Exchange-Traded Fund
Expat Czech PX UCITS ETF.
ISIN BGCZPX003174

ANNUAL ACTIVITY REPORT AND FINANCIAL STATEMENTS
31 December 2025

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ANNUAL ACTIVITY REPORT
for the period ending 31 December 2025
of the exchange-traded fund "Expat Czech PX UCITS ETF"
pursuant to Art. 39 of the Accountancy Act

The exchange-traded fund "Expat Czech PX UCITS ETF" (the "Fund") is an open-end collective investment scheme for investment in securities and other liquid financial assets, established and operating in accordance with the Act on the Activities of Collective Investment Schemes and of Other Undertakings for Collective Investment (ACISOUCI), the Public Offering of Securities Act and the secondary legislation for its implementation, the Markets in Financial Instruments Act, the Obligations and Contracts Act and the other applicable legislation of the Republic of Bulgaria.

The Fund is segregated property for investment in securities and other liquid financial assets with a view to achieving its investment objectives.

The Fund is segregated property for the purpose of collective investment in transferable securities and other liquid financial assets under Art. 38, para. 1 of ACISOUCI of monies raised through the public offering of units, which is carried out on the principle of risk diversification, by a management company.

The Fund is organised and managed by the management company "Expat Asset Management" EAD.

The Management Company holds a permit for the organisation and management of the Fund, issued by the Financial Supervision Commission No. 165 – DF of 11 December 2017. The Fund is organised in full compliance with the European UCITS directives.

During the reporting period there were no research and development activities. "Expat Czech PX UCITS ETF" has no branches.

The Fund is a passive exchange-traded fund that adheres to the method of full physical replication of the index PX of the Prague Stock Exchange. It is registered for trading on the Bulgarian Stock Exchange and on the Frankfurt Stock Exchange (XETRA) under the ticker CZX.

In order to achieve the highest possible correlation with the performance of the Reference Index, the Fund invests mainly in a basket of balance-sheet assets consisting of the shares of the companies in the Reference Index. As a direct-replication fund, "Expat Czech PX UCITS ETF" may not invest in every company in the Reference Index or may not invest with the exact weight of the respective company in the Reference Index. Achievement of the Fund's objectives to directly replicate the Reference Index depends on the investment restrictions that the Fund must observe and on the specifics of the market, including the liquidity of the positions in the Reference Index.

Net asset value of the Fund

The net asset value (the net assets) of the Fund may not be less than BGN 100,000 pursuant to Article 82a(1) of Ordinance No. 44/2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and persons managing alternative investment funds.

As at 31.12.2025, the total value of the assets of "Expat Czech PX UCITS ETF" amounts to BGN 786,360. The liabilities are BGN 1,006. The net asset value is BGN 785,354. The number of units in circulation at the end of 2024 was 140,000 units, and at the end of 2025 was 170,000 units. The annualised return realised since the inception of the public offering was 136.20%, and for 2025 58.62%.

Risk profile

The risk profile of the Exchange-Traded Fund represents the amount and type of risk that the Management Company assumes by investing the Fund's assets, with the aim of replicating the Reference Index, which as at the date of this report is an equity index of PX. In this sense, investing in units of "Expat Czech PX UCITS ETF" involves the assumption of high risk, given that the Reference Index is composed of shares.

In respect of its activity, "Expat Czech PX UCITS ETF" is exposed to various types of risk that affect its results. The main risks that investors will bear when investing in units of "Expat Czech PX UCITS ETF" are:

Market risk

The possibility of incurring losses due to adverse changes in the prices of securities, market interest rates, exchange rates and others. This market risk affects the Fund's net asset value, which also varies as a result of changes in the market prices of the shares and other securities in which the Fund has invested.

The financial forecasts of "Expat Asset Management" EAD for the Fund reflect the results that management considers most likely, based on the information available at the date of signing these financial statements.

In order to assess the resilience of the Fund to more adverse outcomes, a sensitivity analysis was performed on the achievement of the forecasts to reflect a range of scenarios based on the principal risks to the Fund and the prospects for a downturn in the economy in which it carries out its activity.

The Fund's performance (measured through the change in the parameter "net asset value per share or per unit") is directly affected by the movement of the prices of the financial instruments in the Fund's portfolio.

Extreme market movements

The market price of the financial instruments in which the Fund has invested may vary due to changes in the economic and market environment, the monetary policy of central banks, the business activity of issuers, the sector in which the issuer operates and supply and demand on the securities market. At certain times the prices of the units on the market (the stock exchange) may vary significantly. In the event of large movements of the Index, including large daily movements, the Fund's performance may deviate from its investment objectives. The Fund's revaluation will vary as a result of changes in the value of the Fund's assets and the Reference Index.

Inability of the Management Company to adapt to market changes

The Fund follows a passive strategy, i.e. it is not actively managed. Accordingly, the Management Company will not change the composition of the portfolio, except to closely track the total return of the Reference Index. The Fund does not attempt to "beat" the market and does not take defensive positions when the market falls or is considered overvalued. Therefore, a decline in the Reference Index may lead to a decline in the value of the Fund's assets.

Liquidity risk

Risk associated with the possibility of losses or foregone benefits from necessary or forced sales of assets under adverse market conditions (such as low demand in the presence of oversupply).

Issuance and redemptions

If orders for the issuance and redemption of units are received late or do not meet the requirements of the Prospectus and the Rules of the Fund, there will be a delay between the time of submission of the order and the actual date of issuance or redemption. Such postponements or delays may result in a reduction of the number of units or of the amount of the redemptions.

Trading on a regulated market

There is no certainty that trading in the Fund's units will be maintained or that the conditions for admission to trading will not change. In addition, trading in the units on a stock exchange may be suspended under the rules of the respective exchange due to market conditions, and investors may be unable to sell their units until trading is resumed.

Regulatory risk

The Fund's Prospectus has been prepared in accordance with the applicable laws and regulations. The Management Company and/or the Fund and its investment objectives and policies may be affected by future changes in laws and regulations. New or amended laws, rules and regulations in Bulgaria or the European Union may not permit or may significantly restrict the Fund's ability to invest in certain instruments. They may also prevent the conclusion of contracts with certain third parties. This may impair the Fund's ability to pursue the relevant investment objectives and policies. The implementation of such new or amended laws, rules and regulations may lead to an increase in all or some of the Fund's expenses and may require a restructuring of the Fund in order to comply with the new rules. Such a possible restructuring may involve restructuring costs. Where restructuring is not possible, the Fund may have to be terminated. The Fund's assets and the Reference Index are subject to changes in laws or regulations, and/or such a change may affect their value and/or their liquidity.

Operational risk

It is associated with the possibility of incurring losses due to errors or deficiencies in the organisational system, insufficiently qualified staff, and adverse external events of a non-financial nature, including legal risk.

Risk of tracking error relative to the Reference Index

Tracking the Reference Index by investing in all the constituents of the Index may prove costly and difficult to implement. The portfolio manager may use optimisation techniques such as selecting individual constituents of the Index in proportions that differ from those in the Index. The use of such optimisation techniques may increase the tracking error and lead to different performance of the Fund relative to the Index. Also, existing restrictions on or future changes in the law and regulations applicable to the Exchange-Traded Fund regarding, but not limited to, the composition, concentration and method of valuation of the assets may lead to the Fund's inability to fully replicate the Index. Also, exchange-traded funds in markets characterised by low liquidity are exposed to a greater risk of index tracking error.

Reference Index

In the event of an event affecting the Index, the Fund may have to suspend the issuance and redemption of units. The Fund's revaluation may also be affected. In the event of continuing problems with the Index, the Fund will take appropriate action, which may reduce the Fund's net asset value.

Systemic risks

Systemic risks depend on the general fluctuations in the economy and markets as a whole. The Fund cannot influence systemic risks but takes them into account and makes allowance for them. Risks arising from the political and economic environment include possible instability or military action in the region. Disasters and accidents are factors that complicate any risk management system. Their consequences are difficult to foresee, but access to information and the application of a system for forecasting and acting in extreme situations are possible ways of minimising the adverse effect.

Sustainability risks

Sustainability risks are events or conditions of an environmental, social or governance nature which, if they occur, could have a material adverse impact on the value of the investments. In implementation of Art. 3 of Regulation (EU) 2019/2088, the company has adopted and applies a policy on the integration of sustainability risks into the investment decision-making processes for all undertakings for collective investment managed by the company, including the Fund. A fundamental principle of the policy on the integration of sustainability risks into the investment decision-making processes is the achievement of the maximum financial return on investments. However, insofar as the Fund is passively managed and follows the Index in the manner provided for in its Rules, the integration of sustainability risks into the investment decision-making processes by the Management Company is not applicable to this fund.

Rising interest rates and recession risk

In recent years there have been prolonged periods of historically low interest rates, which has changed over the last year, when some central banks worldwide began to increase them. Recently, global markets have experienced significant volatility with significant declines in both bond and equity markets. In addition, central banks around the world have raised interest rates in an effort to curb rising inflation. The business of “Expat Asset Management” EAD is directly and indirectly affected by changes in global interest rates.

Changes in interest rates may affect the value of the securities in which we invest, which may affect the value of the assets managed by “Expat Asset Management” EAD and the company’s revenue. To manage this risk, the management company uses several strategies, such as investing in securities with a shorter maturity and maintaining diversified portfolios. In addition, for the purpose of risk management, “Expat Asset Management” EAD prepares stress tests of the portfolios for potential scenarios involving movements in interest rates.

Our business is affected by national and global economic conditions, which may change suddenly, as well as by perceptions of those conditions and future economic prospects, such as concerns about a potential recession. If recessionary economic conditions develop, they are likely to have a negative impact on the entire financial-services sector, including on us. Changes in broader economic conditions are not predictable and cannot be controlled.

Negative consequences for our business may arise from low levels or a decline in economic growth, a reduction in private equity and venture-capital investment, changes in customer spending, restrictions on the availability or an increase in the cost of credit and capital, a reduction in public capital investment, high levels of inflation, uncertainty regarding fiscal, monetary and political matters, and rising benchmark interest rates.

Geopolitical matters

Geopolitical issues, including the war in Ukraine, the conflict in the Gaza Strip, as well as tensions in diplomatic relations affecting the USA and other countries, and restrictions on international trade, may affect the stability of the financial markets and the global economy. Geopolitical tensions, such as trade disputes or political instability, may affect the value of investments and lead to increased market volatility. The ongoing conflicts between Russia and Ukraine, as well as between Israelis and Palestinians, have the potential to negatively affect global markets and influence the results of certain sectors. The strategies for managing geopolitical risk applied by “Expat Asset Management” EAD include monitoring global events, maintaining diversified portfolios and using risk-management instruments, such as derivatives.

