Exchange Traded Fund
Expat Romania BET UCITS ETF,
ISIN BGROBET05176

ANNUAL ACTIVITY REPORT AND
FINANCIAL STATEMENT
31 December 2024

Content

ANNUAL ACTIVITY REPORT

for the period ending 31 December 2024
of Exchange Traded Fund "Expat Romania BET UCITS ETF"

under art. 39 of the Accounting Act

Exchange Traded Fund Expat Romania BET UCITS ETF ("the Fund") is an open-ended collective investment scheme for investment in securities and other liquid financial assets, established and operating in accordance with the Law on the Activities of Collective Investment Schemes and Other Collective Investment Enterprises (SCRI), the Public Offering of Securities Act and its implementing regulations, the Financial Instruments Markets Act, the Obligations and Contracts Act and other applicable legislation of the Republic of Bulgaria.

The Fund is a separate property for investment in securities and other liquid financial assets in order to achieve its investment objectives.

The fund is a separate property for the purpose of collective investment in transferrable securities and other liquid financial assets under art. 38, al. 1 of the CCIPD of cash raised through public offering of shares, which is carried out on the principle of risk distribution, by a management company.

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

The management company has a permit for the organisation and management of the Fund, issued by the Financial Supervision Commission №165 - SF of 11 December 2017. The Fund is organised in full compliance with the European UCITS Directives.

There were no R&D actions during the reporting period. Expat Romania BET UCITS ETF has no branches.

The fund is a passive exchange-traded fund that follows the model of complete physical replication of the BET index on the Bucharest Stock Exchange. It is registered for trading on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange (XETRA) with the exchange code ROX.

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 Romania BET UCITS ETF may not invest in any company from the Reference Index or not invest with the exact weight of the company in the Reference Index. Achieving the Fund's objectives of replicating the Reference Index directly depends on the investment constraints that the Fund must comply with and on the specificities of the market, including the liquidity of the positions of the Reference Index.

Net asset value of the Fund

The net asset value (net assets) of the Fund may not be less than BGN 100 000 under Art. 82 a, para 1 of Ordinance 44/2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and alternative investment fund managers.

Net asset value of the Fund (continued)

As of 31.12.2024, the total value of the assets of Expat Romania BET UCITS ETF amounts to BGN 1 376 046. The liabilities are BGN 1 593. The net asset value is BGN 1 365 453. The number of units in circulation at the end of 2024 is 340,000 shares, and at the end of 2023 it is 300,000 shares. The annualised yield since the beginning of the public offering was 105.34%, and for 2024 it was 12.29%.

Risk profile

The risk profile of the ETF represents the amount and type of risk that the Management Company assumes by investing the assets of the Fund, aiming at replicating the Reference Index, which at the date of this report is an index of BET shares. In this sense, investing in shares of Expat Romania BET UCITS ETF is associated with high risk taking into account the fact that the Reference Index is composed of shares.

In terms of its activities, Expat Romania BET UCITS ETF is exposed to different types of risks, which have an impact on its results. The main risks that investors will bear when investing in units of Expat Romania BET UCITS ETF are:

market risk

The ability to make losses due to adverse changes in securities prices, market interest rates, exchange rates and others. This market risk affects the net asset value of the Fund, which will also vary as a result of changes in market prices of the shares and other securities in which the Fund has invested.

Expat Asset Management's financial projections for the Fund reflect the results that management considers most likely, based on the information available at the date of signature of this financial statement.

In order to assess the Fund's flexibility to less favourable outcomes, a sensitivity analysis was carried out to implement the forecasts to reflect a series of scenarios based on the Fund's main risks and the outlook for a downturn in the economy in which it operates.

The performance of the Fund (measured by the change in the parameter "net asset value per share or per unit") is directly influenced by the price movement of 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, monetary policy of central banks, business activity of issuers, the sector in which the issuer operates, and the demand and supply of the securities market. At certain times, the prices of the market shares (stock exchange) can vary significantly. In the case of large movements of the Index, including large daily movements, the performance of the Fund may deviate from its investment goals. The revaluation of the Fund will vary as a result of a change in the value of the assets of the Fund 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 follow the overall profitability of the Reference Index. The fund does not try to "beat" the market and does not take defensive positions when the market falls or is considered overvalued. A fall in the Reference Index could therefore lead to a fall in the value of the Fund's assets.

Liquidity risk

Risk related to the possibility of losses or lost profits from imperative or forced sales of assets under adverse market conditions (such as low demand in the presence of oversupply).

Issuance and redemption

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

Trading on a regulated market

There is no certainty that the trading of the Fund's shares will be maintained or that the conditions for admission to trading will not change. Moreover, trading of shares on a stock exchange may be suspended under the rules of the relevant exchange due to market conditions and investors may not be able to sell their shares until trading has recovered.

regulatory risk

The Fund's prospectus is prepared in accordance with the laws and regulations in force. 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 modified laws, rules and regulations in Bulgaria or the European Union may not allow or significantly restrict the Fund's ability to invest in certain instruments. They may also impede the conclusion of contracts with certain third parties. This may impair the Fund's ability to meet relevant investment objectives and policies. The implementation of such new or modified laws, rules and regulations may result in an increase in all or some of the Fund's costs and may require a restructuring of the Fund to comply with the new rules. Such possible restructuring may include restructuring costs. Where restructuring is not possible, the Fund may be discontinued. The assets of the Fund and the Reference Index are subject to change in laws or regulations and/or such change may affect their value and/or liquidity.

operational risk

It relates to the possibility of making losses due to errors or imperfections in the system of an organisation, under-qualified staff, adverse external events of a non-financial nature, including legal risk.

Risk of error when following the Reference Index

Following the Reference Index by investing in all positions of the index can be expensive and difficult to implement. Portfolio manager can use optimisation techniques such as selecting individual positions from the Index in proportions that differ from those in the Index. The use of such optimisation techniques can increase the error of following and lead to a different presentation of the Fund in relation to the Index. Also, existing restrictions on or future changes in the law and regulations of the ETF with respect to, but not limited to, the composition, concentration and method of valuation of assets may lead to the Fund's inability to replicate the index fully. Also, exchange-traded funds in markets characterised by low liquidity are at greater risk of error when following an index.

Reference Index

In the presence of an event affecting the Index, the Fund may have to suspend the issuance and redemption of shares. The reassessment of the Fund may also be affected. In the event of continuing problems with the Scoreboard, the Fund will take appropriate actions that may reduce the net asset value of the Fund.

Systematic risks

Systematic risks depend on general fluctuations in the economy and markets in general. The Fund cannot influence systematic risks, but takes them into account and acts accordingly. Risks posed by the political and economic situation or military action in the region are possible causes of instability. Disasters and accidents are factors that complicate any risk management system. The consequences are difficult to predict, but access to information and the implementation of a system of forecasting and action in extreme situations are possible ways to minimise the negative effect.

Risks to sustainability

Sustainability risks are events or conditions of an environmental, social or managerial nature which, if they occur, may have a significant negative impact on the value of investments. In execution of art. 3 of Regulation (EU) 2019/2088 the company has adopted and implemented a policy for the integration of sustainability risks into the investment decision-making processes for all the collective investment undertakings managed by the company, including the Fund. A key policy principle for integrating sustainability risks into investment decision-making processes is to maximise the financial return on investment. However, to the extent that the Fund is passively managed and follows the index in the manner provided for in its Rules, the integration of sustainability risks in the investment decision-making processes of the Management Company is not applicable to that Fund.

Rising interest rates and the risk of recession

In recent years, there have been prolonged periods of historically low interest rates, which has changed over the past 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 influenced 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 revenues. 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 risk management purposes, Expat Asset Management EAD prepares portfolio stress tests for potential scenarios with interest rate movements.

Our business is affected by national and global economic conditions that can change suddenly, as well as perceptions of these conditions and future economic prospects, such as fears of a potential recession. If recession economic conditions develop, they are likely to have a negative impact on the entire financial services sector, including us. Changes in broader economic conditions are unpredictable and uncontrollable. Negative consequences for our business can arise from low levels or a decline in economic growth, a decrease in investment in private and venture capital, changes in customer spending, constraints on availability or an increase in borrowing and capital costs, a decrease in public capital investment, high levels of inflation, uncertainty regarding fiscal, monetary and political issues, an increase in reference interest rates.

Geopolitical issues

Geopolitical issues, including the war in Ukraine, the conflict in the Gaza Strip, as well as tensions in diplomatic relations affecting the United States and other countries, and restrictions on international trade, can have an impact on the stability of financial markets and the global economy. Geopolitical tensions, such as trade disputes or political instability, can affect the value of investment and lead to increased market volatility. The ongoing conflicts between Russia and Ukraine, as well as between Israelis and Palestinians, have the potential to have a negative impact on global markets and affect the performance of certain sectors. The geopolitical risk management strategies that Expat Asset Management EAD implements include monitoring global events, maintaining diversified portfolios and using risk management tools such as derivatives.

Risk profile and risk management

The risk profile of the fund may be changed only with the approval of the Financial Supervision Commission, as reflected in the Prospectus and Fund Rules. The risk profile of the Fund during the reporting period has not changed. The main risks associated with the Fund's activities are detailed in the Prospectus published on the website of the Management Company. Management does not expect any other type of risks or uncertainties than those presented in the Prospectus to affect the Fund's activities.

Structure and percentage ratio of the main activity indicators

Asset and liability structure

Asset structure of the Fund is represented in absolute value and as a percentage of total assets at the end of 2024 and at the end of 2023.

Assets	**As of 31.12.2024.**	**%**	**As of 31.12.2023.**	**%**
Cash	29,873	2.19%	52,974	4.93%
Stocks	1,337,173	97.81%	1,021,284	95.07%
Total Assets	**1,367,046**	**100.00%**	**1,074,258**	**100.00%**

The total amount of the Fund's liabilities at the end of 2024 is BGN 1 593, which are liabilities to the Depositary Bank (DB) and the Management Company (DB).

Liabilities	**As of 31.12.2024.**	**%**	**As of 31.12.2023 year.**	**%**
Obligation to DB	426	0.03%	368	0.03%
Obligation to MC	1,167	0,09%	906	0.08%
Total liabilities	**1,593**	**0.12%**	**1,274**	**0.11%**
Total liabilities and equity	**1,367,046**	**100.00%**	**1,074,258**	**100.00%**

Liabilities to the Depositary Bank and the Management Company are charged on a daily basis, according to the Fund's Portfolio Valuation Rules, which are approved by the FSC.

