

DOCUMENT UNDER ARTICLE 1(4), FIRST SUBPARAGRAPH, POINTS (DA) AND (DB), AND IN ARTICLE 1(5), FIRST SUBPARAGRAPH, POINT (BA)

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017

ANNEX IX

- I. The name of the issuer (including its LED), country of incorporation, link to the issuer's website.**

ALPHA BULGARIA JSC, LEI 4851002MLIC8SPXVGU62, Bulgaria, <https://www.alpha-bulgaria.com/>

- II. A declaration by those responsible for the document that, to the best of their knowledge, the information contained in the document is in accordance with the facts and that the document makes no omission likely to affect its import.**

The persons responsible for the document, by signing the last page, declare that to the best of their knowledge the information contained in the document is in accordance with the facts and that the document makes no omission likely to affect its import.

- III. The name of the competent authority of the home Member State in accordance with Article 20. A statement that the document does not constitute a prospectus within the meaning of this Regulation and that the document has not been subject to the scrutiny and approval by the competent authority of the home Member State.**

FINANCIAL SUPERVISION COMMISSION. The persons responsible for the document, by signing the last page, declare that the document does not constitute a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council and that the document has not been subject to the scrutiny and approval by the FINANCIAL SUPERVISION COMMISSION.

- IV. A statement of continuous compliance with reporting and disclosure obligations throughout the period of being admitted to trading, including under Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, Delegated Regulation (EU) 2017/565.**

The persons responsible for the document, by signing the last page, declare that there is a continuous compliance with the company's reporting and disclosure obligations throughout the period of being admitted to trading, including under Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, Delegated Regulation (EU) 2017/565.

- V. An indication of where the regulated information published by the issuer pursuant to ongoing disclosure obligations is available and, where applicable, where the most recent prospectus can be obtained.**

The regulated information published by the issuer pursuant to ongoing disclosure obligations is available on <https://www.infostock.bg/>; <https://www.bse-sofia.bg/>; <https://www.alpha-bulgaria.com/>. The most recent prospectus can be obtained on <https://www.alpha-bulgaria.com/>; <https://www.ffbh.bg/>; <https://www.fsc.bg/>.

- VI. Where there is an offer of securities to the public, a statement that at the time of the offer the issuer is not delaying the disclosure of inside information pursuant to Regulation (EU) No 596/2014.**

The persons responsible for the document, by signing the last page, declare that there shall be no public offering of securities, and the company shall seek admission to trading on a regulated market of an existing issue of securities. However, please note that the issuer does not delay the disclosure of inside information under Regulation (EU) No 596/2014.

VII. The reason for the issuance and use of proceeds.

The shares of Alpha Bulgaria, traded on Bulgarian Stock Exchange, are the object of application for admission to trading on a regulated market within the EU, namely Frankfurt Stock Exchange (FSE). The present offering does not aim to raise additional capital, but to provide access to its securities to a wider scope of investors. No proceeds are expected from the admission to trading on FSE.

VIII. The risk factors specific to the issuer.

The Company may choose the wrong development strategy

Choosing an inappropriate investment, project or development strategy may result in losses or missed opportunities for the Company. The Company's policy is to manage strategic risk by continuously monitoring the implementation of its strategy and the results of investments in order to be able to react as quickly as possible if changes in management policy are necessary.

Risk of change in the value of investments in subsidiaries, associates and other companies

The target structure of the Company's business model provides for individual investments to be separated into separate subsidiaries, in order to isolate the financial and business risk of individual undertakings. The Company intends to use the proceeds from future exercising of the outstanding warrants for opportunistic investing, without limiting itself to a particular sector. Investing in financial instruments is also part of the strategy. The main risks associated with this organizational structure are:

- ☐ the lack of an obligation for periodic disclosure of interim financial and other information by non-public investment companies;
- ☐ the lack of direct control by the Issuer's shareholders over the subsidiaries;

The Company's income and profitability depend on the financial results of the subsidiaries. Any deterioration in the financial results of one or several companies in which the Issuer's investments are concentrated will affect its financial condition, respectively, the market price of its securities.

Risks of delay in making new investments

The Company will invest the funds it will raise through the exercise of the outstanding warrants in project companies. There may be a significant time period between receiving the funds and investing them in the relevant project due to legal and factual complications related to the transfer of ownership in the targeted companies and projects. During this period, the Company's available funds may be invested in bank deposits and securities permitted by law. There is a possibility, however, that the income received from these investments will be lower than that from investing in the projects, which would reduce the Company's overall return on investments.

