaluation score of the financial targets is 94.29 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



"IRRIGATION SYSTEMS" EAD

The scope of activities of the public undertaking include: management, operation, repair, maintenance, expansion, investment, research, design, engineering activities for the complex use of the hydro-meliorative fund; supply and sale of water for irrigation and industrial water supply, meliorative construction; production and trade in agricultural produce, timber, electricity, fish and fish products; rental of hydro-technical facilities and buildings; restaurant and hotel business.



According to § 4a, par. 1 of the Transitional and final provisions of the Water Act Irrigation Systems EAD, by contract with the Minister of Agriculture and Food, is assigned the obligation to provide a public service for the protection from the harmful effects of water. This activity in 2023 was carried out under Contract No. RD50-23/05.04.2019 between the Minister of Agriculture, Food and Forestry and Irrigation Systems EAD.

100% state-owned
Minister of Agriculture and Food

Board of Directors as of 31.12.2023

Stanislava Yotova, Dragomir Gospodinov, Miroslav Maznev, Snezhina Dineva, Sevinch Karaglan, Svetozar Krastev, Antoaneta Drindova

Executive Director:

Snezhina Dineva

Independent auditor:

"HLB Bulgaria" OOD, Reg. No. 017

Remuneration paid to the Board of Directors members for 2023: BGN 475,357

Average staff composition for 2023: 1,394 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	50,751	51,130
Revenues from operating activity	50,751	51,130
Net profit/loss	29	4
Balance sheet, BGN thsd.		
Total assets	86,706	132,727
Long term assets	79,838	77,392
Short-Term Assets	6,868	55,335
Total liabilities	24,892	70,842
Non-current liabilities	9,826	57,527
Current liabilities	15,066	13,315
Equity	61,814	61,885
Financial ratios		
Return on expenses	1.0008	1.0026
Current ratio	0.4559	4.1558
Net debt/equity ratio	0.4027	1.1447
Return on equity	0.0005	0.0001
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is in the amount of BGN 3,681.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of “Irrigation systems” EAD, Sofia for 2023 is 61.25 points, with a performance level of "Good" as:

- the evaluation score of the financial targets is 50.00 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 87.50 points, with a performance level of "Very good".



TEREM – HOLDING EAD

The main activity of “TEREM Holding” EAD is the overhaul and average repair of military equipment, armaments, ammunition and other military-technical property, production of single small-lot quantities, various military-technical property, equipment, apparatus and machinery, real estate management, acquisition and management of interests, investments and financial resources. The Company carries out its activities by holding and maintaining the necessary licenses, certificates, permits, license rights.

100% state-owned
Minister of Defence

Board of Directors as of 31.12.2023

Kalin Dimitrov, Stefan Staykov, Milen Rusev, Anton Lazarov, Dimitar Stoychev

Executive Director:

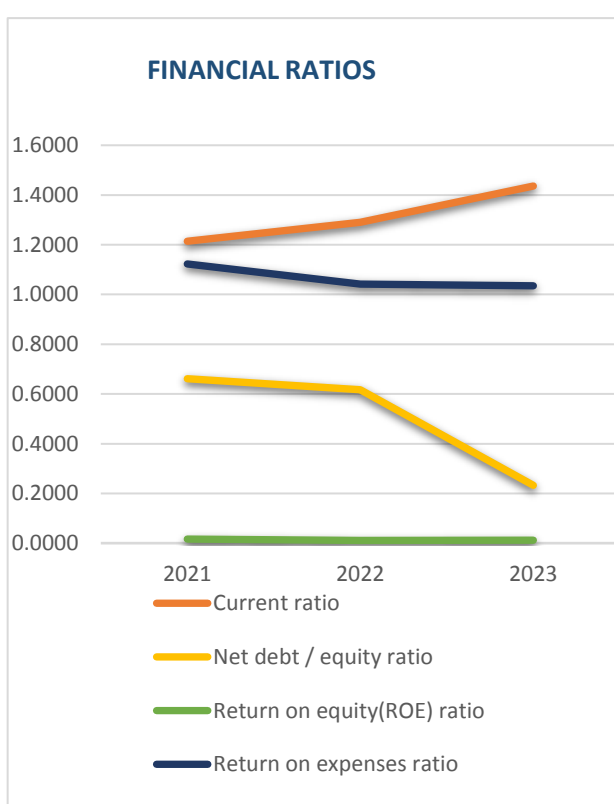
Kalin Dimitrov

Independent auditor:

“ABVP – Audit Standard” OOD, Reg. No. 165

Remuneration paid to the Board of Directors members for 2023: BGN 415,000

Average staff composition for 2023: 41 persons



In 2023, TEREM – Holding EAD and its subsidiary are operating under irregular workloads, in the context of the ongoing war between Russia and Ukraine, the EU sanctions imposed on Russia, as well the disruptions in the supply of spare parts, which is causing delays in the implementation of their production programs and disrupting the rhythm of their operations. In 2023, “TEREM” Group manufactured products in the total value of BGN 40,110 thousand, including: special production - BGN 10,924 thousand and civil production - BGN 29,186 thousand, with an increase of 12.3% in the total volume of production compared to 2022.

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	34,906	45,024
Revenues from operating activity	33,970	43,087
Net profit/loss	1,325	1,482
Balance sheet, BGN thsd.		
Total assets	196,208	150,015
Long term assets	99,869	109,620
Short-Term Assets	96,339	40,395
Total liabilities	74,871	28,310
Non-current liabilities	197	181
Current liabilities	74,674	28,129
Equity	121,337	121,705
Financial ratios		
Return on expenses	1.0412	1.0349
Current ratio	1.2901	1.4361
Net debt/equity ratio	0.6171	0.2326
Return on equity	0.0109	0.0122
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024 is BGN 1,334,131.

Implementation of the business program for 2023:

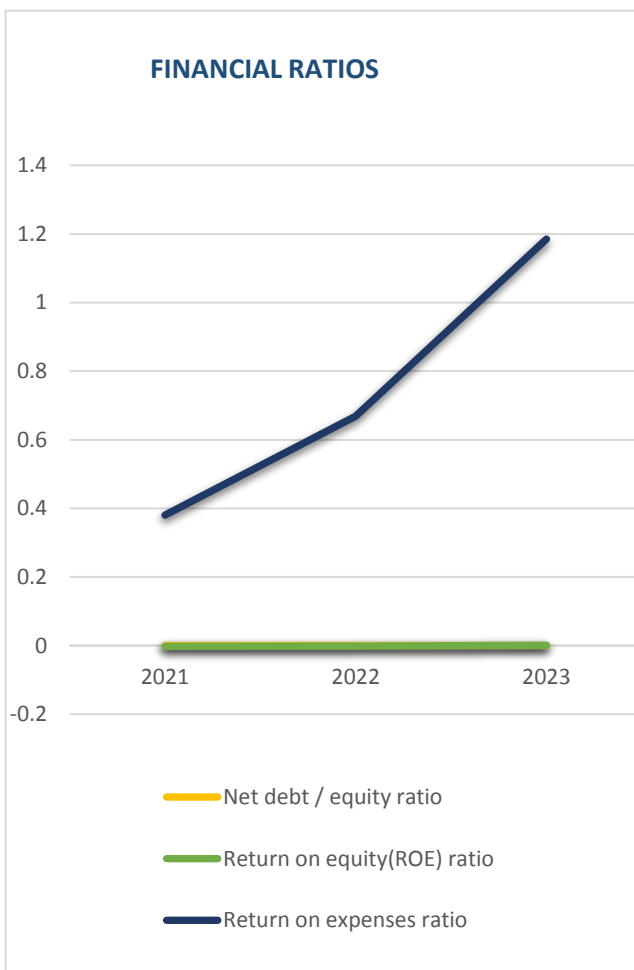
The final evaluation of the implementation of the Business Program of “TEREM Holding” EAD, Sofia for 2023 is 84.68 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 88.83 points, with a performance level of "Very good";
- the non-financial targets score is 75.00 points, with a performance level of "Good".



"BULGARIAN W&S HOLDING" EAD

The "Bulgarian W&S Holding" EAD activity is related to the long-term provision of a sustainable model for financing the Water supply and Sewerage industry sector, guaranteeing quality water supply and sewerage services while ensuring a socially acceptable price for the public services provided by the Water supply and Sewerage operators to the users. An important aspect in the work of "Bulgarian W&S Holding" EAD is to improve the image of its subsidiaries, to provide them with methodological and expert assistance, including stakeholders on issues and topics related to the functioning and management of water and sewerage operators.



100% state-owned

Minister of Regional Development and Public Works

Supervisory Board as of 31.12.2023:

Gancho Dimitrov, Bogomil Petkov, Dafinka Semerdjieva, Rositsa Dimitrova, Kiril Simeonov

Management Board as of 31.12.2023:

Irena Georgieva, Lozko Losev, Atanas Boyadzhiev, Vladimir Bibov

Executive members of the Management Board as of 31.12.2023:

Irena Georgieva and Lozko Losev

Independent auditor:

Ralitsa Mihova, Reg. No. 837

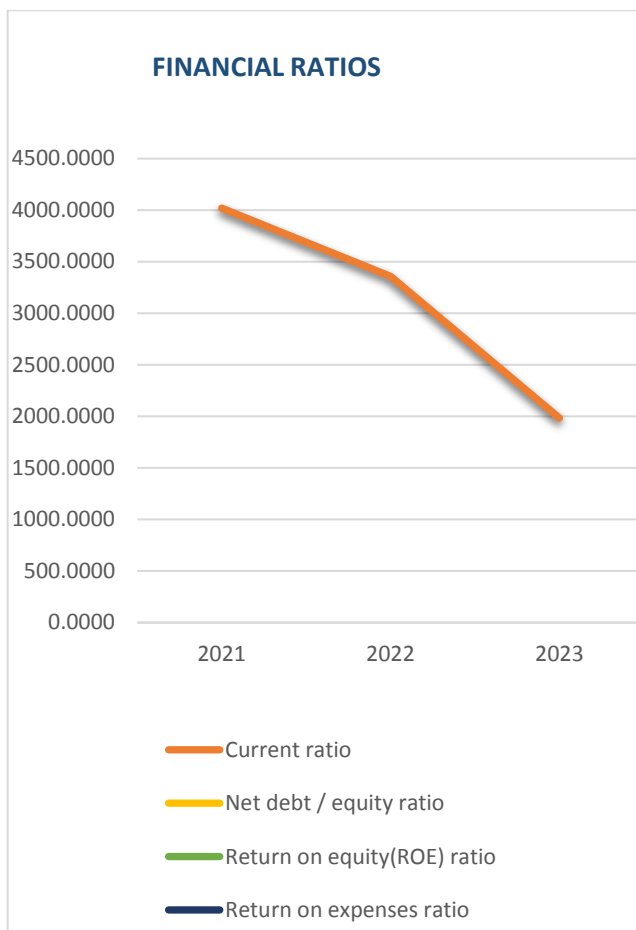
Remunerations paid to members of the Supervisory and Management Board for 2023: BGN 336,298

Average staff composition for 2023: 54 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	2,533	4,946
Revenues from operating activity	614	48
Net profit/loss	(1,253)	810
Balance sheet, BGN thsd.		
Total assets	1,037,162	1,038,076
Long term assets	170,788	442,998
Short-Term Assets	866,374	595,078
Total liabilities	285	346
Non-current liabilities	27	46
Current liabilities	258	300
Equity	1,036,877	1,037,730
Financial ratios		
Return on expenses	0.6692	1.1852
Current ratio	3358.0388	1,983.5933
Net debt/equity ratio	0.0003	0.0003
Return on equity	(0.0012)	0.0008
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The public undertaking does not owe a dividend in 2024.