Results of the activity

Revenues from the Fund's Operating activities are presented in the following table:

Operating costs / Type of cost	**2024**	**%**	**2023**	**%**
Negative differences from transactions and revaluation with financial assets	7,669	6.44%	25,182	6.77%
Costs related to foreign exchange operations	66,128	55.52%	273,155	73.49%

Other financial costs	39,488	33.16%	41,698	11.22%
External service costs	5,811	4.88%	31,656	8.52%
Total cost	**119,096**	**100.00%**	**371,691**	**100.00%**

Revenues from the Fund's activities are presented in the following table:

Revenue from operating activities / Type of income	2024	%	2023	%
Dividend income	88,598	32.93%	220,916	30.28%
Positive differences from transactions and revaluation with financial assets	79,879	29.69%	258,029	35.36%
Revenue related to foreign exchange operations	100,619	37.39%	250,679	34.36%
Total Revenue	**269,096**	**100.00%**	**729,624**	**100.00%**

The results of the Fund's activities for 2024 and 2023 are presented in the following table:

	2024	2023
Revenue	269,096	729,624
Costs	119,096	371,691
Net result	**150,000**	**357,933**

No internal events occurred during the reporting period that would affect the activities and results of the exchange-traded fund as well as the management company.

As a collective investment scheme, the Fund cannot and has not carried out transactions with related parties, subject to the limitations of the CCIPD.

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

The main shareholder of Expat Asset Management EAD is Expat Capital AD.

As of 31.12.2024 the managing and representing members of the Board of Directors of Expat Asset Management EAD are:

1. Daniel Penov Donchev - Executive Director
2. Nikolay Vassilev - Executive Director
3. Nikola Simeonov Yankov - Chairman of BD
4. Konstantina Dimitrova Pergelova-Okoliyska - Member of BD
5. Gloria Martinova Nikolova - Member of BD

The mandate of the Board of Directors is until 04.03.2026.

The company is represented by Daniel Penov Donchev and Nikolay Vassilev - together.

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

- future development of the enterprise
- information under Art. 247 of the Commerce Act
- actions in the field of research, development and ecology
- information on the acquisition of own shares

- Planned economic policy for the next year
- Expected investment and staff development
- the expected income from investments and development of the company
- Upcoming transactions essential for the company's activities
- branches of the enterprise
- The fund does not meet the requirements of art. 41 of the Accounting Act and is not obliged to provide a non-financial statement.

Information on pending judicial, administrative or arbitration proceedings concerning obligations or claims

The management has no information about the existence of such claims or liabilities.

Events after the reporting period

There are no events after the date of the reporting period requiring adjustments or disclosure in the annual financial statements of the Fund that occurred for the period from the reporting date to the date when this financial statement was approved for issuance by the Board of Directors of the Management Company.

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Annual report of
Exchange Traded Fund
Expat Romania BET UCITS ETF
for the period ending 31 December 2024
(continued)

Error report from following according to art. 82f of Ordinance № 44 of 20 October 2011 on the requirements for the activities of collective investment schemes, management companies, national investment funds and alternative investment fund managers.

ISIN	Name of exchange traded fund	Expected tracking error for 2025	Realised tracking error as of 31.12.2024
BGROBET05176	Expat Romania BET UCITS ETF	Up to 10%	1.62%

ISIN	Name of exchange traded fund	ETF Performance for 2024	2024 Index yield	Tracking difference for 2024
BGROBET05176	Expat Romania BET UCITS ETF	12.29%	8.78%	3.51%

* The realised error from following is calculated on the basis of weekly values for 52 weeks preceding 31.12.2024.

For 2025, we expect the error of following to not exceed 10% in view of the limited history of trading in ETFs on the Bulgarian market, respectively, and the exchange-traded fund “Expat Romania BET UCITS ETF”.

The error of following is the volatility (measured by the annulled standard deviation) of the difference between the annual return of the Fund and the annual return of the Index itself. A lower error than following means a closer follow-up of the Index. This is not the same as a difference in monitoring, which is just the difference between the return on the Fund and that of the Reference Index for a certain period of time. The difference in monitoring shows how many percent the Fund performed better or worse than the Index, while the error of monitoring shows the consistency in the difference in the performance of the Fund and the Reference Index.

Date: 28.03.2025

Nikolay Vassilev
Executive Director

Daniel Donchev
Executive Director

CORPORATE GOVERNANCE STATEMENT

This declaration is prepared on the basis of Article 40 of the Accounting Act, according to the requirements of the Public Offering of Securities Act

General provisions

Expat Romania BET UCITS ETF (Fund) is a passively managed fund and adheres to the method of complete physical replication of the BET index. It is registered for trading on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange (XETRA) with the exchange code ROX. The activities of the Fund cover the issue and sale of units providing equal rights to their holders. The number of units of the Fund changes depending on the volume of sales and redemption of shares. According to the Additional Provisions of the Accounting Act, an enterprise of public interest is represented. As such, the Fund shall present this corporate governance statement as part of its annual financial reporting.

The fund is organised and managed by the Management Company Expat Asset Management EAD (MB). The management of the fund complies with the Prospectus and all the rules of the Fund, as well as all the rules, policies and internal regulations of the Management Board, as well as the Code of Corporate Governance approved by the Chairman of the FSC. The Fund does not have its own administrative, management and supervisory bodies. The Fund is registered in the Bulstat Register of the Registry Agency with Bulstat code 177234223. The address of management of the Fund and the Management Company is Sofia, PC 1000, str. Georgi S. Rakovski 96A.

Key features of internal control and risk management systems

The internal control system applied by Expat Asset Management in the management of the Fund includes the following components:

- *The control environment* covers the following elements - organisational structure, assignment of powers and responsibilities, commitments of the persons charged with general management, commitment to competence, policies and practices related to human resources, philosophy and operational style of leadership, values and ethical behaviour.
- *Risk assessment* - In the management of the Fund, the Management Company uses strictly defined limits described in the Fund Rules and Prospectus.
- *The information system* - The Financial Reporting Information System of the Fund should be considered as a set of all the rules, processes and procedures of the Fund and the ABM.
- *Control activities* - The implementation of effective control over the preparation of financial statements of the Fund is one of the priorities of the management of the Management Board.
- *Ongoing monitoring of controls* - At management company level is a separate department of Internal Control and Regulatory Compliance, which performs reviews of the activity, ongoing and periodic reviews of the system and processes. Internal control controls shall aim at establishing compliance with legal and internal rules and procedures.

Information referred to in Article 10(1), points ‘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 b. 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 has not received notifications of units acquired or sold directly or through intermediaries, meeting the criteria set out in art. 89, par. 1 of Directive 2001/34/EC relating to changes in voting rights held.

- *Information under b. d) - holders of all securities with special rights of control and description of these rights* - No shareholders with special control rights.

- *Information under b. f) - any restrictions on voting rights, such as restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights or systems by which, through cooperation with the company, the financial rights* *granted to securities are separated from the holding of the securities* - No restrictions on voting rights over shares.

- *B. h) - the rules governing the appointment or replacement of members of the Council and the introduction of amendments to the articles of association*
  The Fund does not have its own governing bodies. The fund is organised and managed by Expat Asset Management.

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

Date: 28.03.2025

Nikolay Vassilev
Executive Director

Daniel Donchev
Executive Director

INFORMATION ON REMUNERATION POLICY

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

1. Information under art. 73, item 6, letter "a"

Total remuneration for the financial year 2024.	Permanent remuneration	Variable remuneration	Number of recipients
1 982 471 BGN	1 562 027 BGN	420 444 BGN	20

2. Information under art. 73, item 6, letter "b"

	Employee categories	Amount of remuneration
i	Members of the Board of Directors and staff of management positions	1 278 975 BGN
II	Employees whose activity involves risk-taking	- -
III	Officers performing control functions	118 640 BGN
IV	Other employees whose remuneration is commensurate with the remuneration of employees under points (i) and (ii) and whose activities affect the risk profile of Expat Asset Management EAD and the risk profile of the collective investment schemes it manages	BGN 288,446
	Total	BGN 1 686 061

3. Information under art. 73, item 6, letter "c"

Employees' remuneration under "b" shall be constant and variable. Variable wages are traditional wages such as Easter and Christmas allowances, thirteenth and fourteenth wages, as well as other additional wages that are fixed and determinable according to criteria in employment contracts and the Labour Code.

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

For the members of the Board of Directors - by decision of the sole owner of the capital;

For all other employees - from the Executive Director.

The determination of fixed remuneration follows the principle of competitiveness of the labour market and takes into account the need to attract well-qualified and adequately paid employees.

4. Information under art. 73, item 6, letter "d"

As a result of the reviews under art. 108, al. 5 and al. 6 of the Public Revenue Office Expat Asset Management EAD found that no irregularities were committed and the remuneration policy was respected.

5. Information under art. 73, item 6, letter "e"

The remuneration policy was developed by the Board of Directors in cooperation with the Internal Control Service and was adopted by a decision of the Board of Directors of Expat Asset Management EAD on 19.12.2016. Policy changes shall be developed and adopted in the same order. The policy was amended by a Decision of the Board of Directors of Expat Asset Management EAD of 15.03.2018, amended by a Decision of the Board of Directors of Expat Asset Management EAD of 30.09.2020 and amended by a Decision of the Board of Directors of Expat Asset Management EAD №349 of 10.03.2021.

The above amounts were accrued in the financial year 2024 on behalf of Expat Asset Management EAD, are not at the expense of the collective investment schemes managed by it and are not linked to the results of their activities.

Date: 28.03.2025

Nikolay Vassilev

Executive Director

Daniel Donchev

Executive Director

Statement of comprehensive income

For the year ending 31 December 2024

In thousands of BGN	***Note***	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Other Revenue	*3*	88	221
Net Profit from Financial Assets Reported at Fair Value in Gains and Losses	*6*	72	233
Net loss on foreign exchange operations		35	(23)
Operating costs	*4*	(45)	(73)
Operating profit/(loss) for the period		**150**	**358**
Expenditure on taxes	*10*		
Profit/(loss) for the period		**150**	**358**
Other comprehensive income		- -	- -
Total comprehensive income for the period		**150**	**358**
Net income per share			
Net profit/(loss) per share (in BGN)	*8*	**0.443**	**0.519**

Date: 28.03.2025

Approved: Compiler:

Nikolay Vassilev
Executive Director

Tatiana Lazarova
Chief Accountant

Daniel Donchev
Executive Director

The financial report is approved for issuance by a decision of the Board of Directors of the Management Company from 25.03.2025.
Notes from page 13 to page 32 are an integral part of the annual financial report.

