



# SEE link

Connecting markets

# Bulgarian Stock Exchange

## Overview

- ❖ **SOFIX added 27%** to its value in 2016;
- ❖ **in Q1 of 2017 SOFIX appreciated by 8%;**
- ❖ **Market capitalization increased by 12.8%** in 2016 to **EUR 5 billion** or **10.9%** of projected **GDP**
- ❖ **2016 turnover increased** by 1.3% y-o-y to **EUR 212.7 mln;**
- ❖ **the number of trades decreased** by 2.7% y-o-y to **58 442;**
- ❖ **second IPO** of an **IT company;**
- ❖ **first ETF listing** on BSE.

Index	2016 change	YTD change	P/E	P/B
SOFIX	27.2%	9.4%	12.9	1.6
BGBX40	19.9%	13.5%	14.9	1.4
BGREIT	19.6%	0.8%	10.2	1.3
BGTR30	11.4%	10.6%	45.3	1.6



Market Segment	Trades for 2016	Turnover (EUR) for 2016
Equities	44 567	131 827 531
Special Purpose Vehicles Segment	6 637	15 351 587
Bonds Segment	441	25 052 220
Compensatory Instruments Segment	2 356	4 150 992
Exchange Traded Products Segment	1 366	1 629 767
Subscription Rights Segment	297	45 065
Initial Public Offering Segment	19	5 084 798
BaSE Alternative Market	2 759	29 557 441
<b>Total:</b>	<b>58 442</b>	<b>212 699 401</b>

1Y Performance of SOFIX



# EXPAT BULGARIA SOFIX UCITS ETF

## Overview

- ♦ the **first exchange-traded fund** on BSE;
- ♦ the second in the Eastern Europe region;
- ♦ **open-ended fund tracking SOFIX**;
- ♦ **min 5% in cash and cash equivalents (UCITS)**;
- ♦ **up to 40% in position with weights of more than 5%**;
- ♦ **up to 20% invested in one issuer**;
- ♦ may also invest in deposits and government securities.

## Key benefits:

- ♦ **easy access to the Bulgarian market**;
- ♦ **exposure to the top 15 most liquid companies** on BSE;
- ♦ **high liquidity** provided by **3 market makers**;
- ♦ **maximum spread of 5% bid/ask** (exchange rule);
- ♦ **market spread under 1%**;
- ♦ OTC redemption for institutional investors;
- ♦ **tax-exempt capital gains**;
- ♦ no profit tax and no tax on dividends for the ETF;
- ♦ suitable for both short and long-term investment strategies.



## Key Facts

Asset Class	Equity
Risk	High
Fund Base Currency	BGN
Unit Class Currency	BGN
Nominal value per share, BGN	1.00
Benchmark	SOFIX
First trading day on BSE	27- Sep- 2016
BSE ticker	BGX
ISIN	BG9000011163
Methodology	Replicated
Product Structure	Physical
UCITS	Yes
Use of Income	Reinvesting
Issuer	Expat Asset Management

as of 04 .04. 2017

	BGN	EUR
<b>Net assets, mln</b>	<b>29.7</b>	<b>15.2</b>
Number of holdings	15	15
Shares outstanding, mln	25.16	25.16
<b>NAV</b>	<b>1.1815</b>	<b>0.6041</b>
<b>YTD yield</b>	<b>7.1%</b>	

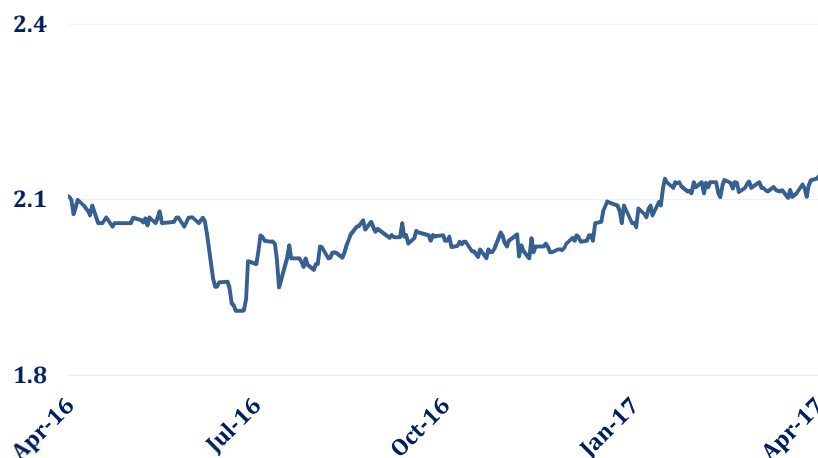


# Advance Terrafund REIT

## Overview

- ♦ Blue-chip– SOFIX, BGREIT, SEELinX and SEELinX EWI ;
- ♦ the **largest REIT owner of high quality agricultural land** in Bulgaria;
- ♦ with a **portfolio of 22 540 ha** of agricultural land;
- ♦ **market capitalization of EUR 93 mln**;
- ♦ the strategy is geared toward **adding value through active management** of the land portfolio;
- ♦ Investors: **IFC, pension funds** and institutional investors;
- ♦ **regular dividend payout of min 90%**;
- ♦ **one of the most liquid stocks** on BSE.