Risk profile and risk management

The Fund’s risk profile may be changed only with the approval of the Financial Supervision Commission, reflected in the Prospectus and the Fund’s Rules. The Fund’s risk profile was not changed during the reporting period. The main risks related to the Fund’s activity are described in detail in the Prospectus, published on the website of the Management Company. Management does not expect other types of risks or uncertainties, other than those presenteed in the Prospectus, to affect the Fund’s activity.

Structure and percentage ratio of the main indicators of the activity

Structure of the assets and liabilities

The structure of the Fund's assets is presented in absolute value and as a percentage of total assets at the end of 2025 and at the end of 2024.

Assets	**As at 31.12.2025**	**%**	**As at 31.12.2024**	**%**
Cash	6 430	0,82%	6 405	1,57%
Shares	779 930	99,18%	401 971	98,43%
Total assets	**786 360**	**100,00%**	**408 376**	**100,00%**

The total amount of the Fund's liabilities as at the end of 2025 is BGN 1,006, which represent liabilities to the Depositary Bank (DB) and to the Management Company (MC).

Liabilities	**As at 31.12.2025**	**%**	**As at 31.12.2024**	**%**
Liability to the DB	363	0,05%	286	0,07%
Liability to the MC	643	0,08%	343	0,08%
Total liabilities	**1 006**	**0,13%**	**629**	**0,15%**
Total liabilities and net asset value	**786 360**	**100,00%**	**408 376**	**100,00%**

The liabilities to the Depositary Bank and to the Management Company are accrued daily, in accordance with the Rules for the valuation of the Fund's portfolio, which are approved by the FSC.

Results of operations

The expenses for the activity of the Fund are presented in the following table:

Operating expenses / Type of expense	**2025**	**%**	**2024**	**%**
Negative differences from transactions in and revaluation of financial assets	2 206	2,25%	76	0,09%
Expenses related to foreign currency transactions	77 716	79,40%	71 110	84,55%
Other finance expenses	16 892	17,26%	11 862	14,10%
Expenses for external services	1 067	1,09%	1 057	1,26%
Total expenses	**97 881**	**100,00%**	**84 105**	**100,00%**

The income from the activity of the Fund is presented in the following table:

Operating income / Type of income	**2025**	**%**	**2024**	**%**
Dividend income	22 086	5,92%	19 224	11,80%
Positive differences from transactions in and revaluation of financial assets	254 677	68,27%	79 026	48,49%
Income related to foreign-currency transactions	96 292	25,81%	64 709	39,71%
Total income	**373 055**	**100,00%**	**162 959**	**100,00%**

The results of operations of the Fund for 2025 and 2024 are presented in the following table:

	2025	**2024**
Income	373 055	162 959
Expenses	97 881	84 105
Net result	**275 174**	**78 854**

During the reporting period no internal events occurred that would have an impact on the activity and results of the exchange-traded fund or of the management company.

As a collective investment scheme, the Fund may not, and did not, carry out transactions with related parties, in accordance with the restrictions of ACISOUCI.

The Fund did not carry out repo transactions during the reporting period.

The principal shareholder of the MC “Expat Asset Management” EAD is “Expat Capital” AD.

As at 31.12.2025, the persons managing, representing and members of the Board of Directors of the MC “Expat Asset Management” EAD are:

1. Daniel Penov Donchev – Executive Director
2. Nikolay Vassilev Vassilev – Executive Director
3. Nicola Simeonov Yankov – Chairman of the Board of Directors
4. Konstantina Dimitrova Pergelova-Okoliyska – Member of the Board of Directors
5. Gloriya Martinova Nikolova – Member of the Board of Directors.

The term of office of the Board of Directors runs until 04.03.2026. The new term of office will be announced following a regular annual meeting of the General Meeting of Shareholders.

The company is represented by Daniel Penov Donchev and Nikolay Vassilev Vassilev – jointly.

The following information, required under Art. 39 of the Accountancy Act, is not applicable to an exchange-traded fund:

- the future development of the entity
- information under Art. 247 of the Commerce Act
- activities in the field of research, development and the environment
- information on the acquisition of treasury shares
- the business policy planned for the following year
- expected investments and staff development
- the expected return on investments and the development of the company
- forthcoming transactions of material importance to the company’s activity
- branches of the entity
- the fund does not meet the requirements of Art. 41 of the Accountancy Act and is not obliged to provide a non-financial declaration.

Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables

Management has no information on the existence of any such receivables or liabilities.

Events after the reporting period

Following a meeting held in November 2025, a Resolution was adopted to elect Dimitar Kostadinov as a member of the Board of Directors of the Management Company “Expat Asset Management” EAD. The circumstance was entered in the Commercial Register at the Registry Agency on 03 February 2026.

Pursuant to the Act on the Introduction of the Euro in the Republic of Bulgaria (AIERB), effective 1 January 2026, the euro becomes the official currency and legal tender in Bulgaria. The official exchange rate has been fixed at BGN 1.95583 per EUR 1.

The introduction of the euro as the official currency in the Republic of Bulgaria represents a change in the functional (reporting) currency of the Company, which will be reflected prospectively and does not constitute an event after the reporting period requiring an adjustment in the financial statements for the year ended 31 December 2025.

These financial statements are the last statements prepared by the Company in thousand Bulgarian leva.

There are no other events after the reporting-period date requiring adjustments or disclosure in the Fund’s annual financial statements that have occurred in the period from the reporting date to the date on which these financial statements were approved for issue by the Board of Directors of the Management Company.

Annual Activity Report of Exchange-Traded Fund Expat Czech PX UCITS ETF for the period ending 31 December 2025 (continued)

Tracking error report pursuant to Art. 82e of Ordinance No. 44 of 20 October 2011 on the requirements for the activities of collective investment schemes, management companies, national investment funds and managers of alternative investment funds.

ISIN	Name of the exchange-traded fund	Expected tracking error for 2026	Realised tracking error as at 31.12.2025
BGCZPX003174	Expat Czech PX UCITS ETF	Up to 10%	3,80%

ISIN	Name of the exchange-traded fund	ETF return 2025	Index return for 2025	Tracking difference for 2025
BGCZPX003174	Expat Czech PX UCITS ETF	58,62%	51,11%	7,51%

** The realised tracking error is calculated on the basis of weekly values for the 52 weeks preceding 31.12.2025*

For 2026 we expect the tracking error not to exceed 10%, in view of the limited history of trading in exchange-traded funds on the Bulgarian market, and accordingly of the exchange-traded fund “Expat Czech PX UCITS ETF“.

Tracking error is the volatility (measured by the annualised standard deviation) of the difference between the annual return of the Fund and the annual return of the Index itself. A lower tracking error means closer tracking of the Index. This is not the same as the tracking difference, which is simply the difference between the return of the Fund and that of the Reference Index over a given period of time. The tracking difference shows by how many percent the Fund has performed better or worse than the Index, whereas the tracking error shows the consistency of the difference in performance between the Fund and the Reference Index.

Date: 24.03.2026

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

CORPORATE GOVERNANCE STATEMENT

This statement has been prepared on the basis of Art. 40 of the Accountancy Act, in accordance with the requirements of the Public Offering of Securities Act

General provisions

Expat Czech PX UCITS ETF (the Fund) is a passively managed fund that adheres to the method of full physical replication of the index PX. It is registered for trading on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange (XETRA) under the ticker CZX. The Fund's activity comprises the issuance and sale of units conferring equal rights on their holders. The number of the Fund's units changes depending on the volume of sales and redemptions of units carried out. Pursuant to the Supplementary Provisions of the Accountancy Act, it qualifies as a public-interest entity. In this capacity, the Fund presents this Corporate Governance Statement as part of the annual financial reporting.

The Fund is organised and managed by the Management Company "Expat Asset Management" EAD (MC). In managing the Fund, the Prospectus and all of the Fund's rules are observed, as well as all rules, policies and internal regulations of the MC, as well as the Corporate Governance Code approved by the Chairman of the FSC. The Fund does not have its own administrative, management or supervisory bodies. The Fund is registered in the BULSTAT Register with the Registry Agency under BULSTAT code 177233947. The registered address of the Fund and the Management Company is Sofia, postal code 1000, 96A Georgi S. Rakovski Str.

Main characteristics of the internal control and risk management systems

The internal control system applied by "Expat Asset Management" EAD in managing the Fund comprises the following components:

- *Control environment* covers the following elements – organisational structure, assignment of authority and responsibility, commitment of the persons charged with the overall management, commitment to competence, human-resources policies and practices, management philosophy and operating style, and values and ethical conduct;
- *Risk assessment* – In managing the Fund, the Management Company uses strictly defined limits, described in the Fund's Rules and Prospectus;
- *Information system* – The information system relating to the financial reporting of the Fund should be regarded as the totality of all rules, processes and procedures of the Fund and of the MC;
- *Control activities* – Exercising effective control over the preparation of the Fund's financial statements is one of the priorities of the management of the MC;
- *Ongoing monitoring of controls* – At the level of the management company, a separate Internal Control and Compliance Office has been established, which carries out reviews of the activity and ongoing and periodic reviews of the system and processes. The checks by internal control are aimed at establishing compliance with the statutory and internal rules and procedures.

Information under Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids

- *Information under letter c) - significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:*
  During the reporting period the Fund received no notifications of units acquired or sold, directly or through intermediaries, meeting the criteria set out in Article 89(1) of Directive 2001/34/EC, relating to changes in voting rights held.

- *Information under letter d) - the holders of any securities with special control rights and a description of those rights*
  There are no shareholders with special control rights.

- *Information under letter f) - any restrictions on voting rights, such as restrictions on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the cooperation of the company, the financial rights attaching to securities are separated from the holding of the securities*
  There are no restrictions on the voting rights attaching to units.

- *Information under letter h) - the rules governing the appointment or replacement of board members and the amendment of the instrument of incorporation*
  The Fund has no governing bodies of its own. The Fund is organised and managed by the MC “Expat Asset Management” EAD.

- *Information under letter (i) – the powers of the members of the board and in particular the right to issue or buy back shares.*
  The Fund may issue and redeem units on a daily basis in accordance with the Rules and the Prospectus.