The main operational challenges that the “Bulgarian W&S Holding” EAD team is working on in 2023 are related to the coordination and assistance for the successful completion of the projects for the construction and reconstruction of water supply networks and wastewater treatment plants implemented by 12 subsidiary Water and Sewerage companies.

Implementation of the business program for 2023:

The final assessment of the implementation of the updated Business Program of “Bulgarian W&S Holding” EAD, Sofia for 2023 is 72.15 points and the level of implementation of the Business Program is "Good", as:

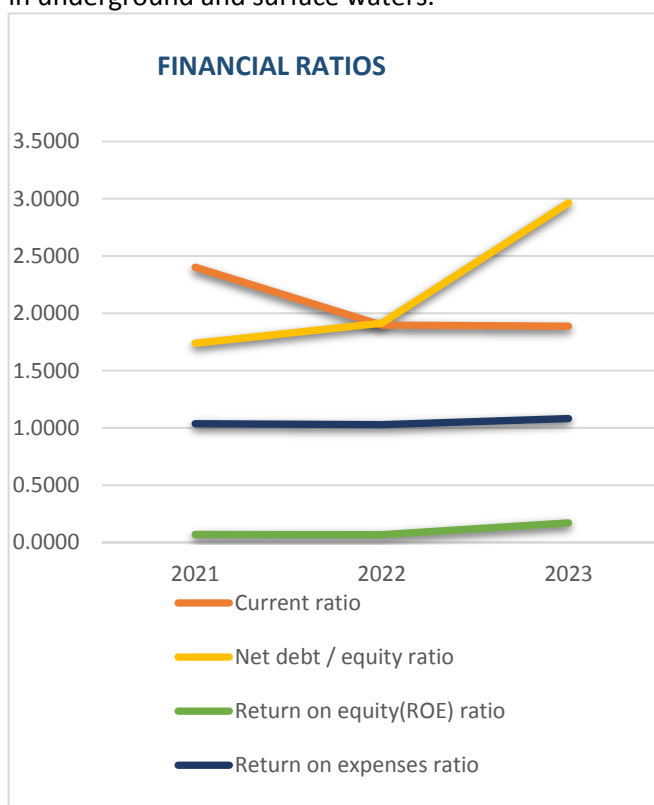
- the evaluation score of the financial targets is 81.79 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 62.50 points, with a performance level of "Good".



“WATER SUPPLY AND SEWERAGE” EAD, Burgas (W&S EAD, Burgas)

W&S EAD, Burgas provides services in water supply and sewerage, irrigation, hydropower, drainage; construction, maintenance and use of water management systems and individual reservoirs; research and design in the field of water supply and sewerage; operation of dams and wastewater treatment.

In 2023, “Water Supply and Sewerage” EAD, Burgas, carries out its functions in accordance with environmental norms by operating, maintaining, modernizing and reconstructing facilities owned by the state and municipalities, observing the regulations in the field of water supply and the ecological balance in underground and surface waters.



As of 31.12.2023, the process of replacing asbestos-cement (eternit) pipes by new ones made of higher technology materials continues, the share of which as of 31.12.2023 is almost 25%, or about 1,073 thousand linear meters. By 2023, 80.38% of the population of Burgas region is connected to a centralised sewerage system.

100% state-owned
“BULGARIAN W&S HOLDING” EAD

Board of Directors as of 31.12.2023:

Ioannis Parteniotis, Tsvetan Mirchev, Metodi Smilov, Dimitar Ganjov

Management Board as of 31.12.2023:

Цветан Мирчев

Independent auditor:

“RSM BG “Ltd, Reg. No. 173

Remuneration paid to the Board of Directors members for 2023: BGN 337,000

Average staff composition for 2023: 1,243

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	109,206	112,623
Revenues from operating activity	109,206	112,621
Net profit/loss	2,672	7,767
Balance sheet, BGN thsd.		
Total assets	115,218	180,638
Long term assets	57,999	129,518
Short-Term Assets	57,219	51,120
Total liabilities	75,672	135,075
Non-current liabilities	45,498	107,999
Current liabilities	30,174	27,076
Equity	39,546	45,563
Financial ratios		
Return on expenses	1.0282	1.0815
Current ratio	1.8963	1.8880
Net debt/equity ratio	1.9135	2.9646
Return on equity	0.0676	0.1705
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The public undertaking is exempted from payment of dividend for the financial year of 2023.

There are 87 sewage pumping stations. During the reporting period, the Municipality of Burgas transferred to the public enterprise the Local Wastewater Treatment Plants Rosenez 1 and Rosenez 2. The two WWTPs operate and treat the wastewater generated by “Rosenets Park”.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of “Water Supply and Sewerage” EAD, Burgas. for 2023 is 86.33 points and the level of Business Program implementation is "Very Good", as:

- the evaluation score of financial targets is 72.66 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

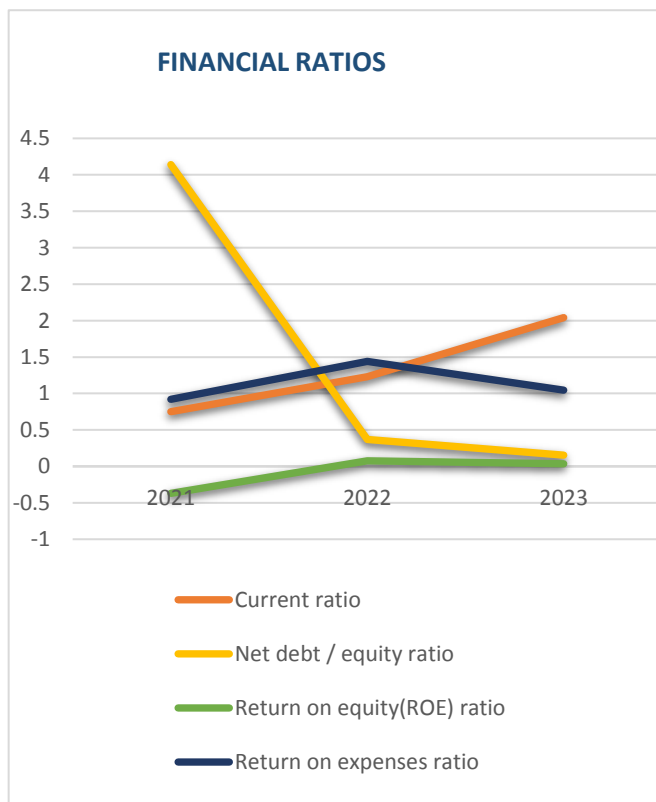


“WATER SUPPLY AND SEWERAGE” EOOD, PLOVDIV” (W&S EOOD, Plovdiv)

W&S EAD, Plovdiv provides water supply and sewerage services to the population, business and industrial users of 18 municipalities located on the territory of region Plovdiv.

In 2023, the following measures have been undertaken on the water network:

- city of Plovdiv: repair of water supply pipelines – 17 pieces; repair of sections of water supply networks under 10 meters – 402 pieces and repair of building water supply diversions – 471 pieces;
- Plovdiv district: repair of water supply pipelines – 424 pieces; repair of sections of water supply networks under 10 meters – 3,112 pieces and repair of building water supply diversions – 2,530 pieces;



In 2023, the following measures have been undertaken on the water network:

- city of Plovdiv: repair of sewerage network’s sections under 10 meters - 81 pieces and repair of building sewerage diversions - 45 pieces.

100% state-owned
“BULGARIAN W&S HOLDING” EAD

Manager as of 31.12.2023:

Anton Galabov

Independent auditor:

“Primorska Audit Company” OOD, Reg. No. 086 No. 086

Remunerations paid to the Manager for 2023: BGN 117,000

Average staff composition for 2023: 1238 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	78,667	78,818
Revenues from operating activity	78,667	78,818
Net profit/loss	(14,265)	(3,399)
Balance sheet, BGN thsd.		
Total assets	83,130	120,505
Long term assets	35,485	34,743
Short-Term Assets	47,645	85,762
Total liabilities	98,383	139,381
Non-current liabilities	48,398	56,933
Current liabilities	49,985	82,448
Equity	(15,253)	(18,876)
Financial ratios		
Return on expenses	0.8467	0.9567
Current ratio	0.9532	1.0402
Net debt/equity ratio	(6.4501)	(7.3840)
Return on equity	.*	.*
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

* the public undertaking has a negative financial result and negative equity, therefore no value is derived for the return on equity ratio.

The public undertaking is exempted from payment of dividend for the financial year of 2023.

- Plovdiv district - repair of sections of the sewerage network under 10 meters - 32 pieces and repair of building sewerage diversions - 13 pieces.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of ""Water Supply and Sewerage" EAD, Plovdiv for 2023 is 57.28 points, with a performance level of "Good" as:

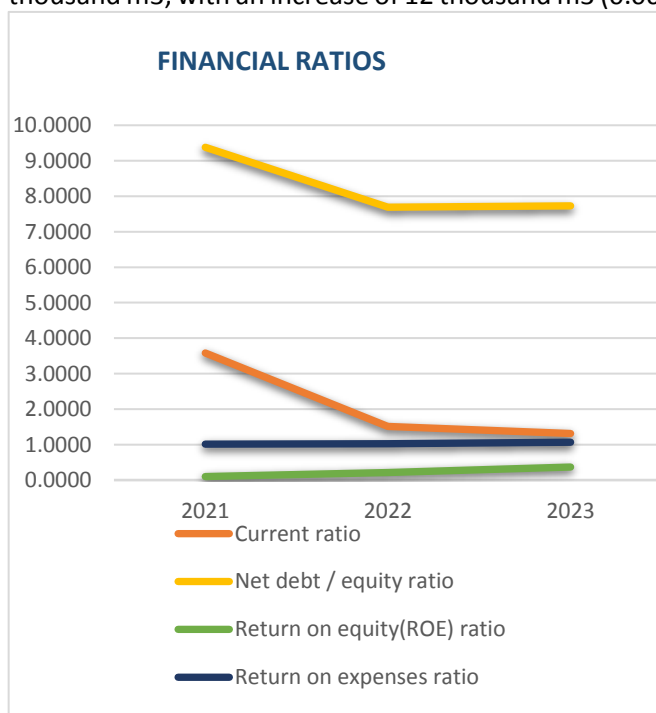
- the evaluation score of the financial targets is 31.20 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 83.35 points, with a performance level of "Very good".



WATER SUPPLY AND SEWERAGE – VARNA AD, VARNA (W&S – “Varna” OOD)

“W&S – Varna” OOD is an operating enterprise for water supply and sewage services with a separate territory corresponding to the territory of the Varna region. The company scope of business is mainly related to water supply and sewerage, water treatment and engineering services in the country.

