Translation from Bulgarian

Annual Management Report

Independent Auditor's Report

Financial statements

TRADE ESTATES BULGARIA EAD

31 December 2025

Contents

Annual Management Report

1. General information. Ownership and corporate governance

The Company's principal scope of business activity is the management and leasing of real estate, as well as the provision of other real property-related services. The Company is registered with the Commercial Register under UIC 205789473.

The Company was incorporated as a joint stock company in 2019 as a result of a plan approved by the Board of Directors of House Market Bulgaria EAD for reorganisation, which involved the separation of its own real estate and the corresponding bank liabilities into the newly incorporated Company. In 2021, the Company Trade Estates Joint Stock Company for Investments in Real Estate S.A., Greece, was incorporated, which acquired the share capital and, respectively, became the sole owner of Trade Estates Bulgaria EAD.

The head office and registered address of the Company is 216 Okolovrasten Pat Str., Sofia City, Bulgaria.

The ultimate controlling entity is Fourlis Holding S.A., Greece, which owns 100% of the shares of Trade Estates Joint Stock Company for Investments in Real Estate S.A. The shares of Fourlis Holding S.A. are listed on the Athens Stock Exchange.

The Company has a one-tier governance system consisting of a Board of Directors with members as of 31 December 2025, Dimitrios Papoulis, Andreas Skyrlas, and Stavroula Moundanou. The manner of representation is either jointly by the two Executive Directors, Dimitrios Papoulis and Andreas Skyrlas, or by two of the procurators (authorised signatories), Milena Dimanova, and Nicolaos Yfantidis.

The Company does not perform research and development activities.

The Company does not hold treasury shares and, respectively, carried out no transactions with such shares.

In 2025, the members of the Board of Directors of the Company neither acquired, held, nor transferred shares of the Company, nor had the right to acquire shares of the Company.

In 2025, the key management staff were not paid remuneration.

Contracts under Article 240b of the Commercial Act were not concluded during the year.

The procurators (authorised signatories) do not participate in the management or ownership of other companies.

The participation of the members of the Board of Directors as a general partner holding more than 25 per cent of the capital of other entities is as follows:

Dimitrios Papoulis:

- Emos Partners EOOD, Sofia, Bulgaria.

Andreas Skyrlas:

- Andreas Skyrlas & Sia Omorrythmi Etaireia, Palaio Faliro, Greece;
- Business Skills Ike, Athens, Greece.

The participation of the members of the Board of Directors in the corporate governance of other companies or cooperatives as procurators (authorised signatories), managing directors or Board members as of 31 December 2025, is as follows:

Dimitrios Papoulis:

- Trade Estates REIC, Attica, Greece – Executive Director and member of the Board of Directors;

Stavroula Moundanou:

- Ktimatodomi Techniki Touristiki Nautiliaki Georgiki Kai Emporiki Monoprosopi Anonymh Etaireia, Attica, Greece – member of the Board of Directors;

- Volyrenco Anaptixi Kai Ekmetalefsi Akiniton Monoprosopi Anonimi Eteria, Attica, Greece – member of the Board of Directors;
- Mantenko Anaptixi Kai Ekmetalefsi Akiniton Monoprosopi Anonimi Eteria, Attica, Greece – member of the Board of Directors;
- Rets Kataskevastiki Anonymi Etaireia, Kifissia, Greece – member of the Board of Directors;
- Polikenco Anaptyxi Kai Ekmetallefsi Akiniton Monoprosopi Anonymi Etaireia, Attica, Greece – member of the Board of Directors.

Andreas Skyrlas:

- Andreas Skyrlas & Sia Omorrythmi Etaireia, Palaio Faliro, Greece – Managing Director;
- Trade Estates Cyprus Limited, Lefkosia, Cyprus – Managing Director;
- H.M. Estates Cyprus Limited, Lefkosia, Cyprus – Managing Director;
- Ktimatodomi Techniki Touristiki Nautiliaki Georgiki Kai Emporiki Monoprosopi Anonymh Etaireia, Attica, Greece – Executive Director and Chairman of the Board of Directors;
- Volyrenco Anaptixi Kai Ekmetalefsi Akiniton Monoprosopi Anonimi Eteria, Attica, Greece – Executive Director and Chairman of the Board of Directors;
- Mantenko Anaptixi Kai Ekmetalefsi Akiniton Monoprosopi Anonimi Eteria, Attica, Greece – Executive Director and Chairman of the Board of Directors;
- Gyalou Monoprosopi Anonymi Etairia Emporikon, Touristikon Drastiriotiton Kai Ekmetalleusis Akiniton, Attica, Greece – Chairman of the Board of Directors;
- Rets Kataskevastiki Anonymi Etaireia, Кифисия, Greece – Chairman of the Board of Directors;
- Evitenco Anaptyxi Kai Ekmetalleusi Akiniton S.A. , Athens, Greece – member of the Board of Directors.

The procurators (authorised signatories) do not participate in the management or ownership of other companies.

Contracts under Article 240b of the Commercial Act was not concluded during the year.

2. Main risks faced by the Company. Financial instruments used by the Company. Risk management objectives and policies

The Company is exposed to various risks associated with financial instruments. The most significant financial risks to which the Company is exposed are market risk, credit risk and liquidity risk.

The Company's risk management is carried out by management, whose priority is to ensure short to medium-term cash flows by minimising exposure to financial markets.

The Company did not use derivative financial instruments in its operations in 2025. The main financial instruments include trade and other receivables, payables on loans, and trade and other payables.

In 2024, the Company experienced operational risks' immediate effects on its business operations, becoming the target of a hacking attack in late November 2024 that resulted in a material disruption to its IT systems and overall operations. Thanks to the active efforts of professionals in the field, their normal functioning was restored in February 2025, with ongoing activities aimed at increasing protection levels and securing processes more reliably.

More information about the most significant financial risks the Company is exposed to is disclosed in Note 21 to the financial statements.

3. Financial performance, operating results, ecology and personnel

In 2025, the Company reported an increase in operating profit of BGN 2,755 thousand (28.4%), primarily due to the profit from changes in the fair value of investment property, which was BGN 2,508 thousand higher than in 2024. Rental income grew by 5%, corresponding to the annual indexation of the „Minimum guaranteed rent“, with operating expenses remaining at their prior year's level.

Finance costs declined by BGN 153 thousand or 8.5% due to the reduction of the loan principal through payments made under the agreed-upon repayment schedule.

More information on the Company's income, expenses, and balance sheet items for the current and comparable periods is disclosed in the financial statements for the year ended 31 December 2025.

As of the date of preparation of the financial statements, management has assessed the Company's ability to continue operating as a going concern in the foreseeable future based on the available information. After the studies undertaken, the Board has a reasonable expectation that the Company has sufficient resources to continue operating in the foreseeable future. Accordingly, the Company continues to apply the going-concern concept in preparing its annual financial statements.

