Annual Report '23

International Standards, Local Expertise.

OVERVIEW

BALFIN Group (Balkan Finance Investment Group) is one of the most significant and successful investment groups in the Western Balkans, with a gross un-consolidated turnover of approximately 864 million EUR in 2023.

BALFIN Group was founded in 1993 in Vienna by Samir Mane and is currently operating in Austria, Albania, Kosovo, Bosnia and Herzegovina, North Macedonia, Montenegro, Croatia, the Netherlands, Switzerland, and USA. It is active in various industries such as real estate, asset management, wholesale and retail, banking, hospitality, energy, and logistics.

BALFIN Group is a trustworthy partner that applies the highest business and ethical standards, with experience and expertise in several industries, great financial capital, outstanding human resources, and a rigorous focus on innovation. By adhering to the best global business principles while speaking the local language, all Group companies are unquestionable leaders in their respective fields, thus making BALFIN Group a commended and applauded partner for many important international companies and financial institutions.

BALFIN GROUP HAS MADE CONSTANT PROGRESS IN OVERALL GROWTH WHILE UPGRADING STANDARDS AND SHIFTING TOWARDS SUSTAINABILITY. THROUGH ECONOMIC DEVELOPMENT, EMPLOYMENT OPPORTUNITIES, INNOVATION, AND SOCIAL INVOLVEMENT, BALFIN GROUP CHALLENGES THE STATUS QUO, FOSTERING A POSITIVE IMPACT ON COMMUNITIES.

PRESIDENT'S LETTER

THIS ANNIVERSARY IS A CELEBRATION OF OUR HISTORY AND A SOURCE OF CONFIDENCE FOR THE FUTURE. WE WILL CONTINUE TO DRIVE BUSINESS GROWTH, CONTRIBUTE TO ECONOMY AND SOCIETY.

2023 marks the 30th anniversary of BALFIN Group – a driving force for change in the countries where we operate. For three decades we have introduced new concepts, such as organized retail activities for grocery stores, electronics, and shopping malls, and served as examples for others to follow. We have helped transform geographical areas and business segments, resulting in new job creation and giving a positive outlook towards the future. We have also partnered with international companies and institutions to expand our presence in both domestic and regional markets.

With each passing year, we have made a positive impact on the lives of many persons. It all started with one idea, one business, one country. Now there are so many people, over 5,000 employees on two continents. Yet, as an individual, I wish to be as active in doing good to people as doing well in business. In honor of this anniversary, I established the Mane Foundation, to address some very pressing issues of society, focusing on education, youth, inequality, poverty, and environment. Mane Foundation will be my legacy for a better society.

At BALFIN Group, the commitment to high standards in business and ethics remains steady. This anniversary is a celebration of our history and a source of confidence for the future. We will continue to drive business growth, contribute to economy and society. Together!

I hope you enjoy reading further on.

Samir Mane
President of BALFIN Group

CEO'S STATEMENT

"AS WE EMBARK ON THE NEXT PHASE OF OUR JOURNEY, WE REMAIN STEADFAST IN OUR COMMITMENT TO INNOVATION, PARTNERSHIP, ACCOUNTABILITY, CONSIDERATION, AND TEAMWORK!

Dear readers,

This Annual Report represents a special milestone in the journey of BALFIN Group – 30 years of history! It is a moment of pride for an extraordinary accomplishment, and a moment of reflection for the efforts we have made.

Over all these years, we have faced countless challenges and we have adapted to many changes in the business landscape. We at BALFIN Group, have created a mentality of innovation, collaboration, and excellence. We have nurtured an environment where ideas flourish, talents are encouraged, and the contribution of everyone is appreciated.

We are present in ten countries across two continents. Our retail network enjoys a constant growth, with sixteen new shops and a new country of activity in 2023. Tirana Bank doubled its total assets compared to the year it became part of BALFIN Group and the growth rate of main commercial indicators was higher than the industry's average. Our real estate business expanded to USA, and it constitutes a long-term commitment for us.

We have established many partnerships along the way. Consumer electronics giants have made us their collaborators, leading names in world tourism and hospitality invest together with us, the world financial institutions trust us for international standards and a shift towards sustainability.

The tradition of BALFIN Group has had its social aspect as well, starting since the early years of the free market economy in the region. The social engagement went on to become a pillar of the Group's philosophy, involving all its companies across countries. In the 30th anniversary of BALFIN Group, the Mane Foundation is established to give a new dimension to the commitment to improve communities.

Our collective efforts have made us progress to new industries, new markets, new frontiers. As we embark on the next phase of our journey, we remain steadfast in our commitment to Innovation, Partnership, Accountability, Consideration, and Teamwork!

Together with our partners, our employees, and our communities, we will continue to build a better future, with lasting impact on society, and an inspiration for the next generations.

I wish you find this Annual Report inspiring!

Edlira Muka
CEO of BALFIN Group

Edlira Muka

BALFIN GROUP IN NUMBERS[1]

€2.2 billion
Total Group Assets

€864million
Non-Consolidated Gross Revenue

37,000 Yearly beneficiaries
From social engagement

€141 million
Consolidated Group EBITDA

5,000 Employees
in our Group Companies

€74 million[2]
Capex expenditures

€76 million
Taxes paid

50,000+
Total training hours

58 Companies
part of BALFIN Group

80,000 clients
Daily reach of goods and services in total

28 million
Yearly visitors in shopping malls

Presence in
10 Countries

MANE FOUNDATION
2023
Year that Mane Foundation is established

2 Continents
The number of continents where BALFIN Group is present.

[1]*Figures are rounded to the nearest decimal point or the nearest million. All figures are valid as per 31 December 2023.*
[2]*VAT included.*

OUR PARTNERS

IFC International Finance Corporation WORLD BANK GROUP

European Bank for Reconstruction and Development

Raiffeisen BANK

INTESA SANPAOLO BANK Albania

KOMERCIJALNA BANKA

NLB

STOPANSKA BANKA AD - SKOPJE

otpbank

SPARKASSE Bank

arçelik

SPAR

JUMBO

MANGO

ALDO

TENDAM GLOBAL FASHION RETAIL

MAERSK

MILSPED GROUP

SAMSUNG

SONY

ACCOR

INDITEX

H&M

OUR HISTORY

BALFIN Group has been playing its active role as one of the most significant and successful investment groups in Western Balkans for 30 years. It started with Samir Mane venturing into retail industry in Viena, Austria. Gradually it expanded to the region, and now its footprint reaches ten countries in two continents.

Real estate was the first sector to join retail in Group's activity. In 2002, its Mane TCI (now Balfin Construction) started to develop and build residential, commercial, and industrial buildings in Albania and Austria.

The next milestone was QTU or the first shopping mall in Albania, in 2005. It completely transformed the consumer behavior and expectations in the country. The rewarding model was immediately replicated and three of the biggest shopping malls in the region are now owned by BALFIN Group.

Then Green Coast introduced elite tourism and gave new life to its surroundings with modern sustainable buildings and infrastructure.

The Group branched out into banking in 2019 with Tirana Bank. The first private bank in Albania received a boost and has recorded the fastest growth of the sector in the country.

In 2023, the Group entered in the United States market with a real estate investment.

Companies of BALFIN Group in transportation and logistics move goods across all continents, in partnership with world giants of maritime and land transport. The cycle is complete with storage and customs clearing services, a well as order delivery at the designated destination.

BALFIN Group's portfolio encompasses real estate, wholesale and retail, banking, asset management, hospitality, and logistics.
It is a trustworthy and permanent partner of domestic and international organizations, such as global leaders of consumer electronics, well-known supermarket chains, prestigious development, and construction studios, as well as international financial institutions.

More than 5,000 employees are its driving force, belonging to an environment that enables all individuals to express the best of their abilities, with the highest standards of business and ethics. The economic development and employment generated by BALFIN Group, along with its social engagement are making a tangible impact benefitting the community.

1993 | 2002 | 2005 | 2007 | 2008 | 2009 | 2011 | 2012 | 2013 | 2014

30 YEARS OF BUSINESS INNOVATIONS

In three decades of history, several business innovations have helped BALFIN Group retain focus of its objective to challenge the status quo.

The daring idea of a shopping mall in Albania was the first big bet. In a time of numerous little units dispersed in every corner and selling all kind of things, QTU was built and invited Albanians to shop differently. Almost any personal or family need is now met at a shopping mall.

The evolution of this idea is the retail park, meaning brands of quality at affordable prices, common public spaces, and green areas – all strategically positioned just outside the city.