Key personnel risk

This is the risk that the Company's operations will be jeopardized if a key employee with specific qualifications leaves the Company, for whom it is difficult or impossible to find a

replacement within a reasonable time and under reasonable financial conditions. Due to the specifics of its activities, the Company has a limited number of personnel.

As a result of the knowledge and experience of the members of the Board of Directors, the Company is highly dependent on their work. The resignation, retirement or dismissal of a member of the Board of Directors may delay or hinder the implementation of the Company's strategy or business objectives. This may have a material adverse effect on the Company's business, its financial condition and the results of its operations.

Risk of change in the shareholder structure

Given the fact that it is a publicly traded company, it is exposed to risks related to a possible change in the majority ownership of the Company. A significant share of the outstanding warrants may be acquired by external parties via open market transactions, with different vision and intentions regarding the development of the Company. In view of the size of the outstanding warrants, through their exercise they may assume control over the Company, which may have a significant effect on the return on investments made, its financial condition and/or its results.

Risk of difficulties in raising capital through the exercise of the warrants

The Company plans to raise capital in order to implement its strategy through the exercise of the outstanding warrants. It is possible that at some point future market conditions may be adverse to the exercise of the warrants and the Company may not be able to absorb sufficient resources to make its planned investments. Any smaller amount of capital financing through the future exercise of warrants may result in the need to absorb debt or seek alternative financing mechanisms for the Company's investment intentions.

If the Company is unable to arrange additional financing when necessary (including for working capital or special purpose loans), it may be forced to postpone, scale down or terminate some of its projects, which could reduce its operating results.

Dilution risk

Dilution risk arises when a company is issuing more shares at prices below the market price at the time, therefore eroding the ownership of existing shareholders. Given the substantial amount of outstanding warrants, exercisable at BGN 1.00 each – significantly below recent market prices, existing shareholders are at risk of being diluted.

Risk related to the possibility of the company being decapitalized

The risk of decapitalization is a decrease in the company's equity as a result of the accumulation of negative financial results from the activity and/or negative revaluations of the issuer's assets and liabilities, which cannot be covered by the Company's own funds. As a result of decapitalization, a company may cease to be a going concern.

The Company operates through investments in other companies, which means that its financial results are directly dependent on the financial results, development and prospects of these companies. Poor results of a subsidiary could lead to deterioration in the financial results on a consolidated basis. This, in turn, is also related to the price of the Company's shares, which may change as a result of investors' expectations about the prospects of the Company. In portfolio investments, there is a risk of loss of investment value in the event of poor financial results of the companies in which the Company has acquired stakes. Upon future exercise of the outstanding warrants, there is an opportunity to achieve a significant expansion of the scope of investments, which could potentially lead to an increase in the Issuer's revenues and financial results.

Risk of transactions with related parties on terms other than market conditions

The Company carries out transactions with related parties. Although its goal is for these transactions to be carried out on market conditions, it is possible for various reasons that such transactions may be concluded on terms that differ from market conditions, which may not be in the best interest of the Company and its creditors, including the warrant holders.

The Company intends to undertake projects and carry out their implementation on the best possible terms available to it. In this regard, the Issuer will carry out transactions with related parties only in cases where the latter can offer better terms for implementation than market conditions.

The Company will strictly monitor compliance with these terms until the final completion of the transaction, thus ensuring optimal realization of its investments, respectively optimal profitability for its shareholders. However, investors should be aware that if such transactions cease to be concluded on a free-market basis in the future, this could have a material adverse effect on the Issuer's results of operations and financial condition. To minimize the risk of concluding transactions with related parties at prices other than market prices, any potential transaction with related parties will be approved only by unanimous decision of the Company's Board of Directors, taking into account the prices approved by it.

Risks associated with investing in financial instruments

The Company's strategy provides for investing part of the funds raised from the exercise of the warrant issue in financial instruments. The latter could be debt - government securities, corporate/municipal bonds, mortgage bonds or equity - shares, CIS, etc. There are also hybrid instruments that combine characteristics of debt and equity assets - such are preferred shares, convertible bonds, etc. Investments in financial instruments carry a number of risks that may lead to partial or complete loss of the invested capital. The specific risks associated with investments in financial instruments are listed below.

