

## ELMARK INVEST

LEADING BULGARIAN ELECTRICAL AND LIGHTING SOLUTIONS PROVIDER  
ELMARK PLANS IPO IN SOFIA IN 2022 TO EXPAND IN WESTERN EUROPE

### Company overview

- ELMARK Invest EAD (the Company, the Group, ELMARK) is the controlling shareholder of the leading Bulgarian low-voltage electrical equipment and lighting solutions provider - Elmark Holding SE;
- The Group, with 20+ years of experience, offers a 12 000+ product portfolio, under the ELMARK brand, from circuit breakers to stylish lighting solutions;
- Headquartered in Varna with production and logistics based in Dobrich, the Company has a diverse geographical footprint in 60+ countries worldwide as well as solid market presence in Central and Eastern Europe (CEE);
- Europe accounts for 90%+ of sales of which Bulgaria, Romania and Serbia are the top 3 markets (60% of sales);
- ELMARK has a hybrid B2B/B2C sales strategy, (76% B2B) with showrooms with warehouses in 23 locations in 10 countries and an e-commerce platform;
- In 2021, it has doubled warehouse capacity to meet Western European demand. The new logistics hub allows delivery of orders in Europe with delivery time from the date of order within 3 to 5 business days;
- To capitalize on its strong B2B position and enhanced logistics, ELMARK will expand its operations in Western Europe;
- The Company also plans to further penetrate into the B2C segment offering an own A to Z home finishing e-platform offering home finishing products across the EU;
- ELMARK expects to 3x in commercial activities by end of 2026 by doubling showrooms in the target markets and expanding its e-commerce offerings;
- Over the last five years, the Company's top line booked 6.6% CAGR while in check costs delivered sizable profitability improvement and a 45% CAGR of net income for the same period;
- The founder and controlling shareholder of the Group is Jelez Georgiev.

### IPO rationale

- The Group is considering an Initial Public Offering (IPO) in Sofia in 2022 via an up to 40% capital raise for up to EUR 8m in funding;
- The proceeds will fund the Group's expansion across markets and products;

## Teaser

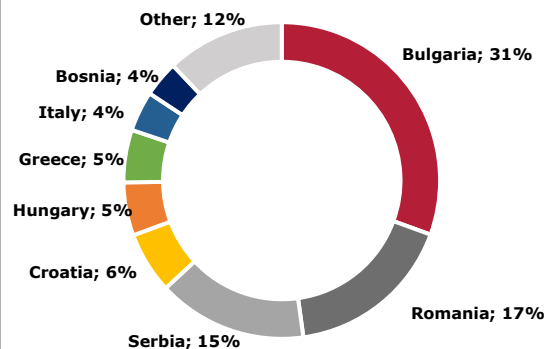
August 2022

EXCHANGE RATES  
EUR/BGN(FIXED): 1.95583  
USD/BGN: 1.92219

### Term sheet:

<b>Issuer</b>	ELMARK invest
<b>Share capital</b>	BGN 4.55 million
<b>Type of securities</b>	Ordinary, free transferable shares
<b>Transaction type</b>	Initial Public Offering
<b>Size</b>	Up to 40% capital raise
<b>IPO Price range</b>	BGN 4.50
<b>Use of funds</b>	Expansion in new markets (Western Europe)
<b>Time</b>	H2'22
<b>Place</b>	BEAM, Bulgarian Stock Exchange

### Solid footprint in Eastern Europe



Source: The Company

### KEY FINANCIALS

in EUR'000 (excl. ratios and per share calculations)		2018	2019	2020	2021	TTM	2022F	2023F	2024F	2025F	21/16 CAGR	25/21 CAGR
<b>Revenues</b>		17 372	18 757	18 182	20 577	22 078	24 204	32 987	48 672	65 548	6.5%	34%
	y/y	2%	8%	-3%	13%		18%	36%	48%	35%		
<b>EBITDA</b>		1 496	1 265	2 270	4 287	4 435	4 474	5 172	7 384	11 110	27%	37%
	y/y	-17%	-15%	79%	89%		4%	16%	43%	50%		
<i>EBITDA margin</i>		9%	7%	12%	21%	20%	18%	16%	15%	17%		
<b>EBIT</b>		684	387	1 493	3 687	3 723	3 830	4 530	6 670	10 393	47%	
	y/y	-49%	-43%	286%	147%		4%	18%	47%	56%		
<i>EBIT margin</i>		4%	2%	8%	18%	17%	16%	14%	14%	16%		
<b>Net Income</b>		524	324	1 353	2 890	2 966	3 157	3 512	5 301	8 433	45%	44%
	y/y	-56%	-38%	318%	114%		9%	11%	51%	59%		
<i>NI margin</i>		3%	2%	7%	14%	13%	13%	11%	11%	13%		
Assets		32 464	31 040	27 850	32 884	35 223						
Equity		23 538	22 762	20 555	22 336	23 549						
Cash		1 550	1 307	1 908	2 070	1 224						
Financial Debt		7 133	6 156	5 322	8 524	10 637						
ROE		2%	1%	7%	13%	13%						
D/E		30%	27%	26%	38%	45%						