Financial statement on which audit company “Kreston BulMar - Financial Audit” Ltd. with registration number 119 has issued an audit report dated March 28, 2025, with a registered auditor responsible for the audit Zdravka Ognyanova Strakova.

Velichka Stoyanova Markova
Procurator

Zdravka Ognyanova Strakova
Registered auditor

Statement of financial position

As of 31.12.2024.

In thousands of BGN	*Note*	To 31.12.2024	To 31.12.2023
Assets			
Cash and equivalents	5	30	53
Financial assets at fair value through gains and losses	6	1,337	1,021
Total Assets		**1,367**	**1,074**
Equity			
Fixed capital		665	587
Premium Reserve		(1,161)	(1,225)
Accumulated profits		1,861	1,711
Total equity	**7**	**1,365**	**1,073**
Liabilities			
Trade and other obligations	9	2	1
Total liabilities		**2**	**1**
Total equity and liabilities		**1,367**	**1,074**

Date: 28.03.2025

Approved:

Nikolay Vassilev
Executive Director

Compiler:

Tatiana Lazarova
Chief Accountant

Daniel Donchev
Executive Director

The financial report is approved for issuance by a decision of the Board of Directors of the Management Company from 25.03.2025.
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Financial statement on which audit company "Kreston BulMar - Financial Audit" Ltd. with registration number 119 has issued an audit report dated March 28, 2025, with a registered auditor responsible for the audit Zdravka Ognyanova Strakova.

Velichka Stoyanova Markova
Procurator Registered Auditor

Zdravka Ognyanova Strakova

Statement of changes in equity

For the period ending 31 December 2024

In thousands of BGN	***Note***	**Fixed capital**	**Premium Reserve**	**Profits and losses**	**Total**
On 1 January 2023.		**2,523**	**(130)**	**1,353**	**3,746**
Other comprehensive income					
Loss for the period		**- -**	**- -**	**358**	**358**
Total comprehensive income		**- -**	**- -**	**358**	**358**
Contributions from and distributions to owners					
Issuance of new partitions		235	145	**- -**	**380**
Purchase of shares		(2,171)	(1,240)	**- -**	**(3,411)**
Total contributions from and distributions to owners		(1,936)	(1,095)	- -	(3,031)
On 31 December 2023.	*7*	**587**	**(1,225)**	**1,711**	**1,073**
On 1 January 2024.		**587**	**(1,225)**	**1,711**	**1,073**
Other comprehensive income					
Profit for the period		**- -**	**- -**	**150**	**150**
Total comprehensive income		**- -**	**- -**	**150**	**150**
Contributions from and distributions to owners					
Issuance of new partitions		372	357	**- -**	**729**
Purchase of shares		(294)	(293)	**- -**	**(587)**
Total contributions from and distributions to owners		78	64	- -	142
On 31 December 2024.	*7*	**665**	**(1,161)**	**1,861**	**1,365**

Date: 28.03.2025

Approved:

Nikolay Vassilev
Executive Director

Compiler:

Tatiana Lazarova
Chief Accountant

Daniel Donchev
Executive Director

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Velichka Stoyanova Markova
Procurator Registered Auditor

Zdravka Ognyanova Strakova

Cash flow statement

For the period ending 31 December 2024

In thousands of BGN	***Note***	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		89	220
Proceeds relating to financial assets at fair value through gains and losses		200	3,206
Payments related to financial assets at fair value through gains and losses		(441)	(364)
Payments to operational counterparties		(24)	(63)
Cash flows from foreign exchange operations, net		19	(17)
Other operating payments		3	4
Net cash flows used for operating activities		**(154)**	**2,986**
CASH FLOWS FROM FINANCIAL ACTIVITY			
Proceeds from the issue of shares		270	380
Share redemption payments		(128)	(3,411)
Payments to financial activity counterparties		(11)	(13)
Net cash flows from financial activities		**131**	**(3,044)**
Net reduction/increase in cash and cash equivalents		**(23)**	**(58)**
Cash and cash equivalents on 1 January		53	111
Cash and cash equivalents on 31 December	***5***	**30**	**53**

Date: 28.03.2025

Approved:

Nikolay Vassilev
Executive Director

Daniel Donchev
Executive Director

Compiler:

Tatiana Lazarova
Chief Accountant

The financial report is approved for issuance by a decision of the Board of Directors of the Management Company from 25.03.2025.
Notes from page 13 to page 32 are an integral part of the annual financial report.

Financial statement on which audit company “Kreston BulMar - Financial Audit” Ltd. with registration number 119 has issued an audit report dated March 28, 2025, with a registered auditor responsible for the audit Zdravka Ognyanova Strakova.

Velichka Stoyanova Markova
Procurator Registered Auditor

Zdravka Ognyanova Strakova

Notes to the annual financial report

1. Status and scope of activity

Expat Romania BET 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 Bulstat Register to the Registry Agency with Bulstat code number 177234223. The address of management of the Fund and the Management Company is Sofia, PC 1000, str. Georgi S. Rakovski 96A.

Expat Romania BET UCITS ETF is a passively managed fund and adheres to the method of complete physical replication of the BET index. It is registered for trading on the Bulgarian Stock Exchange - Sofia and on the Frankfurt Stock Exchange (XETRA) with the exchange code ROX. The activities of the Fund cover the issue and sale of units providing equal rights to their holders. The number of units of the Fund changes depending on the volume of sales and redemption of shares.

Shares of the Fund can be redeemed at the request of investors.

Since the Fund does not have its own management bodies, the persons responsible for the general management of the Fund are the members of the Board of Directors of the management company.

2. Basis for preparation

(a) Statement of conformity

The financial statements of the Fund are prepared in accordance with the International Financial Reporting Standards adopted by the European Union (‘IFRS adopted by the EU’). The reporting framework ‘IFRS adopted by the EU’ is essentially the defined national accounting basis IAS adopted by the EU, regulated by the Accounting Act and defined in item 8 of its Additional Provisions.

Items in the statement of financial position are presented by liquidity level.

This financial statement is prepared according to the historical price method, with the exception of financial assets measured at fair value in gains and losses that are measured at fair value.

(b) A going concern

The management company has prepared financial forecasts for the twelve months from the date of approval of this financial statement. The management of Expat Asset Management EAD has concluded that there is no material uncertainty about the Fund’s activities, which could give rise to significant doubts about its ability to continue to function as a going concern and, accordingly, that it is appropriate to prepare the financial statements on the basis of the assumption of a going concern.

The Fund has prepared its financial statement for the year ending 31 December 2024 on the assumption that it is a going concern, which implies the continuation of the current business and the realisation of assets and the settlement of liabilities in the normal course of its business. The future financial performance of the Fund depends on the broader economic environment in which it operates.

(c) Functional currency and presentation currency

The Fund’s shares are issued in euro, the net asset value of one share and the redemption price are calculated in euro, therefore the functional currency of the Fund is euro.

This financial statement is presented in Bulgarian leva (BGN). All financial information presented in BGN is rounded to one thousand, unless otherwise stated.

Since 1 January 1999 the exchange rate of the Bulgarian lev (BGN) has been fixed to euro (EUR). For this reason, in this financial statement there is no reporting effect of currency differences arising from the use of the Bulgarian lev as a presentation currency. The exchange rate is BGN 1.95583 /

EUR 1.0.

(d) Estimates and estimates

The preparation of financial statements according to IFRS requires the Management Company to make judgments, estimates and assumptions that affect the implementation of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual result may be different from these estimates.

The review of the accounts shall be recognised in the period in which the assessment is reviewed, where the review concerns that period and in future periods, if the review affects future periods.

Judgments

Information on material judgments made in the application of accounting policies that have the most significant effect on the presentation of amounts in the financial statement is contained in the following notes:

- Note 7 Equity - classification of the Fund's shares as an equity instrument

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

Companies that meet the IFRS 10 definition of an Investment Entity are required to report investments in subsidiaries at fair value instead of consolidating them. The criteria that define an Investment Entity are:

- A company that raises funds from one or more investors for the purpose of providing relevant investment services;
- A company that has as its business objective only an increase in the value of capital, income from investments or both;
- A company that accounts for and measures a substantial part of its investments at fair value.

The fund invests mainly in shares and investors are not related parties, which is an additional feature of an investment enterprise.

The management company considered that the Fund meets the criteria and characteristics above and falls within the definition of an investment entity. The assessment shall be reviewed regularly in the event of a change in circumstances.

The management company considered that the Fund did not exercise control over investments in shares and therefore did not consolidate them.

Fair Value Assessment

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

When measuring the fair value of an asset or liability, the Fund shall use observable data as far as possible. Fair values shall be categorised at different levels in the fair value hierarchy based on input data into the valuation techniques as follows:

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

If the input data used to measure the fair value of the asset or liability falls within different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety into that level of the fair value hierarchy, the input of which is relevant for the overall measurement.

Information on significant items that are affected by estimates and assumptions in the implementation of 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 Revenue

In thousands of BGN	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Dividend income	88	221
All Revenue	**88**	**221**

4. Operating costs

In thousands of BGN	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Stock registration fees and stock brokers	- -	21
Fees and commissions to the bank - depositary	15	11
Fees and commissions to the management company	14	22
Fees and commissions to investment firms	10	8
audit	3	6
Other costs	- -	2
Software support	- -	1
Regulatory fees	3	2
All Operating Costs	**45**	**73**

The management company has incurred expenses for organisation and administration of the fund in the amount of BGN 13 thousand, which are not included in the net asset value as of 31 December 2024. These costs are subject to reimbursement to the management company and will be included in the NAV at a future date.

5. Cash and equivalents

In thousands of BGN	**31.12.2024**	**31.12.2023**
Money in bank accounts in BGN and currency	30	53
Money and cash equivalents	**30**	**53**
Cash and cash equivalents in the Cash Flow Statement	**30**	**53**

The funds of the Fund are stored in the bank depository Eurobank Bulgaria AD.

Changes in liabilities arising from financial activity

The Fund has no changes in liabilities arising from financial activity, including both cash flow and non-cash changes, for the year ending 31.12.2024 and 31.12.2023.

6. Financial assets at fair value through gains and losses

In thousands of BGN	**2024**	**2023**
Financial assets at fair value through profit or loss		
Listed shares	*1,337*	*1,021*
Financial assets determined at fair value in other comprehensive income		

Unlisted shares	- -	- -
Listed debt instruments	- -	- -
Total financial assets at fair value	**1,337**	**1,021**

Financial assets at fair value through profit or loss at Expat Romania BET UCITS ETF include non-controlling interests in public companies operating in Hungary. The company is a passively managed fund and adheres to the method of complete physical replication of the BET index. The benchmark index is BET, composed of shares denominated and traded in RON. The fair values of those equity shares shall be determined by reference to published price quotes in an active market.