In 2023, the volume of water supplied to consumers amounted to 23,236 thousand m³, representing an increase by 358 thousand m³ (1.56%) compared to the previous year; the quantities of wastewater discharged during the period amounted to 17,742 thousand m³, as the increase is by 63 thousand m³ (0,4 %); the treated wastewater during the period amounted to 18,906 thousand m³, with an increase of 12 thousand m³ (0.06%).



“W&S – Varna” OOD implements systematic monitoring and control of environmental pollution. The operation of the cogeneration module in the WWTP-Varna results in own production of electric energy and thermal energy, which leads to a reduction of the total electricity consumption needed for the operation of the plant.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of “W&S – Varna”, OOD, Varna for 2023 is 83.25 points, with a performance level of "Very Good" as:

- the evaluation score of financial targets is 66.50 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

51% state-owned through
“Bulgarian W&S Holding” EAD, 49 % - ownership
distributed among 10 municipalities

Manager as of 31.12.2023:

Veselin Rusev

Independent auditor:

“Primorska Audit Company” OOD, Reg. No. 086

Remunerations paid to the Manager for 2023:

BGN 121,000

Average staff composition for 2023: 1419
persons

FINANCIAL INFORMATION

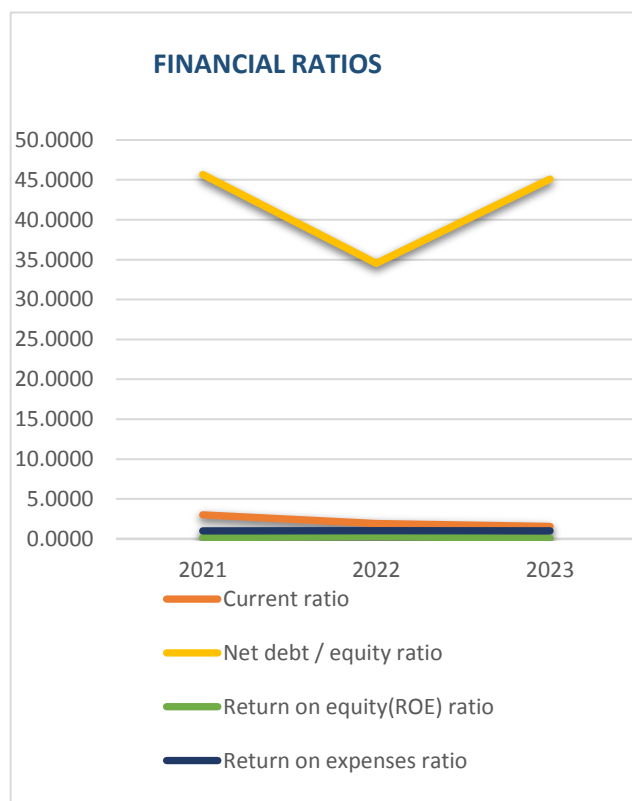
	2022	2023
Income Statement, BGN thsd.		
Total revenues	93,762	99,746
Revenues from operating activity	93,745	99,746
Net profit/loss	2,068	5,621
Balance sheet, BGN thsd.		
Total assets	85,474	133,499
Long term assets	29,679	27,050
Short-Term Assets	55,795	106,449
Total liabilities	75,639	118,205
Non-current liabilities	38,703	37,080
Current liabilities	36,936	81,125
Equity	9,835	15,294
Financial ratios		
Return on expenses	1.0254	1.0668
Current ratio	1.5106	1.3122
Net debt/equity ratio	7.6908	7.7288
Return on equity	0.2103	0.3675
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The public undertaking is exempted from payment of dividend for the financial year of 2023.



AVTOMAGISTRALI EAD

The scope of business of “Avtomagistrali” EAD is: Construction, repair, preventive, routine and winter maintenance of all types of roads in the country and operation of road sites, bases and their facilities, urban communications and the infrastructure around them; construction, reconstruction and repair of bridges, bridge structures and tunnels; construction and repair, construction and maintenance of all types of buildings and their facilities, engineering systems and industrial buildings; production of all types of construction and aggregate materials and products thereof; production of asphalt mixtures and other related activities.



The core activities of “Avtomagistrali” EAD in 2023 are related to resource management in order to ensure quality performance and successful completion of the stages of the individual contracts for which the company is a contractor, participation in new public procurement, opening of new jobs, restructuring of certain units within the enterprise with the objective of ensuring effective oversight and management across all stages and levels of operations, improvement of working conditions for employees within the public undertaking, along with the provision of general or specialized training aimed

100% state-owned

Minister of Regional Development and Public Works

Board of Directors as of 31.12.2023

Kalin Yankov, Ivelina Krushkova, Ivan Stanchev, Geno Georgiev and Vladimir Trifonov

Executive Director:

Ivan Stanchev

Independent auditor:

EXISTRA Ltd, Reg. No. 143

Remuneration paid to the Board of Directors members for 2023: BGN 446,000

Average staff composition for 2023: 387 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	510,561	316,914
Revenues from operating activity	510,536	316,884
Net profit/loss	11,205	1,874
Balance sheet, BGN thsd.		
Total assets	1 395 534	1,406 827
Long term assets	17,572	14,721
Short-Term Assets	1 363 653	1,385 058
Deferred expenses	14,309	7,048
Total liabilities	1 356 260	1,376 296
Non-current liabilities	649,383	483,201
Current liabilities	706,877	893,095
Equity	39,274	30,531
Financial ratios		
Return on expenses	1.0249	1.0068
Current ratio	1.9291	1.5509
Net debt/equity ratio	34.5333	45.0786
Return on equity	0.2853	0.0614
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The dividend paid in 2024 is BGN 1,873,465.

at acquiring or enhancing professional qualifications, including introductory training of employees, promoting the company's competitiveness, achieving product compliance with European and international standards, as well as the introduction of good manufacturing practices as factors for improving management, optimizing the production process, achieving efficient organization of the overall activity and creating products and services with high added value, competitive on the market.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of "Avtomagistrali" EAD, Sofia for 2023 is 57.75 points and the Business Program level of implementation is "Good", as:

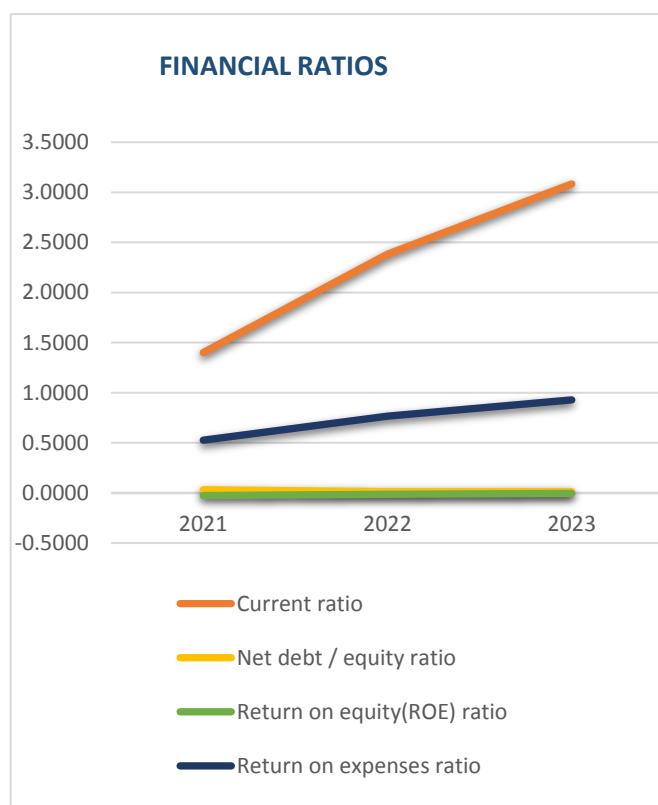
- the evaluation score of financial targets is 58.00 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 57.17 points, with a performance level of "Good".



NATIONAL PALACE OF CULTURE – CONGRESS CENTER SOFIA EAD (NDK EAD)

The NDK EAD subject of activities include organizing and conducting cultural, scientific, educational, congress-conference and socio-political events in the country and abroad, renting of the provided property, external and internal commercial activities, festivals, exhibitions, sports events, information, publishing, production, impresario and consulting activities, specialized television, video and sound recording activities, advertising, commission activities, catering.

The National Palace of Culture is the largest multifunctional complex in Southeast Europe for congresses, cultural events and exhibitions. NDK EAD hosts a significant number of events annually - international congresses, political forums, business conferences, scientific symposium, music and film festivals, concerts, dance performances, theatre, exhibitions and exhibitions with many visitors.



In 2023, NDK EAD continues to maintain and develop its own cultural programmes – the traditional formats: "Kinomania", "Love is Madness", "New Year Music Festival" and the "Peroto" Literary Awards. There have also been prestigious partnership events between NDK EAD and major cultural institutions in the country such as the State Opera - Plovdiv and the State Opera - Stara

100% state-owned
Minister of Culture

Board of Directors as of 31.12.2023

Penny Raeva, Elena Karapaunova, Anastasia Marinova, Ekaterina Dotseva, Boryana Lozanova

Executive Director:

Peny Raeva

Independent auditor:

"AUDIT CONSULT 2004 "OOD, Reg. No. 122

Remuneration paid to the Board of Directors members for 2023: BGN 203,218

Average staff composition for 2023: 251 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	13,282	14,049
Revenues from operating activity	13,282	14,049
Net profit/loss	(4,295)	(1,382)
Balance sheet, BGN thsd.		
Total assets	347,163	345,421
Long term assets	341,907	336,655
Short-Term Assets	5,256	8,766
Total liabilities	4,532	4,122
Non-current liabilities	2,325	1,279
Current liabilities	2,207	2,843
Equity	342,631	341,299
Financial ratios		
Return on expenses	0.7668	0.9289
Current ratio	2.3815	3.0834
Net debt/equity ratio	0.0132	0.0121
Return on equity	(0.0125)	(0.0040)
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

NDK EAD has no dividends due and paid in 2024.

Zagora. On the territory of the National Palace of Culture a number of significant exhibitions and expositions were held, such as the International Triennial of the Stage Poster, the Paper Art Fest, the exhibition within the framework of the "Month of Photography", the traditional exhibition of the art schools to the Ministry of Culture, International Book Fair, 29th Congress of the European Rhinological Society, etc. In 2023. NDK EAD is once again a partner of some of the biggest film festivals in the country, such as Sofia Film Fest and Sinellibri.