The Company had no personnel hired under employment contracts as of 31 December 2025

The activity of Trade Estates Bulgaria EAD is not manufacturing, and therefore, it has no direct impact on the environment or pollution.

The Company does not use intangible assets in its operations.

4. Future development

The Company will continue its activities in the future under the terms of the lease agreement with House Market Bulgaria EAD. The rental income for the next period is expected to increase in line with the agreed indexation of the "Minimum Guaranteed Rent". Management does not expect a decline in real estate prices in the region that would negatively affect the fair value of the investment property and, accordingly, negatively impact the financial result.

No transactions of material significance to The Company's operations are anticipated beyond those potentially concerning its future development.

5. Events after the end of the reporting period

No adjusting or significant non-adjusting events have occurred between the date of the financial statements and the date of their authorisation for issue, except the following non-adjusting event:

By decision of the sole equity owner of the Company dated 29 January 2026, Andreas Skyrlas was discharged as a member of the Company’s Board of Directors, and Eftychios Triantafyllidis was appointed in his place.

Pursuant to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective 1 January 2026, the euro becomes the official currency and legal tender in Bulgaria. The official exchange rate is set at 1.95583 Bulgarian leva per 1 euro. The introduction of the euro as the official currency in the Republic of Bulgaria constitutes a change in the Company’s functional currency, which will be reflected prospectively and does not constitute an adjusting event after the date of the financial statements.

Since February, there has been an escalation of the tension caused by the conflict in Iran, which has led to greater political uncertainty in the region and globally. Potential consequences of these events include greater volatility in energy markets, additional fluctuations in the macroeconomic environment, and greater uncertainty about future economic conditions. Management monitors the development of the situation and has taken into account available information in making accounting estimates and assumptions; at present, no need for adjustment in the financial statements has been identified, beyond the disclosures made.

27 May 2026
Sofia

Nikolaos Yfantidis *Procura holder*	NIKOLAOS YFANTIDIS	Digitally signed by NIKOLAOS YFANTIDIS Date: 2026.05.27 10:14:21 +03’00’	**Milena Dimanova** *Procura holder*	MILENA EMILOVA DIMANOVA	Digitally signed by MILENA EMILOVA DIMANOVA Date: 2026.05.27 10:01:35 +03’00’

Statement of Financial Position

Assets	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Non-current assets			
Investment property	**Error! Reference source not found.**	96 476	93 079
Non-current assets		**96 476**	**93 079**
Current assets			
Prepayments and other assets		10	1
Income tax receivable		25	-
Cash and cash equivalents	**Error! Reference source not found.**	1 796	1 859
Current assets		**1 831**	**1 860**
Total assets		**98 307**	**94 939**
Equity and liabilities			
Equity			
Share capital	**Error! Reference source not found.**	52 758	52 758
Other reserves	**Error! Reference source not found.**	(1 919)	(1 919)
Retained earnings		15 100	11 373
Total equity		**65 939**	**62 212**
Liabilities			
Non-current liabilities			
Non-current loans from related parties	**Error! Reference source not found.**	23 211	24 291
Deferred tax liabilities	**Error! Reference source not found.**	2 681	2 071
Non-current liabilities		**25 892**	**26 362**
Current liabilities			
Short-term loans from related parties	**Error! Reference source not found.**	1 414	1 534
Current payables to related parties	16	4 892	4 694
Trade and other payables	**Error! Reference**	170	137

	source not found.		
Current liabilities		**6 476**	**6 365**
Total liabilities		**32 368**	**32 727**
Total equity and liabilities		**98 307**	**94 939**

Prepared by:	DESISLAVA MILKOVA HRISTOVA	Digitally signed by DESISLAVA MILKOVA HRISTOVA Date: 2026.05.27 11:06:32 +03'00'	Procura holder	MILENA EMILOVA DIMANOVA	Digitally signed by MILENA EMILOVA DIMANOVA Date: 2026.05.27 10:06:31 +03'00'
/Desislava Hristova/			/Milena Dimanova/		
			Procura holder	NIKOLAOS YFANTIDIS	Digitally signed by NIKOLAOS YFANTIDIS Date: 2026.05.27 10:14:21 +03'00'
			/ NIKOLAOS YFANTIDIS /		

By an Auditor's Report dated 27 May 2026
Grant Thornton OOD, Audit Firm, Registration No. 032

Mariy Apostolov	MARIY GEORGIEV APOSTOLOV	Digitally signed by MARIY GEORGIEV APOSTOLOV	Ivan Gidiyski	IVAN PETKOV GIDIYSKI	Digitally signed by IVAN PETKOV GIDIYSKI
Managing Partner		Date: 2026.05.27 11:55:34 +03'00'	Registered auditor responsible for the audit		Date: 2026.05.27 11:58:46 +03'00'

Statement of Profit or Loss and Other Comprehensive Income

	Note	2025 BGN'000	2024 BGN'000
Rental income	**Error! Reference source not found.**	7 562	7 292
Other income	**Error! Reference source not found.**	339	387
Operating expenses	**Error! Reference source not found.**	(599)	(624)
Changes in the fair value of investment property	**Error! Reference source not found.**	3 397	889
Operating profit		**10 699**	**7 944**
Finance costs	**Error! Reference source not found.**	(1 224)	(1 645)
Profit before tax		**9 475**	**6 299**
Income tax expense	**Error! Reference source not found.**	(858)	(693)
Profit for the year		**8 617**	**5 606**
Total comprehensive income for the year		**8 617**	**5 606**

Prepared by: DESISLAVA MILKOVA HRISTOVA Digitally signed by DESISLAVA MILKOVA HRISTOVA Date: 2026.05.27 11:07:04 +03'00'
/Desislava Hristova/

Procura holder MILENA EMILOVA DIMANOVA Digitally signed by MILENA EMILOVA DIMANOVA Date: 2026.05.27 10:07:21 +03'00'
/Milena Dimanova/

Procura holder NIKOLAOS YFANTIDIS Digitally signed by NIKOLAOS YFANTIDIS Date: 2026.05.27 10:16:43 +03'00'
/ NIKOLAOS YFANTIDIS /

By an Auditor's Report dated 27 May 2026

Grant Thornton OOD, Audit Firm, Registration No. 032

Mariy Apostolov	MARIY GEORGIEV APOSTOLOV	Digitally signed by MARIY GEORGIEV APOSTOLOV	Ivan Gidiyski	IVAN PETKOV GIDIYSKI	Digitally signed by IVAN PETKOV GIDIYSKI
Managing Partner		Date: 2026.05.27 11:56:10 +03'00'	Registered auditor responsible for the audit		Date: 2026.05.27 11:59:16 +03'00'