### CONTACTS

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### DISCLAIMER

Please see page 11

**THE OFFERING**

<b>Issuer</b>	ELMARK INVEST EAD
<b>Transaction type</b>	Initial Public Offering of newly issued shares
<b>Shares outstanding</b>	4 555 000 ordinary freely transferable shares
<b>Min - Max. offering size</b>	Min. 350 000 new shares – Max. 3 500 000 new shares
<b>Par value</b>	BGN 1.00 (one)
<b>Issue price</b>	BGN 4.50 per share
<b>Currency</b>	BGN
<b>Listing</b>	Growth Market BEAM, organized by the Bulgarian Stock Exchange
<b>IPO Manager</b>	ELANA Trading
<b>IPO method</b>	TBC
<b>IPO time and Duration</b>	Expected H2' 2022, TBC
<b>Use of proceeds</b>	Market expansion in Western Europe
<b>Current shareholders (Pre-IPO)</b>	Founder and CEO Jelez Georgiev holds 100% of the Company
<b>Lock up</b>	TBC
<b>Dividend policy</b>	Min payout: at least 90% of its annual net profit as dividend

**THE GROUP**

ELMARK is a leading Bulgarian manufacturer and distributor of low-voltage electrical equipment and lighting solutions with 20+ years of experience. The Group’s headquarter is currently in Varna, Bulgaria in a 3 500 sqm commercial and administrative space, while its main manufacturing, assembling, testing and logistics facilities are based in the Northeastern town of Dobrich, Bulgaria on a built-up area of 12 000 sqm. The majority of the production is outsourced to external subcontractors in Europe and China, while in Bulgaria there is own production line for the production of low voltage equipment, assembly and testing of industrial lighting. All offered products are under the trademark ELMARK, which is patent registered in WIPO and is owned by Elmark Holding SE.

The Group has been founded in 2002 and continues to be managed by its founder and CEO Jelez.Georgiev. Georgiev is currently the sole owner of ELMARK Invest and indirectly controls 90% of the operating company ELMARK Holding SE.

ELMARK Invest is the legal successor of Electric EOOD, which is the first trading company established in 2001 by Jelez Georgiev. The company has registered the trademark ELMARK and in 2002 has begun importing and manufacturing electrical equipment under its own trademark. In 2007, Electric EOOD and Jelez Georgiev have founded Elmark Holding AD, later transformed into a European company (SOCIETAS EUROPAEA, SE), and the Elmark holding group has been created with the aim of unified management of all existing companies in Bulgaria and abroad.

In 2022, a decision has been made to attract new investors through a public offering of shares on the BEAM market to the Bulgarian Stock Exchange. Accordingly, the transformation of Electric EOOD into ELMARK Invest has been carried out, preserving the existing shareholding in the amount of 30.46% in Elmark Holding SE. The purpose of the public offering is, through the received financing, for ELMARK Invest to increase its shareholding in Elmark Holding SE to 51%+. Nevertheless, with the 30.46% direct stake, ELMARK invest is the controlling shareholder in Elmark Holding, as it holds 1 preferred share with special voting rights as per the management and strategic operations of Elmark Holding. Indirectly, via Jelez Georgiev, Elmark Invest controls 90%+ of Elmark Holding SE.

Currently, Elmark Holding SE has a registered capital of EUR 18,295,207. After the successful completion of the public offering of ELMARK Invest, the capital of Elmark Holding SE will be increased by up to EUR 8,000,000 and become up to EUR 26,295,207.

At the end of 2022, the headquarters of the European company Elmark Holding SE will be relocated to Germany. The legal form SE, which is only valid for stock companies in the European Union, gives the company the right to relocate its headquarters to any country in the EU without winding up the company. The choice to move the headquarters to Germany will contribute to a better image of the entire Group, as well as easier access to the markets in Western Europe where Germany is a leader in the production of technical products.

**Exhibit 1.** ELMARK Group Structure



Source: The Company

Continues on the following page...