Market risk

The market prices of FIs may fluctuate due to changes in the economic and market environment, the monetary policy of central banks, the business activity of issuers, the sector in which the issuer operates and the supply and demand for securities in the market. At certain times, the prices of FIs on the market (stock exchange) may fluctuate significantly. Typically, not all FIs traded on a given market (exchange) and not all FI markets change their prices in the same direction at a given time and the factors that affect the market price of certain FIs are very different (for example, financial statements revealing a decrease in the profit of the company that issued the FI, the loss of a major customer, a large lawsuit filed against the company, a change in regulations in a particular industry). Not all such factors can be predicted. By diversifying the portfolio, the Management Company can reduce, but cannot completely eliminate, the effect of investment price movements, thus its value may decrease in certain periods.

Interest rate risk

This is the risk that changes in market interest rates will adversely affect the value of assets in the portfolio consisting of debt securities. In general, an increase in interest rates leads to a decrease in the market price of debt instruments. When investing in debt securities, interest rate risk is lower for short-term debt securities and higher for long-term debt securities.

Credit risk

This is the risk that the issuer (company - issuer) of debt securities, respectively the person providing collateral, will be unable to fulfill its obligations, in particular to repay the principal and/or interest due on time. When the specific securities have a credit rating, credit risk includes the possibility of a downgrade of the credit rating of the securities in which investments have been made. The ratings of the rating agencies Standard and Poor's, Moody's

and Fitch are an internationally recognized barometer of the credit risk of securities. However, these ratings are not perfect either - they are made on the basis of past events and do not reflect possible future circumstances to the same degree of accuracy. It should be noted that the Company does not intend to limit its investments in debt instruments to those with a credit rating.

Liquidity risk

This is the risk that under certain conditions, it may be difficult or impossible for the Company to sell its securities at a favorable price. In particular, this risk is greatest with respect to securities not admitted to trading on a regulated market.

Leverage Risk

In the event that the purchase of an investment is partially financed with borrowed funds, a decrease in the market value of the investment results in proportionately greater losses for the holder of the securities. Also, some investment instruments, such as derivatives, are structured in such a way that a change in the price of the underlying asset, rate or index may result in a loss of an amount greater than that invested in the derivative. Some derivative financial instruments have the potential for unlimited loss.

Currency risk

Investments in instruments denominated in a foreign currency may be adversely affected by a decrease in the exchange rate of that currency against the Bulgarian lev. In this regard, the Company may enter into certain transactions to hedge the currency risk (e.g. currency options, purchase and sale of currency in spot and forward transactions), which in themselves also carry certain risks. It should be noted that insofar as the currency board arrangement exists in Bulgaria, there is theoretically no currency risk with respect to FIs denominated in euro.

Inflation risk

It is possible that inflation growth may offset a significant portion or all of the nominal income from the FI, resulting in the Company and its shareholders receiving no real income (increased purchasing power) or it may be insignificant.

Political risk

Political risks are associated with the possibility of domestic political turmoil and adverse changes in legislation. This risk is associated with the possibility that the government of a country may suddenly change its policy and, as a result, the environment in which FI issuers operate may change adversely and investors may suffer losses. Governments of some countries may take measures, including increasing taxation, restricting profit repatriation, etc., which may have an adverse effect on securities.

IX. The characteristics of the securities (including their ISIN).

The securities, 26 120 000, ISIN BG1100038097, are ordinary, dematerialized, registered shares. Each one with a nominal value of BGN 1, the right to 1 vote, the right to dividend, the right to liquidation share. The company has outstanding 169 952 395 warrants, ISIN BG9200001220, each one giving right for subscription of 1 shares with an exercise price of BGN 1.00. The expiration date of the warrants is 6 April 2027.

X. For shares, the dilution and shareholding after the issuance.

Capital dilution and shareholding after the issuance are not applicable as no new issue of shares shall be issued

XI. Where there is an offer of securities to the public, the terms and conditions of the offer.

There shall be no public offering of securities, but an existing issue to another regulated market shall be allowed.

XII. Where applicable, any regulated markets or SME growth markets where the securities fungible with the securities to be offered to the public or to be admitted to trading on a regulated market are already admitted to trading.

The regulated market where the securities are already admitted to trading is Bulgarian Stock Exchange.

The persons declare that to the best of their knowledge the information contained in the document is in accordance with the facts and that the document makes no omission likely to affect its import.

Board of directors

ALPHA BULGARIA JSC:



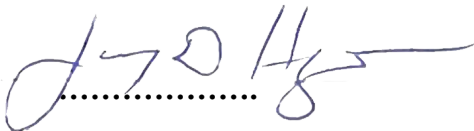
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Yani Petkov Yankov



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Nataliya Sasheva Pancheva



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Hodges Jay Dee