When measuring the fair value of an asset or liability, the Fund shall use observable data as far as possible. Fair values are categorised in Level 1 (Quoted prices in active markets) in the fair value hierarchy based on input data in valuation techniques. The value of the financial assets in the statement of financial position at the date of the reporting period is determined as the closing price of the respective asset on the Bucharest Stock Exchange on the last working day of the relevant reporting period.

The structure of the Fund's financial assets at fair value through gains and losses as at 31 December 2024 and 31 December 2023 shall be as follows:

Type of financial instrument		Stocks	
Regulated market in which they are traded		Bucharest Stock Exchange	
Issuer	**Count**	**Value at the end of the reporting period, BGN.**	**Percentage of total assets**
TRANSGAZ SA MEDIAS	4,421	40,763	2.98%
TERAPLAST SA	67,332	12,099	0.89%
SPHERA FRANCHISE GROUP SA	700	11,092	0.81%
BRD-GROUPE SOCIETE GENERALE	13,790	101,067	7.39%
SOCIETATEA NATIONALA NUCLEAR	3,193	52,164	3.82%
SC Fondul Proprietatea SA - Bucuresti	150,320	18,618	1.36%
TRANSELECTRICA SA	1,551	22,991	1.68%
MED LIFE SA	18,869	43,030	3.15%
SOCIETATEA ENERGETICA ELECTRICA	7,841	40,695	2.98%
DIGI COMMUNICATIONS NV	1,954	49,170	3.60%
SOCIETATEA NATIONALA DE GAZE	59,447	120,141	8.79%
BURSA DE VALORI BUCURESTI SA	34	547	0.04%
PURCARI WINERIES PLC	1,620	9,261	0.68%
BANCA TRANSILVANIA SA	24,974	265,125	19.39%
OMV PETROM SA	928,544	258,850	18.93%
TTS TRANSPORT TRADE SERVICES	5,865	11,046	0.81%
ONE UNITED PROPERTIES SA	109,436	18,502	1.35%
AQUILA PART PROD COM SA	27,976	12,705	0.93%
SOCIETATEA DE PRODUCERE A EN	4,601	220,705	16.14%
ANTIBIOTICE SA	15,151	15,250	1.12%
PREMIER ENERGY PLC	1,737	13,352	0.98%
ALL	**1,449,356**	**1,337,173**	**97.81%**

Type of financial instrument		Stocks	
Regulated market in which they are traded		Bucharest Stock Exchange	
Issuer	**Count**	**Value at the end of the reporting period, BGN.**	**Percentage of total assets**
MED LIFE SA	14,200	22,216	2.07%
SOCIETATEA ENERGETICA ELECTRICA	4,899	22,107	2.06%
TRANSGAZ SA MEDIAS	3,594	26,644	2.48%
TRANSELECTRICA SA	1,034	12,234	1.14%
TERAPLAST SA	61,102	12,369	1.15%
BANCA TRANSILVANIA SA	22,750	216,949	20.20%
SC Fondul Proprietatea SA - Bucuresti	190,320	39,127	3.64%
SOCIETATEA NATIONALA NUCLEAR	2,522	48,676	4.53%
BRD-GROUPE SOCIETE GENERALE	12,073	85,043	7.92%
DIGI COMMUNICATIONS NV	1,531	26,480	2.46%
OMV PETROM SA	778,481	175,802	16.36%
BURSA DE VALORI BUCURESTI SA	342	8,819	0.82%
SOCIETATEA NATIONALA DE GAZE	4,994	98,349	9.16%
TTS TRANSPORT TRADE SERVICES	1,955	20,749	1.93%
ONE UNITED PROPERTIES SA	39,341	15,279	1.42%
SOCIETATEA DE PRODUCERE A EN	3,785	190,441	17.73%
ALL	**1,142,923**	**1,021,284**	**95.07%**

Net profit/(loss) on financial assets at fair value through gains and losses

In thousands of BGN	**01.01.2024-31.12.2024**	**01.01.2023 - 31.12.2023**
Revenue/cost of revaluation of financial assets at fair value through gains and losses	73	231
Revenue/Expenditure from transactions in financial assets at fair value through gains and losses	(1)	2
Net profit on financial assets at fair value through gains and losses	**72**	**233**
Net income/expenses from foreign exchange operations	35	(23)
Net (loss)/profit on financial assets	**107**	**210**

7. Equity

The Fund's own capital is equal to the net asset value (NAV) of the Fund. The movements in the units and in the NSA of the Fund at the beginning and at the end of the reporting period are as follows:

In thousands of BGN	***Number of partitions*** **31.12.2024**	**Value**	**Number of partitions** **31.12.2023**	**Value**
As of 1 January	**300,000**	**1,073**	**1,290,000**	**3,746**
Issued new partitions	190,000	729	120,000	380
Repurchased shares	(150 000)	(587)	(1 110 000)	(3,411)
Profit/Loss for the period	- -	150	- -	358
As of 31 December	**340,000**	**1,365**	**300,000**	**1,073**

In BGN	**31.12.2024**	**31.12.2023**
Net asset value per unit (in BGN)	4.0161	3.5766

Equity

The Fund shall classify the shares it issues as an equity instrument on the basis of the following criteria:

- The units entitle the holder to a proportional share of the Fund's net assets at any time and in the event of the Fund's closure;
- The shares issued by the Fund would not take precedence over other financial instruments in the event of closure of the Fund;
- Apart from the contractual obligation of the Redemption Fund, the units issued by the Fund shall not incur any other contractual obligation of the Fund to provide cash or other financial assets or to exchange financial assets or financial liabilities;
- The total amount of expected cash flows attributable to the units issued by the Fund at any time shall be based on profit or loss, change in recognised net assets or change in the fair value of recognised and derecognised net assets of the Fund;

7. Equity (cont'd)

- The Fund shall not issue any other financial instrument other than shares.

Premium Reserve

The Fund's assets are divided into shares. The nominal value of the shares is 1 (one) euro. The shares of the Fund shall be acquired at issue value. The number of units of the Fund changes as a result of their sale or redemption. The difference between the issue value and the nominal value of the shares on sale or repurchase shall be reported as a premium reserve.

capital management

The Fund's own capital is equal to the net asset value (NAV) of the Fund, which may not be less than BGN 100 000, according to Art. 82 a, para 1 of Ordinance 44/2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and alternative investment fund managers. The fund has reached the minimum amount of equity.

For the admission of the Fund's shares 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 policy of the Fund is not to pay dividends. Dividends paid from the shares in which the Fund has invested, as well as capital gains made in trading of the shares in the Fund, shall be reinvested.

8. Net income per share

	01.01.2024 - 31.12.2024	**01.01.2023 - 31.12.2023**
Net profit/(loss) per share for the year (in BGN)	**0.443**	**0.519**

The net profit/(loss) per unit is calculated by dividing the profit or loss for the period to be distributed among unit-holders (numerator) by the weighted average number of units in circulation for the period (denominator).

The weighted average number of outstanding shares for 2024 is 338 406 (2023 - 690 000). The weighted average shall be calculated by taking the arithmetic mean of the units in circulation for each day of the period.

9. Trade and other obligations

In thousands of BGN	**31.12.2024**	**31.12.2023**
Liabilities to the depositary bank and to the management company	2	1
Total trade and other liabilities	**2**	**1**

10. Income taxes

The profit of the Fund is not subject to corporate tax.

11. Related parties

The Fund is a separate property without management bodies and its management is carried out by the Expat Asset Management EAD. The sole shareholder in MB is Expat Capital AD. As of December 31, 2024, related parties of the Fund are Expat Asset Management EAD and Expat Capital AD. Related party transactions are subject to contractual terms and no guarantees are provided or received.

11. Related parties (cont'd)

Expenses charged to the Management Company Expat Asset Management EAD (note 4), incurred under contracts concluded during the reporting period, cover:

- Remuneration under an activity management contract.

The following table provides information on the investment of Expat Romania's mutual funds in Expat Romania's units BET UCITS ETF:

As of 31 December 2024.

mutual fund	Investment in:	Count	Value at the end of the reporting period, BGN.
DF Expat Shares Emerging Markets	Expat Romania BET UCITS ETF	11,408	45,796

As of 31 December 2023.

mutual fund	Investment in:	Count	Value at the end of the reporting period, BGN.
DF Expat Shares Emerging Markets	Expat Romania BET UCITS ETF	4,443	15,891
DF Expat Shares Developed Markets	Expat Romania BET UCITS ETF	649	2,321

12. Financial instruments

Measurement of fair values

The fair value of the Fund's financial instruments is defined as the price that would have been obtained on the sale of a financial asset or paid on the transfer of a financial liability in a normal transaction between market participants at the valuation date. The following methods and assumptions have been used to measure fair value:

- For quoted shares, the closing price of an active market at the date of the reporting period is used;
- Cash and short-term deposits, trade receivables, trade liabilities and other current financial assets and liabilities - due to the short-term maturity of these financial instruments, their fair value is close to the corresponding reporting value.