**Exhibit 2.** ELMARK is present in 10 countries in Southeastern Europe



Source: ELANA Trading

## THE BUSINESS MODEL

ELMARK offers a diverse, 12 000+ product portfolio in two main product groups - low-voltage electrical equipment and lighting solutions, both under the ELMARK brand. The portfolio encompasses 12 product categories among the two major product groups:

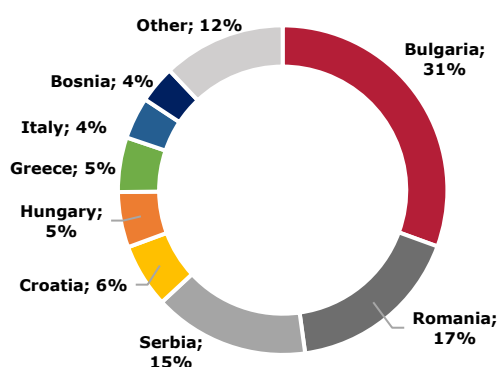
- Automation, Installation, Cables & Wires, Tools, Ventilation, Smart Home, Switches & Sockets, Solar systems and generators;
- Decorative lighting, Indoor & Outdoor lighting, Lamps and components.

The portfolio is relatively equally distributed between the two main product groups.

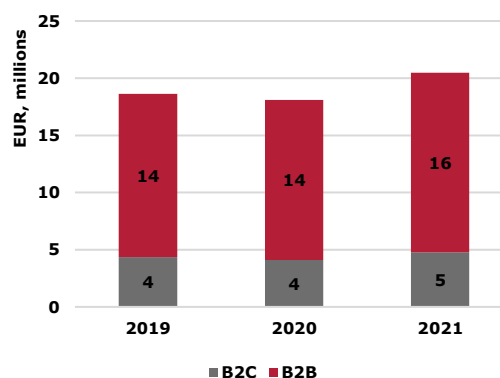
The Group exports its products to 60+ countries worldwide. Bulgaria, Romania and Serbia account for the main share of ELMARK's sales (62% of sales in 2021).

The Group operates a hybrid B2B/B2C offline and online business model, with top line dominated by the sales to distributors in the B2B segment. The B2B segment includes both distributors and partners, having a network of specialized stores and warehouses for electrical and lighting solutions.

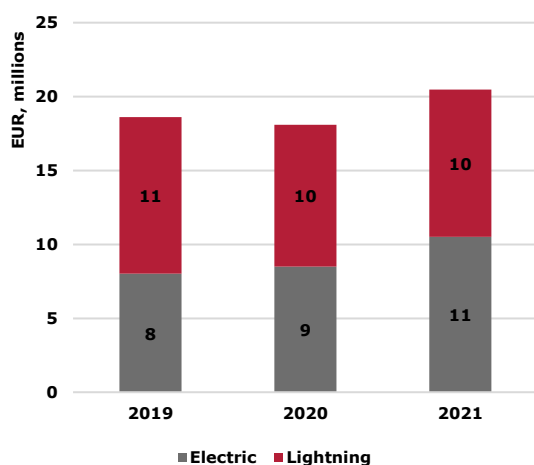
**Exhibit 3.** Sales by market, (2021)



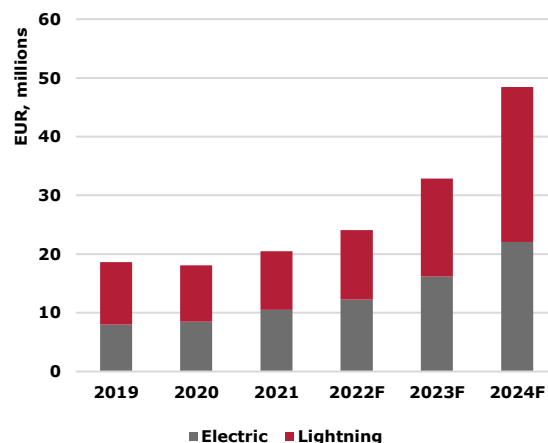
**Exhibit 4.** Sales by client type



**Exhibit 5.** Sales by product group ...



**Exhibit 6.** ... with lighting offerings slightly to dominate



Source: The Company

Source: The Company

To serve its business clients, the Group implements a hybrid offline and online strategy. The Company manages 23 ELMARK branded stores/showrooms in 10 countries in the SEE and the United Arab Emirates.