Implementation of the business program for 2023:

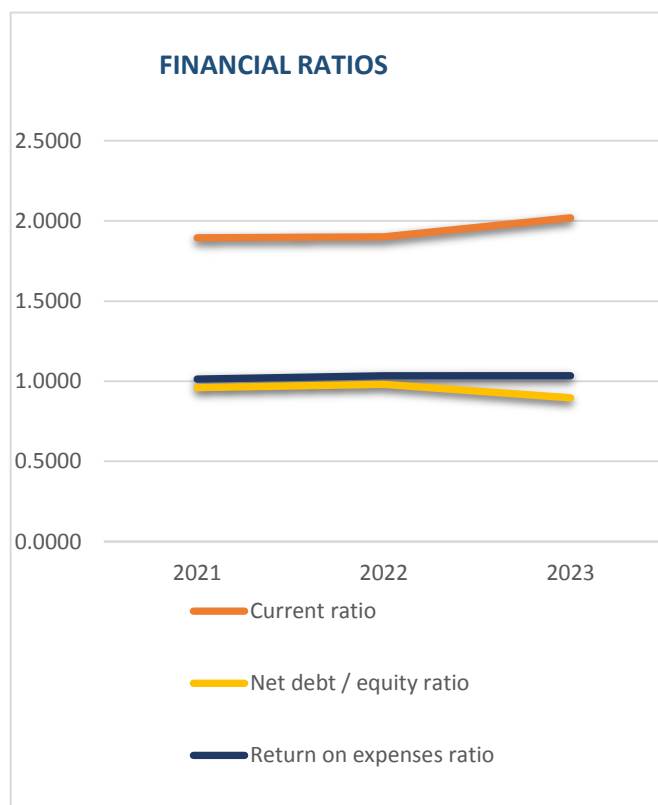
The final evaluation of the Business Program implementation of the National Palace of Culture - Sofia Congress Centre, Sofia for 2023 is 80,81 points and the level of Business Program implementation is "Very Good", as:

- the evaluation score of financial targets is 72.59 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



UNIVERSITY MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT "SVETI IVAN RILSKI" EAD, SOFIA

Based on the Ministry of Health issued License for medical activity No. MB-112/07.12.2023, UMHAT "Sveti Ivan Rilski" EAD performs the following activities: diagnostic and therapeutic management of diseases that cannot be effectively managed in out-of-hospital care; rehabilitation; diagnosis and consultations requested by other medical institutions; clinical trials; teaching and scientific activities in the following medical specialties: All structural units are equipped with state-of-the-art, high-quality apparatus, exceeding the requirements for the third level of implementation of the established medical standards.



In the hospital are carried out unique for the country diagnostic activities in imaging diagnostics, immunology, clinical laboratory, nuclear medicine, analysis of toxic metals; chronic viral hepatitis B, C, D); porphyrias, etc. The hospital performs also unique for the country therapeutic activities, techniques and methods – minimally invasive, microscopic, endoscopic, etc., in the field of Neurosurgery, Cerebrovascular aneurysms, Epilepsy, MS, GE – rare diseases, hepatitis, Nephrology, Rheumatology, Oncology, Occupational diseases, Anesthesiology and intensive care, Physical and Rehabilitation Medicine.

100% state-owned
Minister of Health

Board of Directors as of 31.12.2023:

Dr. Decho Dechev; Dr. Petar Markov; Prof. Atanas Kundurjev

Executive Director:

Dr. Decho Dechev

Independent auditor:

Certified public accountant Radka Boevska, Reg. No. 270

Remuneration paid to the Board of Directors members for 2023: BGN 283,000

Average staff composition for 2023: 913 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	125,792	165,436
Revenues from operating activity	125,697	164,059
Net profit/loss	3,730	4,939
Balance sheet, BGN thsd.		
Total assets	74,663	80,551
Long term assets	40,959	39,535
Short-Term Assets	33,603	40,915
Deferred expenses	101	101
Total liabilities	36,967	38,072
Non-current liabilities	19,281	17,804
Current liabilities	17,686	20,268
Equity	37,696	42,470
Financial ratios		
Return on expenses	1.0341	1.0344
Current ratio	1.9000	2.0187
Net debt/equity ratio	0.9807	0.8964
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

In the Hospital are revealed unique for the country: Centre of expertise in rare diseases (inherited metabolic liver diseases, porphyrias); Centre for epilepsy and functional neurosurgery as a reference centre for epilepsy treatment, etc. Performs presurgical diagnosis and surgical treatment of patients with drug-resistant focal epilepsies; National reference center for endoscopic treatment of pituitary adenomas;

Reference Center for Cerebrovascular Diseases, which deals with the treatment of all types of cerebrovascular pathology. The centre treats the most complex neurosurgical cases in Bulgaria, whose treatment by standard methods either poses a very high risk or the expected outcome is unsatisfactory.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "UMHAT "Sveti Ivan Rilski", Sofia for 2023 is 72.90 points and the Business Program level of implementation is "Good", as:

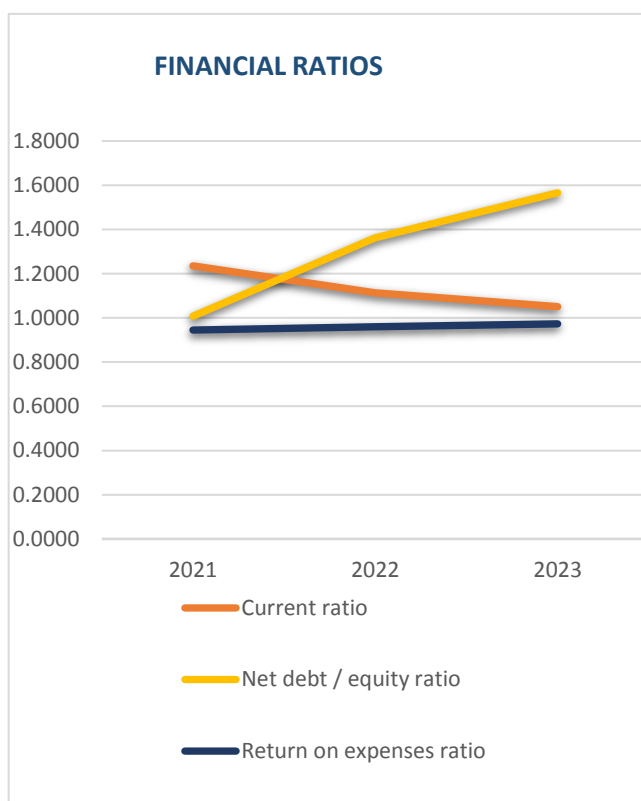
- the evaluation score of the financial targets is 95.21 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 63.34 points, with a performance level of "Good".



UNIVERSITY MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT "DR. GEORGI STRANSKI" EAD, PLEVEN

UMHAT "Dr. Georgi Stranski" EAD, Pleven, was established 157 years ago and is the largest hospital care facility in Northern Bulgaria. It has an established position as a major center for emergency services in the districts of Pleven, Lovech, Veliko Tarnovo, Gabrovo and Ruse.

The main activity of the UMHAT "Dr. Georgi Stranski" EAD is the provision of hospital care and dispensary activities. The medical facility performs functions as a university, inter-district, district and regional hospital.



In 2023, the hospital focuses on the following activities: Increased number of examinations; increased diagnostic activity; higher share of patients from other districts – 29.91%; increased number of deliveries and newborns; higher share of surgical activity – 80.36%; higher share of electively hospitalized patients; decreased mortality. The medical establishment is an established and preferred base for conducting practical training.

**100% state-owned
Minister of Health**

Board of Directors as of 31.12.2023:

Dr. Ventsislav Grozev; Dr. Kalin Popovski; Assoc. prof. Dr. Tsvetan Lukanov,

Executive Director:

Assoc.prof. Dr. Tsvetan Lukanov, M.D.

Independent auditor:

certified public accountant Syika Dankova, Reg. No. 0220

Remuneration paid to the Board of Directors members for 2023: BGN 228,026

Average staff composition for 2023: 1575 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	102,030	114,730
Revenues from operating activity	101,995	114,716
Net profit/loss	(4,168)	(3,042)
Balance sheet, BGN thsd.		
Total assets	45,452	44,066
Long term assets	22,126	20,683
Short-Term Assets	23,293	23,373
Deferred expenses	33	10
Total liabilities	26,212	26,892
Non-current liabilities	5,289	4,646
Current liabilities	20,923	22,246
Equity	19,240	17,174
Financial ratios		
Return on expenses	0.9597	0.9730
Current ratio	1.1133	1.0507
Net debt/equity ratio	1.3624	1.5659
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

Implementation of the business program for 2023:

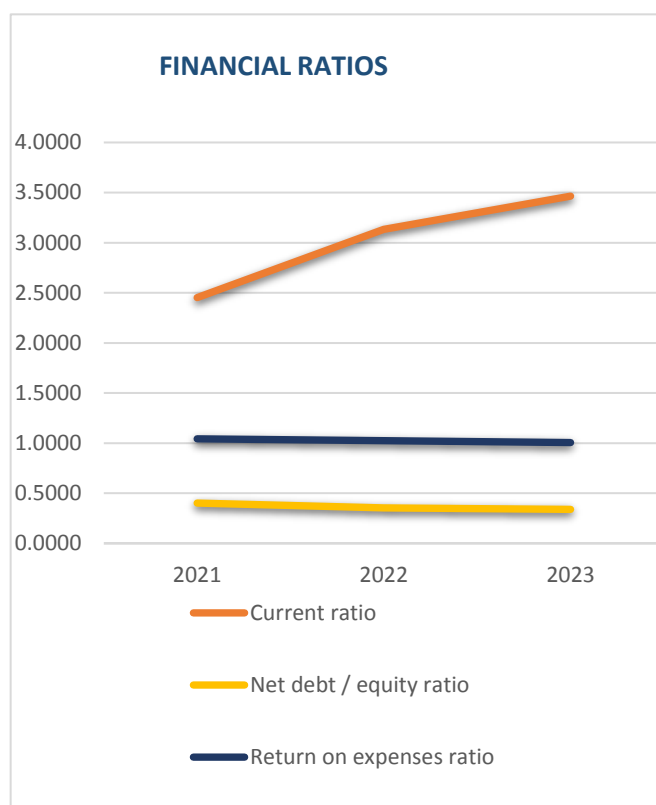
The final evaluation of the Business Program implementation of UMHAT "Dr. Georgi Stranski" EAD, Pleven, for 2023 is 88,14 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 60.46 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT "SVETA MARINA" EAD, VARNA

The medical establishment carries out hospital care and dispensary activities, the main areas being: therapy, surgery, paediatrics, cardiology, neurology, oncology, internal medicine, imaging diagnostics, medical-diagnostic laboratories, infections and psychiatry. The hospital holds a License for Medical Activity No. MB-59 dated 10.12.2018 issued by the Ministry of Health. By Decision No. 797 of 20.10.2022, the Council of Ministers has, for the second time, granted the rights of sole ownership of the company's capital to the Medical University "Prof. Dr. Paraskev Stoyanov", Varna, for a new five-year term.



The public enterprise holds the first EFQM certificate for quality management in the country – Level 1 "Committed to Excellence" and its subsequent award – Level 2 "Recognized for Excellence" and is one of the first hospitals in the country with a comprehensive computerized hospital information system.