In a similar manner, the first supermarket chain – Euromax – was introduced by BALFIN Group in Albania. Families started to refer to its stores all over the country as a benchmark of quality and attractive products.

Real estate counts for another couple of solid novelties. Univers City is the perfect representation of a newly created community, complete with high standards infrastructure, recreation opportunities and services. And what is more important, care for the environment is crucial to BALFIN Group's real estate industry, as in the case of shopping malls that use natural lighting and ventilating or water preservation and plant transplantation in tourism facilities. At the same time, the Green Coast beach in Palasa is a first in Albania to receive the Blue Flag certification from the Foundation for Environmental Education.

These will be followed by other innovations in the spirit of BALFIN Group trying to break new ground in technology and business.

2015: GREEN COAST – Fountain of Life

2016: SPAR

2017: EAST GATE; TH&B Immo GmbH; STELLA MARE

2018: BALFIN AUSTRIA; BALFIN REAL ESTATE

2019: TIRANA BANK; haPPy

2020: 137 LIVING GmbH; ON Solutions; retail park

2021: RH Ligeni; BELVEDERE KORÇA; M Gallery Hotel Collection; UNIVERS CITY

2022: VLORA MARINA; WestPark; BALFIN DEVELOPMENT

2023: BALFIN Americas; GO GREEN; BALFIN ASSET MANAGEMENT & HOSPITALITY

CORPORATE CULTURE

BALFIN Group is an organization that aims to create comfortable ground for economies, businesses and people to grow and perform better. We invest in innovation, outstanding service, and the highest ethical and business standards. Through our sustainable operations, we create value for our shareholders and communities.

VISION

BALFIN Group invests in new ideas, explores new opportunities, and builds a better future for the communities where it is present.

MISSION

BALFIN Group builds strong companies, endows innovation, creates equal opportunities for people, and makes a positive impact on society.

OUR VALUES

BALFIN Group's values are an integral part of the organization so that all our employees, can work and succeed together. BALFIN Group takes corporate culture and values to heart, and we believe that the way we achieve results is of the same importance as the results themselves.

ACCOUNTABILITY

Ethics drives us

We practice the highest business standards in transparent and ethical way. We treat our employees, our partners, and our customers with regard, dignity, honesty, and impartiality. We recognize high performance and encourage the exchange of ideas.

PARTNERSHIP

We achieve together

We provide expertise, professionalism and capital to our partnerships, as we believe that trustful relationships are a solid foundation to success. Within our Group, we create synergy of experiences and best practices.

INNOVATION

We move forward

We challenge conventional views and drive innovation, from within us and in cooperation with other parties. We stay relevant by upgrading and improving what we do best.

CONSIDERATION

We are responsible

We invest in businesses that create opportunities for economies and societies, and at the same time help communities.

TEAMWORK

We work together

We encourage employees to work together as a team, share ideas, leverage each-other strengths and improve from the experience of other colleagues.

CORPORATE GOVERNANCE

BALFIN Group complies with corporate governance procedures, laws, and regulations applicable in all countries where it operates, as well as with its Code of Ethics and Professional Conduct.

At BALFIN Group, good corporate governance is not simply about adherence to a set of recommendations and proposals. It ensures that our processes, procedures, and policies are implemented according to the principles of transparency and accountability. We will continue to pay special attention to all corporate governance developments, promoting objectivity, transparency, and accountability, in compliance with our values and vision.

CORPORATE GOVERNANCE FRAMEWORK

The Corporate Governance Framework summarizes the concrete principles and guidelines designed for result-oriented performance and ethical behavior towards business partners, employees, and community, to ensure active and efficient management within the Group. BALFIN Group relies on:

- Comprehensive and Objective Business Ethics;
- Aligned Business Goals;
- Strategic Management;
- Efficient Administration;
- Disclosure, transparency and accountability;
- Innovation and continuous development;
- Compliance with laws and regulations in force and BALFIN Group's "Code of Ethics and Professional Conduct";
- Effective Human Resources Management.

These standards are implemented in conjunction with existing programs, in order to stand for accountable corporate management and long-term value creation at BALFIN Group.

GOVERNANCE BODIES

BALFIN Group has the following decision-making bodies:

- PRESIDENT OF BALFIN GROUP
- CEO OF BALFIN GROUP AND CHAIRPERSON OF GROUP MANAGEMENT BOARD
- GROUP MANAGEMENT BOARD
- VICE PRESIDENTS
- CEOs OF GROUP COMPANIES
- BALFIN GROUP DIRECTORS

PRESIDENT OF BALFIN GROUP

The highest governing body is the **Shareholder**, who is also the **President of BALFIN Group.** The President holds key decision-making authority in strategic activities of the Group and investment decisions above a required threshold. Additionally, BALFIN Group's Shareholder and President is responsible and in charge of the appointment of the Group's CEO and Group Management Board's Chair, as well as Board Members.

GROUP MANAGEMENT BOARD (GMB)

The Board is in charge of approving and authorizing major investments in new projects or business acquisitions, and proposing the sale, closure, or divestment from existing companies, subsidiaries, or joint ventures. Additionally, the Board stipulates, improves, and executes the Group Strategy and reports to the shareholder about the progress.
The Board is responsible for preparing the strategy implementation plan, approving Group Policies, Group companies' respective budgets, and their long-term strategy.
The Board monitors the Group's Financial Performance, therefore, carrying out the required measures to align with the Group Strategy.
BALFIN Group's CEO, VP-s, and CFO are automatically eligible to be appointed as members of the Board. Other persons, internal or external to the Group, might be elected to be part of the Group Management Board, based on their background, expertise, skills, and experience.

As of 31 December 2023, the composition of the Group Management Board is as follows:

- **Edlira Muka** – Chief Executive Officer of BALFIN Group and Chairwoman of GMB
- **Steven Grunerud** – Vice President of BALFIN Group for Strategy Development
- **Julian Mane** – Vice President of BALFIN Group for Retail
- **Ardiana Sokoli** – Vice President of BALFIN Group for Real Estate
- **Ervin Kajno** – Chief Projects Officer of BALFIN Group
- **Arsim Papraniku** – Board Member
- **Blerina Daka** – Chief Financial Officer of BALFIN Group

Blerina Daka
Chief Financial Officer of BALFIN Group

Ervin Kajno
Chief Projects Officer of BALFIN Group

Steven Grunerud
Vice President of BALFIN Group for Strategy Development

Edlira Muka
Chief Executive Officer of BALFIN Group and Chairwoman of GMB

Ardiana Sokoli
Vice President of BALFIN Group for Real Estate

Julian Mane
Vice President of BALFIN Group for Retail

Arsim Papraniku
Board Member

Composition of the Group Management Board

Internal organizational structure

The GMB's meetings are convened at least 9 (nine) times per year, by its Chairperson or, should the Chairperson be absent, by the Vice-Chairperson. In addition, any Board member may submit a request for a meeting to be convened.

In order to facilitate the oversight functions of the CEO and GMB, the Board has delegated several tasks and assignments related to support and operation matters to Committees such as Human Resources Committee, Information Technology Committee, MKT and Communications Committee, Audit Committee, Information Security Committee, Digital Transformation Committee and Project Management Committee.

In 2023, the GMB held 11 meetings to execute its own competencies and shape the Group dynamics to enhance business performance.

BALFIN Group Directors

BALFIN Group Directors head the major functions at Group level. Each function establishes key policies and guidelines in their fields of operations and is responsible for providing overall guidance to all Group companies and supervising their performance.

BALFIN Group has the following main function units: Human Resources, Corporate Communications, Corporate Finance, Legal, Information Systems, Internal Audit, Corporate Projects, and Transformation.

EXECUTIVE LEADERSHIP TEAM (ELT)

Another important body is the Executive Leadership Team (ELT), composed of all GMB members, CEOs of the Group's companies and Group Directors. ELT's main goal is to provide its members – at the same time the upper management of BALFIN Group – with an internal platform for them to share and discuss strategic actions, new initiatives, synergies within own companies, as well as to identify risks and prepare mitigating measures. ELT does not have executive functions.

BALFIN Group Committees

In order to facilitate the oversight functions of the CEO and GMB, the Board has delegated several tasks and assignments linked to the support and operation of practical matters to Committees. Composed of high-level representatives from companies of the Group, the committees gather periodically and whenever deemed necessary, to evaluate, propose and redirect Group functions and policies.