Each showroom is well stocked with samples, goods on stock and qualifies personnel who provides product consultation and presentation to all current and future customers. The showrooms are also equipped with big screen workstations, where the customers have the opportunity to see all products, to check the stock availability, delivery time and place an order. The clients can access the technical documentation of each product, including photos, 3D visualization and technical passports, certificates and IES product files. The highest number of ELMARK showrooms has been opened in the most important market for the Group. Accordingly, at present there are eight ELMARK stores in Bulgaria, four in Romania and two in Serbia. The rest are across the CEE (see. Exhibit 1).

In addition to the offline model, the B2B clients are also served via the online e-business platform – [www.elmarkholding.eu](http://www.elmarkholding.eu), available in 11 languages. The platform allows full client servicing from the registration to the invoicing. The business platform also provides full technical, installation, and warranty product information, automatic offer and automatic proforma invoice with exact term of delivery to the client's current balance, possibility to process claims, and etc. This full automatization optimizes the processes and the expenses for customers' orders processing and eliminates the possibility of human errors.

ELMARK's B2C segment includes a diverse group of individuals as well as corporate and institutional clients which are served by the Company offline, in its physical stores, as well as via an online platform – www.elmarkstore.eu. The latter is available in 11 languages and provides the clients with the possibility to place an order online, technical product information, stock availability and time of delivery.

## THE MARKET

The business model of the Group ELMARK is resistant to a possible future economic downturn due to the following five advantages:

- The business is related to the Energy sector, in which the demand for electrical products is sustainable and vitally important for industrial, business and individual customers;
- All necessary products from A to Z for electrical equipment, lighting and production of electricity from solar systems are represented in the ELMARK's portfolio. ELMARK's main competitors in Europe specialize in only one of these three segments. In this way, ELMARK is diversified and more resistant to market shocks.
- All ELMARK products conform to the European quality standards and have European certificates, which enables them to be sold in all markets in Europe, the Middle East and Africa. This is the additional diversification by growing into new markets.
- The established digital solutions, the optimized internal processes in the Company, as well as the prepared and qualified management allow rapid growth in new markets with optimal resources.
- The future market expansion is aimed at potential customers of both B2B and B2C groups.

Yet, the demand for effective energy consumption, advanced electric and lighting solutions and environmental safety issue will remain key growth drivers of the low-voltage switchgear as well as the lighting market in Europe. The latter will be combined with heightened electrical infrastructure stability & safety measure as well investments in refurbishment and replacement of existing electrical infrastructures and construction of renewables as a safeguard against the energy crisis caused by the Russian invasion in Ukraine.

Followed by a LED-encouraging EU legislation, the LED light market in Europe registered sizable penetration over the last decade. By 2026, the LED lighting market in Europe is expected to advance further and reach EUR 30bn in value, a 15% CAGR for the 2021-2026 period, according to latest date compiled by Market Data Forecast.

According to IMARC Group research, the LED lighting market in Europe reached USD 18.1 bn in value in 2021. It is expected to grow to USD 34.5 bn by 2027, exhibiting a CAGR of 11.3% for the 2022-2027 period. The latter incorporate the Covid 19 impact on the market.

The low-voltage switchgear market, on the other hand, is expected to advance to almost USD 30 bn in 2022 alone, a 14.6% CAGR, according to a spring 2022 report by Reportlinker, driven by the continuing recovery from the Covid 19 impact. By 2026, the market is expected to deliver another 11.9% CAGR.

## THE STRATEGY

ELMARK's strategic development by 2026 is based on plan for solid market expansion on new markets powered by massive digital upgrade.

### Market expansion

The Company envisions sizable market expansion in Western Europe by replicating its successful model in Central and Eastern Europe of being close to the client and as flexible as possible, deployed over the last 20 years. Accordingly, the Group plans to open approx. 27 new showrooms across Central and Western Europe and thus expands its market presence from the current 10 to 20 countries by 2026. The top target markets are:

- Germany (10 stores)
- Italy (3 stores)

ELMARK also, plans to strengthen its presence in Romania with another 4 stores to be open in 2023.

**Exhibit 7.** ELMARK market expansion plans

Time	Target markets
2022	Italy – 1 store
2023	Romania – 4 stores Hungary – 1 store
	Italy – 2 stores Slovakia – 1 store  Germany – 2 stores Austria – 2 stores
2024	Germany – 8 stores Belgium – 1 store
	The Netherlands – 1 store UK – 2 stores
2025	The Czech Republic – 2 stores

Source: The Company

## Product evolution

The Group has already enhanced its logistics capacity and is ready to deliver its products to anywhere in Western Europe within 3 to 5 business days from the date of the client's order due to the recent warehouse enlargement with additional 5 200 sqm in Dobrich.