Date: 24.03.2026

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

INFORMATION ON THE REMUNERATION POLICY

Pursuant to Art. 73, item 6 of Ordinance No. 44

1. Information under Article 73(6)(a)

Total amount of remuneration for financial year 2025	Fixed remuneration	Variable remuneration	Number of recipients
3 051 807 BGN	1 701 060 BGN	1 350 747 BGN	24

2. Information under Article 73(6)(b)

	Categories of staff	Amount of remuneration
i	Members of the Board of Directors and staff in management positions	1 587 543 BGN
ii	Staff whose activity involves risk-taking	-
iii	Staff performing control functions	433 024 BGN
iv	Other employees whose remuneration is comparable to the remuneration of the employees under items (i) and (ii) and whose activities have an impact on the risk profile of “Expat Asset Management” EAD and on the risk profile of the collective investment schemes managed by it	626 083 BGN
	Total	2 646 650 BGN

3. Information under Article 73(6)(c)

The remuneration of the employees under letter (b) is fixed and variable. The variable remuneration is the traditional remuneration, such as Easter and Christmas bonuses, the thirteenth and fourteenth monthly salary, as well as other additional remuneration that is fixed and determinable in accordance with criteria in the employment contracts and the Labour Code.

The fixed and variable remuneration for the different categories of staff is determined as follows:

- For the members of the Board of Directors – by resolution of the sole owner of the capital;
- For all other staff – by the Executive Director.

In determining the fixed remuneration, the principle of competitiveness in the labour market is followed and the needs to attract well-qualified and adequately paid employees are taken into account.

4. Information under Article 73(6)(d)

As a result of the reviews under Article 108(5) and (6) of ACISOUCI, the MC “Expat Asset Management” EAD found that no irregularities had been committed and that the remuneration policy had been complied with.

5. Information under Article 73(6)(e)

The remuneration policy was developed by the Board of Directors in cooperation with the Internal Control Office and was adopted by Resolution of the Board of Directors of “Expat Asset Management” EAD of 19.12.2016. Amendments to the policy are developed and adopted in the same manner. The policy was amended by Resolution of the Board of Directors of “Expat Asset Management” EAD of 15.03.2018, amended by Resolution of the Board of Directors of “Expat Asset Management” EAD of 30.09.2020 and amended by Resolution of the Board of Directors of “Expat Asset Management” EAD No. 349 of 10.03.2021.

The above amounts were accrued during the financial year 2025 at the expense of the MC “Expat Asset Management” EAD. They are not at the expense of the collective investment schemes managed by it and are not linked to the results of their activity.

Date: 24.03.2026

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

Statement of Comprehensive Income

For the year ended 31 December 2025

In BGN thousand	*Note*	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Other income	3	22	19
Net gain/ (loss) from financial assets measured at fair value through profit or loss	6	252	79
Net gain/ (loss) from foreign-currency transactions		19	(6)
Operating expenses	4	(18)	(13)
Operating profit/ (loss) for the period		**275**	**79**
Tax expense	10	-	-
Profit/ (loss) for the period		**275**	**79**
Other comprehensive income		-	-
Total comprehensive income for the period		**275**	**79**
Net income per unit			
Net profit/ (loss) per unit (in BGN)	8	**1.678**	**0.582**

Approved by:

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

Prepared by:

Tatyana Lazarova
Chief Accountant

The financial statements were approved for issue by Resolution of the Board of Directors of the Management Company dated 24.03.2026
The notes on pages 13 to 35 are an integral part of the Annual Financial Statements.

Financial statements on which the audit firm "Kreston BulMar – Financial Audit" OOD, with registration number 119, issued an auditor's report dated 30 March 2026.

Manuela Bogoeva
Procurator

Zdravka Shtrakova
Registered auditor responsible for the audit

Statement of Financial Position

As at 31.12.2025

	Note	As at 31.12.2025	As at 31.12.2024
Assets			
Cash and cash equivalents	*5*	6	6
Financial assets measured at fair value through profit or loss	*6*	780	402
Total assets		**786**	**408**
Liabilities			
Trade and other payables	*9*	1	-
Total liabilities		**1**	**-**
Net asset value	*7*	**785**	**408**
Paid-in capital		*332*	*274*
Reserves		*(495)*	*(539)*
Accumulated profit/ (loss)		*948*	*673*

Approved by:

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

Prepared by:

Tatyana Lazarova
Chief Accountant

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Manuela Bogoeva
Procurator

Zdravka Shtrakova
Registered auditor responsible for the audit

Statement of Changes in Net Assets

For the year ended 31 December 2025

In BGN thousand	*Note*	Paid-in capital	Premium reserve	Profit and loss	Total
At 1 January 2024		**293**	**(537)**	**594**	**350**
Other comprehensive income		-	-	-	-
Profit for the period		-	-	79	**79**
Total comprehensive income		**-**	**-**	**79**	**79**
Contributions from and distributions to owners					
Issuance of new units		98	23	-	**121**
Redemption of units		(117)	(25)	-	**(142)**
Total contributions from and distributions to owners		**(19)**	**(2)**	**-**	**(21)**
At 31 December 2024	*7*	**274**	**(539)**	**673**	**408**
At 1 January 2025		**274**	**(539)**	**673**	**408**
Other comprehensive income		-	-	-	-
Profit for the period		-	-	275	**275**
Total comprehensive income		**-**	**-**	**275**	**275**
Contributions from and distributions to owners					
Issuance of new units		352	251	-	**603**
Redemption of units		(294)	(207)	-	**(501)**
Total contributions from and distributions to owners		**58**	**44**	**-**	**102**
At 31 December 2025	*7*	**332**	**(495)**	**948**	**785**

Approved by:

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

Prepared by:

Tatyana Lazarova
Chief Accountant

The financial statements were approved for issue by Resolution of the Board of Directors of the Management Company dated 24.03.2026
The notes on pages 13 to 35 are an integral part of the Annual Financial Statements.

Financial statements on which the audit firm “Kreston BulMar – Financial Audit” OOD, with registration number 119, issued an auditor’s report dated 30 March 2026.

Manuela Bogoeva
Procurator

Zdravka Shtrakova
Registered auditor responsible for the audit

Statement of Cash Flows

For the period ending 31 December 2025

In BGN thousand	***Note***	**01.01.2025-31.12.2025**	**01.01.2024-31.12.2024**
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		22	19
Proceeds related to financial assets measured at fair value through profit or loss		143	66
Payments related to financial assets measured at fair value through profit or loss		(249)	(47)
Payments related to foreign-currency transactions		(1)	-
Payments to counterparties for operating activities		(11)	(8)
Net cash flows used in operating activities		**(96)**	**30**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		498	121
Payments on redemption of units		(395)	(142)
Payments to counterparties for financing activities		(7)	(5)
Net cash flows from financing activities		**96**	**(26)**
Net decrease/increase in cash and cash equivalents		**-**	**4**
Cash and cash equivalents at 1 January		6	2
Cash and cash equivalents at 31 December	*5*	**6**	**6**

Approved by:

Nikolay Vassilev Vassilev
Executive Director

Daniel Donchev
Executive Director

Prepared by:

Tatyana Lazarova
Chief Accountant

The financial statements were approved for issue by Resolution of the Board of Directors of the Management Company dated 24.03.2026
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Registered auditor responsible for the audit

Notes to the Annual Financial Statements

1. Status and principal activity

Expat Czech PX UCITS ETF (the "Fund") is an exchange-traded fund organised and managed by the Management Company "Expat Asset Management" EAD (the "Management Company"). The Fund was registered on 1 December 2017 in the BULSTAT Register with the Registry Agency under BULSTAT code number 177233947. The registered address of the Fund and the Management Company is Sofia, postal code 1000, 96A Georgi S. Rakovski Str.

Expat Czech PX UCITS ETF is a passively managed fund that adheres to the method of full physical replication of the index PX. It is registered for trading on the Bulgarian Stock Exchange – Sofia and on the Frankfurt Stock Exchange (XETRA) under the ticker CZX. The Fund's activity comprises the issuance and sale of units conferring equal rights on their holders. The number of the Fund's units changes depending on the volume of sales and redemptions of units carried out.

The Fund's units may be redeemed at the request of investors.

Since the Fund has no governing bodies of its own, the persons charged with the general management of the Fund are the members of the Board of Directors of the Management Company.

2. Basis of preparation

(a) Statement of compliance

The Fund's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS, accounting standards) as adopted by the European Union (EU). The "IFRS, accounting standards" reporting framework is in essence the designated national accounting basis IAS as adopted by the EU, regulated by the Accountancy Act and defined in item 8 of its Supplementary Provisions.

The items in the Statement of Financial Position are presented in order of liquidity.

These financial statements have been prepared under the historical cost method, except for financial assets measured at fair value through profit or loss, which are measured at fair value.

(b) Going concern

The Management Company has prepared financial forecasts for the twelve months from the date of approval of these financial statements. The management of "Expat Asset Management" EAD has concluded that there is no material uncertainty relating to the Fund's activity that could cast significant doubt on its ability to continue as a going concern, and accordingly that it is appropriate to prepare the financial statements on a going-concern basis.

The Fund has prepared its financial statements for the year ended 31 December 2025, on the assumption that it is a going concern, which presupposes the continuation of the current business activity and the realisation of assets and settlement of liabilities in the normal course of its operations. The Fund's future financial results depend on the broader economic environment in which it operates.

2. Basis of preparation (continued)

(c) Functional and presentation currency

The Fund's units are issued in euro, the net asset value per unit and the redemption price are calculated in euro, and for this reason the Fund's functional currency is the euro.

These financial statements are presented in Bulgarian leva (BGN). All financial information presented in leva is rounded to the nearest thousand, except where otherwise stated.

Since 1 January 1999, the exchange rate of the Bulgarian lev (BGN) has been fixed to the euro (EUR). For this reason, these financial statements reflect no effect from exchange-rate differences arising from the use of the Bulgarian lev as the presentation currency. The exchange rate is BGN 1.95583 / EUR 1.0.

By Council Decision (EU) 2025/1407 of 8 July 2025, it was determined that Bulgaria fulfils the necessary conditions for the adoption of the euro in the country as of 1 January 2026. Accordingly, from that date the derogation referred to in Article 5 of the 2005 Act of Accession is abrogated and, pursuant to the Act on the Introduction of the Euro in the Republic of Bulgaria (AIERB), the euro becomes the official currency and legal tender in Bulgaria from 01 January 2026. The official exchange rate is set at 1.95583 BGN per 1 euro.