HUMAN RESOURCES COMMITTEE (HRC)

The HRC is a key leadership Committee that aims to set aligned Group HR philosophy, strategies, policies, processes, practices, and programs, which contribute to the achievement of the Group's business objectives. The primary responsibility of the committee is to introduce, implement, and review Human Resources strategies within BALFIN Group.

COMMUNICATIONS AND MARKETING COMMITTEE (CMC)

CMC introduces, coordinates, and supports joint initiatives and activities among BALFIN Group and/or Group's Companies to foster reputation and brand values. It supports the Group's CEO and GMB in setting aligned Group strategies, policies, and procedures related to marketing and communications.

IT COMMITTEE (ITC)

The ITC purpose is to provide oversight and guidance to the Group IT function, ensuring it aligns with the strategic goals and priorities of the Group. IT Governance is also addressed by the ITC, to provide a strategic approach and review IT investments on behalf of the Board.

AUDIT COMMITTEE (AC)

The purpose of the Audit Committee (AC) is the protection of the shareholders' interests. The Audit Committee supports the Group Management Board in reviewing the accuracy of performance reports, assessment of compliance with legal and regulatory requirements, compliance with internal procedures and Group standards, evaluation, and specification of the actions to be taken in cases of incompatibility identified from the Group's Internal Audit. The AC is also responsible for monitoring the performance and independence of BALFIN Group's Internal Audit department.

PROJECT MANAGEMENT COMMITTEE (PMC)

The PMC recommends necessary solutions to any project related issues, creating the register of project proposals, setting project management standards, identifying the needs for support and coordination between the departments responsible for each project, increasing efficiency for project drafting and implementation, and identifying, analyzing and providing recommendations for various business research and development opportunities.

INFORMATION SECURITY COMMITTEE

The Information Security Committee proposes recommendations to Group Management Board regarding the strategy of information security and initiatives that need to be undertaken by the Group. The Committee also coordinates the information security program.

DIGITAL TRANSFORMATION COMMITTEE

The purpose of the Digital Transformation Committee is to propose to BALFIN Group Management Board initiatives that lead the Group toward digital transformation. It monitors the actual technological status of the Group and suggests ways of implementing the Digital Transformation Strategy.

GROUP COMPANIES

BALFIN Group companies are enlisted below:

No	Name	Registered in	Equity %
RETAIL			
1	**Fashion Group Albania sh.p.k**	Albania	100%
2	**Kid Zone sh.p.k**	Albania	90%
3	**Kid Zone Kosova Sh.p.k**	Kosovo	55%
4	**Kid Zone d.o.o**	Bosnia & Hercegovina	90%
5	**Kid Zone d.o.o**	Montenegro	90%
6	**Neptun sh.p.k**	Albania	90%
7	**Neptun Kosova**	Kosovo	60%
8	**Neptun Makedonija DOO**	North Macedonia	60% (indirect)
9	**Neptun d.o.o**	Bosnia & Hercegovina	60%
10	**SPAR Albania sh.p.k**	Albania	100%
11	**Alba Distribution sh.p.k**	Albania	100%
12	**Alba-Trade Handels Ges.m.b.h.**	Austria	100%
REAL ESTATE			
13	**Balfin Real Estate & Hospitality**	Albania	100%
14	**Belevedere Korca**	Albania	50%
15	**East Gate Living**	North Macedonia	60% (indirect)
16	**East Gate Mall**	North Macedonia	60% (indirect)
17	**Elite Urban Development**	Albania	100%
18	**Green Coast sh.p.k**	Albania	100%
19	**Mane TCI sh.p.k (Balfin Construction)**	Albania	100%
20	**Mane Development (Balfin Development)**	Albania	100%
21	**PJ 137 Living GmbH**	Austria	100% (indirect)
22	**Qendra Tregtare Univers sh.p.k**	Albania	100%

No	Name	Registered in	Equity %
23	**Retail Park sh.p.k**	Albania	100%
24	**Rolling Hills Liqeni**	Albania	100%
25	**Skopje East Gate SEG DOO**	North Macedonia	60% (indirect)
26	**TH&B Immo GmbH**	Austria	67% (indirect)
27	**Tirana East Gate sh.p.k**	Albania	88%
28	**Tirana Logistic Park sh.p.k**	Albania	100%
29	**Balfin Americas LLC**	USA	90%
30	**Austria WML Gmbh**	Austria	100%
BANKING			
31	**Tirana Bank sh.a.**	Albania	100%
SERVICES			
32	**ACREM sh.p.k**	Albania	100%
33	**Balfin Asset Management**	Albania	100%
34	**Balfin Hospitality**	Albania	100% (indirect)
35	**Elektro Service sh.p.k**	Albania	90%
36	**Elektro Service Kosova**	Kosovo	60% (indirect)
37	**Milšped Albania sh.p.k**	Albania	50%
38	**Stella Mare sh.p.k**	Albania	50%
39	**Service Makedonija DOO**	North Macedonia	60% (indirect)
40	**I2I-145 Aircraft Maintenance**	Albania	50%
EDUCATION			
41	**Tirana Busines University sh.p.k**	Albania	60%
RENEWABLE ENERGY			
42	**Go Green**	Albania	100%
43	**Wind Stream**	Albania	33%
OTHER			
44	**Balfin sh.p.k**	Albania	100%
45	**Nep Loyalty**	North Macedonia	60% (indirect)
46	**On Solutions**	Albania	100%

The list excludes companies created for special purposes, such as holding entities or special purpose entities yet to be developed. These entities do not contribute to the overall consolidated performance of BALFIN Group. The comprehensive list is presented in the published consolidated financial reports for the year 2023.

YEAR HIGHLIGHTS

RETAIL

2023 was a stable year for the retail sector. Notably, the electronics sub-sector surpassed €200 million in Net Turnover, while the supermarket chain approached €100 million in Net Turnover, operating solely in Albania.

These significant milestones are the result of a persistent strategy of organic growth, market share expansion, market penetration through new stores, and continuous cost optimization.

The retail sector remains a cornerstone of the Group's activities, with objectives to explore new markets through existing industries or emerging opportunities.

REAL ESTATE

2023 saw the construction of the Green Coast Village project begin, reflecting the impact of our new business model. The Group, acting as both landowner and commissioner, recognized substantial income from the land exchange contract with the taxing unit, particularly in projects such as Green Coast Village, Univers City, Porto Lalzi, and Turquoise Marina.

Meanwhile, other construction projects, including EGL, PJ Living, and Belvedere Korça, completed the majority of their construction phases. Concurrently, the construction of the Mgallery Hotel, part of Green Coast, marked considerable progress.

It is also worth noting that the Group initiated investments in the USA this year, primarily in the construction and operation of asset management, starting with two initial projects. These projects are expected to complete their construction phases and begin operations by 2025, marking a significant intercontinental expansion of this industry.

BANKING

The Central Bank of Albania kept an unchanged target interest rate – the repo rate – at 3.25% in Q4. The Supervisory Council deemed that the elevated inflationary pressures from the domestic economy remain a risk factor for price stability in Albania. During last year, interest rates continued to increase for both lending and deposits. Under these conditions, the banking sector was operating at profit through the fiscal year 2023.

Tirana Bank marked a significant milestone by reaching a record net profit of 17.8 million euro. All financial parameters showed double-digit growth in terms of loan portfolio, customer deposits, investments in securities, and at the same time the level of non-performing loan remained stable, with a slight increase compared to the prior year.

KEY PERFORMANCE INDICATORS

Consolidated Revenue
EUR 674 million
Change: +23%

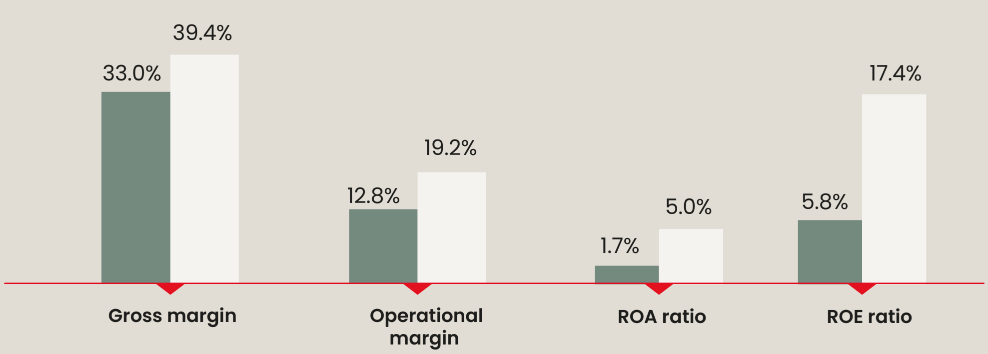
Consolidated Net Profit
EUR 89 million
Change: +5.8x

Consolidated EBITDA
EUR 141 million
Change: +122%.