Going digital is also among ELMARK's top priorities. In 2022, the Company will deploy a new centralized management software that incorporates both an ERP system and modern solutions for e-commerce with augmented reality, artificial intelligence and chat bots. This will allow the Group to massively improve its operational efficiency by improving the customer experience.

The new market strategy in the B2C segment to enter the home finishing segment includes a digital marketplace solution where the full range of products necessary for home and office finishing, repair and furnishing will be offered.

## The new B2C solution

The new homefinishing marketplace, in addition to ELMARK products, will also offer goods from other suppliers, selected by ELMARK. Those goods will be sold by ELMARK to end customers. In this way, it will be possible for customers to order all the necessary products to complete their repair or construction from one place.

The unique solution that ELMARK will offer is digital personal customer-controlled design of interior furnishings, which will allow the customer to finalize the design himself by choosing materials and furnishings that he likes from the products offered on the platform. At any moment in the customer's design process, information about the current price is visualized after each change to his design. After finalizing his project, the client will have the opportunity to choose a company from his region to carry out the installation.

ELMARK will subcontract all installation companies in the countries where sales from [www.homefinishing.com](http://www.homefinishing.com) will be made. These companies will receive a rating from the customers after the installation, which will earn the companies an additional reward as a bonus from ELMARK for a high rating. This will stimulate the installation companies to perform the service with quality, and the client will be satisfied with the complexity of the service offered by ELMARK: design, delivery of the complete design product and advice for a quality installation company.

This is the uniqueness of our business project, which has not yet been realized anywhere in Europe. Elmark has the physical, logistic and expert capability for this business plan due to having its own sales agents in the points of sale who will support the entire customer service process until the installation is completed. The existing independent logistics will facilitate the delivery to the end customer of his order.

## Strategic outlook

The successful implementation of the above strategy would result in significant revenue and net profit improvement as well as sustainable above the average margins in the Company's history, including:

- territorial and client expansion and diversification of revenues with leading contribution of Bulgaria and Romania combined with a 2<sup>nd</sup> growth wave in Western Europe, mainly Germany and Italy, in the mid term plan;
- reasonable increase of the number of employees on all levels, including the showroom personnel, respectively control of wages costs despite the market expansion;
- close monitoring of materials and external services costs, including rents and inventory stocking, in order to control for unexpected market dynamics;
- operational efficiency improvement as a result of latest investments in the latter;

**Exhibit 8.** The Group's growth outlook

in EUR'000	2019	2020	2021	2022F	2023F	2024F	21/18 CAGR	24/21 CAGR
Revenues	18 757	18 182	20 577	24 204	32 987	48 672		
Bulgaria	5 546	5 348	6 374	7 570	8 676	9 265		
Romania	3 004	3 067	3 602	4 683	6 273	7 297		
Others	10 208	9 767	10 601	11 952	18 038	32 110		
<i>Change y/y</i>	<i>8%</i>	<i>-3%</i>	<i>13%</i>	<i>18%</i>	<i>36%</i>	<i>48%</i>	<i>6%</i>	<i>33%</i>
EBITDA	1 265	2 270	4 287	4 116	5 172	7 384		
<i>Change y/y</i>	<i>-15%</i>	<i>79%</i>	<i>89%</i>	<i>-4%</i>	<i>26%</i>	<i>43%</i>	<i>42%</i>	<i>20%</i>
<i>EBITDA margin</i>	<i>7%</i>	<i>12%</i>	<i>21%</i>	<i>17%</i>	<i>16%</i>	<i>15%</i>		
Net Income	324	1 353	2 890	2 880	3 512	5 301		
<i>Change y/y</i>	<i>-38%</i>	<i>318%</i>	<i>114%</i>	<i>0%</i>	<i>22%</i>	<i>51%</i>	<i>77%</i>	<i>22%</i>
<i>Net Income margin</i>	<i>2%</i>	<i>7%</i>	<i>14%</i>	<i>12%</i>	<i>11%</i>	<i>11%</i>		

Source: The Company

## THE FINANCIALS

In 2019-2021, combined **revenues** increased at a steady CAGR of 6% as a result of growing sales across key markets and product groups. The main markets contributing to this performance were Bulgaria, Romania and Serbia but there was also significant improvement in smaller markets like Slovenia and Slovakia. Product wise, the electrical equipment segment was the outperformer adding more than 1/3 over the three-year period while the lighting product group had a bumpy 2020 with a recovery in 2021.