These financial statements of the company for the final year have been prepared in thousand leva.

(d) Estimates and judgments

The preparation of financial statements in accordance with IFRS, accounting standards, requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects that period, and in future periods where the revision affects future periods.

Judgments

Information about significant judgments made in applying the accounting policies that have the most significant effect on the presentation of the amounts in the financial statements is contained in the following notes:

- Note 7 Net asset value – classification of the Fund’s units as an equity instrument

The Fund as an investment entity within the meaning of IFRS 10

Entities that meet the definition of an Investment entity under IFRS 10 are required to account for investments in subsidiaries at fair value rather than consolidating them. The criteria that define an Investment entity are:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with relevant investment services;
- An entity that has as its business purpose solely the appreciation of capital, investment income, or both;
- An entity that accounts for and measures a substantial portion of its investments at fair value.

The Fund invests predominantly in shares and the investors are not related parties, which is an additional characteristic of an investment entity.

2. Basis of preparation (continued)

(d) Estimates and judgments (continued)

The Management Company has assessed that the Fund meets the criteria and characteristics above and falls within the definition of an investment entity. The assessment is reviewed regularly upon a change in circumstances.

The Management Company has assessed that the Fund does not exercise control over its investments in shares and therefore does not consolidate them.

Measurement of fair values

Some of the Fund's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Fund uses observable data to the extent possible. Fair values are categorised into different levels in the fair-value hierarchy based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair-value hierarchy, then the fair-value measurement is categorised in its entirety in the level of the fair-value hierarchy whose input information is significant to the entire measurement.

Information about significant items that are affected by the estimates and assumptions in applying the accounting policies that have the most significant effect on the amounts recognised in these financial statements is described in Note 12 Financial instruments.

3. Other income

In BGN thousand	**01.01.2025 – 31.12.2025**	**01.01.2024 – 31.12.2024**
Dividend income	22	19
Total income	**22**	**19**

4. Operating expenses

In BGN thousand	**01.01.2025 - 31.12.2025**	**01.01.2024 - 31.12.2024**
Stock-exchange listing and broker fees	-	2
Fees and commissions to the depositary bank	10	8
Fees and commissions to the management company	6	3
Fees and commissions to the investment intermediary	1	-
Regulatory fees	1	-
Total operating expenses	**18**	**13**

The Management Company incurred expenses for the organisation and administration of the Fund amounting to BGN 96 thousand, which are not included in the net asset value as at 31.12.2025 These expenses are recoverable by the Management Company and will be included in the NAV at a future date. The Management Company has adopted such a policy in order to minimise the burden of the Fund's total expenses in the initial period of its development, in which it is relatively small.

5. Cash and cash equivalents

In BGN thousand	**31.12.2025**	**31.12.2024**
Cash in bank accounts in leva and foreign currency	6	6
Cash and cash equivalents	**6**	**6**
Cash and cash equivalents in the Statement of Cash Flows	**6**	**6**

The Fund's cash is held with the depositary bank "Eurobank Bulgaria" AD.

Changes in liabilities arising from financing activities

The Fund has no changes in liabilities arising from financing activities, including both changes related to cash flows and non-cash changes, for the year ended 31.12.2025 and 31.12.2024.

6. Financial assets measured at fair value through profit or loss

In BGN thousand	**2025**	**2024**
Financial assets at fair value through profit or loss		
Quoted shares	*780*	*402*
Financial assets designated at fair value through other comprehensive income		
Unquoted shares	-	-
Quoted debt instruments	-	-
Total financial assets at fair value	**780**	**402**

The financial assets at fair value through profit or loss at "Expat Czech PX UCITS ETF" comprise non-controlling interests in public companies operating in the Czech Republic. The company is a passively managed fund and adheres to the method of full physical replication of the index PX. The Reference Index is PX, composed of shares denominated and traded in Czech koruna. The fair values of these shares within the net assets are determined by reference to published price quotations on an active market.

When measuring the fair value of an asset or a liability, the Fund uses observable data to the extent possible. Fair values are categorised into Level 1 (Quoted prices in active markets) in the fair-value hierarchy based on the inputs used in the valuation techniques.

The value of the financial assets in the Statement of Financial Position as at the reporting-period date is determined as the closing price of the respective asset on the Prague Stock Exchange on the last business day of the respective reporting period.

6. Financial assets measured at fair value through profit or loss (continued)

The structure of the Fund's financial assets measured at fair value through profit or loss as at 31 December 2025 and 31 December 2024 is as follows:

Type of financial instrument	Shares
Regulated market on which they are traded	Prague Stock Exchange

Issuer	**Number**	**Value at the end of the reporting period, BGN**	**Percentage of total asset value**
Cez AS	1 162	121 210	15,41%
Erste Group Bank AG	791	157 694	20,05%
Komercni Banka AS	1 526	142 832	18,16%
Vienna Insurance Group AG	1 085	142 281	18,09%
Moneta Money Bank AS	9 276	144 505	18,38%
Philip Morris CR AS	14	20 885	2,66%
Colt CZ Group	651	38 857	4,94%
Gevorkyan AS	189	3 715	0,48%
Doosan Škoda Power AS	237	7 951	1,01%
TOTAL	**14 931**	**779 930**	**99,18%**

Type of financial instrument	Shares
Regulated market on which they are traded	Prague Stock Exchange

Issuer	**Number**	**Value at the end of the reporting period, BGN**	**Percentage of total asset value**
Vienna Insurance Group AG	924	54 248	13,28%
Erste Group Bank AG	712	82 193	20,13%
Cez AS	1 059	78 704	19,27%
Komercni Banka AS	1 182	77 886	19,07%
Moneta Money Bank AS	6 728	64 684	15,84%
Philip Morris CR AS	14	18 243	4,47%
Colt CZ Group	380	19 742	4,83%
Kofola ČeskoSlovensko AS	206	6 271	1,54%
TOTAL	**11 205**	**401 971**	**98,43%**

6. Financial assets measured at fair value through profit or loss (continued)

Net gain/ (loss) from financial assets measured at fair value through profit or loss

In BGN thousand	**01.01.2025-31.12.2025**	**01.01.2024-31.12.2024**
Income from revaluation of financial assets measured at fair value through profit or loss	254	79
Income/ (expenses) from transactions with financial assets measured at fair value through profit or loss	(2)	-
Net gain/ (loss) from financial assets measured at fair value through profit or loss	**252**	**79**
Net gain/ (loss) from foreign-currency transactions	19	(6)
Net gain/ (loss) from financial assets	**271**	**73**

7. Net asset value (NAV)

The net asset value (NAV) of the Fund represents the value of the assets less the value of its liabilities. The Fund's net asset value increases or decreases in line with the change in the number of units issued and redeemed, as well as as a result of the change in the market price of the Fund's investments and its liabilities.

In accordance with the Fund's Rules, the net asset value must be a minimum of BGN 100 thousand. The movement in the Fund's units and NAV at the beginning and end of the reporting period is as follows:

	Number of units	**Value** *(in BGN thousand)*	**Number of units**	**Value** *(in BGN thousand)*
In BGN thousand	**31.12.2025**		**31.12.2024**	
At 1 January	**140 000**	**408**	**150 000**	**350**
New units issued	180 000	603	50 000	121
Units redeemed	(150 000)	(501)	(60 000)	(142)
Profit/(loss) for the period		275		79
At 31 December	**170 000**	**785**	**140 000**	**408**

	31.12.2025	**31.12.2024**
Net asset value per unit (in BGN)	4.6197	2.9124

The Fund classifies the units it issues as an equity instrument on the basis of the following criteria:

- The units entitle the holder to a proportionate share of the Fund's net assets at any time and in the event of the Fund's winding-up;
- The units issued by the Fund would not rank ahead of other financial instruments in the event of the Fund's winding-up;

7. Net asset value (NAV) (continued)

- Apart from the Fund's contractual obligation to redeem, the units issued by the Fund carry no other contractual obligation of the Fund to deliver cash or another financial asset or to exchange financial assets or financial liabilities;

- The total expected cash flows attributable to the units issued by the Fund at any time are based on the profit or loss, the change in the recognised net assets, or the change in the fair value of the recognised and derecognised net assets of the Fund;
- The Fund does not issue financial instruments other than units.
-

Premium reserve

The Fund's property is divided into units. The nominal value of the units is 1 (one) euro. The Fund's units are acquired at the issue value. The number of the Fund's units changes as a result of their sale or redemption. The difference between the issue value and the nominal value of the units upon sale or redemption is recognised as a premium reserve.

Capital management

The net asset value (NAV) of the Fund may not be less than BGN 100,000, pursuant to Article 82a(1) of Ordinance No. 44/2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and persons managing alternative investment funds. The Fund has reached the minimum amount of equity.

For the admission of the Fund's units to trading on a regulated market, the minimum net asset value may not be less than BGN 100,000, or their euro equivalent.

Dividend policy

The Fund's policy is not to pay dividends. The dividends paid on the units in which the Fund has invested, as well as the capital gains realised on trading in the Fund's units, are reinvested.

8. Net income per unit

	01.01.2025 – 31.12.2025	**01.01.2024 – 31.12.2024**
Net profit/(loss) per unit for the year (in BGN)	1.678	0.582

Net profit/(loss) per unit is calculated by dividing the profit or loss for the period available for distribution among the unitholders (numerator) by the weighted average number of units in circulation for the period (denominator).

The weighted average number of units in circulation for 2025 is 164,000 (2024 – 135,538). The weighted average is calculated by taking the arithmetic mean of the units in circulation for each day of the period.

9. Trade and other payables

In BGN thousand	**31.12.2025**	**31.12.2024**
Payables to the depositary bank and to the management company	1	-
Total trade and other payables	**1**	**-**

10. Income taxes

The Fund's profit is not subject to corporate income tax.

11. Related parties

The Fund is a segregated pool of assets without governing bodies and its management is carried out by the MC "Expat Asset Management" EAD. The sole shareholder of the MC is "Expat Capital" AD. As at 31.12.2025 the related parties of the Fund are the MC "Expat Asset Management" EAD and "Expat Capital" AD. Transactions with related parties are on contractual terms and no guarantees have been provided or received.

The expenses charged to the Management Company "Expat Asset Management" EAD (Note 4), incurred under contracts concluded during the reporting period, comprise:

- Remuneration under the activity management contract.