The following tables analyse quantitative disclosures of the fair value hierarchy of financial instruments measured at fair value at the levels they fall into:

As of 31 December 2024

In BGN	Level 1	Level 2	Level 3	Total
Financial assets				
TRANSGAZ SA MEDIAS	40,763	- -	- -	40,763
TERAPLAST SA	12,099	- -	- -	12,099
SPHERA FRANCHISE GROUP SA	11,092	- -	- -	11,092
BRD-GROUPE SOCIETE GENERALE	101,067	- -	- -	101,067
SOCIETATEA NATIONALA NUCLEAR	52,164	- -	- -	52,164
SC Fondul Proprietatea SA - Bucuresti	18,618	- -	- -	18,618
TRANSELECTRICA SA	22,991	- -	- -	22,991
MED LIFE SA	43,030	- -	- -	43,030
SOCIETATEA ENERGETICA ELECTRICA	40,695	- -	- -	40,695
DIGI COMMUNICATIONS NV	49,170	- -	- -	49,170
SOCIETATEA NATIONALA DE GAZE	120,141	- -	- -	120,141
BURSA DE VALORI BUCURESTI SA	547	- -	- -	547
PURCARI WINERIES PLC	9,261	- -	- -	9,261
BANCA TRANSILVANIA SA	265,125	- -	- -	265,125
OMV PETROM SA	258,850	- -	- -	258,850
TTS TRANSPORT TRADE SERVICES	11,046	- -	- -	11,046
ONE UNITED PROPERTIES SA	18,502	- -	- -	18,502
AQUILA PART PROD COM SA	12,705	- -	- -	12,705
SOCIETATEA DE PRODUCERE A EN	220,705	- -	- -	220,705
ANTIBIOTICE SA	15,250	- -	- -	15,250
PREMIER ENERGY PLC	13,352	- -	- -	13,352
ALL	1,337,173	**- -**	**- -**	1,337,173

As of 31 December 2023

In BGN	Level 1	Level 2	Level 3	Total
Financial assets				
MED LIFE SA	22,216	- -	- -	22,216
SOCIETATEA ENERGETICA ELECTRICA	22,107	- -	- -	22,107
TRANSGAZ SA MEDIAS	26,644	- -	- -	26,644
TRANSELECTRICA SA	12,234	- -	- -	12,234
TERAPLAST SA	12,369	- -	- -	12,369
BANCA TRANSILVANIA SA	216,949	- -	- -	216,949
SC Fondul Proprietatea SA - Bucuresti	39,127	- -	- -	39,127
SOCIETATEA NATIONALA NUCLEAR	48,676	- -	- -	48,676
BRD-GROUPE SOCIETE GENERALE	85,043	- -	- -	85,043
DIGI COMMUNICATIONS NV	26,480	- -	- -	26,480
OMV PETROM SA	175,802	- -	- -	175,802
BURSA DE VALORI BUCURESTI SA	8,819	- -	- -	8,819
SOCIETATEA NATIONALA DE GAZE	98,349	- -	- -	98,349
TTS TRANSPORT TRADE SERVICES	20,749	- -	- -	20,749
ONE UNITED PROPERTIES SA	15,279	- -	- -	15,279
SOCIETATEA DE PRODUCERE A EN	190,441	- -	- -	190,441
ALL	**1,021,284**	**- -**	**- -**	**1,021,284**

Risk profile and risk management

Risk profile

The risk profile of the ETF represents the amount and type of risk that the Management Company assumes by investing the assets of the Fund, aiming at replicating the Reference Index, which at the date of this report is an index of shares of BET. In this sense, investing in shares of Expat Romania BET UCITS ETF is associated with high risk taking into account the fact that the Reference Index is composed of shares.

In terms of its activity, ETF Expat Romania BET UCITS ETF is exposed to different types of risk, which have an impact on its results.

credit risk

The fund holds cash and listed shares and the level of exposure to credit risk is primarily related to cash that is in current accounts with banks. The credit risk associated with the listed shares is part of the total investment risk of the unit-holders in the fund.

The main risks that investors bear when investing in units of ETF Expat Romania BET UCITS are:

market risk

The ability to make losses due to adverse changes in securities prices, market interest rates, exchange rates and others. This market risk affects the net asset value of the Fund, which also varies as a result of changes in market prices of the shares and other securities in which the Fund has invested. The fund is not at risk of changing market interest rates, as financial assets are listed shares.

Currency risk

The fund is created and traded in euro, but the reference index BET is composed of shares denominated and traded in Romanian leu and therefore the value of the financial assets of the Fund depends on the change in the exchange rate of the Czech kroon Polish zloty against the euro and respectively lev. Since 1 January 1999 the exchange rate of the Bulgarian lev (BGN) has been fixed to euro (EUR). The exchange rate is BGN 1.95583 / EUR 1.0.

The Fund’s policy is not to hedge currency risk. The currency risk of the Fund is part of the total investment risk.

A change of 5% in the exchange rate of the euro against the Romanian leu would have the following effect on the Fund's profit/loss, based on the Fund's portfolio as of 31.12.2024 and as of 31.12.2023:

Effect on profit/ loss (*in thousand BGN*)	**As of 31.12.2024.**	**As of 31.12.2023.**
5% appreciation of the Romanian leu against the euro	68	54
5% depreciation of the Romanian leu against the euro	(68)	(54)

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, monetary policy of central banks, issuers’ business activity, the sector in which the issuer operates, and the demand and supply of the securities market. At certain times, the prices of the market shares (stock exchange) can vary significantly. In the case of large movements of the Index, including large daily movements, the performance of the Fund may deviate from its investment goals. The revaluation of the Fund varies as a result of a change in the value of the assets of the Fund and the Reference Index.

A 5% change in market asset prices would have the following effect on the net asset value of the Fund, based on the Fund's portfolio as of 31.12.2024 and 31.12.2023:

Effect on profit/loss *In thousands of BGN*	**As of 31.12.2024.**	**As of 31.12.2023.**
5% increase in market prices	68	54
5% reduction in market prices	(68)	*(54)*

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 follow the overall profitability of the Reference Index. The fund does not try to "beat" the market and does not take defensive positions when the market falls or is considered overvalued. Therefore, a drop in the Reference Index may lead to a drop in the value of the Fund's assets.

Liquidity risk

Risk related to the possibility of losses or lost profits from imperative or forced sales of assets under adverse market conditions (such as low demand in the presence of oversupply). Liquidity risk also exists when the Fund may have to buy back investor shares. The fund invests in listed shares that are quickly and easily marketable under normal market conditions, which significantly reduces the exposure to this risk.

Issuance and redemption

If the share issuance and redemption orders were received late or did not meet the requirements of the Prospectus and Fund Rules, this would result in a delay between the time of the order submission and the actual date of issue or redemption. Such delays or delays may result in a reduction in the number of shares or the amount of redemptions.

Trading on a regulated market

There is no certainty that the trading of the Fund's shares will be maintained or that the conditions for admission to trading will not change. Moreover, trading of shares on a stock exchange may be suspended under the rules of the relevant exchange due to market conditions and investors may not be able to sell their shares until trading has recovered.

regulatory risk

The Fund is presented in its prospectus, which is prepared in accordance with the laws and regulations in force. 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 modified laws, rules and regulations in Bulgaria or the European Union may not allow or significantly restrict the Fund's ability to invest in certain instruments. They may also impede the conclusion of contracts with certain third parties. This may impair the Fund's ability to meet relevant investment objectives and policies.

The implementation of such new or modified laws, rules and regulations may result in an increase in all or some of the Fund's costs and may require a restructuring of the Fund to comply with the new rules. Such possible restructuring may include restructuring costs. Where restructuring is not possible, the Fund may be discontinued.

The assets of the Fund and the Reference Index are subject to change in laws or regulations and/or such change may affect their value and/or liquidity.

operational risk

Operational risk relates to the possibility of incurring losses due to errors or imperfections in the system of an organisation, under-qualified staff, adverse external events of a non-financial nature, including legal risk. The management company shall define a short-term and long-term strategy for the management of the operational risks that arise in the management of the Fund's activities and portfolio, as described in the Fund's Risk Assessment and Management Rules.

Risk of error when following the Reference Index

Following the Reference Index by investing in all positions of the index can be expensive and difficult to implement. Portfolio manager can use optimisation techniques, such as selecting individual positions from the Index in proportions that differ from those in the Index. The use of such optimisation techniques can increase the error of following and lead to a different presentation of the Fund in relation to the Index. Also, existing restrictions on or future changes in the law and regulations of the ETF regarding, but not limited to, the composition, concentration and method of valuation of assets can lead to the Fund’s inability to replicate the index completely. Also, exchange-traded funds in markets characterised by low liquidity are at greater risk of error when following an index.

Reference Index

In the event of an event affecting the Index, the Fund may have to suspend the purchase and redemption of shares. The reassessment of the Fund may also be affected. In the event of ongoing problems with the Scoreboard, the Fund will take appropriate actions that may reduce the net asset value of the Fund.

System risks

Systemic risks depend on general fluctuations in the economy and markets in general. The Fund cannot influence systemic risks, but takes them into account and takes them into account. Risks posed by the political and economic situation are 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 implementation of a system of forecasting and action in extreme situations are possible ways to minimise the negative effect.

Risks to sustainability

Sustainability risks are events or conditions of an environmental, social or managerial nature which, if they occur, may have a significant negative impact on the value of investments. In execution of art. 3 of Regulation (EU) 2019/2088 the company has adopted and implemented a policy for the integration of sustainability risks into the investment decision-making processes for all the collective investment undertakings managed by the company, including the Fund. A key policy principle for integrating sustainability risks into investment decision-making processes is to maximise the financial return on investment. However, to the extent that the Fund is passively managed and follows the index in the manner provided for in its Rules, the integration of sustainability risks in the investment decision-making processes of the Management Company is not applicable to that Fund.

Rising interest rates and the risk of recession

In recent years, there have been prolonged periods of historically low interest rates, which has changed over the past 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 influenced 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 revenues. 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 risk management purposes, Expat Asset Management EAD prepares portfolio stress tests for potential scenarios with interest rate movements.

Our business is affected by national and global economic conditions that can change suddenly, as well as perceptions of these conditions and future economic prospects, such as fears of a potential recession. If recession economic conditions develop, they are likely to have a negative impact on the entire financial services sector, including us. Changes in broader economic conditions are unpredictable and uncontrollable. Negative consequences for our business can arise from low levels or a decline in economic growth, a decrease in investments in private and venture capital, changes in customer spending, restrictions on availability or increased costs of loans and capital, a decrease in public capital investment, high inflation rates, uncertainty regarding fiscal, monetary and political issues, an increase in reference interest rates.

Geopolitical issues

Geopolitical issues, including the war in Ukraine, the conflict in the Gaza Strip, as well as tensions in diplomatic relations affecting the United States and other countries, and restrictions on international trade, can have an impact on the stability of financial markets and the global economy. Geopolitical tensions, such as trade disputes or political instability, can affect the value of investment and lead to increased market volatility. The ongoing conflicts between Russia and Ukraine, as well as between Israelis and Palestinians, have the potential to have a negative impact on global markets and affect the performance of certain sectors. The geopolitical risk management strategies that Expat Asset Management EAD implements include monitoring global events, maintaining diversified portfolios and using risk management tools such as derivatives.

13. Accounting policies and disclosures

The Fund has consistently implemented the significant accounting policies presented below for the period presented in this annual financial statement.

The accounting policies adopted in the preparation of the annual financial statements are in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The Fund has not previously adopted other standards, interpretations or amendments that have been published but are not yet in force.

The Fund shall recognise a financial asset or financial liability in its statement of financial position only when it becomes a party to the contractual terms of that instrument

Contracts for the purchase or sale of financial assets that require settlement of transactions within the normal time established by market rules or an agreement shall be recognised in the statement of financial position at the settlement date.