**Profitability**, on the other hand, improved significantly with a CAGR of 42% on EBITDA level and 77% on a Net income level due to sizable cost effectiveness measures on all major cost groups over the period. Sales growth outpaced all major cost groups even in 2020 when the Covid 19 pandemic affected supply chains globally. Yet, the Group profitably managed to navigate the turbulence which respectively led to sizeable margins improvement on all levels. EBITDA margin almost tripled for the historical period from 6.8% to 20.8%, while net income margin advanced almost sevenfold from 1.7% to 14% at the end of 2021.

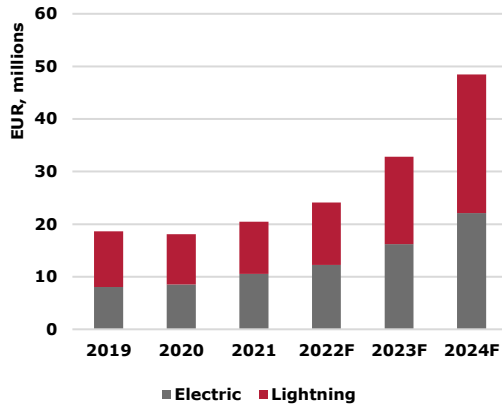
The **balance sheet** development over the period is characterized by a growing amount and proportion of non-current assets related to the acquisition of land and the construction of new warehouse facilities. Over the forecasted period, ELMARK acquired land and has established a new showroom and warehouse on the key entry point to the Black Sea coastal city of Burgas, on the highway connecting Burgas and the Bulgarian capital Sofia. Also, the Group increased its main warehouse capacity in the town of Dobrich, where the main production, assembling, testing and storage facilities are located.

The outpacing growth of demand, post-Covid, also led to significant increase in both inventories and account receivables. Accordingly, overall current and non-current assets added 21% and 13%, respectively, in 2021 alone.

The asset and inventory base expansion in advance of the booming demand led to the respective interest-bearing debt increase by 60% in 2021 after a relatively steady decrease of its value in 2019 and 2020.

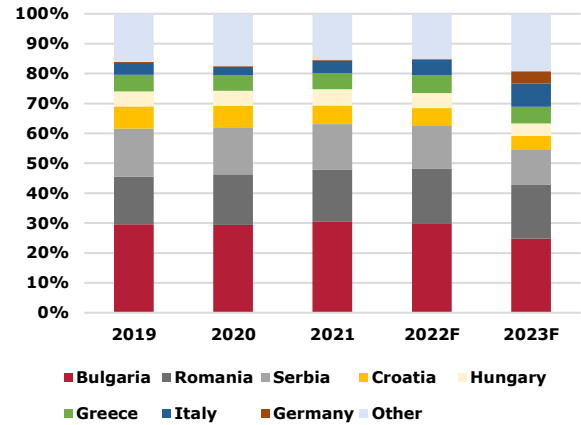
During the **first six months of 2022**, the Group booked 15% y/y rise in revenue after a strong Q1'2022. Profitability has remained unchanged (2% growth y/y in EBITDA), due to the expected increase in expenses faster than revenues. Nevertheless, margins remain above the historical averages with EBITDA margin at 18.6% and net income margin at 13.4% for the interim period ending in June 2022.