Debt to Equity
2.42x

Net Debt / EBITDA
0.49x

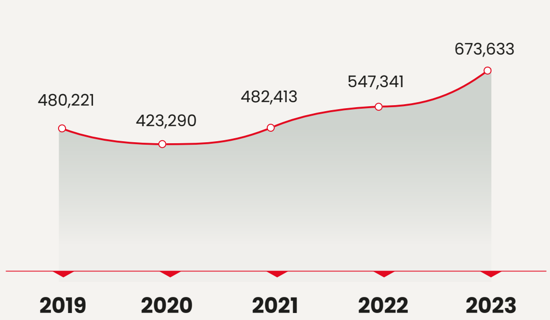
PROFITABILITY RATIOS



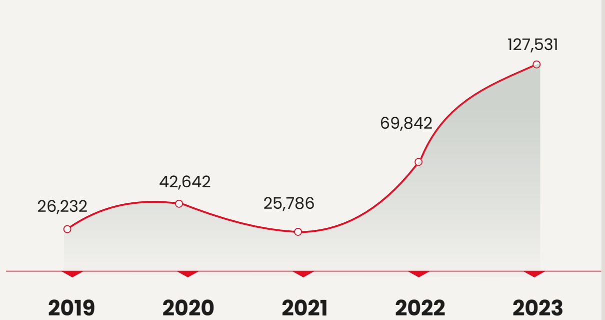
EUR '000	2019	2021	2020	2022	2023
CONSOLIDATED INCOME STATEMENT					
TOTAL REVENUE	480,221	482,413	423,290	547,341	673,633
OPERATING PROFIT	26,232	25,786	42,642	69,842	127,531
EBITDA	95,569	56,605	86,823	63,564	141,351
PROFIT OF THE YEAR	52,938	24,267	30,405	13,018	88,759
PROFIT ATTRIBUTABLE TO SHAREHOLDER	48,480	15,845	35,409	13,723	88,158

EUR '000	2019	2020	2021	2022	2023
CONSOLIDATED BALANCE SHEET					
TOTAL ASSETS	1,276,412	1,355,226	1,513,825	1,575,871	1,999,050
TOTAL LIABILITIES	901,005	947,926	1,079,141	1,122,872	1,415,447
TOTAL EQUITY	375,407	407,300	434,684	452,999	583,603
EQUITY ATTRIBUTABLE TO PARENT	338,457	379,022	404,256	424,289	557,367

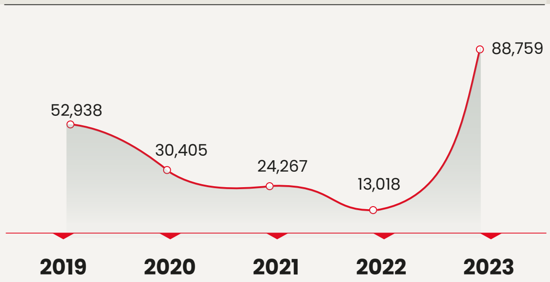
CONSOLIDATED REVENUE



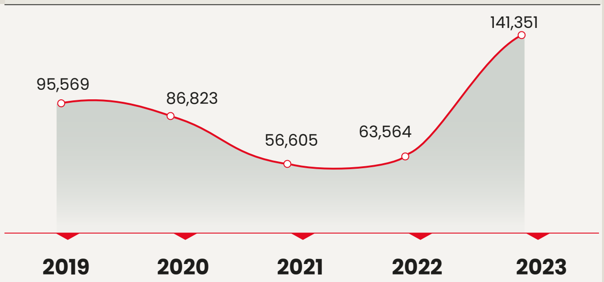
OPERATING PROFIT BY YEARS



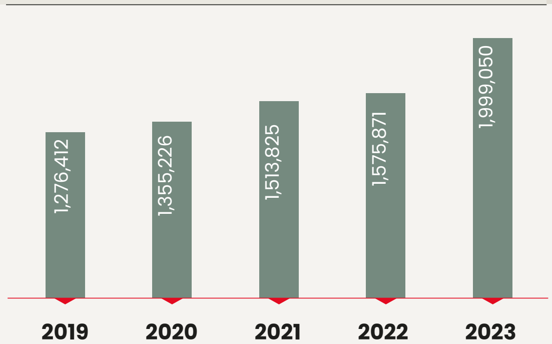
PROFIT FOR THE YEAR



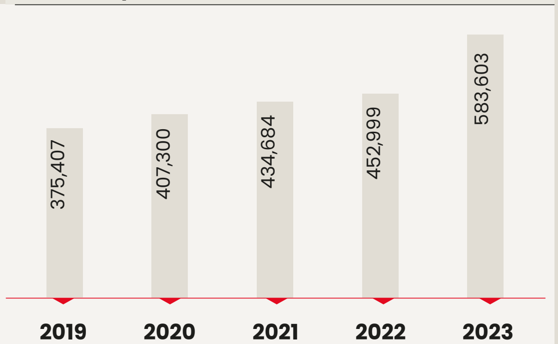
EBITDA BY YEARS



TOTAL ASSETS



TOTAL EQUITY



2023
A YEAR MARKED BY ECONOMIC UNCERTAINTY

The year 2023 was accompanied by significant macroeconomic uncertainty, a consequence of war in Ukraine and political-economic unrest. The financial regulatory institutions continued their tightening macroeconomic policy. In almost all the countries where BALFIN Group operates, inflation at the beginning of the year reached a double-digit value. This directly affected the slowing down of the economic growth. The increase of repo interest rates from regulatory authorities continued throughout 2023, as an instrument to keep inflation under control.

The banking sector of BALFIN Group achieved a record income due to the increase in interest rates. Inflation deeply affected basic products, causing a significant impact on the retail sector and affecting the economic situation of families. Yet the retail sector of BALFIN Group saw growth in part due to expansion and increase in the number of stores.

Conversely, inflation directly affected the cost of construction materials, significantly increasing prices in the real estate sector. However, the demand for residential units did not slow down, but rather increased, especially in Albania and North Macedonia.

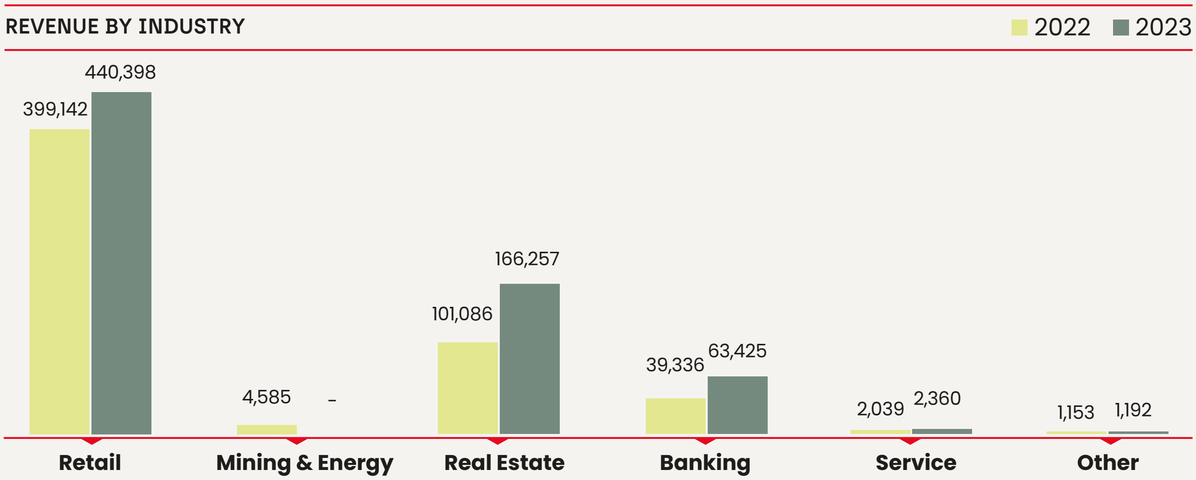
INCOME STATEMENT

In 2023, BALFIN Group's turnover amounted to EUR 674 million, representing an increase of 23% or EUR 126 million compared to the previous year.

Group generates 65% of its revenues from retail sector (2022: 73%), followed by real estate with 25% (2022: 19%), Banking and other sectors generate almost 9% (2022: 8%).

The increase in revenue vs. 2022 is generated mostly from real estate activity. Banking industry has an impact too, with a growth by 61% higher compared to 2022.