Classification and evaluation

Under IFRS 9, debt instruments are reported at fair value through profit or loss, amortised value or at fair value through other comprehensive income after their initial recognition. The classification is based on two criteria: the business model of the Asset Management Fund and whether the contractual cash flows from the instrument represent ‘principal and interest payments only’ on the principal amount outstanding.

The evaluation of the Fund's business model shall be carried out at the date of initial application. The assessment of whether the contractual cash flows on the debt instruments consist only of principal and interest shall be made on the basis of the facts and circumstances of the initial recognition of the assets.

Classification and measurement requirements of IFRS 9 do not have a material impact on the Fund and it continues to 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 measured on the basis of a combination of the Asset Management Fund's business model and the contractual cash flow characteristics of the instruments.

The categories for the valuation of financial assets are as follows:

Trade receivables, dividend receivables and Other non-current receivables (i.e. receivables from related enterprises, trade credit receivables, etc.), classified as Trade receivables and Trade and other non-current receivables, are held for the purpose of obtaining contractual cash flows and result in cash flows that are only payments of principal and interest and are classified and valued as Debt instruments at amortised value.

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 financial asset management:

- A business model whose purpose is to hold assets in order to collect contractual cash flows. Includes assets that are managed to collect contractual payments throughout the life of the instrument;
- A business model whose purpose is to realise cash flows through the sale of the asset. Classify those financial assets for which the Fund intends to currently monitor their fair value, which is the basis of decisions to carry out purchasing and selling transactions; there are evidence of active buying and selling activity; contractual cash flows from the asset are not composed solely of payments of principal and interest; the collection of contractual cash flows from such assets are only in addition to achieving the main objective - the realisation of 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, as it is held in a business model in which a fair value measurement is made through profit or loss and the Fund manages financial assets to realise cash flows through the sale of assets.

The Fund classifies its claims at amortised cost because they are held within a business model whose purpose is to hold the assets in order to collect the contractual cash flows. The Fund classifies its financial liabilities as trading liabilities measured at amortised cost.

Financial assets and liabilities

Trade receivables and liabilities (amortised value)

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

- which the Fund intends to sell immediately or in the near future;
- which the Fund, upon initial recognition, has determined at fair value through profit or loss or as available for sale;
- for which the Fund is unable to recover essentially its entire initial investment, for a different reason than that resulting from a deterioration of the exposure that has been identified 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 required to be measured at fair value through profit or loss under IFRS 9. Upon initial recognition, the Management Company shall designate an instrument at fair value through profit or loss where one of the following criteria is met. This categorisation shall be defined at instrument level:

- The determination eliminates or significantly reduces inconsistent treatment that would otherwise arise from the measurement of assets or liabilities or from the recognition of gains or losses on a different basis, or

- Liabilities are part of a group of financial liabilities (or financial assets, or both) that are managed and their results measured on a fair value basis, in accordance with documented risk management or investment strategy, or
- Obligations containing one or more embedded derivatives unless they materially alter the cash flows that would otherwise be required by the contract or is clear, in a small or no analysis, where a similar instrument is first considered to be prohibited from dividing the embedded derivative(s).

Financial assets and financial liabilities at fair value through profit or loss shall be reported in the statement of financial position at fair value. Changes in fair value are accounted for in profit and loss.

Dividend income from equity instruments measured at fair value through profit or loss shall be attributed to profit or loss as operating income when the payment entitlement is established.

Impairment of financial assets

IFRS 9 requires the Fund to record an expected credit loss allowance for all financial assets that are not held at fair value through profit or loss. The corrective shall be based on expected losses related to the likelihood of default over the next 12 months, unless there has been a significant increase in credit risk since the occurrence of the asset.

The management company conducts a periodic review for indications of impairment of the carrying amount of the assets of the Fund, as follows:

- receivables - at the end of each month in the preparation of the monthly financial statements to the management;

The Fund applies a simplified impairment approach to commercial receivables, whereby the credit loss allowance is determined on the basis of expected credit losses over the life of the instrument. The choice of the simplified approach is a consequence of the specificities of these financial assets and the matrix for determining the expected credit losses for these financial assets is mainly based on default periods.

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

- Phase 1 ("regular") - classify financial assets without an indication of an increase in credit risk compared to the initial assessment.
- Phase 2 (‘service impaired’) - classify financial assets with a significant increase in credit risk but without objective evidence of impairment/reasons for incurring losses (‘in default’);
- Phase 3 (‘in default’) - classifies financial assets with significant increases in credit risk and with objective evidence of impairment (assets for which there is a ‘default’).

In cases where there are indications of impairment, the recoverable value of the assets shall be calculated. Impairment losses are defined as the difference between the carrying amount of a financial asset and its estimated recoverable amount and are recognised in profit or loss. Where subsequent events result in a reduction in impairment losses already recorded, the adjustment shall be recorded through profit or loss.

Derivatives at fair value through profit or loss

The Fund does not enter into derivative transactions.

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, excluding loans and advances, are initially recognised on the transaction 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 transactions within the normal time established by market rules or an agreement shall be recognised in the statement of financial position at the settlement date.

Initial recognition of financial instruments

Upon initial recognition, the financial assets of the fund are classified as those that are subsequently measured at fair value through profit or loss.

The Financial Asset Management Fund's business model refers to the way it replicates the BET benchmark index regardless of its direction. The business model determines whether cash flows will arise as a result of the collection of contractual cash flows, the sale of financial assets, or both.

Purchases or sales of financial assets whose terms require delivery of the assets within a given period of time, usually established by regulation or practice in the relevant market (regular purchases), are recognised on the trading date (transaction), i.e. on the date on which the Fund has committed to buy or sell the asset.

At initial recognition, the Fund shall assess claims that do not have a significant financing component at the relevant transaction price.

Ex post evaluation

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 determined at their initial recognition as such at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or re-acquisition in a short period of time. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value in profit or loss, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value in other comprehensive income as described above, debt instruments may be defined as such at fair value in profit or loss at initial recognition if this eliminates or substantially reduces accounting mismatch.

Financial assets at fair value through profit or loss shall be entered in the statement of financial position at fair value, with net changes in fair value recognised in the statement of income.

This category includes derivative instruments and listed equity instruments that the Fund has not irrevocably chosen to classify as such at fair value in other comprehensive income. Dividends on such equity instruments are also recognised as other income in the income statement when the right to receive payment is established.

Writing off 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 statement of financial position of the Company), mainly where:

- the rights to receive the cash flows from the asset have expired; or
- the rights to receive cash flows from the asset have been transferred or the Fund has committed to fully pay the cash flows received, without significant delay, to a third party through a transfer agreement; in which either (a) the Fund has significantly transferred all

risks and benefits of ownership of the asset; or (b) the Fund has neither transferred nor substantially retained all risks and benefits of ownership of the asset, but has not retained control over it.

Where the Fund has transferred its cash flow rights from the asset or entered into a transfer agreement, it shall assess whether and to what extent it has retained the risks and benefits of ownership.

Where it has neither transferred nor substantially retained all the risks and benefits of ownership of the financial asset, nor transferred control of the financial asset, it shall continue to recognise the transferred asset to the extent of its continued participation in it. In this case, the Fund shall also recognise the related obligation. The transferred asset and the related liability shall be measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing participation, which takes the form of a guarantee on the transferred asset, shall be measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund may be required to pay.

Offsetting financial assets and liabilities

Financial assets and liabilities shall be netted and net worth shall be reported in the statement of financial position where the Fund has a legal right to net recognised values in force and 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-rate investments at fair value at each reporting date.

Fair value is the price that would have been received for the sale of an asset or paid for the transfer of a liability between market participants at the measurement date. The measurement of fair value is based on the assumption that the transaction to sell the asset or transfer the liability is carried out either on the underlying market of the asset or liability or, in the absence of a core market, on the most advantageous market for the asset or liability. The main or most advantageous market must be accessible to the Fund. The fair value of the asset or liability shall be measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants are acting in their best economic interest. The fair value of financial instruments traded on active markets at the reporting date shall be based on their quotation without deducting transaction costs. For all other financial instruments that are not traded on an active market, fair value is determined using valuation techniques that are considered appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent market transactions adjusted as needed and a reference to the current market value of another instrument that is essentially the same) and the income approach (i.e. discounted cash flow analyses and options pricing models using as much available and supportive market data as possible).

For assets and liabilities that are measured at fair value on a periodic basis, the Fund shall determine transfers between the levels in the hierarchy by reassessing the categorisation (based on the lowest level that is important for measuring fair value as a whole) and consider that transfers occurred at the beginning of each reporting period.

12.3 Functional Currency and Presentation Currency

The functional currency is the currency of the primary economic environment in which the Fund operates. The Fund’s shares are issued in euro, the net asset value of one share and the redemption price are calculated in euro, therefore the functional currency of the Fund is euro.

This financial statement is presented in Bulgarian leva (BGN). All financial information presented in BGN is rounded to one thousand, unless otherwise specified.

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

13.4 Foreign currency transactions

Transactions carried out in foreign currencies are transformed into BGN at the official rates of the BNB for the day of the transaction. All assets and liabilities denominated in foreign currency are revalued on a daily basis.

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, reduced by all liabilities. The Fund shall apply rules for determining the net asset value, the methodology developed for determining the net asset value being based on:

- the relevant provisions of the Fund's rules and prospectus;
- the relevant legal provisions and regulations for their implementation;
- the relevant provisions of accounting legislation;
- the application of generally accepted assessment methods.

The net asset value of a unit is the basis for determining the issue value and the redemption price of a unit of the Fund. Issued shares shall be reported at face value. The net asset value of the Fund per unit is calculated by dividing the net asset value by the number of units issued.

13.6 Costs

Costs are recognised in profits and losses for the period in which they occurred, regardless of cash payments. All expenses related to the Fund’s activities, including the expenses for remuneration of the Management Company and the Depositary Bank, shall be recognised in profits and losses on the basis of accrual.

The direct costs of unit-holders related to the purchase and redemption of units of the Fund are indicated in the Fund’s Prospectus.

Fees and commissions

The cost of fees and commissions shall be recognised in profit and loss with the performance of the services concerned.

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 tax.

13.8 Fixed capital. Issuance and redemption of shares

The fixed capital is represented at the nominal value of the issued and paid shares of the Fund.

The Fund issues shares at issue value every working day. The issue value of a share is formed by the net asset value of one share plus issuance costs. The difference between the net asset value of a share and the nominal value of a share shall be reported as premium reserves. Depending on whether the Fund issues its shares below par or above par, the difference to par value shall be indicated as a discount or a positive premium on the issue of shares respectively. The Fund has an obligation to redeem its shares from their holders.

