Exchange Traded Fund
Expat Slovakia SAX UCITS ETF.
ISIN BGCROEX03189

ANNUAL REPORT AND
FINANCIAL STATEMENT
31 December 2024

Content

ANNUAL REPORT
for the period ending on 31 December 2024
of the exchange-traded fund "Expat Slovakia SAX UCITS ETF"
under art. 39 of the Accounting Act

Exchange Traded Fund “Expat Slovakia SAX 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 Act on the Activities of Collective Investment Schemes and Other Collective Investment Enterprises (CPPSD), the Public Offering of Securities Act and its implementing regulations, the Markets in Financial Instruments 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 Slovakia SAX UCITS ETF" has no branches.

The fund is a passive exchange-traded fund that follows the pattern of complete physical replication of the SAX index on the Prague Stock Exchange. It is registered for trading on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange (XETRA) with the exchange code SK9A.

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 Slovakia SAX UCITS ETF” may not invest in any company from the Reference Index or not invest with the exact weight of the respective 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 property) 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.

As of 31.12.2024 the total value of the assets of Expat Slovakia SAX UCITS ETF amounts to BGN 101 591. The liabilities are BGN 292. The net asset value is BGN 101 299. The number of units in circulation by the end of 2024 is 100,000 shares, and by the end of 2023 it is 90,000 shares. The realised annualised yield since the beginning of the public offering is -48.21%, and for 2024, 11.59%.

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 SAX shares. In this sense, investing in shares of Expat Slovakia SAX UCITS ETF is associated with high risk, given the fact that the Reference Index is composed of shares.

In terms of its activities, Expat Slovakia SAX UCITS ETF is exposed to various types of risk, affecting its results. The main risks that investors will bear when investing in units of Expat Slovakia SAX 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 in order 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 orders for issue and redemption of shares are received late or do not meet the requirements in 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 limit the possibility for the Fund 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 expenses and may require a restructuring of the Fund in order 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 is related to the possibility of making losses due to errors or imperfections in the system of organisation. insufficiently 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 that affects the Index. the Fund may need 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 Index, the Fund will take appropriate action. which 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, restrictions 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 benchmark interest rates.

Geopolitical issues

Geopolitical issues, including the war in Ukraine, the conflict in Gaza, 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	80 067	78,81%	74 679	72,22%
Stocks	21 524	21,19%	28 725	27,78%
Total Assets	**101 591**	**100,00%**	**103 404**	**100,00%**

The total amount of the Fund's liabilities at the end of 2024 is BGN 292, which are liabilities to the Depositary Bank (DB) and the Management Company (MC).

Liabilities	**As of 31.12.2024.**	**%**	**As of 31.12.2023 year.**	**%**
Obligation to DB	205	0,20%	206	0,20%
Obligation to MC	87	0,09%	87	0,08%
Total liabilities	**292**	**0,29%**	**293**	**0,28%**
Total liabilities and equity	**101 591**	**100,00%**	**103 404**	**100,00%**

The liabilities to the Depositary Bank and the Management Company are charged on a daily basis in accordance with the Fund's Portfolio Valuation Rules, which are approved by the FSC.

Results of the activity

The Fund's Operating costs are presented in the following table:

Operating costs / Type of cost	**2024**	**%**	**2023**	**%**
Negative differences from transactions and revaluation with financial assets	7 202	58,52%	-	0,00%
Other financial costs	4 048	32,89%	4 091	81,09%
External service costs	1 057	8,59%	954	18,91%
Total cost	**12 307**	**100,00%**	**5 045**	**100,00%**

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

Revenue from operating activities / Type of income	**2024**	**%**	**2023**	**%**
Dividend income	-	0,00%	-	0,00%
Positive differences from transactions and revaluation of financial assets	-	0,00%	1 782	100,00%

Total Revenue	**-**	**0,00%**	**1 782**	**100,00%**

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

	2024	2023
Revenue	-	1 782
Costs	12 307	5 045
Net result	**(12 307)**	**(3 263)**

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.