REVENUE BY INDUSTRY



Consolidated net profit, reaching EUR 89 million in 2023, BALFIN Group intends to reinvest constant financial returns for the next few years, in order to further increase portfolio diversification and expansion in international markets.

Net profit increased by 5.8x compared to 2022, such performance was impacted by the increase in Real Estate and Banking.

FINANCIAL POSITION

At of the end of 2023, BALFIN Group's total assets rose to EUR 2 billion with a 27% growth compared to the previous year. Main inputs came mainly from the increase of loan portfolio by 18% at Tirana Bank and the increase of financial assets by 30%, where both were supported by an increase in current and term deposits by more than 20%. Additionally, all other sectors showed an increase in total assets.

Another main contributor to total assets is capital expenditures in real estate. During the year 2023, these expenditures reached approx. EUR 74 million (VAT included), where the main investments are as follows:

Additional investments of approx. **EUR 21 million** for the construction of **Green Coast Resort in Palasa**

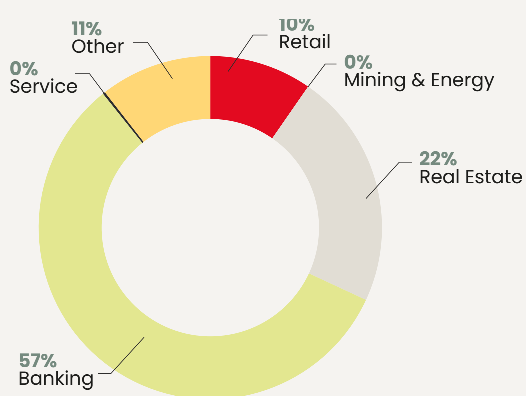
Green Coast Hotel **6.7 million** of total investmet in 2023

Mane TCI (or Balfin Construction) approx. investments **4.7 million** investment where the major part is for **Rolling Hills project.**

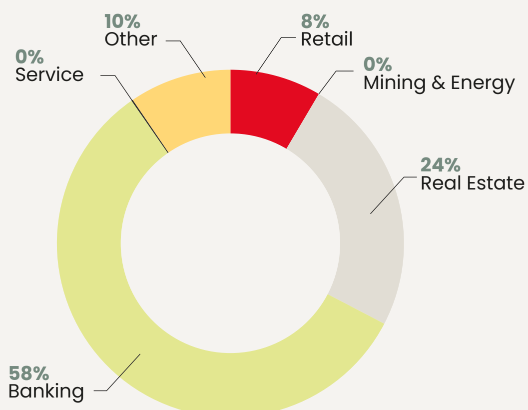
Bellevedere Korca approx. **EUR 4.6 million** for construction and designing costs.

Total Assets by Industry in Percentage

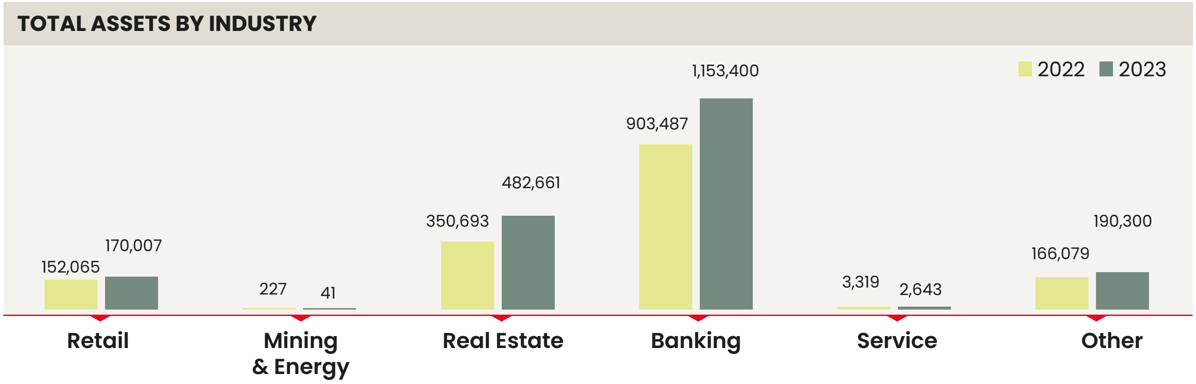
TOTAL ASSETS 2022



TOTAL ASSETS 2023



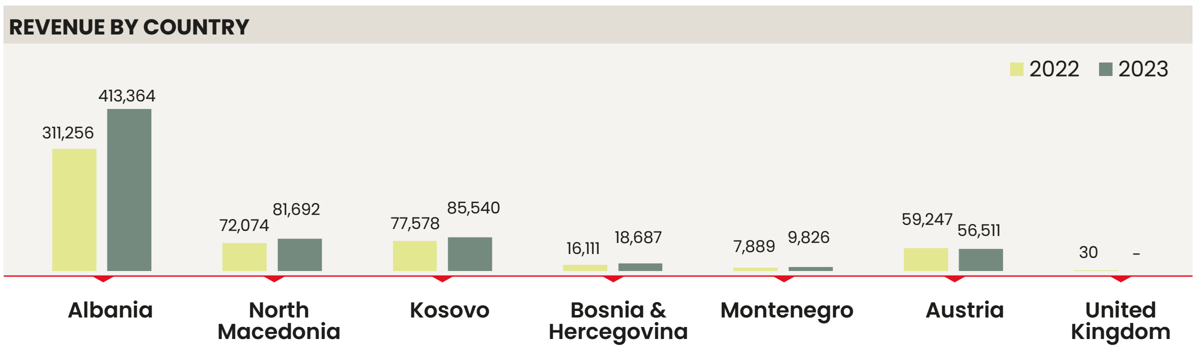
Total Assets by Industry in Values



Performance by Location

All figures presented below are consolidated, unless otherwise stated.

Total Revenues are 22% higher than last year, where the domestic revenues occupy a larger percentage compared to last year. From 57% of total revenues in the last year, this year domestic revenues have a larger percentage of 62%.

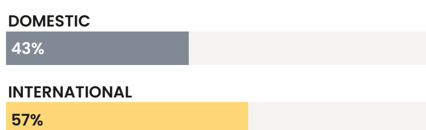


Domestic

In 2023, BALFIN Group's revenue in Albania increased by 33% with 102 mio Euro higher. Such performance is mainly related to retail performance.

International

International countries' revenue increased by 8% in 2023 with Euro 19.3 million higher. The main contributors' states in revenues are Kosovo and North Macedonia. In terms of operating profit, international companies occupy 8% or Euro 9.6 million and domestic ones occupy 92% or Euro 118 million operating profits.



MERGERS & ACQUISITIONS 2023

Balfin Americas: Balfin Americas is a strategic investment vehicle that plays a role in BALFIN Group's expansion strategy in the US. This company is registered in Delaware and BALFIN Group holds 90% of the shares. The very first project is 790 East 151st LLC The SPV is created in 2023 and is owned 50% by Balfin Americas.

Austria WML Gmbh is a new SPV in Vienna, created to develop real estate projects for sale. It is owned 100% by Balfin Holding.

Neptun Bosnia, is established in Bosnia and Herzegovina, by marking the fourth country for current Neptun International Network operating already in Albania, North Macedonia and Kosovo

I2I-145 Aircraft Maintenance – The new company provides aircraft maintenance services including base maintenance and systems and fuselage lines to aircraft, aircraft ground assistance, modifications, installations of the electronic and electrical system, structural works, engine maintenance, component maintenance, paint and polishing, interior renovation, pre-purchase inspections, aircraft weighing, aircraft modifications, structural repairs, etc. Balfin is involved in a joint venture project by owning 50% of shares.

Tirana Business University -BALFIN Group becomes the majority shareholder of Tirana Business University College (TBU), increasing its share quota to 60% in 2023. The increasing share participation of BALFIN Group represents new opportunities for students who have completed their high school studies and plan to start the university studies, as well as for students who are in pursuit of a profession, career development, or a new career. New programs will be introduced before long which shall be developed based on the labor market demands in the private sector.

SALES IN 2023

Scan TV
On October 2023, the Group sold all the SCAN TV shares that it owned.

Balfintech AG
In May 2023, the Group sold all the shares of joint venture entity to the other partner (50% of shares).

ITD Shpk
On September 2023, BALFIN Group sold all the shares it owned from ITD Shpk (49%) in favor of Investment Joti - Infosoft Group.