Statement of Changes in Equity

All amounts are stated in thousands of Bulgarian leva (BGN'000)	**Share capital**	**Issue premium**	**Retained earnings**	**Total equity**
Balance as of 1 January 2025	**52 758**	**(1 919)**	**11 373**	**62 212**
Dividends	-	-	(4 890)	(4 890)
Owner's transactions	**-**	**-**	(4 890)	(4 890)
Profit for the year	-	-	8 617	8 617
Total comprehensive income for the year	**-**	**-**	**8 617**	**8 617**
Balance as of 31 December 2025	**52 758**	**(1 919)**	**15 100**	**65 939**

All amounts are stated in thousands of Bulgarian leva (BGN'000)	**Share capital**	**Issue premium**	**Retained earnings**	**Total equity**
Balance as of 1 January 2024	**52 758**	**(1 919)**	**9 680**	**60 519**
Dividends	-	-	(3 913)	(3 913)
Owner's transactions	**-**	**-**	**(3 913)**	**(3 913)**
Profit for the year	-	-	5 606	5 606
Total comprehensive income for the year	**-**	**-**	**5 606**	**5 606**
Balance as of 31 December 2024	**52 758**	**(1 919)**	**11 373**	**62 212**

Prepared by: DESISLAVA MILKOVA HRISTOVA
Digitally signed by DESISLAVA MILKOVA HRISTOVA
Date: 2026.05.27 11:07:27 +03'00'
/Desislava Hristova/

Procura holder MILENA EMILOVA DIMANOVA
Digitally signed by MILENA EMILOVA DIMANOVA
Date: 2026.05.27 10:07:44 +03'00'
/Milena Dimanova/

Procura holder NIKOLAOS YFANTIDIS
Digitally signed by NIKOLAOS YFANTIDIS
Date: 2026.05.27 10:17:01 +03'00'
/ NIKOLAOS YFANTIDIS /

By an Auditor's Report dated 27 May 2026
Grant Thornton OOD, Audit Firm, Registration No. 032

Mariy Apostolov
Managing Partner
MARIY GEORGIEV APOSTOLOV
Digitally signed by MARIY GEORGIEV APOSTOLOV
Date: 2026.05.27 11:56:37 +03'00'

Ivan Gidiyski
Registered auditor responsible for the audit
IVAN PETKOV GIDIYSKI
Digitally signed by IVAN PETKOV GIDIYSKI
Date: 2026.05.27 11:59:45 +03'00'

Statement of Cash Flows

	Note	2025 BGN'000	2024 BGN'000
Operating activity			
Profit before taxes		9 475	6 299
Adjustments		(2 173)	756
Change in the fair value of investment property		*(3 397)*	*(889)*
Interest expenses		*1 224*	*1 645*
Net changes in working capital		27	2
Change in trade and other receivables		*(9)*	*4*
Change in trade and other payables		*36*	*(2)*
Net changes in working capital		(297)	(360)
Net cash flow from operating activity		**7 032**	**6 697**
Financing activity			
Payments on loans	0	(1 080)	(810)
Interest paid	0	(1 328)	(1 279)
Dividends paid	**Error! Reference source not found.**	(4 694)	(6 259)
Payment of other finance costs		7	(7)
Net cash flow from financing activity		**(7 095)**	**(8 355)**
Net change in cash and cash equivalents		**(63)**	**(1 658)**
Cash and cash equivalents at the beginning of the year		1 859	3 517
Cash and cash equivalents at the end of the year	**Error! Reference source not found.**	**1 796**	**1 859**

Prepared by: DESISLAVA MILKOVA HRISTOVA Digitally signed by DESISLAVA MILKOVA HRISTOVA Date: 2026.05.27 11:07:57 +03'00'
/Desislava Hristova/

Procura holder MILENA EMILOVA DIMANOVA Digitally signed by MILENA EMILOVA DIMANOVA Date: 2026.05.27 10:08:09 +03'00'
/Milena Dimanova/

Procura holder NIKOLAOS YFANTIDIS Digitally signed by NIKOLAOS YFANTIDIS Date: 2026.05.27 10:17:19 +03'00'
/ NIKOLAOS YFANTIDIS /

By an Auditor's Report dated 27 May 2026
Grant Thornton OOD, Audit Firm, Registration No. 032

Mariy Apostolov MARIY GEORGIEV APOSTOLOV Digitally signed by MARIY GEORGIEV APOSTOLOV Date: 2026.05.27 11:57:03 +03'00'
Managing Partner

Ivan Gidiyski IVAN PETKOV GIDIYSKI Digitally signed by IVAN PETKOV GIDIYSKI Date: 2026.05.27 12:00:16 +03'00'
Registered auditor responsible for the audit

Notes to the Financial Statements

1. General information and scope of business activity

The Company's principal scope of business activity is the management and leasing of real estate, as well as the provision of other real property-related services. The Company is registered with the Commercial Register under UIC 205789473.

The Company was incorporated as a joint stock company in 2019 as a result of a plan approved by the Board of Directors of House Market Bulgaria EAD for reorganisation, which involved the separation of its own real estate and the corresponding bank liabilities into the newly incorporated Company. In 2021, the Company Trade Estates Joint Stock Company for Investments in Real Estate S.A., Greece, was incorporated, which acquired the share capital and, respectively, became the sole owner of Trade Estates Bulgaria EAD.

The head office and registered address of the Company is 216 Okolovrasten Pat Str., Sofia City, Bulgaria.

The ultimate controlling entity is Fourlis Holding S.A., Greece, which owns 100% of the shares of Trade Estates Joint Stock Company for Investments in Real Estate S.A. The shares of Fourlis Holding S.A. are listed on the Athens Stock Exchange.

The Company has a one-tier governance system consisting of a Board of Directors with members Dimitrios Papoulis, Andreas Skyrlas, and Stavroula Moundanou. The manner of representation is either jointly by the two Executive Directors, Dimitrios Papoulis and Andreas Skyrlas, or by two of the procurators (authorised signatories), Milena Dimanova, Nicolaos Sfyroeras, and Nicolaos Yfantidis.

The Company had no personnel hired under employment contracts as of 31 December 2025.

2. Statement of compliance with IFRS and application of the going concern concept

2.1. Statement of compliance with IFRS, adopted by the EU

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as elaborated and issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) (IFRS Accounting Standards). Within the meaning of paragraph 1, item 8 of the Additional Provisions of the Accountancy Act, applicable in Bulgaria, they comprise International Accounting Standards (IAS), adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

2.2. Application of the going concern concept

As of the date of these financial statements, management has assessed the Company's ability to continue as a going concern based on information available for the foreseeable future. After making enquiries, the Board of Directors has a reasonable expectation that the Company has sufficient resources to continue operating in the foreseeable future. Accordingly, it continues to apply the going concern concept in preparing the annual financial statements.