## 1Y Price Performance



## Market data and Ratios as of 04 .04. 2017

BSE ticker	6A6
<b>Shares outstanding, th.</b>	<b>85 110</b>
Free float	58%
Last price, BGN	2.14
<b>Market cap., BGN th.</b>	<b>182 135</b>
Average daily volume, BGN	72 800
52 weeks price range, BGN	1.90 – 2.15
P/E	17.93
P/S	5.70
P/B	0.84
NAV per share, BGN	2.56
<b>Dividend yield</b>	<b>7%</b>
ROA	3.8%
ROE	4.6%
EBIT margin	31.3%
Net income margin	31.8%
Liabilities/Assets	9.5%
EPS (ttm)	0.12
DPS for 2016 at 90% payout	0.15

	2014	2015	2016
EPS	0.29	0.40	0.12
DPS	0.30	0.10	0.15
Price per share at year-end	2.44	2.07	2.09
Dividend yield at year-end prices	12.3%	4.8%	7.2%

# Monbat AD

## Overview

- ❖ a **leading Bulgarian manufacturer and exporter** of lead-acid starter batteries;
- ❖ almost **90% of the sales come from exports**;
- ❖ **diversified markets** – 30 countries;
- ❖ leading markets – France, Spain, Germany;
- ❖ also engaged in the manufacturing of LED technologies;
- ❖ **vertically integrated business model**;
- ❖ **diversified client base** – well-developed distribution network;
- ❖ **attractive profit margins** – above industry averages;
- ❖ regular dividend distribution;
- ❖ Management forecast suggest **an increase of 18.3% y-o-y in sales** and a **14.4% y-o-y in earnings** for 2017.



## Market data and Ratios

as of 04 .04. 2017

BSE ticker	5MB
<b>Shares outstanding, th.</b>	<b>38 989</b>
Free float	17.6%
Last price, BGN	10.70
<b>Market cap., BGN th.</b>	<b>417 182</b>
Average daily volume, BGN	94 100
52 weeks price range, BGN	6.92 – 11.60
P/E	14.73
P/S	1.56
P/B	2.07
Dividend yield	2.6%
ROA	10.1%
ROE	14.7%
EBIT margin	12.9%
Net income margin	10.6%
Liabilities/Assets	42%
EPS (ttm)	0.73
DPS for 2015	0.28

	2014	2015	2016
EPS	0.35	0.47	0.46
DPS	0.15	0.28	n.a
Price per share at year-end	8.55	8.00	9.66
Dividend yield at year-end prices	1.8%	3.5%	



# Sopharma AD

## Overview

- ♦ a **leading pharmaceutical group in Bulgaria** engaged in **manufacturing** of pharmaceutical products and **distribution** of health related products;
- ♦ **10 manufacturing facilities** located **in Bulgaria**;
- ♦ the largest Bulgarian producer of ampoules and suppositories;
- ♦ **more than 210 products** in its portfolio: mainly **generics** and **15 original products**;
- ♦ **the distribution** business is the **leading segment**. It is carried out by Sopharma Trading, a subsidiary of Sopharma AD, also listed on BSE;
- ♦ Sopharma Trading offers **more than 10 000 pharmaceutical products** including a portfolio of world famous **exclusive brands**, medical devices, sanitary materials, medical appliances and equipment;
- ♦ Sopharma Trading's market cap is EUR 137.9 mln;
- ♦ it has an annual turnover of more than EUR 300 mln;
- ♦ almost 80% of the Sopharma Trading's sales come from exports

## Market data and Ratios

as of 04 .04. 2017

BSE ticker	3JR
<b>Shares outstanding, th.</b>	<b>128 984</b>
Free float	%
Last price, BGN	3.94
<b>Market cap., BGN th.</b>	<b>507 760</b>
Average daily volume, BGN	94 100
52 weeks price range, BGN	6.92 – 11.60
P/E	10.96
P/S	0.57
P/B	1.13
Dividend yield	1.8%
ROA	4.5%
ROE	10.9%
EBIT margin	4.8%
Net income margin	5.2%
Liabilities/Assets	43%
EPS (ttm)	0.36
DPS for 2015	0.07

## 1Y Price Performance





# How to set up a trading account

## Types of accounts:

- ◇ **Originating Broker – Executing Broker**
- ◇ **Originating Broker – Executing Broker + Custody bank (securities and money) – OPTIONAL !**

## Documents required for account opening:

### KYC = MIFID

- ◇ Certificate of Incorporation;
- ◇ Articles of Association
- ◇ Certificate of good standing
- ◇ Certificate of incumbency
- ◇ ID copies of the company's representatives;
- ◇ Certificate of Tax Residence;
- ◇ Trading or fund management license;

## Tax regime:

- ◇ **No tax registration required !**
- ◇ **Tax-exempt capital gains, not subject to withholding tax for Bulgarians ;**
- ◇ **The Avoidance of Double Taxation Treaties between Bulgaria and the investor's country of origin prevail ;**
- ◇ **Dividend tax – 5% ;**
- ◇ **VAT – 20 % BUT CSD's and Investment firms' transaction fees are VAT-exempt**



LANGUAGE BARRIERS

LEGAL FRAMEWORK

TAXES !!!

TAX REGISTRATION

MONEY LAUNDERING

CORPORATE ACCOUNTS  
EVENTS  
TRADE  
FX RISKS  
SETTLEMENT  
RULES  
FUNDS  
CASH TRANSFERS  
COMPENSATIONS  
TAXES !!!



# CONTACTS

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