INDUSTRY PERFORMANCE OVERVIEW

BALFIN Group's business model is based on value creation through operational and financial synergies between its business units. Free working capital generated by the Group's overall activities, together with its access to different capital markets and funds provided by strategic and financial partnerships, enable the financing of its investment projects in these key industries: Wholesale and Retail, Real Estate, Asset Management, Banking, Renewable Energy, and Services.

RETAIL

BALFIN Group is a pioneer in the creation of retail chains by proposing quality brands and products at the best prices. The Group's retail activities are concentrated in consumer electronics, fashion, food, department stores, etc.

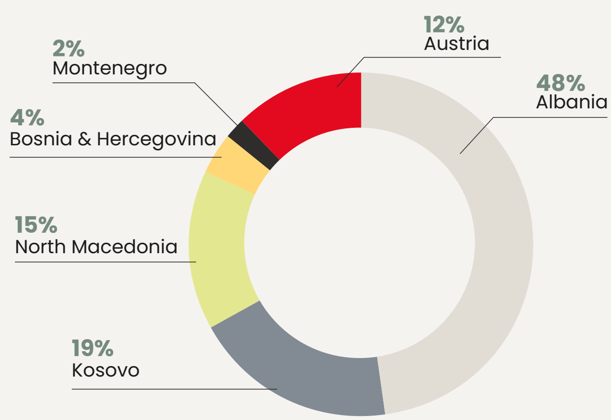
For almost three decades, BALFIN Group has shown its capacities in managing and growing in the retail sector in the Western Balkans. Today, BALFIN Group is one of the most influential groups in the retail industry operating in Albania, Kosovo, North Macedonia, Montenegro, and Bosnia and Herzegovina with its 211 stores, 73% of which are located in Albania.

Total retail area	159,824 m^2
No of stores	211
Employees	3170

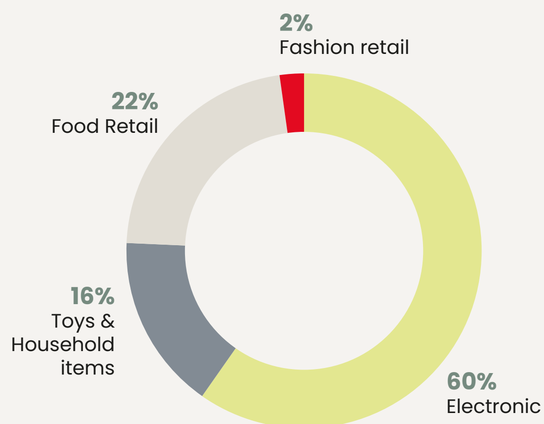
The total consolidated assets as of 31 December 2023, amount to EUR 170 million (2022: EUR 152 million).

Consolidated revenues of the retail sector are 10% higher compared to the previous year, equal to EUR 441 million, due to business growth through expansion and organic growth.

SALES BY LOCATION 2023



SALES BY SECTOR 2023



Neptun International stands as the main contributor, generating 48% of total retail sales, followed by food retail (SPAR) with 22%, Kid Zone Network with 16%, and Fashion Group Albania with 2%.

NEPTUN INTERNATIONAL

NEPTUN

Neptun International is the leading retailer of consumer electronics and home appliances in the Western Balkans. It is present in three countries – Albania, Kosovo, and North Macedonia – leading the sale of consumer electronics in these markets. With almost 30 years of experience in the field, Neptun is continuously building strong and long-term partnerships with leading manufacturers worldwide, bringing the latest tech products to its markets and offering integrated and reliable solutions to customers. Neptun International owns the largest number of stores in each participating market.

During the fiscal year 2023, revenues reached EUR 212 million representing 10% growth. While net profit decreased by 10%, reaching EUR 36 million.

EUR million	2023	2022	2021
CONSOLIDATED REVENUE			
Neptun AL	77.4	70.1	63.0
Neptun KS	69	62.5	56.4
Neptun MKD	65.7	61.1	63.6
Total	**212.2**	**193.7**	**183.0**

FACTS & FIGURES

PRESENT IN
68 cities
IN 3 COUNTRIES

86
STORES

1022
NEPTUN EMPLOYEES

MORE THAN
7,600
TYPES OF PRODUCTS

52,360 m²
RETAIL AREA, OUT OF WHICH 3873 m² WERE ADDED DURING 2023.

SERVES MORE THAN
1.2 million
CUSTOMERS ANNUALLY.

KID ZONE NETWORK

Kid Zone is the official franchise operator of Jumbo in Albania (since 2011), Kosovo (since 2014), Bosnia and Herzegovina (since 2017), and Montenegro (since 2019). Kid Zone is in continuous expansion in the Western Balkans countries and even further.

Jumbo is a household brand for all demographics because of its wide range of over 40,000 products that includes: a vast variety of toys for all ages and preferences, home items, stationery, seasonal products, decoration, etc., enable customers of all ages and backgrounds to experience every season, trend, desire, or hobby in one place.

Consolidated revenue for 2023 reached approx. EUR 70 million, with a 17% increase from the previous year. In terms of net profit, Kid Zone Network reached EUR 14.4 million, accounting for a 4% increase from 2022 at a consistent currency value.

EUR million	2023	2022	2021
CONSOLIDATED REVENUE			
Kid Zone AL	25.6	21.5	20.3
Kid Zone KS	16.2	14.7	15.2
Kid Zone BiH	18.7	16.1	15.3
Kid Zone MNE	9.8	7.9	6.0
Total	**70.3**	**60.2**	**56.8**

FACTS & FIGURES

24 stores
IN 4 COUNTRIES

820
EMPLOYEES

45,777 m^2
COMMERCIAL AREA OUT OF WHICH 4,900 m^2 WERE ADDED DURING 2023.

40,000
PRODUCTS

MORE THAN
1.2 million
ONLINE VISITORS A YEAR

16,980
DAILY VISITORS AT STORES

FOOD RETAIL

In 2016, BALFIN Group became the official SPAR International representative in Albania, setting new standards and introducing the hypermarket concept.

The supermarket chain of SPAR Albania is expanding through new openings, but also through sub franchise, continuing to improve offers and services in store and online. SPAR Albania can be considered a pioneer of transformation in the digitalization of online sales processes, as part of one of the industries with the highest demand.

SPAR Albania remains focused on its vision of being the first-choice brand in the communities it serves and continues to adapt and evolve to assist retailers in addressing the ever-changing needs of consumers. Thanks to the variety of items, with approximately 40,000 products, lower prices, and ultimate storage conditions, SPAR Albania enables customers to live better and spend less.

During 2023, SPAR Albania has delivered robust results with turnover increasing by 26% to EUR 97 million and a net profit of EUR 5 million, a 18% increase from the previous year.

FACTS & FIGURES

81 stores
IN 31 CITIES

991
EMPLOYEES

59,136 m²
RETAIL AREA, OUT OF WHICH 5,184 m² WERE ADDED DURING 2023.