3. New or amended standards and interpretations

3.1. New standards, amendments and interpretations of existing standards as of 1 January 2025

The Company has adopted the following new standards, amendments and interpretations of IFRS, issued by the International Accounting Standards Board and approved by the EU, which are applicable and effective for the financial statements of the Company for the annual period commencing on 1 January 2025, but do not have a material impact on the financial performance and position of the Company:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments), effective for annual reporting periods beginning on or after 1 January 2025, not yet adopted by the EU.

3.2. Standards, amendments and interpretations not yet effective and not early adopted by the Company

As of the date of approval of these financial statements, new standards, amendments, and interpretations of existing standards have been issued but are not yet effective, have not been adopted by the EU for the financial year commencing on 1 January 2025, and have not been early applied by the Company. Management expects all standards and amendments to be incorporated into the Company's accounting policy within the first period commencing after the date of their entry into force. Information about these standards and amendments is presented below.

FRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027, not yet adopted by the EU

IFRS 18 aims to improve how companies disclose information in their financial statements, focusing on financial performance information in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Entities are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. The requirements in IAS 1 that have not changed have been transferred to IFRS 18 and other standards. IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies measure financial performance, it will affect how entities present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss. Adding defined subtotals in the statement of profit or loss facilitates the comparisons of companies' financial performance and provides a consistent starting point for investors' analysis;
- requiring disclosures about management-defined performance indicators. Requiring entities to disclose information about management-defined performance indicators increases discipline in their use and transparency about how they are calculated.
- adding new principles on grouping (aggregating and disaggregating) information. Setting requirements for whether information should be in the primary financial statements or in the notes thereto, and providing principles on the necessary level of detail, improves the effective communication of information.

The following new standards, amendments and interpretations to existing standards, also issued, but not yet effective, are not expected to have a significant impact on the Company's financial statements:

- Annual Improvements, effective from 1 January 2026, adopted by the EU;
- Changes in Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, adopted by the EU
- IFRS 19, Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU.
- Amendments to IFRS 19, Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU.
- Amendments to IAS 21, Translation to a Hyperinflationary Presentation Currency, effective from 1 January 2027, not yet adopted by the EU.

4. Significant information on the accounting policy

4.1. General provisions

The most significant information regarding the accounting policies applied in preparing these financial statements is presented below.

The financial statements have been prepared on an accrual basis and in compliance with the historical cost convention, except for the property revaluation. Measurement bases are described in detail in the accounting policies below.

The financial statements have been prepared in Bulgarian leva, the Company's functional currency. All amounts have been presented in thousands of Bulgarian leva (BGN'000) (including the comparatives for 2023) unless stated otherwise.

It should be noted that in preparing the accompanying financial statements, accounting estimates and assumptions have been used. Although these are based on information provided to management as of the date of preparation of the financial statements, the actual results may differ from the estimates and assumptions used.

4.2. Presentation of the financial statements

The financial statements have been presented in accordance with IAS 1 Presentation of Financial Statements.

The Company presents the statement of profit or loss and other comprehensive income in a single statement.

Two comparative periods are presented in the statement of financial position, where the Company has applied the accounting policy retrospectively, restated retrospectively items in the financial statements or reclassified items in the financial statements, and this has had a significant impact on the information in the statement of financial position as of the beginning of the previous period.

4.3. Foreign currency transactions

Foreign currency transactions are presented in the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rates of the Bulgarian National Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost in foreign currency are translated at the transaction date exchange rates (not retranslated). Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when fair value was determined.

The Bulgarian lev is pegged to the Euro at a rate of EUR = BGN 1.95583.

4.4. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

4.5. Interest expenses

Interest expenses are reported currently under the effective interest rate method.

Borrowing costs are the interest on the Company's loans originated by the parent company. Borrowing costs are expensed in the period in which they are incurred, in the statement of profit or loss and other comprehensive income, and reported in finance costs.

4.6. Lease

4.6.1. The Company as a lessor

As a lessor, the Company classifies its leases as operating or finance leases.

A lease contract is classified as a finance lease if it transfers substantially all the risks and rewards associated with ownership of the underlying asset and as an operating lease if it does not transfer substantially all the risks and rewards associated with ownership of the underlying asset.

The Company earns rental income under operating leases of its investment property (see Note 5). Rentals are generally recognised on a straight-line basis over the lease term.

Assets under finance leases are reported in the Company's statement of financial position as a receivable, at an amount equal to the net investment in the lease. Any gain on the sale of the assets is charged to the statement of profit or loss and other comprehensive income for the relevant period. Finance income is recognised based on a model reflecting a constant periodic rate of return on the remaining net investment.

4.7. Investment property

Investment properties are initially measured at cost, which includes the purchase price and any directly attributable expenditures, such as legal fees, property transfer taxes, and other transaction costs.

The Company reports land and buildings held to earn rentals or for capital appreciation as investment properties, accounted for under the fair value model.

Investment properties are initially measured at cost, which includes the purchase price and any directly attributable expenditures, such as legal fees, property transfer taxes, and other transaction costs.

Investment properties are remeasured annually and are charged to the statement of financial position at their market values. The latter are evaluated by independent appraisers with professional qualifications and considerable professional experience based on evidence of market conditions.

Any gain or loss on changes in the fair value or the sale of investment property shall be recognised immediately in the profit or loss as „Changes in the fair value of investment property".

4.8. Financial instruments

4.8.1. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.8.2. Classification and initial measurement of financial assets

Financial assets are initially measured at fair value, adjusted for transaction costs, except for financial assets measured at fair value through profit or loss and trade receivables without a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are expensed as current expenses. The initial measurement of trade receivables without a significant financial component is the transaction price under IFRS 15.

Financial assets are classified in the category of debt instruments at amortised cost.

The classification of the financial assets is determined by two key conditions:

- the business model of the Company for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

4.8.3. Subsequent reporting of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions and are not designated as measured at fair value through profit or loss:

- The Company manages the assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows at specific dates that are solely payments of principal and interest on the outstanding principal amount.

This category includes non-derivative financial assets, such as loans and receivables, with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category.

- **Trade receivables**

Trade receivables refer to amounts owed by customers for goods or services sold in the ordinary course of business. Usually, these are due for settlement within a short term and are therefore classified as current. Trade receivables are initially recognised in unconditional consideration unless they contain significant financing components. The Company holds its trade receivables to collect contractual cash flows and, therefore, measures them at amortised cost using the effective interest rate method. Discounting is omitted where the effect of discounting is immaterial.

4.8.4. Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss' (ECL) model.