The following table provides information on the investment of the Expat Mutual Funds in units of Expat Czech PX UCITS ETF:

As at 31 December 2025

Mutual fund	Investment in:	Number of units	Value at the end of the reporting period, BGN
MF Expat Global Bonds	Expat Czech PX UCITS ETF	1 434	6 570
MF Expat Emerging Markets Equities	Expat Czech PX UCITS ETF	12 799	58 641

As at 31 December 2024

Mutual fund	Investment in:	Number of units	Value at the end of the reporting period, BGN
MF Expat Global Bonds	Expat Czech PX UCITS ETF	1 434	4 170
MF Expat Developed Markets Equities	Expat Czech PX UCITS ETF	29 784	86 610
MF Expat Emerging Markets Equities	Expat Czech PX UCITS ETF	16 870	49 057

12. Financial instruments

Measurement of fair values

The fair value of the Fund's financial instruments is determined as the price that would be received on the sale of a financial asset or paid on the transfer of a financial liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used in measuring fair value:

- For quoted shares, the closing price on an active market as at the reporting-period date is used;

- Cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities – due to the short-term maturity of these financial instruments, their fair value approximates the respective carrying amount.

The following tables analyse the quantitative disclosures of the fair-value hierarchy of the financial instruments measured at fair value by the levels into which they fall.

As at 31 December 2025

In BGN	Level 1	Level 2	Level 3	Total
Financial assets				
Cez AS	121 210	-	-	121 210
Erste Group Bank AG	157 694	-	-	157 694
Komercni Banka AS	142 832	-	-	142 832
Vienna Insurance Group AG	142 281	-	-	142 281
Moneta Money Bank AS	144 505	-	-	144 505
Philip Morris CR AS	20 885	-	-	20 885
Colt CZ Group	38 857	-	-	38 857
Gevorkyan AS	3 715	-	-	3 715
Doosan Škoda Power AS	7 951	-	-	7 951
Total	**779 930**	**-**	**-**	**779 930**

As at 31 December 2024

In BGN	Level 1	Level 2	Level 3	Total
Financial assets				
Vienna Insurance Group AG	54 248	-	-	54 248
Erste Group Bank AG	82 193	-	-	82 193
Cez AS	78 704	-	-	78 704
Komercni Banka AS	77 886	-	-	77 886
Moneta Money Bank AS	64 684	-	-	64 684
Philip Morris CR AS	18 243	-	-	18 243
Colt CZ Group	19 742	-	-	19 742
Kofola ČeskoSlovensko AS	6 271			6 271
Total	**401 971**	**-**	**-**	**401 971**

12. Financial instruments (continued)

Risk profile and risk management

Risk profile

The risk profile of the Exchange-Traded Fund represents the amount and type of risk that the Management Company assumes by investing the Fund’s assets, with the aim of replicating the Reference Index, which as at the date of this report is an equity index of PX. In this sense, investing in units of “Expat Czech PX UCITS ETF” involves the assumption of high risk, given that the Reference Index is composed of shares.

In respect of its activity “Expat Czech PX UCITS ETF” is exposed to various types of risk that affect its results.

Credit risk

The Fund holds cash and quoted shares, and the level of exposure to credit risk is related primarily to cash, which is held in current accounts with banks. The credit risk associated with the quoted shares is part of the overall investment risk of the Fund's unitholders.

The main risks that investors bear when investing in units of "Expat Czech PX UCITS ETF" are:

Market risk

The possibility of incurring losses due to adverse changes in the prices of securities, market interest rates, exchange rates and others. This market risk affects the Fund's net asset value, which also varies as a result of changes in the market prices of the shares and other securities in which the Fund has invested. The Fund is not exposed to the risk of changes in market interest rates, since the financial assets are quoted shares.

Currency risk

The Fund is established and traded in euro, but the reference index PX is composed of shares denominated and traded in Czech koruna, and for this reason the value of the Fund's financial assets depends on the change in the exchange rate of the Czech koruna against the euro and, accordingly, the lev.

Since 1 January 1999, the exchange rate of the Bulgarian lev (BGN) has been fixed to the euro (EUR). The exchange rate is BGN 1.95583 / EUR 1.0. The Fund's policy is not to hedge currency risk. The Fund's currency risk is part of the overall investment risk.

A 5% change in the exchange rate of the euro against the Czech koruna would have the following effect on the Fund's profit/loss, based on the Fund's portfolio as at 31.12.2025. and as at 31.12.2024.:

Effect on profit/ (loss) (*in BGN thousand)*	**As at 31.12.2025**	**As at 31.12.2024**
5% appreciation of the Czech koruna against the euro	39	20
5% depreciation of the Czech koruna against the euro	(39)	(20)

Extreme market movements

The market price of the financial instruments in which the Fund has invested may vary due to changes in the economic and market environment, the monetary policy of

12. Financial instruments (continued)

central banks, the business activity of issuers, the sector in which the issuer operates and supply and demand on the securities market. At certain times the prices of the units on the market (the stock exchange) may vary significantly. In the event of large movements of the Index, including large daily movements, the Fund's performance may deviate from its investment objectives. The Fund's revaluation varies as a result of changes in the value of the Fund's assets and the Reference Index.

A 5% change in the market prices of the assets would have the following effect on the Fund's net asset value, based on the Fund's portfolio as at 31.12.2025 and 31.12.2024:

Effect on profit/loss (*in BGN thousand)*	**As at 31.12.2025**	**As at 31.12.2024**
5% increase in market prices	39	20
5% decrease in market prices	(39)	(20)

Inability of the Management Company to adapt to market changes

The Fund follows a passive strategy, i.e. it is not actively managed. Accordingly, the Management Company will not change the composition of the portfolio, except to closely track the total return of the Reference Index. The Fund does not attempt to “beat” the market and does not take defensive positions when the market falls or is considered overvalued. Therefore, a decline in the Reference Index may lead to a decline in the value of the Fund’s assets.

Liquidity risk

A risk related to the possibility of losses or foregone benefits from necessary or forced sales of assets under unfavourable market conditions (such as low demand in the presence of excess supply). Liquidity risk also exists where the Fund may be required to redeem investors’ units. The Fund invests in quoted shares which, under normal market conditions, are quickly and easily saleable, which significantly reduces the exposure to this risk.

Issuance and redemptions

If orders for the issuance and redemption of units are received late or do not meet the requirements of the Prospectus and the Fund’s Rules, this would lead to a delay between the time the order is submitted and the actual date of issuance or redemption. Such postponements or delays may lead to a reduction in the number of units or the amount of redemptions.

Trading on a regulated market

There is no certainty that trading in the Fund’s units will be maintained or that the conditions for admission to trading will not change. In addition, trading in the units on a stock exchange may be suspended under the rules of the respective exchange due to market conditions, and investors may be unable to sell their units until trading is resumed.

Regulatory risk

The Fund is presented in its Prospectus, which has been prepared in accordance with the applicable laws and regulations. The Management Company and/or the Fund and its investment objectives and policies may be affected by future changes in laws and regulations. New or amended laws, rules and regulations in Bulgaria or the European Union may not permit or may significantly restrict the Fund’s ability to invest in certain

12. Financial instruments (continued)

instruments. They may also prevent the conclusion of contracts with certain third parties. This may impair the Fund’s ability to pursue the relevant investment objectives and policies. The implementation of such new or amended laws, rules and regulations may lead to an increase in all or some of the Fund’s expenses and may require a restructuring of the Fund in order to comply with the new rules. Such a possible restructuring may involve restructuring costs. Where restructuring is not possible, the Fund may have to be terminated.

The Fund’s assets and the Reference Index are subject to changes in laws or regulations, and/or such a change may affect their value and/or their liquidity.

Operational risk

Operational risk is related to the possibility of incurring losses due to errors or imperfections in the organisational system, insufficiently qualified personnel, adverse external events of a non-financial nature, including legal risk. The Management Company sets a short-term and long-term strategy in managing the operational risks that arise in managing the Fund’s activity and portfolio, described in the Fund’s Risk Assessment and Management Rules.

Risk of tracking error relative to the Reference Index

Tracking the Reference Index by investing in all the constituents of the Index may prove costly and difficult to implement. The portfolio manager may use optimisation techniques, such as selecting individual constituents of the Index in proportions that differ from those in the Index. The use of such optimisation techniques may increase the tracking error and lead to different performance of the Fund relative to the Index. Also, existing restrictions on or future changes in the law and regulations applicable to the Exchange-Traded Fund regarding, but not limited to, the composition, concentration and method of valuation of the assets may lead to the Fund's inability to fully replicate the Index. Also, exchange-traded funds in markets characterised by low liquidity are exposed to a greater risk of index tracking error.

Reference Index

In the event of an event affecting the Index, the Fund may have to suspend the issuance and redemption of units. The Fund's revaluation may also be affected. In the event of continuing problems with the Index, the Fund will take appropriate action, which may reduce the Fund's net asset value.

Systemic risks

Systemic risks depend on the general fluctuations in the economy and the markets as a whole. The Fund cannot influence systemic risks, but takes them into account and complies with them. Risks arising from the political and economic situation include possible instability or military action in the region. Disasters and accidents are factors that complicate any risk-management system. The consequences are difficult to predict, but access to information and the application of a system for forecasting and acting in extreme situations are possible ways to minimise the negative effect.

Sustainability risks

Sustainability risks are events or conditions of an environmental, social or governance nature which, if they occur, could have a material adverse impact on the value of investments. In implementation of Article 3 of Regulation (EU)

12. Financial instruments (continued)

2019/2088, the company has adopted and applies a policy for the integration of sustainability risks into the investment decision-making processes for all undertakings for collective investment managed by the company, including the Fund. The main principle of the policy for the integration of sustainability risks into the investment decision-making processes is the achievement of maximum financial return on investments. However, in so far as the Fund is passively managed and follows the Index in the manner provided for in its Rules, the integration of sustainability risks into the investment decision-making processes by the Management Company is not applicable to this fund.

Rising interest rates and recession risk

In recent years there have been prolonged periods of historically low interest rates, which has changed over the last year, when some central banks worldwide began to increase them. Recently, global markets have experienced significant volatility with significant declines in both bond and equity markets. In addition, central banks around the world have raised interest rates in an effort to curb rising inflation. The business of "Expat Asset Management" EAD is directly and indirectly affected by changes in global interest rates.