Annual report of Exchange Traded Fund Expat Slovakia SAX 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
BGSKSAX04187	Expat Slovakia SAX UCITS ETF	Up to 10%	2,18%

ISIN	Name of exchange traded fund	ETF Performance for 2024	2024 Index yield	Tracking difference for 2024
BGSKSAX04187	Expat Slovakia SAX UCITS ETF	(11,59%)	(5,83%)	(5,76)%

** 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 Slovakia SAX 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 tracking, which is just the difference between the return on the Fund and that on the Reference Index over 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: 25.03.2025

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 Slovakia SAX UCITS ETF (Fund) is a passively managed fund and adheres to the method of complete physical replication of the SAX index. It is registered for trading on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange (XETRA) with the exchange code SK9A. 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 Bulstat Register to the Registry Agency with Bulstat code 177241189. 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.

- *Information under 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: 25.03.2025

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
BGN 1 982 471	BGN 1 562 027	BGN 420 444	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	BGN 1,278,975
II	Employees whose activity involves risk-taking	- -
III	Officers performing control functions	BGN 118 640
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: 25.03.2025

Nikolay Vassilev

Executive Director

Daniel Donchev

Executive Director

Statement of comprehensive income

For the year ending 31 December 2024

In thousands BGN	***Note***	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Net (loss)/profit from financial assets at fair value through gains and losses	*5*	(8)	2
Operating costs	*3*	(5)	(5)
Operational (loss)/profit for the period		**(13)**	**(3)**
Expenditure on taxes	*8*		
Profit/ (loss) for the period		**(13)**	**(3)**
Other comprehensive income			
Total comprehensive income for the period		**(13)**	**(3)**
Net income per share			
Net profit/(loss) per share (in BGN)	*7*	(0.132)	(0.036)

Date: 25.03.2025

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 34 are an integral part of the annual financial report.

Financial statement, on which the audit company “Kreston BulMar - Financial Audit” Ltd. with registration number 119 has issued an audit report dated March 25, 2025, with a registered auditor, responsible for the audit Zdravka Ognyanova Shtrakova.

Velichka Stoyanova Markova
Procurator Registered Auditor

Zdravka Ognyanova Shtrakova
Registered Auditor

Statement of financial position

As of 31.12.2024.

In thousands BGN	*Note*	To 31.12.2024	To 31.12.2023
Assets			
Cash and equivalents	*4*	80	74
Financial assets at fair value through gains and losses	*5*	21	29
Total Assets		**101**	**103**
Equity			
Fixed capital		196	176
Premium Reserve		(21)	(12)
Accumulated profits		(74)	(61)
Total equity	*6*	**101**	**103**
Liabilities			
Trade and other obligations		-	-
Total liabilities		-	-
Total equity and liabilities		**101**	**103**

Date: 25.03.2025

Approved:

Nikolay Vassilev
Executive Director

Compiler:

Tatiana Lazarova
Chief Accountant

Daniel Donchev
Executive Director

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Velichka Stoyanova Markova
Procurator Registered Auditor

Zravka Ognyanova Shtrakova
Registered Auditor

Statement of changes in equity

For the year ending 31 December 2024

In thousands BGN	*Note*	Fixed capital	Premium Reserve	Profits and losses	Total
On 1 January 2023.		**176**	**(12)**	**(58)**	**106**
Other comprehensive income					
Loss for the period		-	-	(3)	(3)
Total comprehensive income		**-**	**-**	**(3)**	**(3)**
Contributions from and distributions to owners					
Total contributions from and distributions to owners		**-**	**-**	**-**	**-**
On 31 December 2023.		**176**	**(12)**	**(61)**	**103**
On 1 January 2024.	*7*	**176**	**(12)**	**(61)**	**103**
Other comprehensive income					
Loss for the period		-	-	(13)	(13)
Total comprehensive income		**-**	**-**	**(13)**	**(13)**
Contributions from and distributions to owners					
Issuance of new partitions		78	(35)		43
Purchase of shares		(58)	26		(32)
Total contributions from and distributions to owners		**20**	**(9)**	**-**	**11**
On 31 December 2024.	*6*	**196**	**(21)**	**(74)**	**101**

Date: 25 March 2025.