Instruments that fall within the scope of the new requirements include cash and cash equivalents, trade and other receivables.

Recognition of credit losses is no longer dependent on the occurrence of a credit loss event. Instead,, the Company considers a broader range of information when measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Group's financial assets falls into this category.

'12-month expected credit losses' are recognised for the first category, while 'lifetime expected credit losses' are recognised for the second category. Expected credit losses are defined as the difference between all the contractual cash flows that are due to the Company and the cash flows that it actually expects to receive ('cash shortfalls'). This difference is discounted at the original effective interest rate (or credit-adjusted effective interest rate).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company uses a simplified approach to accounting for trade and other receivables, as well as contract assets, and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, taking into account the potential for default at any point during the life of the financial instrument.

Significant increase in credit risk

Expected credit losses are measured as an adjustment equal to the 12-month expected credit losses for Phase 1 assets or the expected credit losses over the life of Phase 2 or Phase 3 assets. An asset moves to phase 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether an asset's credit risk has increased significantly, the Company considers reasonable and supportable forward-looking qualitative and quantitative information.

4.8.5. Classification and measurement of financial liabilities

The Company's financial liabilities comprise loans received, trade and other financial liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value through profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.9. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax assets and/or liabilities represent those amounts payable to or receivable from tax authorities relating to current or prior accounting periods that are unpaid at the date of the financial statements. Current tax is payable on taxable income that differs from profit or loss in the financial statements. The computation of the income tax is based on the tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income taxes are calculated using the liability method for all temporary differences between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax is not provided on the initial recognition of an asset or liability unless the transaction affects tax or accounting profit.

Deferred tax assets and liabilities are not discounted. They are calculated using tax rates expected to apply to the period in which they are realised, provided they have been enacted or are expected to be enacted by the end of the reporting period.

Deferred tax liabilities are recognised in full.

Deferred taxes are recognised only if it is probable that they will be utilised against future taxable profits. Regarding the management's judgement of the probability of occurrence of future taxable profits through which the deferred tax assets are to be utilised, see Note 4.12.

Deferred tax assets and liabilities are offset only if the Company has a right and intention to set off current tax assets against current tax liabilities by the same taxation authority.

The change in deferred tax assets or liabilities is recognised as a component of the tax income or expense in profit or loss unless it is related to items recognised in other comprehensive income or directly in equity, in which case the corresponding deferred tax is recognised in other comprehensive income or equity.

4.10. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank accounts, as well as demand deposits and deposits maturing within 3 months.

4.11. Equity, reserves and dividend distribution

The Company's share capital represents the nominal (par) value of shares that have been issued.

Other reserves consist of a translation reserve.

Retained earnings include the current financial result and prior period accumulated profits, and uncovered losses.

Dividend distributions payable to equity shareholders are included in Payables to related parties in the statement of financial position when the dividends have been approved by a general meeting of shareholders prior to the reporting date.

All transactions with the Company's owners are recorded separately within the statement of changes in equity.

4.12. Significant management judgement in applying accounting policies

The judgments made by management in applying the Company's accounting policies that have the most significant effect on the financial statements are described below. The main sources of uncertainty in using accounting estimates are described in Note 5.13.

4.12.1. Deferred tax assets

The estimate of the probability of future taxable income for the utilisation of deferred tax assets is based on the most recently approved budget forecast, adjusted for significant non-taxable income and expenses, and for specific limitations on the carry-forward of unused tax losses or credits. If reliable estimates of taxable income indicate that it is probable that a deferred tax asset will be utilised, particularly in cases where the asset can be utilised without a time limit, then the deferred tax asset is recognised in full. The recognition of deferred tax assets subject to specific legal or economic restrictions or uncertainties is assessed by management on a case-by-case basis, taking into account the particular facts and circumstances.

4.13. Estimation uncertainty

In preparing the financial statements, management makes a number of assumptions, estimates, and judgments regarding the recognition and measurement of assets, liabilities, income, and expenses.

Actual results may differ from these assumptions, estimates, and management's judgements, and, in rare cases, may fully conform to previously estimated results.

Information about the significant assumptions, estimates and judgements that have the greatest effect on the recognition and measurement of assets, liabilities, income and expenses is presented below.

4.13.1. Fair value measurement

Management employs techniques to estimate the fair value of investment property it owns. In applying valuation techniques, management makes maximum use of market data and assumptions that market participants would use in valuing an instrument. Where suitable market data is unavailable, management uses its best estimate of the assumptions market participants would make. These estimates may differ from the actual prices that would be determined in an arm's length transaction between knowledgeable and willing parties at the end of the reporting period (see Note 22).

5. Investment property

The Company's investment property includes land and a building, representing a retail property located in Sofia city, Vitosha district, 216, Okolovrasten Pat Street. The retail property is leased to House Market Bulgaria EAD and used to sell furniture and household goods bearing the IKEA trademark.

For more information on determining the fair value of investment property, see Note 22.

The changes in the carrying amounts presented in the statement of financial position may be summarised as follows:

	2025 BGN'000	2024 BGN'000
Carrying amount as of 1 January	**93 079**	**92 190**
Net gain on changes in fair value	3 397	889
Carrying amount as of 31 December	**96 476**	**93 079**

In 2022, a contractual mortgage was established on the investment property owned by Trade Estates Bulgaria EAD as the Guarantor, covering the land property and the entire building, despite any subsequent changes in the purpose and/or reconstructions, aimed at securing the receivables of Eurobank Bulgaria AD (as a Debenture holder) and Eurobank S.A., Greece (as a Debenture holder's Agent and Debenture holder) in connection with a debenture loan originated from Trade Estates Joint Stock Company for Investments in Real Estate S.A., Greece, of EUR 70 million. The investment property was leased under an operating lease contract.

The 2025 rental income of BGN 7,562,070 (2024: BGN 7,292,256) was reported on the statement of profit or loss and other comprehensive income in line "Rental income".

The lease agreement with House Market Bulgaria EAD is concluded for a 15-year term, commencing on 19 August 2019 and ending on 19 September 2034. The annual rent is 6% of the turnover generated from the leased retail property, but not less than the agreed-upon "Minimum guaranteed rent". The guaranteed yearly rent shall be indexed annually, and for 2025, it amounted to BGN 7,562 thousand or BGN 630,172 per month (2024: BGN 7,292 thousand, or BGN 607,688 per month). During the reporting periods, the calculated variable rent did not exceed the agreed "Minimum guaranteed rent".

The terms and conditions of the lease agreements have been negotiated individually on a contract-by-contract basis, and therefore, each contract shall be considered separately. The lease contracts do not contain a requirement to observe specific financial indicators or other requirements beyond the lessor's property rights.