100% state-owned

through Medical University "Prof. Dr. P. Stoyanov" – Varna, exercising the rights of the sole owner of the capital (according to Art. 62, paragraph 2 of the Medical Establishments Act)

Board of Directors as of 31.12.2023:

Dilyana Yordanova; Prof. Dr. Silva Andonova – Atanasova; Prof. Dr. Krasimir Ivanov

Executive Director:

Prof. Dr. Silva Andonova – Atanasova

Independent auditor:

certified public accountant Pavlinka Penkova, Reg. No. 392

Remuneration paid to the Board of Directors members for 2023: BGN 281,000

Average staff composition for 2023: 1,871 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	163,571	194,926
Revenues from operating activity	162,907	194,498
Net profit/loss	3,703	1,030
Balance sheet, BGN thsd.		
Total assets	91,505	92,400
Long term assets	41,174	38,533
Short-Term Assets	50,263	53,739
Deferred expenses	68	128
Total liabilities	23,979	23,394
Non-current liabilities	7,937	7,882
Current liabilities	16,042	15,512
Equity	67,526	69,006
Financial ratios		
Return on expenses	1.0254	1.0057
Current ratio	3.1332	3.4644
Net debt/equity ratio	0.3551	0.3390
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

UMHAT "Sveta Marina" EAD has been awarded by the "Electronic Healthcare Bulgaria" Foundation and ICTMedia with the "Most Innovative Hospital" award for outstanding achievements in the category "Integrated approach to the implementation of information and communication technologies".

On 27 February 2023, an increase in the company's capital was recorded, with new 45,000 registered shares issued at a nominal value of BGN 10 each, corresponding to the budget funds allocated and utilized for capital expenditures in the amount of BGN 450,000.

Implementation of the business program for 2023:

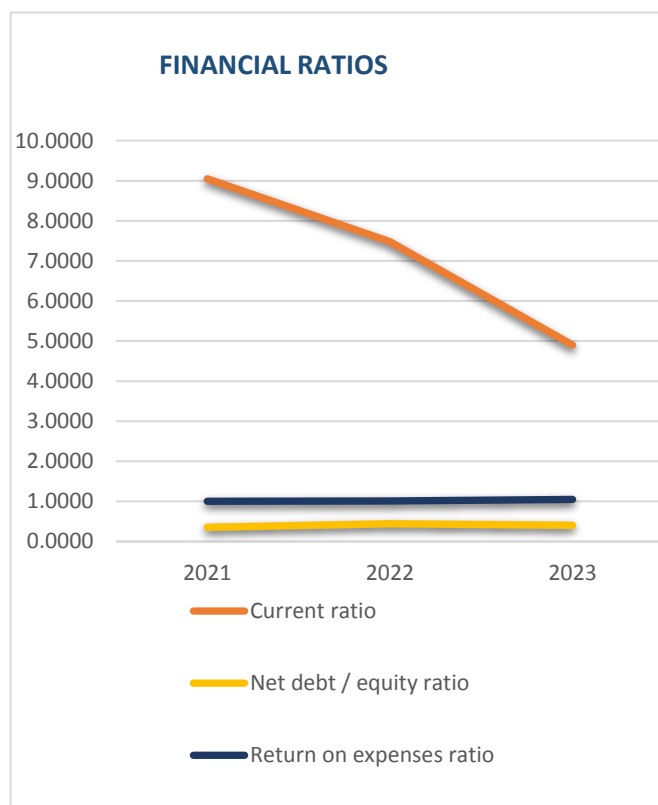
The final evaluation of the implementation of the Business Program of "UMHAT "Sveta Marina" EAD, Varna for 2023 is 96.60 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 88.66 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



**"SPECIALIZED HOSPITALS FOR
REHABILITATION – NATIONAL COMPLEX"
EAD, SOFIA ("SBR – NK" EAD)**

Specialized Hospitals For Rehabilitation – National Complex EAD, Sofia /"SBR – NK" EAD/ is the leader in the physical and rehabilitation medicine applying recognized medical standards in combination with natural resources. The company is unparalleled within the health care system of the Republic of Bulgaria, comprising 13 specialized rehabilitation hospitals situated throughout the country in recognized balneological resort areas. "SBR-NK" EAD offers a wide range of physiotherapy and rehabilitation methods in its specialized hospitals. About 60% of all patients in need of rehabilitation in the country receive rehabilitation care in the company's hospitals.



In 2023, the public enterprise received an advance payment of a subsidy in the amount of BGN 430,813 by the Ministry of Health under a contract for medical activity outside the scope of compulsory health insurance, for which the Ministry subsidizes medical institutions /Ordinance No. 3 of 2019/.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "SBR-NK" EAD, Sofia for 2023 is 93.20 points and the Business Program level of implementation is "Very Good", as:

**100% state-owned
Minister of Health**

Board of Directors as of 31.12.2023:

Dr. Vladislav Genov, Plamka Ninkovska; Plumelina Micheva

Executive Director:

Plumelina Micheva

Independent auditor:

certified public accountant Radka Boevska, Reg. No. 270

Remuneration paid to the Board of Directors members for 2023: BGN 220,000

Average staff composition for 2023: 1,047 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	38,789	42,445
Revenues from operating activity	38,787	42,445
Net profit/loss	240	1,770
Balance sheet, BGN thsd.		
Total assets	41,762	44,735
Long term assets	28,531	28,071
Short-Term Assets	12,958	16,035
Deferred expenses	273	629
Total liabilities	12,830	12,946
Non-current liabilities	11,097	9,673
Current liabilities	1,733	3,273
Equity	28,932	31,789
Financial ratios		
Return on expenses	1.0084	1.0495
Current ratio	7.4772	4.8992
Net debt/equity ratio	0.4435	0.4072
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

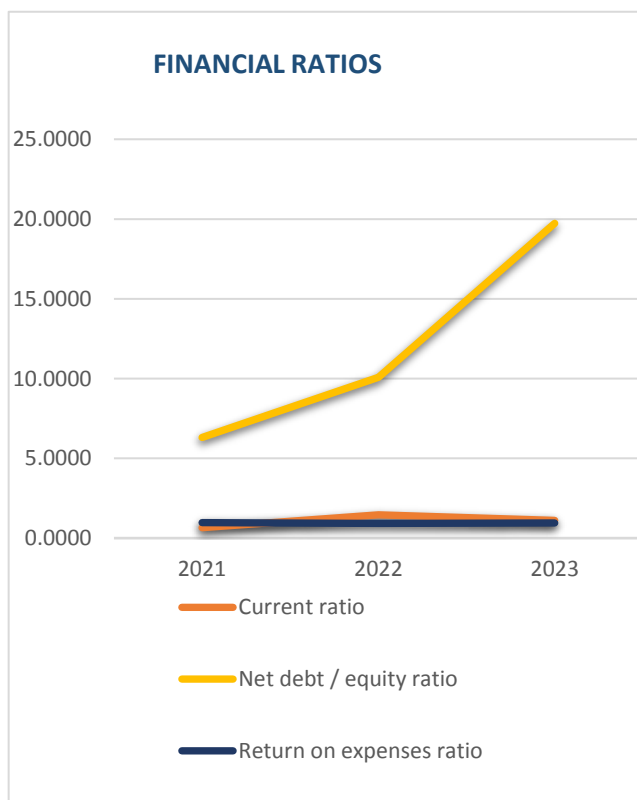
- the evaluation score of financial targets is 77.33 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT "ALEXANDROVSKA" EAD, SOFIA

UMHAT "Alexandrovska" EAD, Sofia is the oldest and one of the largest hospital in the country. The scope of business of UMHAT "Alexandrovska" EAD is the provision of hospital care in the field of internal medicine, abdominal surgery, urology, neurology, psychiatry, skin diseases, physiotherapy and rehabilitation, imaging, haemodialysis, intensive care and dispensary activities.

UMHAT "Alexandrovska" EAD is a leading national, university-based, scientific, and medical center, engaged in multidisciplinary clinical care, transplantation, dispensary services, education, and research activities, and ensures the provision of continuous 24-hour medical care. At the university clinical base, teaching and research activities are conducted across all medical specialties supported by the hospital's existing structures. Clinical trials of medicinal products and medical devices are also performed in compliance with current legislation.



On the territory of the hospital operate 26 clinics and 3 laboratories, some of which are unique in function and importance for the country. Using modern methods and technologies, the hospital provides adequate and accessible medical care, with some

100% state-owned
Minister of Health

Board of Directors as of 31.12.2023:

Prof. Dr. Atanas Yonkov, M.D.; Prof. Dr. Rumen Stoilov;
Veselina Petrova

Executive Director:

Prof. Dr. Atanas Yonkov, M.D.

Independent auditor:

certified public accountant Radka Boevska, Reg. No. 270

**Remuneration paid to the Board of Directors members
for 2023: BGN 215,280**

Average staff composition for 2023: 1332 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	86,188	96,760
Revenues from operating activity	86,132	96,730
Net profit/loss	(8,042)	(5,033)
Balance sheet, BGN thsd.		
Total assets	112,267	107,560
Long term assets	75,783	84,880
Short-Term Assets	36,476	22,196
Deferred expenses	8	484
Total liabilities	102,127	102,371
Non-current liabilities	77,145	82,448
Current liabilities	24,982	19,923
Equity	10,140	5,189
Financial ratios		
Return on expenses	0.9213	0.9482
Current ratio	1.4601	1.1141
Net debt/equity ratio	10.0717	19.7285
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

areas offering unique services in terms of volume and quality. This encompasses diagnosis, treatment, and rehabilitation for individuals with acute and chronic diseases, traumas, and conditions requiring surgical intervention in a hospital setting.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of UMHAT "Alexandrovska" EAD, Sofia for 2023 is 85.00 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 49.99 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



**UNIVERSITY MULTI-
PROFILE HOSPITAL FOR
ACTIVE TREATMENT
AND EMERGENCY MEDICINE "N.I. PIROGOV"
EAD, SOFIA**

**100% state-owned
Minister of Health**

Board of Directors as of 31.12.2023:

Zlatina Georgieva, Dr.Valentin Dimitrov; Zhivka Savova

Executive Director:

Dr.Valentin Dimitrov

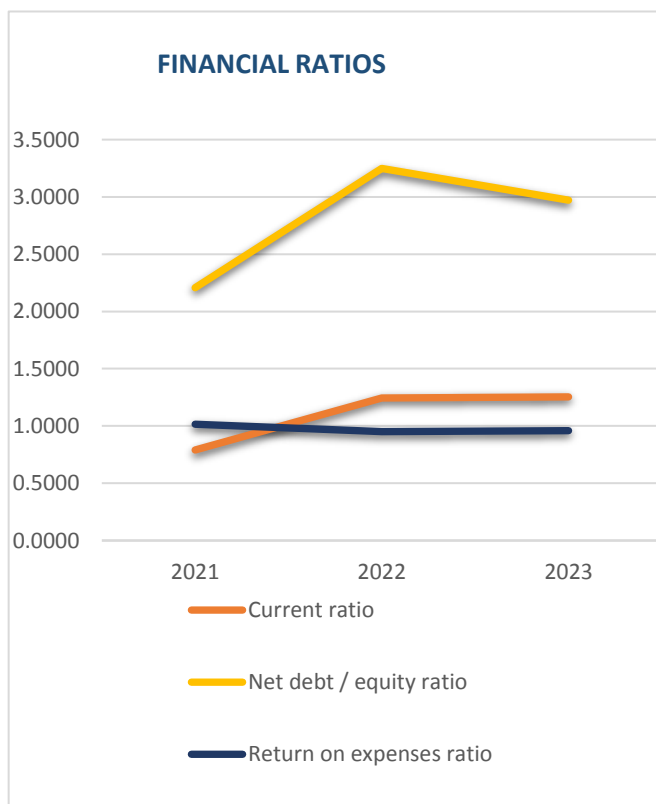
Independent auditor:

Certified public accountant Radka Boevska, Reg. No. 270

Remuneration paid to the Board of Directors members for 2023: BGN 283,000

Average staff composition for 2023: 2,410 persons

UMHATEM "N.I. Pirogov" EAD, carries out its medical activities in accordance with Permit No. MB-156/17.06.2023 of the Minister of Health. The hospital operates primarily under emergency conditions, which in 2023 accounted for 90.39% of all patients passing through the facility. A total of 52,576 patients were hospitalized, of whom 47,523 were emergency cases. The main factors that stimulate more active demand for emergency medical care in UMHATEM "N.I. Pirogov" EAD, (outpatient and inpatient), are traditionally known and characteristic for the hospital capabilities for uninterrupted round-the-clock treatment of patients with trauma and acute surgical diseases, with acute poisoning, with bleeding, with aggravated pathology and exacerbation of chronic diseases, as well as patients who are not admitted for treatment in other medical institutions in Sofia and the country.



FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	131,030	151,466
Revenues from operating activity	130,082	151,461
Net profit/loss	(6,575)	(6,311)
Balance sheet, BGN thsd.		
Total assets	120,369	112,219
Long term assets	81,299	88,093
Short-Term Assets	38,688	24,104
Deferred expenses	382	22
Total liabilities	92,037	83,969
Non-current liabilities	60,967	64,748
Current liabilities	31,070	19,221
Equity	28,332	28,250
Financial ratios		
Return on expenses	0.9506	0.9596
Current ratio	1.2452	1.2540
Net debt/equity ratio	3.2485	2.9724
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

In the market of healthcare services, "Pirogov" is comparable to other university and national hospitals in terms of providing multidisciplinary treatment, but

in terms of emergency care and other specific activities, the hospital has unique capabilities and no competition in the country. The medical facility has units that have no analogues in the country: the wards of pediatric urology, pediatric toxicology, pediatric burn and plastic surgery, pediatric abdominal surgery, pediatric thoracic surgery, surgery of the newborn and congenital anomalies, pediatric neurosurgery, purulent-septic surgery clinic. Elective hospitalizations average 10-20%. Currently, the number of inpatient beds is 895, of which 90 are intensive care beds and 30 are beds opened in a multidisciplinary short-stay emergency department. The facility has 40 operating rooms and 3 resuscitation (anti-shock) rooms, one of which is designated for patients up to the age of 18 years.

All emergency patients who are not hospitalized are accounted for in accordance with Ordinance No. 3 of 5 April 2019 on medical activities outside the scope of health insurance for which the Ministry of Health subsidizes medical institutions and on the criteria and procedure for subsidizing medical institutions.

Implementation of the business program for 2023:

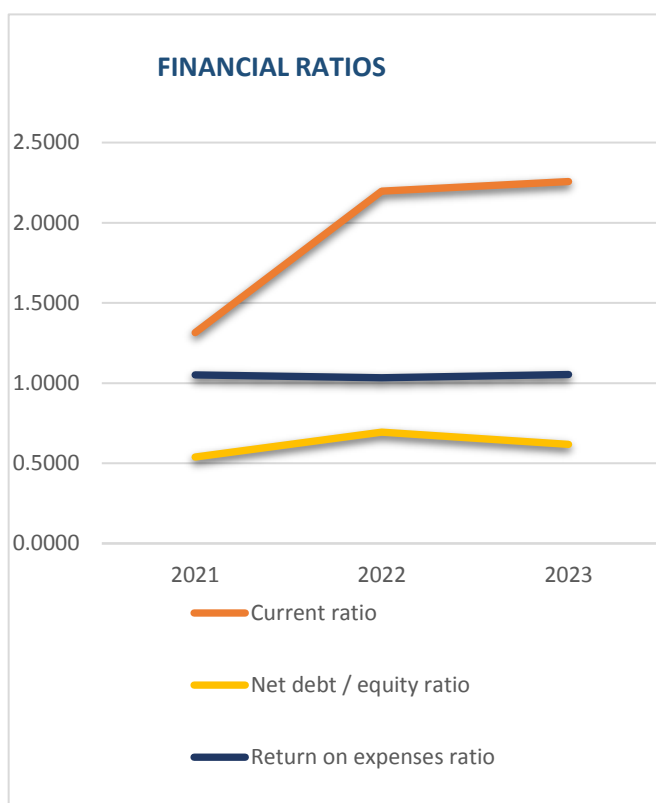
The final evaluation of the implementation of the Business Program UMHAT "N.I.Pirogov" EAD, Sofia for 2023 is 89.04 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 63.47 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".



UNIVERSITY MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT "SVETI GEORGI" EAD, PLOVDIV

UMHAT "Sveti Georgi" EAD is the successor to the hospital founded immediately following the Liberation by the Red Cross organization "Sveti Panteleimon" – the first large hospital in southern Bulgaria. At present, given its role, capacity, and functions, the hospital is an extremely important segment of the hospital care system in southern Bulgaria. The subject of activity is determined by the activity permit issued by the Minister of Health: diagnosis and treatment of diseases where the curative aim cannot be achieved by outpatient care; maternity care; rehabilitation; diagnosis and consultations requested by a doctor or dentist from other medical institutions; organ harvesting and expertise, tissue expertise and provision of tissues for transplantation; harvesting, expertise, processing, storage and transplantation of hemopoietic stem cells; clinical trials of drugs and medical equipment in accordance with the legislation in force in the country; educational and scientific activities.



100% state-owned
Minister of Health

Board of Directors as of 31.12.2023:

assoc.prof. Ivan Sokolov; prof.Dr.Angel Uchikov, PhD; Prof.Dr. Karen Dzhambazov, M.D.

Executive Director:

Prof.Dr. Karen Dzhambazov, M.D.

Independent auditor:

certified public accountant Ivan Petkov, Reg. No. 676

Remuneration paid to the Board of Directors members for 2023: BGN 223,000

Average staff composition for 2023: 2,730 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	245,058	267,480
Revenues from operating activity	245,057	267,461
Net profit/loss	7,080	12,227
Balance sheet, BGN thsd.		
Total assets	203,430	216,323
Long term assets	104,727	123,620
Short-Term Assets	98,656	92,625
Deferred expenses	47	78
Total liabilities	83,343	82,602
Non-current liabilities	38,436	41,560
Current liabilities	44,907	41,042
Equity	120,087	133,721
Financial ratios		
Return on expenses	1.0333	1.0536
Current ratio	2.1969	2.2568
Net debt/equity ratio	0.6940	0.6177
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

The medical establishment is a leading university hospital in southern Bulgaria and is an educational and research base. It provides round-the-clock emergency and urgent outpatient, inpatient and consultative care for emergency illness, trauma and treatment, covering all clinical specialties. The facility is a base for conducting clinical studies in the field of drug therapy.

Implementation of the business program for 2023:

The final evaluation of the Business Program implementation of "UMHAT "Sveti Georgi" EAD, Plovdiv for 2023 is 96.60 points and the Business Program level of implementation is "Very Good", as:

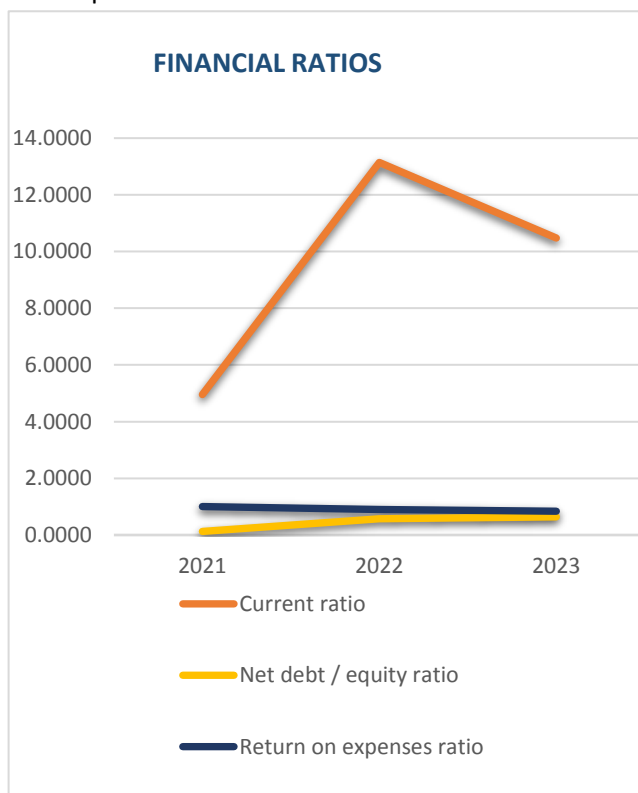
- the evaluation score of the financial targets is 88.66 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

**UNIVERSITY MULTI-PROFILE HOSPITAL FOR
ACTIVE TREATMENT "SVETA EKATERINA" EAD
(former UMHAT "PROF. DR. ALEXANDER
CHIRKOV" EAD), SOFIA**



UMHAT "Sveta Ekaterina"
EAD operates in the provision
of hospital care, based on
License for Medical Activity

No.MB - 66/27.01.2023 issued by the Ministry of Health. The clinic of cardiac surgery, the clinic of cardiology, the clinic of vascular and endovascular surgery, the clinic of anaesthesiology and intensive care, the clinical laboratory, the micro-biology laboratory and the laboratory of general and clinical pathology have been assigned the third, highest level of competence, while the Department of Imaging Diagnostics and the Department of Surgery and Endoscopic Procedures have been assigned Level Two of competence.



The main factors that stimulate a more active demand for health care in the hospital are the traditionally known and characteristic capabilities of the hospital for the round-the-clock treatment of patients with cardiovascular diseases.

**100% state-owned
Minister of Health**

Board of Directors as of 31.12.2023:

Anelia Dimitrova, Prof. Dimitar Petkov, PhD; Nadezhda Brankovska - Kirilova

Executive Director:

Prof. Dimitar Petkov, PhD

Independent auditor:

Certified public accountant Sonya Iliyska through "Equivalent 88" EOOD, Reg. No. 536

Remuneration paid to the Board of Directors for 2023: BGN 209,000

Average staff composition for 2023: 441 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	34,279	35,054
Revenues from operating activity	34,257	34,734
Net profit/loss	(3,909)	(6,759)
Balance sheet, BGN thsd.		
Total assets	107,021	100,709
Long term assets	61,237	61,723
Short-Term Assets	45,525	38,839
Deferred expenses	259	147
Total liabilities	38,830	39,286
Non-current liabilities	35,366	35,580
Current liabilities	3,464	3,706
Equity	68,191	61,423
Financial ratios		
Return on expenses	0.8976	0.8392
Current ratio	13.1423	10.4800
Net debt/equity ratio	0.5694	0.6396
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

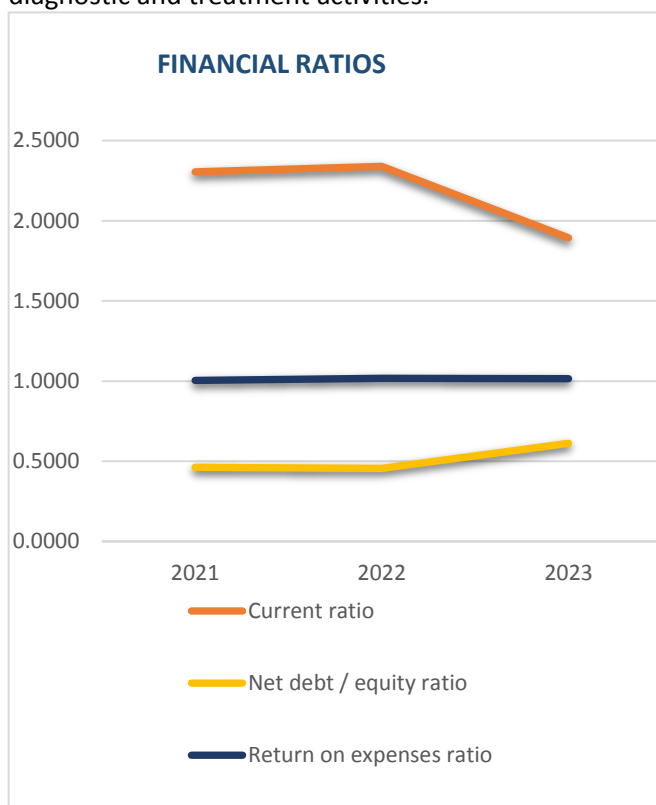
Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of "UMHAT "Sveta Ekaterina" EAD, Sofia for 2023 is 79.46 points and the Business Program level of implementation is "Good", as:

- the evaluation score of the financial targets is 44.44 points, with a performance level of "Satisfactory";
- the evaluation score of non-financial targets is 94.47 points, with a performance level of "Very good".