Changes in interest rates may affect the value of the securities in which we invest, which may affect the value of the assets managed by "Expat Asset Management" EAD and the company's revenue. To manage this risk, "Expat Asset Management" EAD uses several strategies, such as investing in securities with a shorter maturity and maintaining diversified portfolios. In addition, for the purpose of risk management, “Expat Asset Management” EAD prepares stress tests of the portfolios for potential scenarios involving movements in interest rates.

Our business is affected by national and global economic conditions, which may change suddenly, as well as by perceptions of those conditions and future economic prospects, such as concerns about a potential recession. If recessionary economic conditions develop, they are likely to have a negative impact on the entire financial-services sector, including on us. Changes in broader economic conditions are not predictable and cannot be controlled. Negative consequences for our business may arise from low levels or a decline in economic growth, a reduction in private equity and venture-capital investment, changes in customer spending, restrictions on the availability or an increase in the cost of credit and capital, a reduction in public capital investment, high levels of inflation, uncertainty regarding fiscal, monetary and political matters, and rising benchmark interest rates.

Geopolitical matters

Geopolitical issues, including the war in Ukraine, the conflict in the Gaza Strip, as well as tensions in diplomatic relations affecting the USA and other countries, and restrictions on international trade, may affect the stability of the financial markets and the global economy. Geopolitical tensions, such as trade disputes or political instability, may affect the value of investments and lead to increased market volatility. The ongoing conflicts between Russia and Ukraine, as well as between Israelis and Palestinians, have the potential to negatively affect global markets and influence the results of certain sectors. The strategies for managing geopolitical risk applied by “Expat Asset Management” EAD

12. Financial instruments (continued)

include monitoring global events, maintaining diversified portfolios and using risk-management instruments, such as derivatives.

13. Accounting policies and disclosures

The Fund has consistently applied the significant accounting policies set out below for the period presented in these annual financial statements.

The accounting policies adopted in preparing the annual financial statements are in accordance with the International Financial Reporting Standards (IFRS, accounting standards) as adopted by the European Union (EU). The Fund has not early adopted any other standards, interpretations or amendments that have been published but are not yet effective.

The Fund recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, it becomes a party to the contractual provisions of that instrument.

Contracts for the purchase or sale of financial assets that require settlement of the transactions within the usual time frame established by market rules, or by agreement, are recognised in the Statement of Financial Position on the settlement date.

Classification and measurement

Under IFRS 9, after their initial recognition, debt instruments are measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Fund’s business model for managing the assets, and whether the contractual cash flows of the instrument represent “solely payments of principal and interest” on the principal amount outstanding.

The assessment of the Fund’s business model is carried out as at the date of initial application. The assessment of whether the contractual cash flows of the debt instruments consist solely of principal and interest is made on the basis of the facts and circumstances at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 do not have a material impact on the Fund, which continues to measure at fair value all financial assets previously measured at fair value under IAS 39.

In order to determine the classification and measurement category under IFRS 9, all financial assets, except equity instruments and derivatives, should be assessed based on a combination of the Fund's business model for managing the assets and the contractual cash-flow characteristics of the instruments.

The measurement categories of financial assets are as follows:

Trade receivables, dividend receivables and other non-current receivables (i.e. receivables from related entities, trade-credit receivables and others), classified as Trade receivables and Trade and other non-current receivables, are held to collect the contractual cash flows and give rise to cash flows representing solely payments of principal and interest, and are classified and measured as Debt instruments at amortised cost.

13.1 Financial instruments

- Quoted equity investments are classified as Financial assets at fair value through profit or loss.

Business-model assessment

The Fund defines the following business models for managing financial assets:

- A business model whose objective is to hold the assets in order to collect the contractual

13. Accounting policies and disclosures (continued)
13.1 Financial instruments (continued)

- cash flows. It includes assets that are managed to collect the contractual payments over the entire term of the instrument;
- A business model whose objective is to realise cash flows through the sale of the asset. Those financial assets are classified here for which the Fund intends to monitor their fair value on an ongoing basis, which underlies the decisions to carry out purchase and sale transactions; there is evidence of active purchase and sale activity; the contractual cash flows of the asset do not consist solely of payments of principal and interest; the collection of the contractual cash flows from such assets is only incidental to achieving the principal objective – realising cash flows from sale.

Measurement categories of financial assets and liabilities

The Fund classifies and measures its portfolio at fair value through profit or loss, since it is held within a business model in which measurement at fair value through profit or loss is carried out and the Fund manages the financial assets with the aim of realising cash flows through the sale of the assets.

The Fund classifies its receivables at amortised cost, since they are held within a business model whose objective is to hold the assets in order to collect the contractual cash flows. The Fund classifies its financial liabilities, such as trade payables, measured at amortised cost.

Financial assets and liabilities

Trade receivables and payables (amortised cost)

Trade receivables and payables include non-derivative financial assets with fixed or determinable payments that have not been quoted on an active market, other than those:

- which the Fund intends to sell immediately or in the near future;
- which the Fund, on initial recognition, has designated at fair value through profit or loss or as available for sale;
- for which the Fund may be unable to recover substantially all of its initial investment, for a reason other than as a result of a deterioration in the exposure that has been designated as available for sale.

Financial assets and financial liabilities at fair value through profit or loss

The financial assets and financial liabilities in this category are those that are not held for trading or that are mandatorily required to be measured at fair value through profit or loss under IFRS 9. On initial recognition, the Management Company designates an instrument at fair value through profit or loss when one of the following criteria is met. This categorisation is determined at the instrument level:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of a group of financial liabilities (or financial assets, or both) that are managed and whose performance is evaluated on a fair-value basis, in accordance with a documented risk-management or investment strategy, or

13. Accounting policies and disclosures (continued)

13.1 Financial instruments (continued)

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear, with little or no analysis, when a similar instrument is first considered, that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at fair value through profit or loss are carried in the Statement of Financial Position at fair value. Changes in fair value are recognised in profit or loss.

Dividend income from equity instruments measured at fair value through profit or loss is recognised in profit or loss as operating income when the right to payment is established.

Impairment of financial assets

IFRS 9 requires the Fund to record a loss allowance for expected credit losses for all financial assets that are not held at fair value through profit or loss. The loss allowance is based on the expected losses associated with the probability of default over the next twelve months, unless there has been a significant increase in credit risk since the origination of the asset.

The Management Company performs a periodic review for indications of impairment of the carrying amount of the Fund's assets, as follows:

- receivables – at the end of each month when preparing the monthly financial statements for management.

The Fund applies a simplified impairment approach for trade receivables, under which the loss allowance is determined based on the expected credit losses over the entire term of the instrument. The choice of the simplified approach follows from the specifics of these financial assets, and the matrix for determining the expected credit losses for these financial assets is based mainly on assumed delinquencies by period in respect of the loss given default.

Financial assets are classified into three stages according to changes in the credit quality of the counterparty / instrument:

- stage 1 ("performing") – financial assets with no indication of an increase in credit risk relative to the initial assessment are classified here;
- stage 2 ("underperforming") – financial assets with a significant increase in credit risk, but without objective evidence of impairment / grounds for incurring losses ("in default"), are classified here;
- stage 3 ("in default") – financial assets with a significant increase in credit risk and with objective evidence of impairment (assets for which a "default" exists) are classified here.

In cases where there are indications of impairment, the recoverable amount of the assets is calculated. Impairment losses are determined as the difference between the carrying amount of the financial asset and its estimated recoverable amount and are recognised in profit or loss. When subsequent events lead to a reduction in previously recognised impairment losses, the adjustment is recognised in profit or loss.

Derivatives measured at fair value through profit or loss

The Fund does not enter into transactions with derivatives.

13. Accounting policies and disclosures (continued)

13.1 Financial instruments (continued)

Financial assets or financial liabilities held for trading

The Fund does not account for financial assets or financial liabilities as held for trading.

Date of recognition

Financial assets and liabilities, except for loans and advances, are initially recognised on the trade date, i.e. on the date on which the Fund becomes a party to the contractual provisions of the instrument.

Contracts for the purchase or sale of financial assets that require settlement of the transactions within the usual time frame established by market rules, or by agreement, are recognised in the Statement of Financial Position on the settlement date.

Initial recognition of financial instruments

On their initial recognition, the Fund's financial assets are classified as those subsequently measured at fair value through profit or loss.

The Fund's business model for managing the financial assets refers to the way in which it replicates the reference index PX regardless of its direction. The business model determines whether cash flows will arise as a result of collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets whose terms require delivery of the assets within a period of time generally established by a regulatory provision or prevailing practice of the respective market (regular-way purchases) are recognised on the trade (transaction) date, i.e. on the date on which the Fund committed to buy or sell the asset.

On initial recognition, the Fund measures receivables that do not have a significant financing component at the respective transaction price.

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated on initial recognition as such at fair value through profit or loss, or financial assets that are mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the short term. Financial assets with cash flows that do not represent solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated as such at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value, with the net changes in fair value recognised in the Statement of Income.

This category includes derivative instruments and equity instruments registered for trading on stock exchanges that the Fund has not irrevocably elected to classify as such at fair value through other comprehensive income. Dividends on such equity instruments are also recognised as other income in the Statement of Income when the right to receive payment is established.

13. Accounting policies and disclosures (continued)
13.1 Financial instruments (continued)

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Fund's Statement of Financial Position) mainly when:

- the rights to receive the cash flows from the asset have expired; or
- the rights to receive the cash flows from the asset have been transferred, or the Fund has assumed an obligation to pay the received cash flows in full, without material delay, to a third party under a transfer arrangement; whereby either (a) the Fund has transferred substantially all the risks and rewards of ownership of the asset; or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control over it.

Where the Fund has transferred its rights to receive the cash flows from the asset or has entered into a transfer arrangement, it assesses whether and to what extent it has retained the risks and rewards of ownership.

Where it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, nor transferred control over it, it continues to recognise the transferred asset to the extent of its continuing involvement in it. In this case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to pay.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the Statement of Financial Position, when the Fund has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis.

13.2 Fair-value measurement

The Fund measures its investments in financial instruments, such as equity instruments, bonds and other interest-bearing investments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair-value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either on the principal market for the asset or liability or, in the absence of a principal market, on the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Fund. The fair value of the asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

13. Accounting policies and disclosures (continued)
13.2 Fair-value measurement (continued)

The fair value of financial instruments traded on active markets as at the reporting date is based on their quotation, without deducting transaction costs. For all other financial instruments not traded on an active market, fair value is determined using valuation techniques considered appropriate in the circumstances. The valuation techniques include the market approach (i.e.

using recent market transactions, adjusted as needed, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted-cash-flow analyses and option-pricing models, using as much available and supporting market data as possible).