The future minimum lease proceeds are presented as follows:

	Minimum lease proceeds						
	Within 1 year BGN'000	From 1 to 2 years BGN'000	From 2 to 3 years BGN'000	From 3 to 4 years BGN'000	From 4 to 5 years BGN'000	Over 5 years BGN'000	Total BGN'000
31 December 2025	7 789	8 023	8 263	8 511	8 767	35 309	**76 662**
31 December 2024	7 511	7 736	7 968	8 207	8 454	43 778	**83 654**

6. Deferred tax assets and liabilities

Deferred taxes occur as a result of temporary differences and may be presented as follows:

Deferred tax liabilities	**1 January 2025 BGN'000**	**Recognised in profit or loss BGN'000**	**31 December 2025 BGN'000**
Non-current assets			
Investment property	2 071	610	2 681
	2 071	**610**	**2 681**
Deferred tax liabilities	2 071		2 681
Recognised as:			
Net deferred tax liabilities	**2 071**		**2 681**

Deferred tax assets for the comparative period 2024 may be summarised as follows:

Deferred tax liabilities	**1 January 2024 BGN'000**	**Recognised in profit or loss BGN'000**	**31 December 2024 BGN'000**
Non-current assets			
Investment property	1 712	359	2 071
	1 712	**359**	**2 071**
Deferred tax liabilities	1 712		2 071
Recognised as:			
Net deferred tax liabilities	**1 712**		**2 071**

7. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2025 BGN'000	**2024 BGN'000**
Cash with banks and on hand denominated in:		
- Bulgarian leva	1 794	1 728
- EUR	2	131
Cash and cash equivalents	**1 796**	**1 859**

The Company has estimated expected credit losses on cash and cash equivalents. The estimated amount is less than 0.1% of the gross value of cash deposited with financial institutions and, therefore, has been deemed immaterial and has not been accrued in the Company's financial statements.

8. Equity

8.1. Share capital

The Company's registered capital consists of 52,758,203 ordinary shares, each with a nominal value of BGN 1. All shares vest the right to dividends and a liquidation share. Since 2021, the sole shareholder has been Trade Estates Joint Stock Company for Investments in Real Estate S.A., Greece

8.2. Other reserves

Other reserves amount to (minus) BGN 1,919 thousand and represent a reserve from transformation which has occurred upon the incorporation of the Company in 2019 as the difference between the net value of property contributed in-kind of BGN 50,839 thousand (the fair value of the real estate of BGN 86,044 thousand and bank liabilities of BGN 35,205 thousand) and the value of the subscribed share capital of BGN 52,758 thousand.

8.3. Dividends

In 2025, the Company distributed a dividend to its sole owner in the amount of EUR 2,500 thousand or BGN 4,890 thousand (2024: EUR 2,000 thousand or BGN 3,913 thousand).

The dividends paid during the period amount to EUR 2,400 thousand or BGN 4,694 thousand (2024: EUR 3,200 thousand or BGN 6,259 thousand).

There is no tax on dividends distributed to foreign legal entities from the EU.

9. Loans from related parties

In 2022, the Company signed a loan contract with its sole owner, Trade Estates Joint Stock Company for Investments in Real Estate S.A., Greece, for an amount of EUR 13,800 thousand (BGN 26,990 thousand). The purpose of the loan is to refinance the syndicated bank loan with UniCredit Bulbank AD, DSK Bank EAD and Eurobank Bulgaria AD. The loan term is 8 years, ending on 10 June 2029, and repayment is to be made in annual instalments in accordance with the repayment schedule. The interest rate was renegotiated in January 2024 and made equal to the 3M EURIBOR plus a 2.5% margin. The loan is not secured.

The loan payables include the following financial liabilities:

	Current		**Non-current**	
	2025 BGN’000	**2024 BGN’000**	**2025 BGN’000**	**2024 BGN’000**
Financial liabilities carried at amortised cost:				
Loan from related parties	1 080	1 080	23 211	24 291
Loan interest	334	454	-	-
Total carrying amount	**1 414**	**1 534**	**23 211**	**24 291**

The carrying amount of the loan is assumed to be a reasonable estimate of its fair value.

10. Trade and other payables

	2025 BGN’000	**2024 BGN’000**
Trade payables	1	5
VAT payable	143	121
Other liabilities	26	11
Current trade and other payables	**170**	**137**

The net carrying amount of the current trade and other payables is assumed to be a reasonable estimate of their fair values.

11. Other income

The Company’s other income of BGN 339 thousand (2024: BGN 387 thousand) is a quarterly reinvoiced garbage charge under the lease contract with House Market Bulgaria EAD.

12. Operating expenses

	2025 BGN'000	2024 BGN'000
Garbage charge	(339)	(387)
Tax on buildings	(172)	(173)
Costs of hired services	(76)	(56)
Property insurance	(11)	(7)
Other expenses	(1)	(1)
	(599)	**(624)**

13. Finance costs

	2025 BGN'000	2024 BGN'000
Interest expenses	(1 208)	(1 627)
Bank charges	(16)	(18)
	(1 224)	**(1 645)**

14. Income tax expense

The estimated tax expenses based on the effective tax rate of 10% for Bulgaria (2023: 10%), and the actual recognised tax expenses in profit or loss may be reconciled as follows:

	2025 BGN'000	2024 BGN'000
Profit before taxes	9 475	6 299
Tax rate	10%	10%
Estimated income tax expenses	**(947)**	**(623)**
Tax effect of:		
Decreases in the financial result for taxation purposes	610	359
Other adjustments	89	(70)
Current income tax expense	**(248)**	**(334)**
Deferred tax expenses:		
Occurrence and reversal of temporary differences	(610)	(359)
Income tax expenses	**(858)**	**(693)**

Note 6 provides information on the deferred tax assets and liabilities, including the amounts recognised directly in other comprehensive income.

15. Related party transactions

The related parties of the Company are the owners, key management staff, and other persons described below.

If not stated expressly, the related party transactions have not been carried out under special terms and conditions and no guarantees have been provided or received.

15.1. Transactions with owners

	2025 BGN'000	2024 BGN'000
Purchases of services from Fourlis Holding S.A., Greece	(11)	(19)
Interest on loan originated from Trade Estates Joint Stock Company for Investments in Real Estate C.A, Greece	(1 208)	(1 627)
Dividends	(4 890)	(3 913)

15.2. Transactions with other related parties under joint control

	2025 BGN'000	2024 BGN'000
Rent of House Market Bulgaria EAD	7 562	7 292
Sale of services to House Market Bulgaria EAD	339	387

15.3. Transactions with key management staff

In 2025 and 2024, the key management staff was not paid remuneration.