USHAT for oncology “Prof. Ivan Chernozhewski” EAD is with core scope of activity: provision of hospital care in the field of precancerous and cancerous diseases, in accordance with the License for medical activity No. SB-147/15.07.2016 of the Minister of Health.

The medical establishment carries out an extremely large volume, multifunctional and high quality diagnostic and treatment activities.



Among the unique medical services and methods that are introduced only in USHAT for oncology “Prof. Ivan Chernozhewski” EAD, are: tumor diagnostics using both specific and non-specific radiopharmaceuticals; staging and follow-up of various malignant tumors; myocardial perfusion scintigraphy for diagnosing coronary heart disease, assessing viable myocardium, and detecting cardiotoxicity following radiotherapy and chemotherapy (Clinic of Nuclear Medicine); intraoperative sentinel lymph node mapping in breast cancer and cutaneous melanoma using radiocolloid; and electrochemotherapy as an innovative method for treating malignant tumors through electro-pulsation (Clinic of Dermatology), among others.

100% state-owned
Minister of Health

Board of Directors as of 31.12.2023:

Dr. Vladimir Daskalov, M.D. assoc.prof. Miglena Pavlova, Anelia Grozdanova - Hristova

Executive Director:

Dr. Vladimir Daskalov, M.D.

Independent auditor:

“ABVP – Audit Standard” OOD, Reg. No. 165

Remuneration paid to the Board of Directors members for 2023: BGN 267,802

Average staff composition for 2023: 441 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	78,578	96,291
Revenues from operating activity	78,578	95,623
Net profit/loss	1,287	1,270
Balance sheet, BGN thsd.		
Total assets	58,511	66,835
Long term assets	35,215	33,838
Short-Term Assets	23,284	32,992
Deferred expenses	12	5
Total liabilities	18,313	25,367
Non-current liabilities	8,358	7,943
Current liabilities	9,955	17,424
Equity	40,198	41,468
Financial ratios		
Return on expenses	1.0173	1.0145
Current ratio	2.3389	1.8935
Net debt/equity ratio	0.4556	0.6117
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

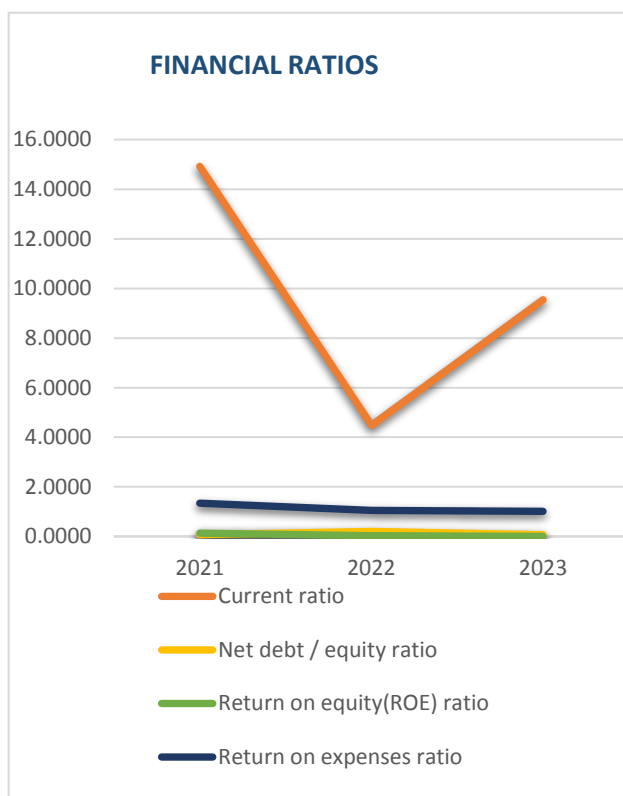
Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of USHAT for oncology “Prof. Ivan Chernozhewski” EAD, Sofia for 2023 is 97.17 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of the financial targets is 90.56 points, with a performance level of "Very good";
- the evaluation score of non-financial targets is 100 points, with a performance level of "Very good".

The core activity of “Bul Bio – NCIPD” EOOD is related to is related to the production and sale in the country and abroad of vaccines, serums, allergens, blood products, immunostimulants, preparations for diagnosis, treatment and prevention, wholesale of medicinal products and medical devices. It retains its status as a manufacturer under the Medicinal Products in Human Medicine Act and holds the registrations for the medicines and medical devices manufactured for in vitro diagnostic purposes. He currently holds one invention patent and two utility model patents.

The company's products meet the highest requirements of international standards ISO, GMP, as well as the regulations of the World Health Organization (WHO) and the European Union.



The public enterprise exports vaccines to more than 140 countries in the world and for this activity is licensed by the World Health Organization as one of the few companies in the world entitled to sell vaccines for the needs of UNICEF. A major part of the company's export revenues is generated from the sale of BCG vaccine, tetanus vaccine, diphtheria and tetanus vaccine for children and tetanus/diphtheria vaccine for adults.

100% state-owned
Minister of Health

Manager as of 31.12.2023:

Dr. Rumen Kofinov

Independent auditor:

certified public accountant Dimitar Dimitrov, reg. No. 699

Remunerations paid to the Manager for 2023: BGN 129,000

Average staff composition for 2023: 425 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	34,924	31,667
Revenues from operating activity	34,246	31,224
Net profit/loss	1,686	320
Balance sheet, BGN thsd.		
Total assets	76,433	74,925
Long term assets	24,143	35,615
Short-Term Assets	52,290	39,310
Total liabilities	12,847	5,210
Non-current liabilities	1,175	1,088
Current liabilities	11,672	4,122
Equity	63,586	69,715
Financial ratios		
Return on expenses	1.0566	1.0132
Current ratio	4.4800	9.5366
Net debt/equity ratio	0.2020	0.0747
Return on equity	0.0265	0.0046
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	Yes	Yes
AFS prepared in accordance with the NAS	No	No

The dividend paid in 2024 is in the amount of BGN 66,000.

On 09.08.2024, the company's conversion by changing its legal form and becoming a sole shareholder company was registered in the Commercial Register and Register of Non-Profit Legal Entities.

The production of Crimean haemorrhagic fever vaccine is in very small volumes and is produced only in our country.

Implementation of the business program for 2023:

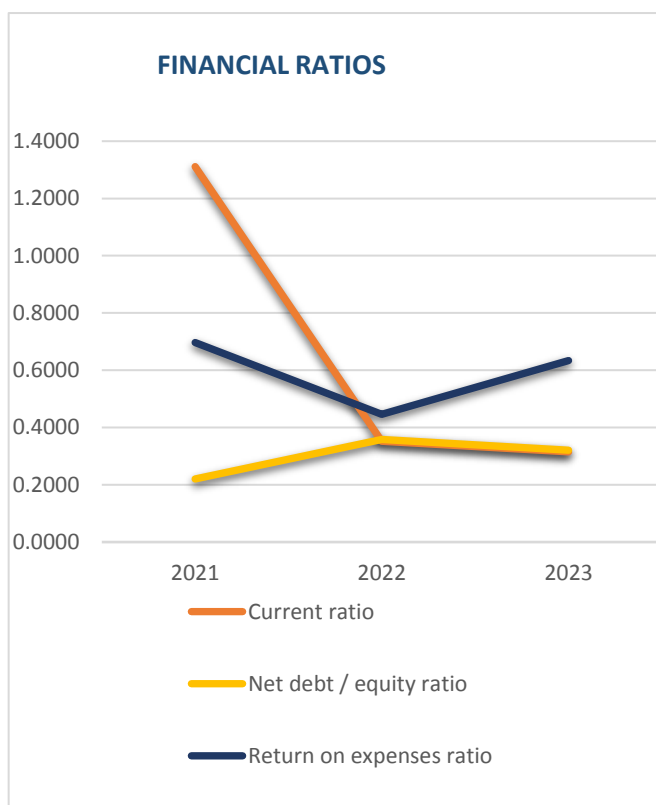
The final evaluation of the implementation of the Business Program of “Bul Bio – NCIPD” EOOD, Sofia for 2023 is 80.01 points and the Business Program level of implementation is " Very Good", as:

- the evaluation score of financial targets is 75.00 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 91.69 points, with a performance level of "Very good".



MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT "LOZENETS" EAD, SOFIA

MHAT "Lozenets" EAD is the universal legal successor of the assets and liabilities of the transformed Hospital "Lozenets", pursuant to Council of Ministers Decree No. 693 of 21.11.2019 on the announcement of a public state-owned property as a private state-owned property and on the conversion of Hospital "Lozenets" into a Sole-shareholder joint-stock company with state participation in the capital.



The hospital's scope of activity include the provision of inpatient medical care, in accordance with the License for medical activity No. MB-428 of 15.09.2023 of the Minister of Health. The medical establishment performs medical activities on clinical pathways, outpatient procedures and clinical procedures in the following specialties: cardiology, cardiac surgery, surgery, obstetrics and gynaecology, neonatology, orthopaedics and traumatology, urology, nephrology, anaesthesiology and intensive care, ophthalmology, paediatrics, gastroenterology and pneumology and phthisiology, etc.

In 2023, the hospital obtained a permit from the Ministry of Health to provide inpatient care in "Maxillofacial Surgery" and opened a "Department of Maxillofacial Surgery" with III-rd level of competence.