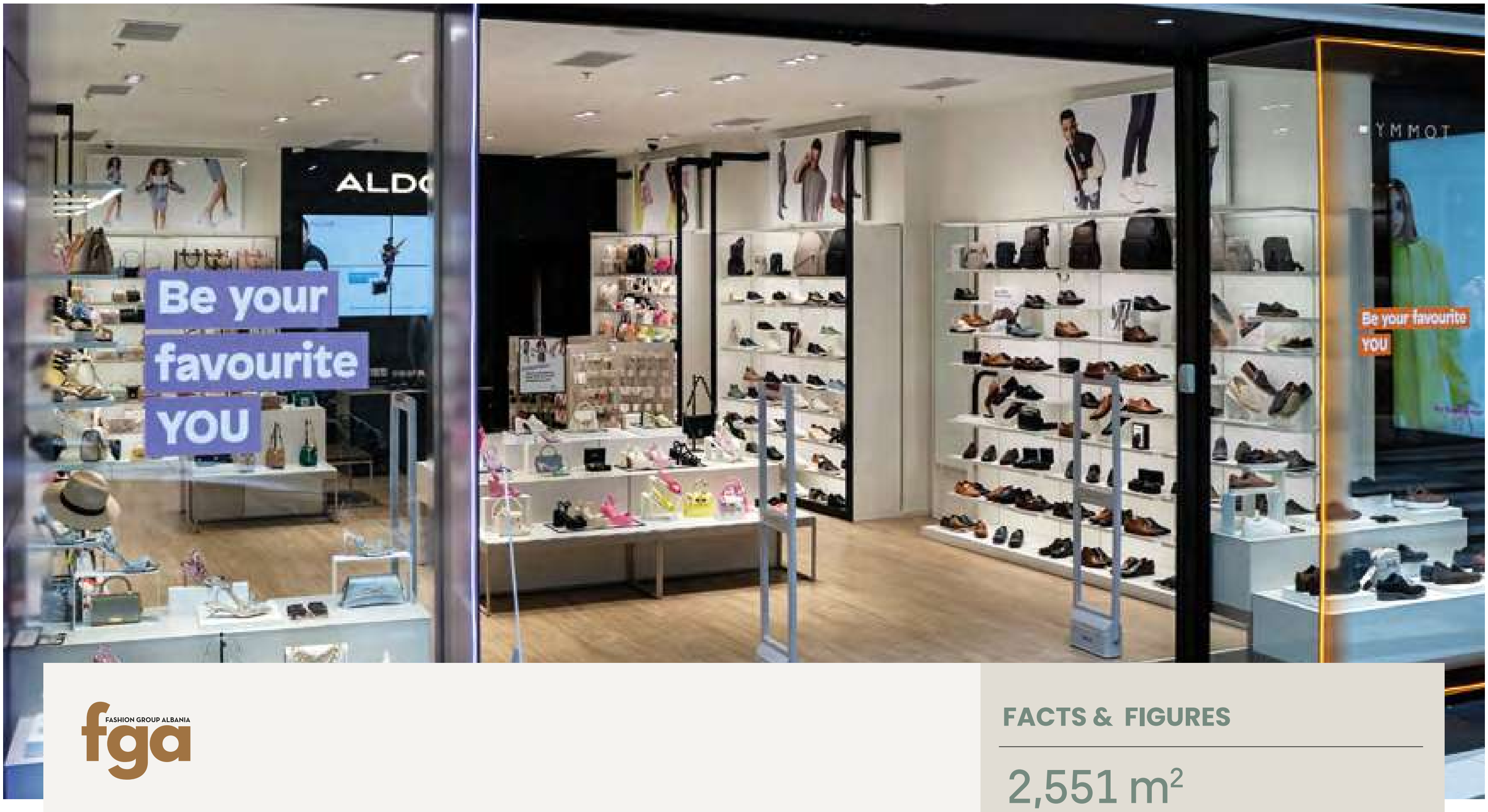
8 new
SUPERMARKETS IN 2023

731 m²
AVERAGE STORE SIZE

€ 3,818
AVERAGE ANNUAL RETAIL SALES PER M²

MORE THAN
32,000
DAILY CUSTOMERS

FASHION RETAIL



fga FASHION GROUP ALBANIA

Fashion Group Albania ("FGA"), established in 2005, is the first organized fashion retail group in Albania. With the aim of remodeling the industry in the Albanian market, FGA introduced for the first time the franchisee contract management in the country, also creating a new standard in terms of customer service in stores and online.

Fashion Group Albania is always looking to introduce new brands that are specifically chosen to suit the customer needs and to further develop the fashion retail industry in the market.

FGA has marked a significant increase in sales, especially after its digital transformation consolidated sales reached EUR 9.7 million, with an increase 1.5 million Euro from last year.

The top 3 brands of the year based on EBITDA were Mango, Okaidi and Springfield.

FACTS & FIGURES

2,551 m^2
RETAIL AREA

10 international
BRANDS

29,300
PRODUCTS

148
EMPLOYEES

235,000
YEARLY CUSTOMERS

REAL ESTATE

BALFIN Group holds a solid position as the most distinguished investor in the sector in the Western Balkans, investing in constructing and managing residential facilities, shopping malls, touristic residences, commercial buildings, as well as industrial spaces.

The real estate companies of BALFIN Group are perfectly equipped in technology and have qualified for relevant certifications from international organizations. These qualities are complemented by a multitude of business partners that further increase our belief in the progress of this sector.

2023 INVESTMENTS	**EUR 74 MILLION (VAT INCL.)**
BUILDING AREA	1.76 million m^2 completed and in process
EMPLOYEES	454

The real estate industry reported a consolidated net profit of EUR 57 million, 1.7x higher than the year 2022.

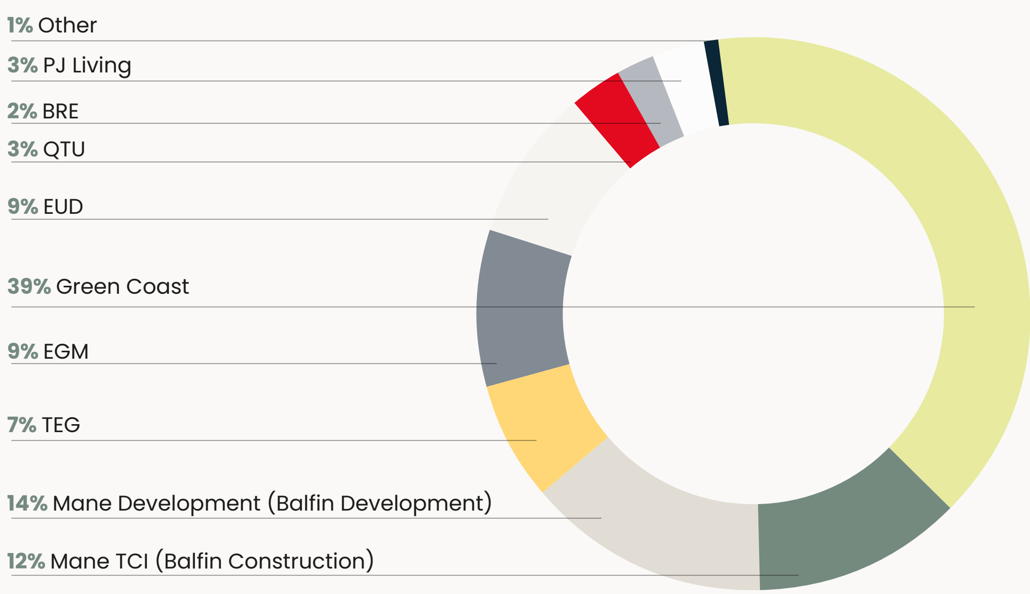
The balance sheet total grew from EUR 351 million at year-end 2022 to EUR 483 million at year-end 2023, mainly from investments in Green Coast, Mane TCI (Balfin Construction), TEG, East Gate Mall and QTU

The consolidated revenue had an increase of 64% compared to 2023 arriving at EUR 166 million. The real estate sector is heavily reliant on the cycle of construction, development, and sale of units that are part of construction projects. Projects such as Green Coast Village, EGL, Elite Urban Development, PJ Living 137 and Rolling Hills Liqeni are still under construction and the generation of revenues is foreseen after 2-5 years for the residences and offices.

EUR million	2023	2022	2021
CONSOLIDATED REVENUE			
Green Coast	65.1	47.3	39.4
Mane TCI (Balfin Construction)	19.3	24.7	10.9
East Gate Mall	15.5	10.7	4.5
Tirana East Gate	12.4	9.5	8.1
Qendra Tregtare Univers	4.4	4.8	4.4
Balfin Real Estate	3.1	2.1	1.4
EUD	15.1	-	-
PJ Living	5.6	-	-
Mane Development (Balfin Development)	23.5	1.1	-
Other companies	2.2	1[3]	1.1
Subtotal	**166.3**	**101**	**69.8**