16. Related party balances at the year-end

	2025 BGN'000	2024 BGN'000
Payables to Trade Estates Joint Stock Company for Investments in Real Estate C.A, Greece		
Non-current portion of the loan liability	23 211	24 291
Current portion of the loan liability	1 080	1 080
Interest liability	334	454
Dividends payable	4 890	4 694
	29 515	**30 519**
Payables to House Market Bulgaria EAD		
Trade payables	2	-
	2	**-**
Total payables to related parties	**29 517**	**30 519**

17. Reconciliation of liabilities originating from financing activity

The changes in the Company's liabilities originating from financing activity may be classified as follows:

	Long-term loans BGN'000	Short-term loans BGN'000	Total BGN'000
1 January 2025	**24 291**	**1 534**	**25 825**
Cash flows:			
Principal payable	-	(1 080)	(1 080)
Interest payable	-	(1 328)	(1 328)
Non-cash changes:			
Interest accrual	-	1 208	1 208
Reclassification	(1 080)	1 080	-
31 December 2025	**23 211**	**1 414**	**24 625**

	Long-term loans BGN'000	Short-term loans BGN'000	Total BGN'000
1 January 2024	**25 371**	**916**	**26 287**
Cash flows:			
Principal payable	-	(810)	(810)
Interest payable	-	(1 279)	(1 279)
Non-cash changes:			
Interest accrual	-	1 627	1 627
Reclassification	(1 080)	1 080	-
31 December 2024	**24 291**	**1 534**	**25 825**

18. Non-monetary transactions

During the periods presented, the Company did not enter into any investment and financial transactions in which cash or cash equivalents were not used.

19. Contingent assets and contingent liabilities

No guarantees or legal claims were raised against the Company during the year.

20. Categories of financial assets and liabilities

The carrying amounts of the Company's financial assets and liabilities may be presented in the following categories:

Financial assets	**Note**	**2025 BGN'000**	**2024 BGN'000**
Debt instruments at amortised cost:			
Cash and cash equivalents	**Error! Reference source not found.**	1 796	1 859
		1 796	**1 859**

Financial liabilities	Note	2025 BGN’000	2024 BGN’000
Financial liabilities carried at amortised cost:			
Loans from related parties	**Error! Reference source not found.**	24 625	25 825
Trade payables	**Error! Reference source not found.**	1	5
Payables to related parties	16	4 892	4 694
		29 518	**30 524**

See Note 4.8 for more information about the accounting policies by categories of financial instruments. A description of the Company's policies and risk management objectives regarding its financial instruments is provided in Note 21.

21. Risks related to financial instruments

Risk management objectives and policies

The Company is exposed to various risks regarding its financial instruments. For more information about the Company’s financial assets and liabilities by categories, see Note 20. The most significant financial risks to which the Company is exposed are market risk, credit risk and liquidity risk.

The Company’s risks are managed by the Company's central administration in cooperation with the Board of Directors. It is a management priority to ensure short- and mid-term cash flows by reducing its exposure to financial markets.

The most significant financial risks to which the Company is exposed are described in the following paragraphs.

21.1. Market risk analysis

Due to the use of financial instruments, the Company is exposed to market risk, including the risk of changes in exchange rates, interest rate risk, and risk of changes in specific prices, which arise from the Company's operating and investing activities.

21.1.1. Currency risk

The majority of the Company's transactions are carried out in Bulgarian leva and euro. The Company is not exposed to foreign currency risk on sales, purchases and investments because they are not denominated in currencies other than the euros and Bulgarian leva. The Bulgarian lev is pegged to the euro at BGN 1.95583 per EUR.

21.1.2. Interest rate risk

The Company’s policy aims to minimise interest rate risk on long-term financing. As of 31 December 2025, the Company was exposed to the risk of changes in market interest rates on the loan provided by the sole owner, which bears a variable interest rate. All other financial assets and liabilities of the Company bear fixed interest rates.

The following tables illustrate the sensitivity of the annual net financial result after taxes and equity to a probable change in interest rates on variable-rate loans, based on the 3-month EURIBOR, with a change of +/- 0.2% (2024: +/- 0.37%). These changes are assessed as probable based on observations of current market conditions. The calculations are based on the change in the average market interest rate and on financial instruments held by the Company at the end of the reporting period that are sensitive to interest rate changes. All other parameters are assumed constant.

31 December 2025	Net financial result		Equity	
	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
Loan (3M EURIBOR +/-0.%)	(51)	51	(51)	51

31 December 2024	Net financial result		Equity	
	Interest rate increase	Interest rate decrease	Interest rate increase	Interest rate decrease
Loan (3M EURIBOR +/-0.37%)	(84)	84	(84)	84

21.2. Credit risk analysis

Credit risk is the risk that a counterparty will fail to pay its liabilities to the Company. The Company is exposed to this type of risk in connection with various financial instruments, such as receivables from customers and the depositing of funds. The exposure of the Company to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as set out below:

	2025 BGN'000	2024 BGN'000
Groups of financial assets – carrying amounts:		
Cash and cash equivalents	1 796	1 859
Carrying amount	**1 796**	**1 859**

The Company regularly monitors defaults by its customers and other counterparties, both individually and in groups, and uses this information to manage credit risk. It is the Company's policy to transact only with counterparties that have strong credit ratings. The Company's management considers all of the above financial assets that were neither impaired nor matured during the reporting periods to be financial assets with high credit ratings.

The Company has not pledged its financial assets as collateral under other transactions.

As of the date of the financial statements, there were no past due trade and other receivables.

Regarding trade and other receivables, the Company is not exposed to significant credit risk from an individual counterparty or a group of counterparties with similar characteristics. Trade receivables consist of the lessee of the investment property, House Market Bulgaria EAD, a related party – a member of the group of Fourlis Holding S.A., Greece. There has been no case of non-payment so far.

Credit risk associated with cash and cash equivalents, money market funds, unsecured bonds, and derivative financial instruments is considered immaterial, as the counterparties are banks with good reputations and high external credit ratings.

No impairment loss has been recognised in respect of cash and cash equivalents. The carrying amounts described above represent the maximum possible exposure to credit risk of the Company with respect to these financial instruments.

The Company applies the simplified model of IFRS 9 for recognising expected credit losses over the entire life of the asset to all trade receivables, as they do not have a significant financial component.

21.3. Liquidity risk analysis

Liquidity risk is the risk that the Company may not be able to pay its liabilities. The Company satisfies its liquidity needs by carefully monitoring payments under the repayment schedules of its long-term financial liabilities and cash inflows and outflows arising from its operating activities. Liquidity needs are monitored for various periods. Long-term liquidity needs for 180- and 360-day periods are determined monthly. The need for liquid funds is compared with the loans available to identify surpluses or deficits.

This analysis determines whether the available loans will be sufficient to meet the Company's needs for the relevant period.