100% state-owned
Minister of Health

Board of Directors as of 31.12.2023:

Dr. Hristo Stoyanov, Orlin Nedev, Dr. Yanko Zdravkov

Executive Director:

Dr. Hristo Stoyanov

Independent auditor:

certified public accountant Alicia Profirova, through "Alma Audit Consult" Ltd, Reg. No. 105

Remuneration paid to the Board of Directors members for 2023: BGN 295,000

Average staff composition for 2023: 634 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	25,902	39,205
Revenues from operating activity	25,893	38,523
Net profit/loss	(32,076)	(22,369)
Balance sheet, BGN thsd.		
Total assets	126,773	113,502
Long term assets	121,379	106,193
Short-Term Assets	5,394	7,309
Deferred expenses	-	-
Total liabilities	33,442	27,541
Non-current liabilities	18,138	4,347
Current liabilities	15,304	23,194
Equity	93,331	85,961
Financial ratios		
Return on expenses	0.4461	0.6337
Current ratio	0.3525	0.3151
Net debt/equity ratio	0.3583	0.3204
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

Implementation of the business program for 2023:

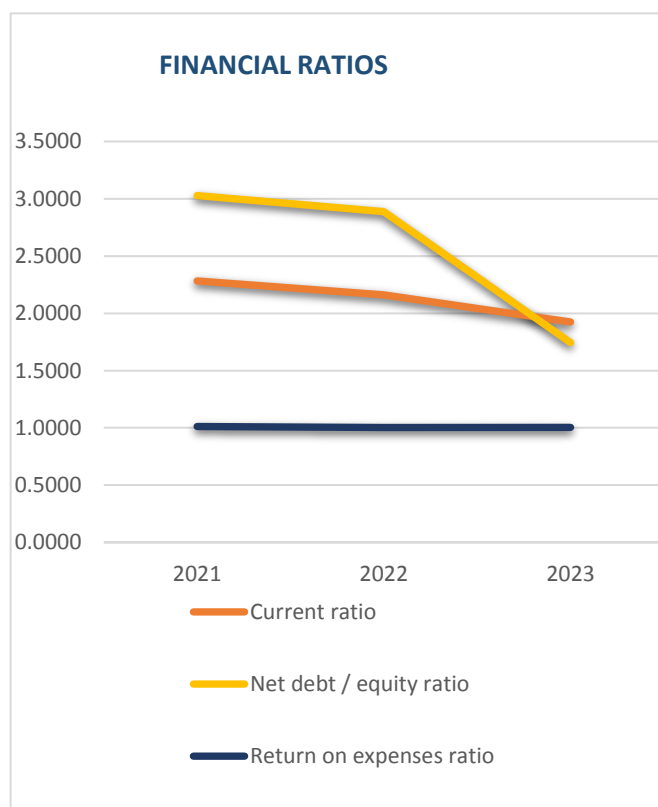
The final evaluation of the implementation of the Business Program of MHAT "Lozenets" EAD, Sofia for 2023 is 53.28 points and the Business Program level of implementation is "Good", as:

- the evaluation score of the financial targets is 22,00 points, indicating a performance level of "Unsatisfactory.";
- the evaluation score of non-financial targets is 66.68 points, with a performance level of "Good".



“UNIVERSITY MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT – BURGAS” AD, BURGAS

“UMHAT–Burgas” AD was founded 140 years ago, and the company was established by Order RD-19-14/18.08.2000 of the Minister of Health and was entered in the Commercial Register on 18.08.2000. The principal activity of the company is in accordance with the Medical establishment Act: provision of hospital care, including diagnosis and treatment of diseases where the treatment objective cannot be achieved in outpatient care; maternity care; rehabilitation; diagnosis and consultations requested by a doctor from other medical institutions; organ, tissue and cell transplantation activities; blood and blood components collection, storage, supply; dispensary care; clinical trials of medicinal products and medical devices in accordance with the legislation in force in the country; educational and scientific activities, etc.



The only medical facility in the Burgas Region providing round-the-clock highly qualified medical care in almost all medical specialties. The hospital includes the only intensive care unit that fully covers emergency and intensive care services. The serviced contingent is about 420 thousand people and during the active tourist season exceeds 1.2-1.5 million people. In 2023, the share capital was increased by the amount of funds received for the years 2018, 2020 and 2021 from the

**89.01% state-owned
Minister of Health AND
10,99% owned by municipalities of Burgas region**

Board of Directors as of 31.12.2023:

Prof. Dr. Vladimir Gonchev, M.D., Dr. Boyko Mirazchiiski, M.D., Dr. Rositsa Ivanova, M.D.

Executive Director:

Dr. Boyko Mirazchiiski, M.D.

Independent auditor:

Certified public accountant Radka Boevska, Reg. No. 465

Remuneration paid to the Board of Directors members for 2023: BGN 183,000

Average staff composition for 2023: 938 persons

FINANCIAL INFORMATION

	2022	2023
Income Statement, BGN thsd.		
Total revenues	42,224	47,757
Revenues from operating activity	42,223	47,757
Net profit/loss	81	190
Balance sheet, BGN thsd.		
Total assets	40,128	40,814
Long term assets	28,837	27,567
Short-Term Assets	11,119	13,121
Deferred expenses	172	126
Total liabilities	29,803	25,940
Non-current liabilities	24,657	19,121
Current liabilities	5,146	6,819
Equity	10,325	14,874
Financial ratios		
Return on expenses	1.0029	1.0040
Current ratio	2.1607	1.9242
Net debt/equity ratio	2.8865	1.7440
AFS certified by an independent auditor	Yes	Yes
AFS prepared in accordance with IAS	No	No
AFS prepared in accordance with the NAS	Yes	Yes

The undertaking is exempted from payment of dividend in 2024 financial year.

State and used for capital expenditures amounting to BGN 4,394,450 by subscription of new 439,445 shares of the State with a nominal value of BGN 10.

Implementation of the business program for 2023:

The final evaluation of the implementation of the Business Program of UMHAT "Burgas" EAD, Burgas for 2023 is 86.71 points and the Business Program level of implementation is "Very Good", as:

- the evaluation score of financial targets is 73.69 points, with a performance level of "Good";
- the evaluation score of non-financial targets is 92.28 points, with a performance level of "Very good".

No.	Categories / Criteria	Public enterprises answered with "YES"	Public enterprises answered with "NO"	Public enterprises answered with "NON APPLICABLE"	No answer
1	2	3	4	5	6
	Social policy				
	Social activities and policy				
1	Have measures been taken to equalize the number of employees of different genders, to equalize criteria for evaluation and to pay for the work performed, and can the information be presented by area of employment and by occupation (equal pay for work of equal value for different genders, etc.)?	47	3		
2	Does the company's relationship with trade unions, including respect for trade union rights (employee benefits), affect employees?	44	5		1
3	Does the public enterprise have a human resource management policy, including restructuring management, career management, payroll system and training?	46	1		3
4	Have actions been taken to inform the employees of the public undertaking about preventive measures to ensure occupational health and safety?	50			
5	Are ILO conventions and recommendations applied?	39	7	2	2
6	Have initiatives been taken to inform and limit the impact on vulnerable consumers (consumer awareness of the safety of products, services and activities targeted at vulnerable consumer groups: children, pregnant women, etc.)?	30	13	6	1

7	Has the public enterprise contributed to and undertaken activities to shorten the distance and improve relations with the local Bulgarian communities - ethnic and religious, including measures taken for their social and economic development (e.g. investments made to improve the condition of local communities)?	32	16	1	1
	Environmental programme				
	Ecological impact				
1	Are there improvements in energy performance, electricity saved (through technology implementation and/or innovation) that have a positive environmental impact on energy use?	39	10	1	
2	Have measures been taken to limit impacts on natural ecosystems (energy consumption from non-renewable, renewable or partially renewable natural resources, as well as consumption of non-energy resources)?	29	19		2
3	Is a waste management system in place (recycling rate)?	37	12	1	
4	Is a fleet replacement plan being implemented to reduce the environmental impact of transport?	36	12	2	
5	Are practices in place to limit the environmental impact of pollutants resulting from the disposal and/or use and retirement of products and services?	44	4	1	1
	Fight against corruption				
	Measures taken to combat corruption and bribery				
1	Have criteria been developed to be applied in corruption risk assessments?	40	9	1	

2	Are policies and internal rules applied regarding internal control processes and resources allocated for the prevention of corruption and bribery (e.g., number of identified cases of corruption, number of employees who have received appropriate training to deal with corruption, number of ongoing or concluded cases related to anti-competitive behavior, etc.)?	44	3		3
3	Are the mechanisms for reporting violations, corruption, etc. specified?	47	2		1
4	Are measures in place to protect and anonymise whistleblowers?	44	5		1
	Corporate governance				
1*	Is the Chairman of the management and control body an independent member as required by the Public Enterprises Act?	39	3	1	7
2*	Has the ratio under Article 22 of the Public Enterprises Act been observed with regard to the composition of the management and control bodies	39	4	1	6
3*	Is there an established practice for new members of the management and control bodies to be familiarised with the main legal and financial issues related to the operation of the undertaking?	40	4	1	5
4	Does the remuneration of the members of the management and control bodies, including the managers, consist of basic remuneration and additional incentives?	21	26		3
5	Are the additional incentives of members of the management and control bodies, including the managers, specific or determinable?	19	24	1	6
6	Are the additional incentives of members of the management and control bodies, including the managers, linked to clear and specific criteria and indicators in relation to the performance of the public undertaking and/or to the achievement of predetermined targets? Describe what the relationship is between the additional incentives and the results achieved or other criteria and/or targets.	18	25	1	6

7	Has the management and control body established a disclosure and investor relations policy? Indicate the date on which it was last adopted and/or updated.	25	17	4	4
8	Does the management and control body provide guidance, approve and control the implementation of: the business programme of the public undertaking, transactions of a material nature, and other activities set out in its constitutive instruments?	46	1		3
9	Is there a distribution of tasks among the management and control bodies' members ensuring the effective operation of the public undertaking?	32	11		7
10	Are there procedures for avoiding and disclosing conflicts of interest and are they regulated?	37	8		5
11	Has a Code of Ethics been adopted and is it being followed? Indicate the date on which the code was adopted and/or last updated, and describe whether there have been any cases in the past year requiring the application of the principles set out in the code.	45	2		3
12	Does the public undertaking have an internal control system in place to identify the risks inherent in its activities and to support its effective management?	46	1		3
13	Does the internal control system ensure the effective functioning of reporting and disclosure systems?	47			3
14	Is the management of the public enterprise assisted in its activities by an audit committee?	22	23	2	3
15	Are all shareholders, including minority and foreign shareholders, treated equally?	5	26	7	12

16	Have rules been developed for organizing and conducting regular and extraordinary General meetings of the company's shareholders, which ensure equal treatment of all shareholders and the right of each shareholder to express their opinion on the items on the agenda of the general meeting?	3	27	8	12
17	Are shareholders notified of the results of the General meeting via the internet and in due time?	2	28	8	12
18	Do the members of the management bodies attend the company's General meetings of shareholders? Indicate how many of the management members attended the last regular general meeting of the company's shareholders?	1	29	8	12
19	Has a disclosure policy been adopted?	44	3		3
20	Has the management and control body established and monitored compliance with internal rules for the preparation of annual and interim reports and the procedures for disclosure of information?	40	3		7
21	Does the public enterprise maintain a website? If so, please provide address of the website.	46			4
22	Has the public enterprise identified the stakeholders relevant to its activities based on their level and areas of influence, role, and relation to its sustainable development?	42	4		4
23	Does the management of the public undertaking ensure effective interaction with stakeholders?	43	3		4

* To be completed where applicable