13.9 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position include cash on bank accounts, cash and short-term deposits with an initial maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents as defined above.

14. Changes in accounting policies and disclosures

The Fund has applied the following new standards, amendments and clarifications to IFRSs developed and published by the International Accounting Standards Board, which are mandatory for implementation from the annual period beginning on 1 January 2024. Management has conducted a study and determined that the changes do not affect the disclosure of accounting policy on the presentation, valuation and classification of assets, liabilities, operations and performance of the Fund.

Amendment to IAS 1 Presentation of financial statements (in force for annual periods from 01.01.2024, adopted by the EC).

These changes address the criteria of classifying liabilities as current and non-current depending on the entity's rights that exist at the end of the reporting period and are not affected by the likelihood that the entity will exercise its right to defer settlement. The classification is not affected by an entity's expectations of events or events after the financial statement date. The changes specify that "settlement" of liabilities refers to the transfer to a third party of cash, equity instruments, other assets or services. Classification does not apply to derivatives in convertible liabilities, which are themselves equity instruments.

Changes in IAS 1 Presentation of financial statements, non-current liabilities subject to restrictive conditions/indicators (in force for annual periods from 01.01.2024, adopted by the EC).

These changes specify that only restrictive terms/indicators on loan contracts that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of the relevant liabilities for at least 12 months after the reporting date and, accordingly, only those should be taken into account when assessing the classification of liabilities as current or non-current.

Changes to IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments: Disclosure: Supplier Financing Arrangements (in force for annual periods from 01.01.2024 adopted by the EC).

The changes are intended to increase the transparency of the reporting of financing arrangements on commitments to suppliers and to help users of financial statements assess their effect on liabilities, cash flows and liquidity risk to which the entity is exposed by adding additional disclosures in relation to those arrangements.

Changes in IFRS 16 Leasing - Leasing obligation on sale and lease back (in force for annual periods from 01.01.2024, adopted by the EC).

The changes aim to further develop the requirements for the seller-lessee in measuring the lease obligation in "sale-lease-back" transactions. They require that, after the start date of the lease (the date of provision of the underlying asset), the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in such a way that it does not recognise a gain or loss that relates to the right of use retained by it.

At the date of issue for approval of this Financial Statement, several new standards and explanations, as well as changed standards and explanations that have not been accepted for earlier application by the Company, have been issued but are not yet in force for annual periods beginning on 1 January 2024. Of these, management considered that the following would have a potential effect in the future for changes in accounting policy and classification and values of reporting objects in the financial statements of the company for subsequent reporting periods, namely:

- ***Changes in IAS 21 Effects of changes in exchange rates: lack of exchange rates (in force for annual periods from 01.01.2025, adopted by the EC).***

- ***Changes to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure - Contracts relating to electricity from renewable sources (in force for annual periods from 01.01.2026, not adopted by the EC).***
- ***Changes to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure - Classification and Evaluation of Financial Instruments (in force for annual periods from 01.01.2026, not adopted by the EC).***
- ***Annual Improvements, Part 11 c: IFRS 1 First-time Implementation of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure, Guidelines for the Implementation of IFRS 7 Financial Instruments: Disclosure, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Cash Flow Statement (in force for annual periods from 01.01.2026, not accepted by the EC).***
- ***IFRS 18 - Presentation and disclosure in financial statements (in force for annual periods from 01.01.2027, not adopted by the EC).***

The management is in the process of studying, analysing and assessing the effects of changes that would affect the accounting policy, classification and values of the reporting objects in the financial statements of the Fund.

In addition, for the following new standards, changed standards and accepted interpretations that have been issued but are not yet in force for annual periods beginning on 1 January 2025, management has considered that the following would not have an effect on changes in the accounting policy and classification and values of reporting items in the financial statements of the Fund, namely:

- ***IFRS 19 - Subsidiaries without public reporting: disclosure (in force for annual periods from 01.01.2027, not accepted by the EC).***
- ***IFRS 10 (as modified) - Consolidated Financial Statements and IAS 28 (as modified) - Investments in Associates and Joint Ventures*** - concerning sales or assets assets assets assets assets between an investor and its associates or joint ventures (with effective effective effective effective effective effective date deferred, subject to IASB determination).
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15. Contingent liabilities and assets

The Fund does not recognise contingent liabilities and contingent assets in its financial statements due to the fact that no possible liabilities appear for which it has not yet been confirmed whether the Fund has them as current liabilities or their possible recognition may result in the recognition of income that may never be realised.

16. Events after the date of the reporting period

There are no events after the date of the reporting period requiring adjustments or disclosure in the annual financial statements of the Fund that occurred for the period from the reporting date to the date when this financial statement was approved for issuance by the Board of Directors of the Management Company.

INDEPENDENT AUDITOR'S REPORT

To unit-holders

in an exchange-traded fund

"Expat Romania BET UCITS ETF"

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

opinion

We audited the financial statements of the exchange-traded fund Expat Romania BET UCITS ETF (the Fund), consisting of the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ending that date, as well as the explanatory annexes to the financial statement containing material information on accounting policy and other explanatory information.

In our opinion, the attached financial statement gives a true and fair view of the financial position of the Fund as at 31 December 2024 and its financial performance and cash flows for the year ending on that date, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU).

Base for expression of opinion

We have carried out our audit in accordance with International Audit Standards (ISAs). Our responsibilities under these standards are further described in the section of our report "Auditor Responsibilities for Auditing the Financial Statement". We are independent from the Fund in accordance with the *International Code of Ethics of Professional Accountants* (including International Standards of Independence) of the Council for International Standards of Ethics for Accountants (the Code of Conduct of the IASB) together with the ethical requirements of the Independent Financial Audit Act and the Expression of Sustainability Assurance (INFOISU) applicable to our audit of the financial statements in Bulgaria, and we have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of the IASB and the INFOISU. We believe that the audit evidence received from us is sufficient and relevant to provide a basis for our opinion.

Key audit issues

Key audit issues are those issues which, according to our professional judgement, were of the greatest importance in the audit of the financial statements for the current period. These issues are addressed as part of our audit of the financial statement as a whole and shaping our opinion on it, and we do not provide a separate opinion on these issues. For each question included in the table below, the description of how this issue was addressed in our audit is made in this context.

We have fulfilled our responsibilities described in the section of our report "Auditor's Responsibilities for Auditing the Financial Statement", including with regard to these issues. Accordingly, our audit included the implementation of procedures developed in response to our assessment of the risks of material misstatements in the financial statements. The results of our audit procedures, including the procedures implemented to address the issues below, provide a basis for our opinion on the audit of the attached financial statement.

Key audit issue	**How this key audit issue was addressed in our audit**
Carrying amount of financial assets at fair value through profit and loss *The disclosures of the Fund in respect of financial assets at fair value through profit and loss are set out in Notes 6 to the Financial Statement.*	
As of 31 December 2024. The Fund reports financial assets at fair value in profit and loss amounting to BGN 1 337 thousand, which include non-controlling interests in public companies operating in Bulgaria, as disclosed in note 6 to the financial statement. These participations are held by the Fund as a result of replication of the BET index and, accordingly, their fair value is determined by reference to published price quotes. The carrying amount of the Fund's financial assets at fair value through profit and loss is a major factor in determining the value of its net assets at the reporting date and, accordingly, has a significant impact on the financial indicators based on that value and its changes. *Due to the materiality of the financial assets at fair value through profit and loss as an element of the financial statement of the Fund, and as they are a key factor in determining the value of the Fund's net assets and its performance, we have identified this issue as a key audit issue.*	*In this area, our audit procedures included:* ➢ *Understand and crawl the process of valuation of financial assets at fair value.* ➢ *Verification of the existence of financial assets at fair value through profit and loss by receiving and comparing them to a confirmation letter from the Depositary Bank as at 31 December 2024.* ➢ *Verification of the fair value measurement of financial assets at fair value through profit and loss by comparing the price quotes used by the Fund at 31 December 2024 with publicly available market data and testing the mathematical accuracy of fair value calculations and changes recorded in profit and loss for the reporting period.* ➢ *Assessment of the adequacy and appropriateness of the Fund's disclosures relating to financial assets at fair value through profit and loss.*

Other information than the financial statement and the audit report thereon

The management is responsible for other information. The other information consists of an Activity Report and a Corporate Governance Statement prepared by management under Chapter 7 of the Accounting Act, but does not include the financial statement of our audit report on it.

Our opinion on the financial statement does not cover other information and we do not express any form of security conclusion about it, unless it is explicitly stated in our report and to the extent indicated.

In connection with our audit of the financial statements, our responsibility lies in reading the other information and thus assessing whether this other information is substantially inconsistent with the financial statements or with our knowledge acquired during the audit, or otherwise appears to contain substantially incorrect reporting.

In the event that, on the basis of the work we have carried out, we conclude that there is a material misreporting in this other information, we are required to report this fact.

We have nothing to report on this.

Responsibilities of management and persons in charge of general management of the financial statements

The management shall be responsible for the preparation and reliable presentation of this financial statement in accordance with the IFRS applicable in the EU and for such an internal control system as management determines is necessary to ensure the preparation of the financial statement that does not contain any significant deviations, whether due to fraud or error.

When preparing the financial statement, management shall be responsible for assessing the ability of the Fund to continue to operate as a going concern, disclosing, where applicable, issues relating to the assumption of going concern and using the accounting basis based on the assumption of going concern, unless management intends to liquidate the Fund or cease its activities, or if management has virtually no alternative but to do so.

The persons in charge of general management shall be responsible for supervising the financial reporting process of the Fund.

Responsibilities of the auditor for auditing the financial statements

Our objectives are to obtain a reasonable degree of certainty as to whether the financial statement as a whole does not contain significant deviations, whether due to fraud or error, and to issue an audit report that includes our opinion. A reasonable level of security is a high level of security, but it is not a guarantee that an audit carried out in accordance with the ISA will always reveal a significant deviation where one exists. Deviations may occur as a result of fraud or error and shall be considered material if they could reasonably be expected, either alone or as a whole, to influence the economic decisions of consumers taken on the basis of that financial statement.

As part of the audit in line with the ISA, we use professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and evaluate risks of material deviations in the financial statements, whether due to fraud or error, develop and perform audit procedures in response to these risks and obtain audit evidence sufficient and relevant to provide a basis for our opinion. The risk of not revealing a material deviation resulting from fraud is higher than the risk of a material deviation resulting from an error, as fraud may involve collusion, counterfeiting, deliberate omissions, misleading statements of the auditor, as well as ignoring or circumventing internal controls.