Approved:

Nikolay Vassilev
Executive Director

Daniel Donchev
Executive Director

Compiler:

Tatiana Lazarova
Chief Accountant

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Velichka Stoyanova Markova
Procurator Registered Auditor

Zdravka Ognyanova Shtrakova
Registered Auditor

Cash flow statement

For the period ending 31 December 2024

In thousands BGN	*Note*	01.01.2024-31.12.2024	01.01.2023-31.12.2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to operational counterparties		(5)	(5)
Net cash flows used for operating activities		**(5)**	**(5)**
CASH FLOWS FROM FINANCIAL ACTIVITY			
Proceeds from the issue of shares		43	-
Share redemption payments		(32)	-
Payments to financial activity counterparties		-	(1)
Net cash flows from financial activities		**11**	**(1)**
Net reduction/increase in cash and cash equivalents		**6**	**(6)**
Cash and cash equivalents on 1 January		74	80
Cash and cash equivalents on 31 December	*4*	**80**	**74**

Date: 25.03.2025

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 Shtrakova
Registered Auditor

Notes to the annual financial report

1. Status and scope of activity

Expat Slovakia SAX 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 177241189. The address of management of the Fund and the Management Company is Sofia, 1000, str. Georgi S. Rakovski 96A.

Expat Slovakia SAX UCITS ETF is a passively managed fund and adheres to the method of complete physical replication of the SAX index. It is registered for trading on the Bulgarian Stock Exchange - Sofia and on the Frankfurt Stock Exchange (XETRA) with the stock code SK9A. 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, excluding 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 2023 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. except where 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.

(d) Estimates and estimates (continued)

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 information of which is relevant for the overall measurement.

Information on significant items 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 11 Financial Instruments.

3. Operating costs

In thousands BGN	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Fees and commissions to the bank - depositary	3	3
Fees and commissions to the management company	1	1
audit	1	1
All Operating Costs	**5**	**5**

The management company has incurred expenses for organisation and administration of the fund in the amount of BGN 63 thousand, which are not included in the net asset value as of 31.12.2024. These costs are subject to reimbursement to the management company and will be included in the NAV at a future date. The management company has adopted such a policy in order to minimise the burden of the total costs of the fund in the initial period of its development, in which it is relatively small.

4. Cash and equivalents

In thousands BGN	**31.12.2024**	**31.12.2023**
Money in bank accounts in BGN and currency	80	74
Money and cash equivalents	**80**	**74**
Cash and cash equivalents in the Cash Flow Statement	**80**	**74**

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.

5. Financial assets at fair value through gains and losses

In thousands BGN	**2024**	**2023**
Financial assets at fair value through profit or loss		
Listed shares	*21*	*29*
Financial assets determined at fair value in other comprehensive income		
Unlisted shares	-	-
Listed debt instruments	-	-
Total financial assets at fair value	**21**	**29**

Financial assets at fair value through profit or loss at Expat Slovakia SAX 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 SAX index. The benchmark index is SAX, composed of shares denominated and traded in Euros. 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 relevant asset on the Prague 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	Bratislava Stock Exchange

Issuer	**Count**	**Value at the end of the reporting period, BGN.**	**Percentage of total assets**
Des Biotika As Slovenska	283	8 303	8,17%
Tatry Mountain Resorts As 6	338	13 221	13,01%
ALL	**621**	**21 524**	**21,19%**

Type of financial instrument	Stocks
Regulated market in which they are traded	Prague Stock Exchange

Issuer	**Count**	**Value at the end of the reporting period, BGN.**	**Percentage of total assets**
Des Biotika As Slovenska	283	12 066	11,67%
Tatry Mountain Resorts As 6	338	16 659	16,11%
ALL	**621**	**28 725**	**27,78%**