**Exhibit 9.** Revenue breakdown by product type



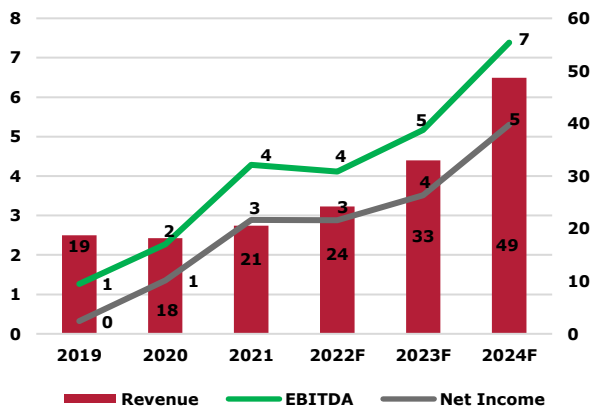
Source: The Company

**Exhibit 10.** Revenue breakdown by geography



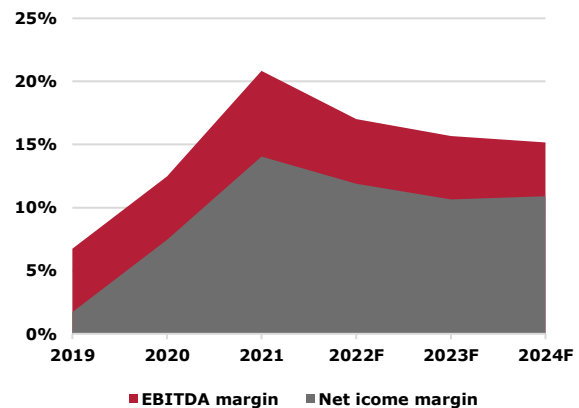
Source: The Company

**Exhibit 11.** Top and bottom expected to 2.3x and 1.8x by 2024 (in mEUR)



Source: The Company

**Exhibit 12.** Elevated margins expected by 2024 despite sizable expansion and inflation pressure



Source: The Company

**Financial outlook**

Reflecting the strong CEE positions of the Group and the excellent penetration potential in Western Europe, especially in the upcoming price-value and quality sensitive customer mode, due to the high inflation, and slow growth, which are expected mid-term in Europe, the ELMARK's financial projections indicate accelerated growth of revenue, EBITDA and net profit at respective CAGRs of 31%, 27.4% and 31.3% or 3.2, 2.6 and 2.9 times between 2021 and 2025.

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## THE PEERS

Due to relative size, scope of operations and market liquidity constraints, there are no listed companies perfectly comparable to the Group. However, there is a number of listed electric equipment and lighting companies, ranging from highly diversified global leaders to regional and local players, which represent a partial, yet substantially accurate match of the Group's business model in terms of current and targeted products, services, territorial markets and industries. Their trading KPI's can be considered as more or less symptomatic of the Group's market value.

The market capitalization and multiples of the accordingly identified comparable companies are presented in Exhibit 13.

**Exhibit 13.** ELMARK Group Western European peers\*

Name	Country	Mkt Cap (mEUR)	P/E	ROE	EV/EBITDA T12M
SCHNEIDER ELECTRIC SE	FRANCE	75 230	22.98	15.03	11.94
ABB LIMITED	SWITZERLAND	56 969	13.43	22.67	12.27
LEGRAND SA	FRANCE	21 345	21.97	17.53	12.19
OSRAM LICHT AG	GERMANY	5 172	N/A	-21.94	14.64
SIGNIFY NV	NETHERLANDS	3 891	6.46	21.88	6.93
FAGERHULT AB	SWEDEN	908	19.07	7.76	10.08
MERSEN	FRANCE	687	10.7	11.47	5.57
THORPE (F.W.) PLC	BRITAIN	511	25.29	10.56	22.76
ZUMTOBEL GROUP AG	AUSTRIA	313	6.79	16.25	3
PLEJD AB	SWEDEN	296	54.09	19.04	N/A
LUCECO PLC	BRITAIN	187	5.58	39.34	12.82
ARTECHE LANTEGI ELKARTEA SA	SPAIN	179	20.99	23.15	11.42
LENA LIGHTING SA	POLAND	18	6.82	12.75	6.36
APS ENERGIA SA	POLAND	17	9.29	18.76	8.63
RELPOL SA	POLAND	12	8.38	8.05	4.28
EMEK ELEKTRIK ENDUSTRISI AS	TURKEY	11	30.83	6.13	6.57
LUG SA	POLAND	9	14.17	8.11	6.33
<b>Average</b>		<b>9 750</b>	<b>17.30</b>	<b>13.91</b>	<b>9.74</b>
<b>Median</b>		<b>313</b>	<b>13.80</b>	<b>15.03</b>	<b>9.36</b>

Source: Bloomberg

\*Based on Bloomberg data compiled as of July 2022. All peers are either Best fit or Global Industry Classification Standards' comparable as identified by Bloomberg.