- we gain an understanding of the internal control relevant to the audit in order to develop audit procedures that are appropriate in the specific circumstances, but not in order to express an opinion on the effectiveness of the internal control of the Fund.

- We assess the relevance of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

- we conclude on the appropriateness of management's use of the accounting basis based on the assumption of going concern and, on the basis of the audit evidence received, on whether there is material uncertainty concerning events or conditions that could give rise to significant doubts about the Fund's ability to continue operating as a going concern. If we come to the conclusion that there is substantial uncertainty, we are required to draw attention in our audit report to the disclosures related to this uncertainty in the financial statement or, if these disclosures are inadequate, to modify our views. Our findings are based on the audit evidence received up to the date of our audit report. However, future events or conditions may cause the Fund to cease to function as a going concern.

- assess the overall performance, structure and content of the financial statement, including disclosures, and whether the financial statement presents underlying transactions and events in a manner that achieves a credible performance.

We communicate with those in charge of general management, among other issues, the planned scope and timing of the audit and the significant findings of the audit, including significant internal control deficiencies that we identify during our audit.

We also provide general managers with a statement that we have met the applicable ethical requirements in relation to independence and that we will communicate with them all relationships and other issues that could reasonably be considered relevant to our independence, and where applicable, related safeguards.

Among the issues communicated with the general managers, we identify those issues that were most relevant to the audit of the financial statements for the current period and which are therefore key audit issues. We describe these issues in our audit report, except where a law or regulation prevents public disclosure of information on this matter or where, in extremely rare cases, we decide that a matter should not be communicated in our report, as it could reasonably be expected that the adverse effects of this action would outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional issues raised by the Accounting Act and the Public Offering of Securities Act for reporting

In addition to our responsibilities and reporting under the ISA, described above in the section "Other information than the financial report and the audit report on it" regarding the activity report, the corporate governance statement and the non-financial statement, we also implemented the procedures added to the ISA requirements, according to the "Guidelines on new and expanded audit 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 on the existence, as well as checks on the formation of an opinion on whether other information includes disclosures and reports provided for in Chapter VII of the Accounting Act and the Public Offering of Securities Act (Art. 100n, para. 10 of the ISCP in connection with art. 100n, al. 8 items 3 and 4 of the ISU as well as Art. 100n, para 15 of the ISU in conjunction with Art. 116c, para 1 of the ISU) applicable in Bulgaria.

Opinion in relation to art. 37, art. 6 of the Accounting Act

Based on the procedures carried out, our opinion is that:

a) The information included in the activity report for the financial year for which the financial report was prepared shall correspond to the financial report.

b) The activity report is prepared in accordance with the requirements of Chapter 7 of the Accounting Act and Art. 100(n), para 7 of the Public Offering of Securities Act and Article 73, item 6 of Ordinance 44 of 20.10.2011 on the requirements to the activity of collective investment schemes, management companies, national investment funds and managers of alternative investment funds.

c) In the Corporate Governance Declaration for the financial year for which the financial report is prepared, the required under Chapter 7 of the Accounting Act and art. 100(n), para 8 of the Public Offering of Securities Information Act.

Opinion in relation to art. 100n, al. 10 in connection with art. 100n, al. 8, items 3 and 4 of the Public Offering of Securities Act

On the basis of the procedures performed and the acquired knowledge and understanding of the activity of the enterprise and the environment in which it operates, in our opinion, the description of the main features of the internal control and risk management systems of the enterprise in connection with the financial reporting process, which is part of the activity report (as an element of the content of the Corporate Governance Declaration) and the information under art. 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. 100n, art. 4, item 3 of the Public Offering of Securities Act

Statement in relation to art. 100(n), para 4, item 3, b. "b" of the Public Offering of Securities Act

Information on related party transactions is disclosed in Notes 11 to the Financial Statement. Based on our audit procedures on related party transactions as part of our audit of the financial statements as a whole, we have not become aware of facts, circumstances or other information on the basis of which we can conclude that related party transactions are not disclosed in the attached financial statement for the year ending 31 December 2024 in all material aspects, in accordance with the requirements of IAS 24 Related Party Disclosure. The results of our audit procedures on related party transactions have been examined by us in the context of shaping our opinion on the financial statement as a whole and not in order to express a separate opinion on related party transactions.

Statement in relation to art. 100(n), para. 4, item 3, b. "c" of the Public Offering of Securities Act

Our audit responsibilities for the financial statements as a whole, described in the section of our report “Auditor’s Responsibilities for Auditing the Financial Statement”, include assessing whether the financial statement presents the material transactions and events in a manner that achieves a credible presentation. On the basis of our audit procedures on the material transactions underlying the financial statements for the year ending 31 December 2024, we have not become aware of any facts, circumstances or other information on the basis of which we can conclude that there are cases of material misrepresentation and disclosure in accordance with the applicable requirements of IFRS adopted by the EU. The results of our audit procedures on the transactions and events of the Fund that are essential for the financial report are examined by us in the context of the formation of our opinion on the financial report as a whole, and not in order to express a separate opinion on these essential transactions.

Reporting under art. 10 of Regulation (EU) № 537/2014 in relation to the requirements of art. 59 of the Independent Financial Audit Act and the Expression of Security on Sustainability

According to the requirements of the Independent Financial Audit Act in relation to art. 10 of Regulation (EU) № 537/2014, we also report the following information:

- Kreston BulMar - Financial Audit Ltd. has been appointed as a statutory auditor of the financial statements for the year ending on December 31, 2024 of the exchange traded fund Expat Romania BET UCITS ETF (“the Fund”) by a decision 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 financial statements for the year ending 31 December 2024 of the Fund represents the third full continuous commitment to the statutory audit of this enterprise performed by us.

- We confirm that the audit opinion expressed by us is in accordance with the additional report presented to the persons charged with general management of the Fund, in accordance with the requirements of art. 60 of the Independent Financial Audit Act.

- We confirm that we have not provided the information referred to in art. 64 of the Independent Financial Audit Act and the expression of security on sustainability prohibited non-audit services.

- We confirm that in carrying out the audit we have maintained our independence vis-à-vis the Fund.

- For the period covered by our statutory audit, apart from the audit, we have not provided any other services to the Fund.

Audit Company "Kreston BulMar - Financial Audit" Ltd. with registration number 119

DES Zdravka Ognyanova Strakova
Registered auditor responsible for auditing

Velichka Stoyanova Markova
Procurator

ul. Naycho Tsanov № 172
g. Sofia 1309, Bulgaria

March 28, 2025.

TO

Unit holders

ON ETF "Expat Romania BET UCITS ETF"

DECLARATION

under art. 100n, al. 4, item 3
of the Public Offering of Securities Act

The undersigned:

Zdravka Ognyanova Strakova, in my capacity as Manager of the Audit Company "Kreston BulMar - Financial Audit" Ltd., with UIC 130857562, with headquarters and address of management: city. Sofia, pk.k. 1309, ul. Naycho Tsanov 172, floor 3 and a registered auditor (with reg. №117 from the register of the Economic and Social Security Inspection under Art. 20 of the Law on Independent Financial Audit and Expression of Security on Sustainability), responsible for the audit of the engagement on behalf of the audit company "Kreston Bulmar - Financial Audit" Ltd. (with reg. №119 from the register of the Economic and Social Inspection under Art. 20 of the Law on Independent Financial Audit and Expression of Security on Sustainability) at the National Audit Office, I declare that:

Kreston BulMar - Financial Audit Ltd. was engaged to carry out a mandatory financial audit of the exchange traded fund "**Expat Romania BET UCITS ETF**" (Fund) for 2024, compiled in accordance with the International Financial Reporting Standards adopted by the EU, a common name of the accounting base defined in ***item 8 of the DR for the Accounting Act*** under the name "International Accounting Standards". As a result of our audit, we issued an audit report on 28 March 2025.

I hereby CERTIFY THAT, as reported in the audit report on the annual financial report of ETF "Expat Romania BET UCITS ETF" for 2024, issued on March 28, 2025:

1. ***Art. 100n, al. 4, item 3, point "a" Audit opinion:*** In our opinion, the attached financial statement gives a true and fair view of the financial position of the Fund as at 31 December 2024 and its financial performance and cash flows for the year ending on that date, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU);
2. ***Art. 100n, al. 4, item 3, point "b" Information related to ETF's transactions "Expat Romania BET UCITS ETF" with related parties.*** Information on related party transactions is duly disclosed in Memorandum 11 to the Financial Statement. Based on our audit procedures on related party transactions as part of our audit of the financial statements as a whole, we have not become aware of facts, circumstances or other information on the basis of which we can conclude that related party transactions are not disclosed in the attached financial statement for the year ending 31 December 2024

in all material aspects, as required by IAS 24 Related Party Disclosure. The results of our audit procedures on related party transactions have been examined by us in the context of shaping our opinion on the financial statement as a whole and not in order to express a separate opinion on related party transactions;

3. ***Art. 100n, al. 4, item 3, point "c" Information relating to essential transactions.*** Our responsibilities for auditing a financial statement in general, described in the section of our report “Auditor’s Responsibilities for Auditing a Financial Statement”, include assessing whether the financial statement presents significant transactions and events in a manner that achieves a credible performance. Based on our audit procedures on the significant transactions underlying a financial statement for the year ending 31 December 2024, we have not become aware of any facts, circumstances or other information on the basis of which we can conclude that there are cases of material misrepresentation and disclosure in accordance with the applicable requirements of IFRS adopted by the European Union. The results of our audit procedures on the material financial statements transactions and events of the Fund are reviewed by us in the context of the formation of our opinion on the financial statements as a whole, and not in order to express a separate opinion on these essential transactions.

The certificates made with this declaration should be examined only in the context of the audit report issued by us as a result of the independent financial audit of the annual financial report of ETF "Expat Romania BET UCITS ETF" for the reporting period ending on 31 December 2024, dated 28 March 2025. This declaration is intended solely for the above-mentioned addressee and is prepared only in compliance with the requirements set out in art. 100n, al. 4, item 3 of the Public Offering of Securities Act (ISU) and should not be accepted as a substitute for our conclusions contained in the audit report issued by us on 28 March 2025 regarding the issues covered by art. 100n, al. 4, item 3 of the ISU.

Audit Company "Kreston BulMar-Financial Audit" Ltd. with Reg. No. 119:

Zdravka Ognyanova Strakova Manager	Zdravka Ognyanova Strakova Registered auditor responsible for auditing

Date: 28 March 2025
g. Sofia