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

In thousands BGN	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Revenue from revaluation of financial assets at fair value through gains and losses	(8)	2
Revenue from transactions in financial assets at fair value through gains and losses	-	-
Net (loss) /profit on financial assets at fair value through gains and losses	**(8)**	**2**

6. Equity

The Fund's equity 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 BGN	**Number of partitions**	**Value**	**Number of partitions**	**Value**
	31.12.2024		**31.12.2023**	
As of 1 January	90 000	103	90 000	106
Issued new partitions	40 000	43	-	-
Repurchased shares	(30 000)	(32)	-	-
Profit/(loss) for the period		(13)		(3)
As of 31 December	100 000	101	90 000	103

	31.12.2024	**31.12.2023**
Net asset value per unit (in BGN)	1.0129	1.1457

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;
- 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 units in which the Fund has invested, as well as capital gains made in trading of the shares in the Fund, shall be reinvested.

7. 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)	(0.132)	(0.036)

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 units in circulation for 2024 is 93 546 (2023 - 90 000). The weighted average shall be calculated by taking the arithmetic mean of the units in circulation for each day of the period.

8. Income taxes

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

9. 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 31.12.2024, 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.

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's mutual funds in units of Expat Slovakia SAX UCITS ETF:

As of 31 December 2024.

mutual fund	Investment in:	Count	Value at the end of the reporting period, BGN.
DF Expat Global Bonds	Expat Slovakia SAX UCITS ETF	13 713	13 890
DF Expat Shares Developed Markets	Expat Slovakia SAX UCITS ETF	15 359	15 558
DF Expat Shares Emerging Markets	Expat Slovakia SAX UCITS ETF	20 000	20 258

As of 31 December 2023.

mutual fund	Investment in:	Count	Value at the end of the reporting period, BGN.
DF Expat Global Bonds	Expat Slovakia SAX UCITS ETF	17 213	19 721
DF Expat Shares Developed Markets	Expat Slovakia SAX UCITS ETF	15 359	17 597
DF Expat Shares Emerging Markets	Expat Slovakia SAX UCITS ETF	10 000	11 457

10. 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
Финансови активи				
Des Biotika As Slovenska	8 303	-	-	8 303
Tatry Mountain Resorts As 6	13 221	-	-	13 221
ALL	**21 524**	**-**	**-**	**21 524**

As of 31 December 2022

In BGN	Level 1	Level 2	Level 3	Total
Financial assets				
Des Biotika As Slovenska	12 066	-	-	12 066
Tatry Mountain Resorts As 6	16 659	-	-	16 659
ALL	**28 725**	**-**	**-**	**28 725**

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 SAX. In this sense, investing in shares of Expat Slovakia SAX 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 Slovakia SAX UCITS ETF” is exposed to different types of risk, affecting 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 Expat Slovakia SAX 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 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, and the reference index “SAX Composite Share Price Index” is composed of shares denominated and traded in euro and therefore the Fund is not exposed to currency risk.

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 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 thousand BGN)*	**As of 31.12.2024.**	**As of 31.12.2023.**
5% increase in market prices	*5*	*5*
5% reduction in market prices	*(5)*	*(5)*

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. With ongoing problems with the Index. The Fund will take appropriate action 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 it takes them into account and acts accordingly. 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.

11. 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. receivables on trade credits, 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.

11.1 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 monitor their fair value currently, which is the basis of the 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 ("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 SAX reference 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.

Subsequent valuation

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 written off (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.

11.2 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 is 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 determines transfers between levels in the hierarchy by reassessing the categorisation (based on the lowest level that is important for measuring fair value as a whole) and considers that transfers occurred at the beginning of each reporting period.

11.3 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 per unit and the redemption price are calculated in euro, therefore the functional

11.4 Foreign currency transactions

The 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.

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.

11.5 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.

11.6 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.

11.7 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.

11.8 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.

11.9 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.

12. 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 2023 but have no material effect on the financial result and financial position of the Fund:

Amendment to IAS 1 Presentation of financial statements
On 12 February 2021. The IASB has issued a 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practical Statement 2)' with amendments aimed at helping compilers decide which accounting policies to disclose in their financial statements.