For assets and liabilities measured at fair value on a recurring basis, the Fund determines transfers between levels in the hierarchy by reassessing the categorisation (based on the lowest level that is significant to the fair-value measurement as a whole) and considers that transfers have occurred at the beginning of each reporting period.

13.3 Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Fund operates. The Fund's units are issued in euro, the net asset value per unit and the redemption price are calculated in euro, and for this reason the Fund's functional currency is the euro.

These financial statements are presented in Bulgarian leva (BGN). All financial information presented in leva is rounded to the nearest thousand, except where otherwise stated.

Since 1 January 1999, the exchange rate of the Bulgarian lev (BGN) has been fixed to the euro (EUR). For this reason, these financial statements reflect no effect from exchange-rate differences arising from the use of the Bulgarian lev as the presentation currency. The exchange rate is BGN 1.95583 / EUR 1.0.

13.4 Foreign-currency transactions

Transactions carried out in foreign currencies are translated into leva at the official BNB rates for the day of the transaction. All assets and liabilities denominated in foreign currency are revalued daily.

13.5 Rules for determining the net asset value of the fund

The net asset value is the total value of all assets in the portfolio, less all liabilities. The Fund applies rules for determining the net asset value, and the methodology developed for determining the net asset value is based on:

- the relevant provisions of the Fund's Rules and Prospectus;
- the relevant statutory provisions and the regulations implementing them;
- the relevant provisions of the accounting legislation;
- the application of generally accepted valuation methods.

The net asset value per unit is the basis for determining the issue value and the redemption price of one unit of the Fund. Issued units are accounted for at nominal value. The Fund's net asset value per unit is calculated by dividing the net asset value by the number of units issued.

13.6 Expenses

Expenses are recognised in profit or loss for the period in which they were incurred, regardless of the cash payments. All expenses related to the Fund's activity, including the expenses for the remuneration of the Management Company and the depositary bank, are recognised in profit or loss on an accrual basis.

13. Accounting policies and disclosures (continued)

13.6 Expenses (continued)

The direct expenses of unitholders related to the purchase and redemption of units of the Fund are set out in the Fund's Prospectus.

Fees and commissions

Fee and commission expenses are recognised in profit or loss as the respective services are rendered.

13.7 Taxes

The Fund, as a type of collective investment scheme admitted to public offering in the Republic of Bulgaria, enjoys preferential tax treatment, as its profit is not subject to corporate income tax.

13.8 Share capital. Issuance and redemption of units

Share capital is presented at the nominal value of the issued and paid units of the Fund.

The Fund issues units at the issue value on each business day. The issue value of one unit is formed from the net asset value per unit plus issuance costs. The difference between the net asset value per unit and the nominal value per unit is recognised as premium reserves. Depending on whether the Fund issues its units below par or above par, the difference to the nominal value is presented as a discount or a positive premium, respectively, on the issuance of units. The Fund has the obligation to redeem its units from their holders.

13.9 Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position include cash in bank accounts, cash on hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents include the cash and cash equivalents as defined above.

14. Changes in accounting policies and disclosures

The Fund has applied the following new standards, amendments and interpretations to IFRS, developed and published by the International Accounting Standards Board, that are mandatory for application from the annual period beginning on 1 January 2025, but the application of which has no material effect on the Fund's financial result and financial position:

14. Changes in accounting policies and disclosures (continued)

Issued amendments to standards that are effective as at the date of the financial statements

As at the date of these financial statements, the following amendments to standards have been published and become effective for annual reporting periods beginning on 01.01.2025:

- **Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates**

On 15 August 2023, the IASB issued "Lack of Exchangeability (Amendments to IAS 21)" to provide guidance clarifying when a currency is exchangeable and how to determine the exchange rate when it is not.

It was adopted for application in the EU under Regulation (EU) 2024/2862 of 12 November 2024 (Official Journal No. L of 13.11.2024).

New standards and interpretations that are not yet effective

- **Amendment to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures". The amendments include guidance on the classification of financial assets, including those with contingent features, and clarify when a financial asset or financial liability is recognised and derecognised, and provide an exception for certain financial liabilities settled through an electronic payment system. New disclosures have been added for certain instruments with contractual terms that may change the cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) objectives).

On 18 December 2024, the IASB issued "Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 7 and IFRS 9)". The aim of the amendments is to better reflect the effects of physical and virtual contracts for nature-dependent electricity in the financial statements through narrow-scope amendments to the own-use assessment, hedge accounting and the disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

Annual Improvements to IFRS

Annual Improvements to IFRS accounting standards are envisaged – amendments to:

- IFRS 1 First-time Adoption of IFRS Accounting Standards;

- IFRS 7 Financial Instruments: Disclosures and the accompanying Guidance on Implementing IFRS 7;

- IFRS 9 Financial Instruments;

- IFRS 10 Consolidated Financial Statements; and

- IAS 7 Statement of Cash Flows

The annual improvements process aims to enhance the clarity and internal consistency of IFRS accounting standards.

The amendments apply to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

14. Changes in accounting policies and disclosures (continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements**

On 1 July 2024, the IASB issued amendments to IFRS 18 "Presentation and Disclosure in Financial Statements" to provide greater consistency in the presentation of the statements of income and expenses and cash flows, and more disaggregated information.

The standard and its amendments are effective for annual reporting periods beginning on or after 1 January 2027.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

On 9 May 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which offers subsidiaries a practical way to address the issues of

14. Changes in accounting policies and disclosures (continued)

excessive disclosure while reducing their reporting costs by removing the need for disclosures beyond the needs of users or for maintaining two separate sets of accounting records.

On 19 August 2025, the IASB issued amendments to IFRS 19. The newly issued amendments to IFRS 19 assist eligible subsidiaries by reducing the disclosure requirements for standards and amendments issued between February 2021 and May 2024, namely:

- IFRS 18 "Presentation and Disclosure in Financial Statements";
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7);

- International Tax Reform – Pillar Two Rules (amendments to IAS 12);
- Lack of Exchangeability (amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7).

The standard and its amendments are effective for annual reporting periods beginning on or after 1 January 2027.

- **IFRS for SMEs (small and medium-sized entities), third edition**

On 27 February 2025, the IASB issued the third edition of IFRS for SMEs. The third edition of IFRS for SMEs reflects updates that largely align it with IFRS accounting standards. The IFRS for SMEs accounting standard generally reflects:

- IFRS 3 Business Combinations;
- Consolidated Financial Statements under IFRS 10;
- IFRS 15 Revenue from Contracts with Customers; and
- other relevant changes made to the IFRS accounting standards since 2015.

The standard is effective for annual reporting periods beginning on or after 1 January 2027.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates**

On 13 November 2025, the IASB issued "The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation presentation (Amendments to IAS 21)" to clarify how financial statements are translated from a non-hyperinflationary functional currency into a hyperinflationary presentation currency.

14. Changes in accounting policies and disclosures (continued)

- **IAS 21 The Effects of Changes in Foreign Exchange Rates (continued)**

The standard is effective for annual reporting periods beginning on or after 1 January 2027.

The Company does not expect the adoption of these new standards, amendments to existing standards and new interpretations to have a material effect on the Company's financial statements in the period of their initial application.

15. Contingent liabilities and assets

The Fund does not recognise contingent liabilities and contingent assets in its financial statements, due to the fact that they do not constitute possible obligations for which it has not yet been confirmed whether the Fund has them as present obligations, or their possible recognition could lead to the recognition of income that may never be realised.

The Fund recognises contingent liabilities in connection with the expenses for the organisation and administration of the fund incurred by the Management Company (Note 4).

16. Events after the reporting date

Following a meeting held in November 2025, a Resolution was adopted to elect Dimitar Kostadinov as a member of the Board of Directors of the Management Company "Expat Asset Management" EAD. The circumstance was entered in the Commercial Register at the Registry Agency on 03 February 2026.

Pursuant to the Act on the Introduction of the Euro in the Republic of Bulgaria (AIERB), effective 1 January 2026, the euro becomes the official currency and legal tender in Bulgaria. The official exchange rate has been fixed at BGN 1.95583 per EUR 1.

The introduction of the euro as the official currency in the Republic of Bulgaria will be reflected prospectively and does not constitute an event after the reporting period requiring an adjustment in the financial statements for the year ended 31 December 2025. The Fund does not expect material effects from the redenomination of the opening balances as at 1 January 2026 into euro and from the process of changing the functional (reporting) currency.

These financial statements of the Fund are the last such statements prepared in thousand Bulgarian leva.

There are no other events after the reporting-period date requiring adjustments or disclosure in the Fund’s annual financial statements that have occurred in the period from the reporting date to the date on which these financial statements were approved for issue by the Board of Directors of the Management Company.

INDEPENDENT AUDITOR'S REPORT

To the unitholders
of the exchange-traded fund
"Expat Czech PX UCITS ETF"

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the exchange-traded fund "Expat Czech PX UCITS ETF" (the "Fund"), comprising the statement of financial position as at 31 December 2025 and the statement of comprehensive income, the statement of changes in net assets and the statement of cash flows for the year then ended, as well as the notes to the financial statements, containing material information on the accounting policy and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025 and its financial performance and its cash flows for the year then ended, in accordance with the IFRS accounting standards as adopted by the European Union (EU).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (the IESBA Code), applicable in respect of audits of the financial statements of public-interest entities, together with the ethical requirements applicable in respect of audits of the financial statements of public-interest entities in Bulgaria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How this key audit matter was addressed in the audit conducted by us
Carrying amount of financial assets measured at fair value through profit or loss *The Fund's disclosures in respect of the financial assets measured at fair value through profit or loss are included in Note 6 to the financial statements.*	
As at 31.12.2025, the Fund reports financial assets at fair value through profit or loss amounting to BGN 780 thousand, which include non-controlling interests in public companies operating in the Czech Republic, as disclosed in *Note 6* to the financial statements. These interests are held by the Fund as a result of replicating the index PX and, accordingly, their fair value is determined by reference to published price quotations. The carrying amount of the Fund's financial assets measured at fair value through profit or loss is a key factor in determining the value of its net assets as at the reporting date and, accordingly, has a material impact on the financial indicators based on that value and on changes in it. Due to the materiality of the financial assets measured at fair value through profit or loss as an element of the Fund's financial statements, and since they are a key factor in determining the value of the Fund's net assets and its performance, we have determined this matter to be a key audit matter.	In this area, our audit procedures included: ➢ Understanding and walking through the process of measuring financial assets at fair value. ➢ Verifying the existence of the financial assets measured at fair value through profit or loss by obtaining and comparing with a confirmation letter from the Depositary Bank as at 31 December 2025. ➢ Verifying the fair-value measurement of the financial assets measured at fair value through profit or loss by reconciling the price quotations used by the Fund as at 31 December 2025 with publicly available market data, and testing the mathematical accuracy of the fair-value calculations and the changes recognised in profit or loss for the reporting period. ➢ Assessing the adequacy and appropriateness of the Fund's disclosures relating to the financial assets measured at fair value through profit or loss.