The Company maintains cash on hand to meet liquidity needs for up to 30 days. Funds for long-term liquidity needs are provided through loans in a suitable amount.

As of 31 December 2025, the maturities of the Company's contractual obligations (containing interest payments, where applicable) are summarised as follows:

	Current		Non-current	
Within 6 months	**Within 6 months BGN'000**	**From 6 to 12 months BGN'000**	**From 1 to 5 years BGN'000**	**Over 5 years BGN'000**
Loans from related parties	334	1 080	23 211	-
Trade and other payables	1	-	-	-
Payables to related parties	2	4 890	-	-
Total	**337**	**5 970**	**23 211**	

The maturities of the Company's contractual obligations in the previous reporting period are summarised as follows:

	Current		Non-current	
From 6 to 12 months	**Within 6 months BGN'000**	**From 6 to 12 months BGN'000**	**From 1 to 5 years BGN'000**	**Over 5 years BGN'000**
Loans from related parties	454	1 080	5 128	19 163
Trade and other payables	5	-	-	-
Payables to related parties	-	4 694	-	-
Total	**459**	**5 774**	**5 128**	**19 163**

The amounts disclosed in this liability maturity analysis are the undiscounted cash flows under the contracts, which may differ from the liabilities' carrying amounts as of the reporting date.

Financial assets as a means to manage liquidity risk

In assessing liquidity risk management, the Company reports the estimated cash flows from financial instruments, in particular, available cash and trade receivables. The available cash and trade receivables do not significantly exceed current cash outflow needs. According to the concluded contracts, all cash flows from trade and other receivables are due within six months.

22. Fair value management of non-financial assets

The Company's investment property comprises land and a building, representing a single retail property in Sofia.

The assessment of the fair value hierarchy is classified as Level 3 since significant unobservable data has been used:

	2025 BGN'000	**2024 BGN'000**
Investment property:		
Retail property – Level 3	96 476	93 079

As of 31 December 2025 and 31 December 2024, the fair value of the Company's investment property was assessed based on valuation reports drawn up by independent licensed valuers.

Land and a retail building (Level 3)

The fair value of the retail property has been assessed using both the market and income approaches, with a 20% to 80% weight for each.

By applying the market approach, the fair value of the property is based on comparative data for other retail properties available for sale or sold in the area surrounding the property, as well as in Sofia as a whole. After analysing the comparative data and taking into account the unique characteristics of the property being evaluated, a price of 2,800 EUR/m² was applied for the retail space and 900 EUR/m² for the ancillary and storage space. The fair value of the investment properties, as estimated using the market approach, was EUR 45,440 thousand.

The income approach is based on the discounted cash flow (DCF) method, under which expected rental income is capitalised, net of operating expenses, using a discount rate equal to the sum of a risk-free rate and an additional risk premium adjusted for various factors and market conditions. The method accounts for projected cash flows over 10 years, including an estimated sales value at the end of the period.

Another underlying assumption is that the evaluated property will continue to be leased to IKEA under the 2019 lease contract with House Market Bulgaria EAD, which spans 30 years (15 years plus a 15-year extension).

Applying a rental price ranging from 4 EUR/m2 to 12 EUR/m2 depending on the type of the space (retail, warehouse or ancillary space) and a discount factor of 10.25%, the fair value of the investment properties was estimated at EUR 50,299 thousand. The fair value would increase if the rental value increases or the discount factor decreases. The valuation is sensitive to changes in these assumptions.

Applying the market approach and income approach, as described above, the fair value of the investment properties was estimated at EUR 49,328 thousand.

The opening balance of non-financial assets at Level 3 may be reconciled with their closing balance as of the reporting date, as follows:

	2025 BGN'000	2024 BGN'000
Carrying amount as of 1 January	**93 079**	**92 190**
Net gain on changes in fair values	3 397	889
Carrying amount as of 31 December	**96 476**	**93 079**

23. Capital management policy and procedures

The capital management objectives of the Company are as follows:

- to ensure the Company's ability to continue to exist as a going concern; and
- to ensure adequate returns for owners by pricing its products and services in line with its risk appetite.
- to meet the requirements imposed by third parties on the entity in connection with third-party financing or licensing activities (banks, debenture holders, etc.).

The Company monitors capital using the adjusted capital-to-net debt ratio.

The Company determines the adjusted capital based on the carrying amount of the equity and subordinated debt reported on the statement of financial position.

The subordinated debt includes unsecured loans originating from the parent company.

The net debt includes the sum of all trade and other payables, less the carrying amount of cash and cash equivalents.

The capital for the presented reporting periods may be analysed as follows:

	2025 BGN'000	2024 BGN'000
Equity	65 939	62 212
+Subordinated debt	24 625	25 825
Adjusted capital	**90 564**	**88 037**
Total liabilities	5 062	4 831
- Cash and cash equivalents	(1 796)	(1 859)
Net debt	**3 266**	**2 972**
Ratio of adjusted capital to net debt	**1:0.036**	**1:0.034**

24. Events after the end of the reporting period

No adjusting or significant non-adjusting events have occurred between the date of the financial statements and the date of their authorisation for issue, except the following non-adjusting event:

By decision of the sole equity owner of the Company dated 29 January 2026, Andreas Skyrlas was discharged as a member of the Company's Board of Directors, and Eftychios Triantafyllidis was appointed in his place.

Pursuant to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective 1 January 2026, the euro becomes the official currency and legal tender in Bulgaria. The official exchange rate is set at 1.95583 Bulgarian leva per 1 euro. The introduction of the euro as the official currency in the Republic of Bulgaria constitutes a change in the Company's functional currency, which will be reflected prospectively and does not constitute an adjusting event after the date of the financial statements.

Since February, there has been an escalation of the tension caused by the conflict in Iran, which has led to greater political uncertainty in the region and globally. Potential consequences of these events include greater volatility in energy markets, additional fluctuations in the macroeconomic environment, and greater uncertainty about future economic conditions. Management monitors the development of the situation and has taken into account available information in making accounting estimates and assumptions; at present, no need for adjustment in the financial statements has been identified, beyond the disclosures made.

25. Authorisation of the financial statements

The financial statements for the year ended 31 December 2025 (including comparatives) were authorised for issue by the Board of Directors on 27 May 2026.

I, the undersigned Dobrinka Petrova Krasteva, holder of a Letter of Confirmation No. 00336-1 of 19 March 2018, issued by the Consular Relations Directorate of the Ministry of Foreign Affairs, certify the accuracy of my translation from Bulgarian into English of the attached document (Financial statements of Trade Estates Bulgaria EAD for the year ended 31 December 2025 and an Independent Auditor's Report thereon). The translation consists of 30 /thirty/ pages.

Translator: Dobrinka Petrova Krasteva