Amendment to IAS 8 Accounting policy, changes in accounting estimates and errors
On 12 February 2021. The IASB issued the "Definition of Accounting Estimates (Amendments to IAS 8)" to help companies and users of financial statements distinguish between changes in accounting valuations and changes in accounting policies.

Amendment to IAS 12 Income taxes
Amendment to IFRS 17 Insurance Contracts
Amendment to IFRS 17 Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative information

Standards, amendments and clarifications which have not yet entered into force and have not been applied since an earlier date by the Fund. These amendments shall enter into force for the annual reporting periods beginning on or after 1 January 2024.

At the date of approval of this financial statement, new standards, amendments and clarifications to existing standards have been published, but have not entered into force or been adopted by the EU for the financial year beginning on 1 January 2023 and have not been applied from an earlier date by the Fund. They are not expected to have a significant impact on the financial statements of the Fund. The management expects all standards and amendments to be adopted in the accounting policy of the Fund in the first period starting after the date of their entry into force. Below is a list of changes to the standards:

- **Amendment to IAS 1 Presentation of financial statements**
- **Amendment to IAS 7 Cash flow statements and IFRS 7 Financial instruments: Disclosures**
- **Amendment to IAS 21 Effects of changes in exchange rates**
- **Amendment to IFRS 16 Leases**

13. 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.

14. Events after report date

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.

KRESTON BULMAR

INDEPENDENT AUDITOR'S REPORT

To unit-holders
in an exchange-traded fund
"Expat Slovakia SAX UCITS ETF"

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

We audited the financial statements of the exchange-traded fund "Expat" Slovakia Republic SAX UCITS ETF (‘the Fund’), consisting of the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ending on that date, as well as the notes 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 2023 and of 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 (Code of IASB) together with the ethical requirements of the Independent Financial Audit Act (IASB) 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 IASB and IASFO. 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 2023. The Fund reports financial assets at fair value in profit and loss amounting to BGN 348 thousand, which include non-controlling interests in public companies operating in Bulgaria, as disclosed in note 6 to the Financial Statement. These holdings are held by the Fund as a result of replication of the SAX 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 2023.* ➢ *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 2023 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 Fund's ability 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 LULUCF) 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 2023 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 2023, 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

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 the statutory auditor of the financial statements for the year ending on December 31, 2023 of the exchange traded fund Expat Slovakia SAX UCITS ETF (“the Fund”) with 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 December 31, 2023 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 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 Shtrakova
Registered auditor responsible for auditing

Velichka Stoyanova Markova
Procurator

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

March 25, 2024.

TO

Unit holders

ON ETF "Expat Slovakia SAX UCITS ETF"

DECLARATION

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

The undersigned:

Zdravka Ognyanova Shtrakova, 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.№668 of the register at the ICPA under Art.20 of the Independent Financial Audit Act), responsible for the audit of the engagement on behalf of the audit company "Kreston Bulmar - Financial Audit" Ltd. (with reg.№119 of the register at the ICPA under Art.20 of the Independent Financial Audit Act) at the ICPA, I declare that:

Kreston BulMar - Financial Audit Ltd. was engaged to carry out a mandatory financial audit of the exchange traded fund "**Expat Slovakia SAX UCITS ETF"** (Fund) for 2023, 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 25 March 2024.

I hereby CERTIFY THAT, as reported in our audit report on the annual financial report of ETF **"Expat Slovakia SAX UCITS ETF"** ***for 2023, issued on March 25, 2024:***

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 2023 and its financial results 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 relating to the transactions of ETF "Expat Slovakia SAX 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 been aware of any 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 2023 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 2023, 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 Slovakia SAX UCITS ETF"** ***for the reporting period ending on 31 December 2023, dated 25 March 2024. 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 March 25, 2024 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 Shtrakova
Manager

Zdravka Ognyanova Shtrakova
Registered auditor responsible for auditing

Date: 25 March 2024.
g. Sofia