Other information, other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information consists of the Activity Report, the Corporate Governance Statement, the Report on Payments to Governments and the Report on the Implementation of the Remuneration Policy, prepared by management in accordance with Chapter Seven of the Accountancy Act, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of our auditor's report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon, except where expressly stated in our report and to the extent so stated.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether that other information is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS accounting standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to the going-concern assumption and using the going-concern basis of accounting, unless management either intends to liquidate the Fund or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override or circumvention of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and that we will communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and that are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of information about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public-interest benefits of such communication.

Report in connection with other legal and regulatory requirements

Additional matters that the Accountancy Act and the Public Offering of Securities Act require to be reported

In addition to our responsibilities and reporting under the ISAs, described above in the "Other information, other than the financial statements and the auditor's report thereon" section, in respect of the Activity Report, the Corporate Governance Statement, the Report on Payments to Governments and the Report on the Implementation of the Remuneration Policy, we also performed the procedures added to those required by the ISAs, in accordance with „Guidance on new and expanded auditor's reports and communication by the auditor" of the professional organisation of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA)". These procedures concern checks for the existence, as well as checks of the form and content of this other information, in order to assist us in forming an opinion on whether the other information includes the disclosures and reporting envisaged in Chapter Seven of the Accountancy Act and in the Public Offering of Securities Act (Art. 100n(10) of the POSA in conjunction with Art. 100n(8)(3) and (4) of the POSA, as well as Art. 100n(15) of the POSA in conjunction with Art. 116c(1) of the POSA), applicable in Bulgaria.

Opinion in connection with Art. 37(6) of the Accountancy Act

On the basis of the procedures performed, our opinion is that:

a) The information included in the Activity Report for the financial year for which the financial statements were prepared is consistent with the financial statements.
b) The Activity Report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and of Art. 100(n)(7) of the Public Offering of Securities Act and of Art. 73(6) of Ordinance No. 44 of 20.10.2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and persons managing alternative investment funds;
c) The corporate governance statement for the financial year for which the financial statements were prepared presents the information required under Chapter Seven of the Accountancy Act and Art. 100(n)(8) of the Public Offering of Securities Act.
d) The Report on Payments to Governments for the financial year for which the financial statements were prepared has been provided and prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.
e) The Report on the Implementation of the Remuneration Policy for the financial year for which the financial statements were prepared has been provided and meets the requirements set out in the ordinance under Art. 116c(1) of the Public Offering of Securities Act.

Opinion in connection with Art. 100(n)(10) in conjunction with Art. 100n(8)(3) and (4) of the Public Offering of Securities Act

On the basis of the procedures performed and the knowledge and understanding acquired of the activity of the entity and the environment in which it operates, in our opinion, the description of the main features of the entity's internal control and risk management systems in connection with the financial reporting process, which is part of the Activity Report (as an element of the content of the corporate governance statement) and the information under Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, do not contain cases of material misreporting.

Additional reporting on the audit of the financial statements in connection with Art. 100(n)(4)(3) of the Public Offering of Securities Act

Statement in connection with Art. 100(n)(4)(3)(b) of the Public Offering of Securities Act

Information regarding the transactions with related parties is disclosed in Note 11 to the financial statements. On the basis of the audit procedures we performed on the transactions with related parties as part of our audit of the financial statements as a whole, no facts, circumstances or other information have come to our attention on the basis of which to conclude that the transactions with related parties have not been disclosed in the accompanying financial statements for the year ended 31 December 2025, in all material respects, in accordance with the requirements of IAS 24 "Related Party Disclosures". The results of our audit procedures on the transactions with related parties have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on the transactions with related parties.

Statement in connection with Art. 100(n)(4)(3)(c) of the Public Offering of Securities Act

Our responsibilities for the audit of the financial statements as a whole, described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, include evaluating whether the financial statements present the material transactions and events in a manner that achieves fair presentation. On the basis of the audit procedures we performed on the material transactions underlying the financial statements for the year ended 31 December 2025, no facts, circumstances or other information have come to our attention on the basis of which to conclude that there are cases of material misrepresentation and disclosure not in accordance with the applicable requirements of the IFRS accounting standards as adopted by the European Union. The results of our audit procedures on the transactions and events material to the Fund's financial statements have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on these material transactions.

Reporting under Art. 10 of Regulation (EU) No 537/2014 in connection with the requirements of Art. 59 of the Independent Financial Audit and Sustainability Assurance Act

In accordance with the requirements of the Independent Financial Audit and Sustainability Assurance Act in connection with Art. 10 of Regulation (EU) No 537/2014, we additionally report the information set out below.

- The audit firm "Kreston BulMar – Financial Audit" OOD was appointed as statutory auditor of the financial statements for the year ended 31 December 2025 of the exchange-traded fund "Expat Czech PX UCITS ETF" (the "Fund") by resolution of the sole owner of the capital of the Management Company "Expat Asset Management" EAD for a period of one year.
- The audit of the Fund's financial statements for the year ended 31 December 2025 represents the fifth complete uninterrupted statutory audit engagement of this entity performed by us.
- We confirm that the audit opinion we have expressed is consistent with the additional report presented to the Fund's audit committee, in accordance with the requirements of Art. 60 of the Independent Financial Audit and Sustainability Assurance Act.

- We confirm that we have not provided the prohibited non-audit services referred to in Art. 64 of the Independent Financial Audit and Sustainability Assurance Act.
- We confirm that in conducting the audit we maintained our independence from the Fund.
- For the period to which the statutory audit performed by us relates, apart from the audit, we have not provided other services to the Fund.

“Kreston BulMar – Financial Audit” OOD
Audit firm, reg. No. 119

Zdravka Shtrakova
Registered auditor responsible for the audit

Manuela Bogoeva
Procurator

30 March 2026
172 Naycho Tsanov Str.
Sofia 1309, Bulgaria

TO

The unitholders

OF ETF „Expat Czech PX UCITS ETF"

DECLARATION

under Art. 100n(4)(3)

of the Public Offering of Securities Act

The undersigned:

Zdravka Ognyanova Shtrakova, in my capacity as Manager of the audit firm "Kreston BulMar – Financial Audit" OOD, with UIC 130857562, with its registered seat and address of management: Sofia, postal code 1309, 172 Naycho Tsanov Str., floor 3, and a registered auditor (with reg. No. 417 in the register at the ICPA under Art. 20 of the Independent Financial Audit and Sustainability Assurance Act), responsible for the audit engagement on behalf of the audit firm "Kreston BulMar – Financial Audit" OOD (with reg. No. 119 in the register at the ICPA under Art. 20 of the Independent Financial Audit and Sustainability Assurance Act) at the ICPA, declare that:

The audit firm "Kreston BulMar – Financial Audit" OOD was engaged to perform a statutory financial audit of the exchange-traded fund "**Expat Czech PX UCITS ETF"** (the Fund) for 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the EU, the generally accepted name of the accounting basis defined in ***item 8 of the SP to the Accountancy Act*** under the name "International Accounting Standards". As a result of our audit, we issued an auditor's report on 30 March 2026.

I HEREBY CERTIFY THAT, as reported in the auditor's report we issued on the annual financial statements of the ETF "**Expat Czech PX UCITS ETF*****" for 2025, issued on 30 March 2026:***

1. ***Art. 100n(4)(3)(a) Audit opinion***
   In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS, accounting standards) as adopted by the European Union (EU);
2. ***Art. 100n(4)(3)(b) Information relating to the transactions of the ETF "Expat Czech PX UCITS*** **ETF*****" with related parties***
   Information regarding the transactions with related parties is duly disclosed in Note 11 to the financial statements. On the basis of the audit procedures we performed on the transactions with related parties as part of our audit of the financial statements as a whole, no facts, circumstances or other information have come to our attention on the basis of which to conclude that the transactions with related parties have not been disclosed in the accompanying financial statements for the year ended 31 December 2025, in all material respects, in accordance with the requirements of IAS 24 Related Party Disclosures.
   The results of our audit procedures on the transactions with related parties have been considered by us in the context of forming our opinion on the financial statements as a

whole, and not for the purpose of expressing a separate opinion on the transactions with related parties;

3. ***Art. 100n(4)(3)(c) Information relating to the material transactions*** Our responsibilities for the audit of the financial statements as a whole, described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, include evaluating whether the financial statements present the material transactions and events in a manner that achieves fair presentation. On the basis of the audit procedures we performed on the material transactions underlying the financial statements for the year ended 31 December 2025, no facts, circumstances or other information have come to our attention on the basis of which to conclude that there are cases of material misrepresentation and disclosure not in accordance with the applicable requirements of the IFRS accounting standards as adopted by the European Union. The results of our audit procedures on the transactions and events material to the Fund's financial statements have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on these material transactions.

The certifications made by this declaration should be considered solely and only in the context of the auditor's report we issued as a result of the independent financial audit performed on the annual financial statements of the ETF "**Expat Czech PX UCITS ETF*****" for the reporting period ended 31 December 2025, dated 30 March 2026. This declaration is intended solely for the addressee indicated above and has been prepared solely and only in fulfilment of the requirements set out in Art. 100n(4)(3) of the Public Offering of Securities Act (POSA) and should not be regarded as replacing our conclusions contained in the auditor's report we issued on 30 March 2026 in respect of the matters covered by Art. 100n(4)(3) of the POSA.***

„Kreston BulMar – Financial Audit" OOD:
Audit firm reg. No. 119

Zdravka Shtrakova
Manager and registered auditor responsible for the audit

Sofia
Date: 30 March 2026