

ANNUAL PUBLIC DISCLOSURE BY EURO-FINANCE AD for 2023

according to the requirements of Art. 75a, para 3 of the Markets in Financial Instruments Act on the implementation of the Engagement Policy of Euro-Finance AD

Investment firm "RTE" S.A. shall apply in the performance of its activities the Engagement Policy, adopted by a resolution of the Board of Directors on 25.09.2020 in relation to the service of managing individual client portfolios, which include shares of companies based in the Republic of Bulgaria or another EU member state, admitted to trading on a regulated market in the Republic of Bulgaria or another EU member state. The engagement policy is published on the official website of Euro-Finance AD at the following address: <https://www.eurofinance.bg/wp-content/uploads/documents/pravni-dokumenti/%D0%9F%D0%BE%D0%BB%D0%B8%D1%82%D0%B8%D0%BA%D0%B0%20%D0%B7%D0%B0%20%D0%B0%D0%BD%D0%B3%D0%B0%D0%B6%D0%B8%D1%80%D0%B0%D0%BD%D0%BE%D1%81%D1%82.pdf>

The Engagement Policy shall aim to comply with the following basic principles:

In the absence of specific instructions from the client, Euro-Finance AD's investment strategy in managing individual client portfolios is aimed at achieving the highest possible return for clients in the long term while taking moderate risk. In selecting investments in individual client portfolios, Euro-Finance AD is guided by the financial performance of the companies in whose shares it invests, as well as by factors relating to environmental protection, social and impact engagement and good corporate governance of the companies in which it invests.

In managing individual client portfolios, the intention of the Euro-Finance AD is to hold shares for the long term and for shareholders to participate actively and responsibly in the companies in which their funds are invested. Depending on the size of the client's shareholding in the companies, the client may actively participate, alone or together with other shareholders, in the management of the company, including by participating in the selection of the members of the management or supervisory body, in the adoption of any other decisions within the competence of the general meeting of shareholders, to pursue a constructive dialogue (either through the investor relations director or directly, depending on the established practice in the company) with the management of the company, with persons who are responsible for the implementation of the company's policies related to environmental protection, fulfilment of social commitments, social impact and good corporate governance, with other investors and shareholders in the company.

In determining whether and how voting rights are to be exercised, Euro-Finance AD will take into account the following factors:

- The client's share in percentage terms in the capital and voting shares of the company;
- The proportion of the investment in the individual portfolio managed by Euro-Finance AD;
- The country of incorporation of the company;
- The investment strategy in managing the individual portfolio and specifically with respect to the investment in those shares - long-term holding or short-term sale;
- Administrative and other costs associated with the exercise of voting rights.

The manner in which Euro-Finance AD exercises voting rights, in the absence of specific instructions from the client shareholder, will generally be determined by:

- The rules of good corporate governance;

- Fair treatment of shareholders;
- Transparency and completeness of financial statements;
- Competence and responsibility of the members of the management and control bodies, their performance;

- Auditor competence, reputation and independence.

In 2023, Euro-Finance AD actively applied the instruments of its Engagement Policy such as:

- Monitoring the performance of the companies in which it invests regarding effective management, a sustainable corporate governance structure and adequate supervisory and control bodies;
- Assessing the financial and non-financial performance and risk of companies;
- Communication with companies through investor relations directors, members of management and supervisory bodies and/or other senior executive officers of the relevant company;

- Management of conflicts of interest.

IN 2023, EURO-FINANCE AD HAS NOT PARTICIPATED DIRECTLY OR THROUGH AN AGENT IN ANY GENERAL MEETINGS OF SHAREHOLDERS AND HAS NOT VOTED ON ANY RESOLUTIONS PROPOSED BY THE COMPANIES, NOR HAS IT USED THE SERVICES OF AN AUTHORISED ADVISOR WITHIN THE MEANING OF SECTION 1, ITEM 55 OF THE SUPPLEMENTARY PROVISIONS OF THE PUBLIC OFFERING OF SECURITIES ACT.