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## FINANCIAL STATEMENTS

Income Statement	2020	2021	6M 2022	TTM
<b>Revenues</b>	<b>18 183</b>	<b>20 577</b>	<b>11 764</b>	<b>22 078</b>
Other revenues (net)	176	135	29	99
Materials costs	-2 046	-2 169	-1 292	-2 400
External service costs	-1 961	-1 782	-1 126	-2 008
Wages	-3 026	-3 220	-1 868	-3 528
Receivables' write-off	-43	-53		-53
Other operating costs	-308	-452	-174	-405
Cost of goods sold	-8 653	-8 912	-5 256	-9 684
Inventory increase/decrease	-46	110	115	171
Amortization	-525	-548	-267	-547
EBIT	1 751	3 687	1 924	3 723
Financial revenue	447	119	57	119
Financial cost	-693	-521	-377	-643
<b>EBT</b>	<b>1 504</b>	<b>3 286</b>	<b>1 605</b>	<b>3 200</b>
Income tax	-141	-395	-31	-234
<b>Net Income</b>	<b>1 364</b>	<b>2 891</b>	<b>1 574</b>	<b>2 967</b>
<b>Comprehensive income</b>	<b>1 364</b>	<b>2 891</b>	<b>1 574</b>	<b>2 967</b>
Related to:				
Holders of the parent company's equity	415	880	479	903
Minority Interest	948	2 010	1 095	2 063
<b>EBITDA</b>				
<b>EBT</b>	<b>1 504</b>	<b>3 286</b>	<b>1 605</b>	<b>3 200</b>
Net interest expense	72	255	219	389
Amortization	525	548	267	547
Net write-offs	43	53		53
<b>EBITDA</b>	<b>2 144</b>	<b>4 141</b>	<b>2 091</b>	<b>4 188</b>

Balance Sheet	2020	2021	6M 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	5 710	5 484	8 021
Acquisition of non-current assets	174	1 939	0
Intangibles	764	683	649
Account receivables	377	409	314
Deferred taxes	36	46	46
Goodwill	4 295	4 295	4 295
	<b>11 355</b>	<b>12 855</b>	<b>13 325</b>
<b>Current assets</b>			
Inventories	12 645	15 166	16 609
Account receivables and others	1 903	2 793	4 065
Cash and cash equivalents	1 948	2 070	1 224
	<b>16 495</b>	<b>20 029</b>	<b>21 898</b>
<b>Total Assets</b>	<b>27 850</b>	<b>32 884</b>	<b>35 223</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Equity, held by parent company's equity holders</b>	12 221	12 221	14 548
Reserves	1 195	1 333	1 530
Retained Earnings	5 775	5 891	5 897
Current year net income	1 364	2 891	1 574
	<b>20 555</b>	<b>22 336</b>	<b>23 549</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans	1 700	3 256	3 588
Financial leasing	94	57	57
Leasing contracts liabilities	283	207	228
Deferred taxes	49	56	56
Other	52	64	64
	<b>2 178</b>	<b>3 640</b>	<b>3 993</b>
<b>Current liabilities</b>			
Current portion of Interest-bearing loans	3 622	5 268	6 713
Current portion of financial leasing	32	33	15
Current portion of leasing contract liabilities	79	76	36
Account payables and other	1 359	1 514	901
	<b>5 092</b>	<b>6 891</b>	<b>7 666</b>
<b>Government financing</b>	26	16	16
<b>Total shareholders' equity and liabilities</b>	<b>27 850</b>	<b>32 884</b>	<b>35 223</b>

Cash flow statement	2020	2021	6M 2022
<b>Cash flow from operating activities</b>			
Proceeds from customers	23 575	26 084	14 803
Payments to suppliers	-15 180	-18 857	-12 313
Staff and social security payments	-3 017	-3 146	-1 819
Income profit tax paid	-98	-280	-152
Taxes paid (excluding taxes on profits)	-8	-42	-18
Interest, fees and commissions paid	-223	-199	-125
Dividends paid			0
<b>Net cash flow from operating activities</b>	<b>5 050</b>	<b>3 560</b>	<b>376</b>
<b>Cash flow from investing activities</b>			
Purchaes of PPE	-399	-1 925	-961
Proceeds from the sales of PPE	14	-	0
Loans granted to third parties and repayments of loans to third	-34	-1 046	-291
Loans reimbursed by third parties and loans received by third	-	103	129
Interest received on loans to third parties	4	2	0
Dividends paid	-499	-159	-216
<b>Net cash flow from investing activities</b>	<b>-914</b>	<b>-3 024</b>	<b>-1 338</b>
<b>Cash flow from financing activieis</b>			
Proceeds from bank loans	10 006	12 224	7 933
Payments on bank loans	-13 085	-12 576	-7 786
Payments of financial lease obligations	-105	-48	0
Dividends paid	-231	-28	0
<b>Net cash flow from financing activities</b>	<b>-3 415</b>	<b>-427</b>	<b>146</b>
<b>Net cash change</b>	<b>721</b>	<b>109</b>	<b>-816</b>
Cash at the beginning of the period	1 281	1 948	2 070
Net effect of changes in foreign exchange rates	-55	-14	-31
<b>Cash on travel</b>	<b>0</b>	<b>28</b>	<b>0</b>
<b>Cash at the end of the period</b>	<b>1 948</b>	<b>2 070</b>	<b>1 224</b>

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