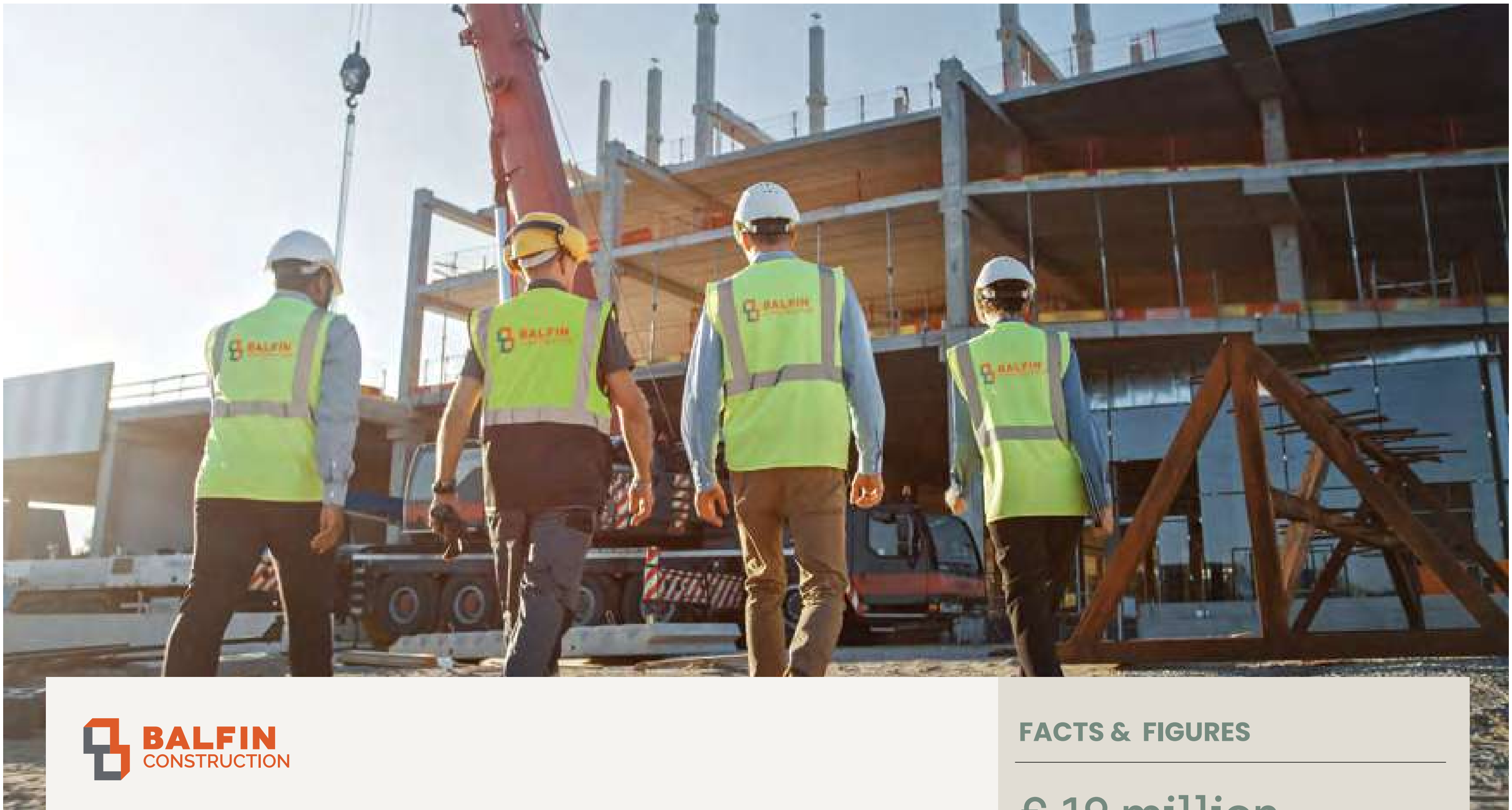
Top contributors in terms of revenue for 2023 are Green Coast (with 39% of real estate's consolidated revenue), Mane Development (Balfin Development) (14%) Mane TCI (Balfin Construction) (12%), EGM (9%) and TEG (7%).

SALES BY COMPANY



[3] *Main contributor Balfin Hospitality and Tirana Logistic Park*

MANE TCI (BALFIN CONSTRUCTION)



BALFIN CONSTRUCTION

Mane TCI is one of the leading companies in the construction, investment, and trade of developmental projects in Albania and the Balkan region. Since its foundation in 2002, Mane TCI has brought a novel concept in civil and industrial construction, improving the community's standards of living. The main projects carried out / supervised by Mane TCI are Univers Shopping Center (QTU), Tirana East Gate (TEG), Tirana Logistic Park, Rolling Hills Luxury Residences, Green Coast Resort and Residences, Vlora Marina – all considered to be innovative projects in the construction sector as well as of substantial impact on lifestyle.

Consolidated net profit is 22% lower because part of its activity, related with role of investiture was transferred at the year end 2022 to new company established, Mane Development.

During the year 2023, the main projects where Mane TCI was engaged were Green Coast 2, Rolling Hills 2, Belvedere Korca, Univers City, Colina Verde, Rolling Hills by the Lake, Tuga, MGallery Hotel and Vlora Marina.

FACTS & FIGURES

€ 19 million

CONSOLIDATED SALES IN 2023

€ 45 million

WORTH OF CONSTRUCTION WORKS IN 2023

€ 413 million

OF TOTAL COMPLETED PROJECTS (INCLUDING ITS OWN INVESTMENTS) IN MORE THAN 442,000 M² CONSTRUCTION AREA

MANE DEVELOPMENT (BALFIN DEVELOPMENT)

BALFIN DEVELOPMENT

Founded in 2022, Mane Development manages and develops construction investments offering managerial, technical and financial expertise. Mane Development has gathered specialized teams in management and construction of residential, commercial and industrial buildings, as well as shopping malls. In 2022 most of the revenues are generated as a commissioner in Turquoise and Porto Lalzi projects. Its current projects under management are: Green Coast, Rolling Hills B6, Vlora Marina, Univers City, Bellevedere Korca etc.

FACTS & FIGURES

€ 24 million
CONSOLIDATED REVENUES IN 2023

€ 9.9 million
CONSOLIDATED NET PROFIT IN 2023

114
NUMBER OF EMPLOYEES

GREEN COAST

Green Coast is a mega tourism investment in the Mediterranean that aims to place the Palasa region on the world tourism map. It includes 5 different projects which are being built on a 456,913 m^2 construction area. The total value of investment is evaluated at EUR 249 million.

Green Coast Village, MGallery Hotel, Elite Villas, and Green Coast 3 are other key investments in this area that will follow the success of Green Coast Resort and Residences. These projects will bring an additional investment of approximately EUR 130 million to this area, transforming Palasa into the south coastline's center.

GREEN COAST RESORT & RESIDENCES

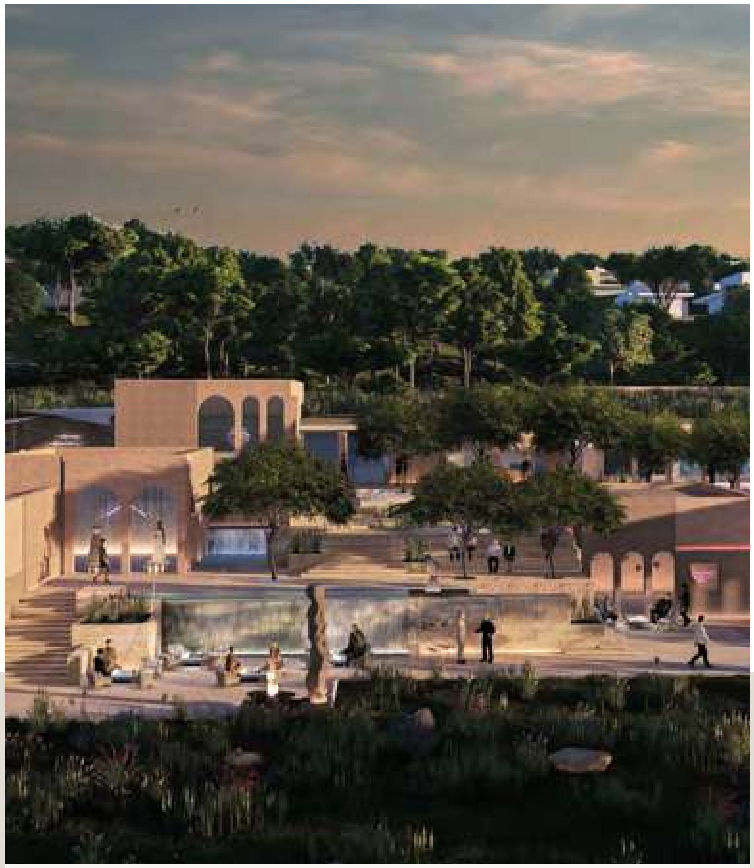
GREEN COAST
FOUNTAIN OF LIFE

Green Coast Resort & Residences is the elite vacation destination of the Albanian Riviera, located in Palasa. Green Coast Resort & Residences is the ideal place not only for vacation, but also for living. With a total estate of 234,454 m², the resort contains a variety of house typologies, varying from elite villas to apartments. This project that exceeds EUR 135 million is one of the largest tourism investments in Albania.

THE RESORT HAS FIRST QUALITY INFRASTRUCTURE AND TAKES PRIDE IN THE ALMOST ONE-KILOMETER PROMENADE COMPLETED ON BOTH SIDES BY DIFFERENT SERVICE UNITS.

GREEN COAST - MGALLERY

MGallery Hotel is one of the latest projects of BALFIN Group in the tourism industry in partnership with Accor. The hotel will offer a variety of spaces for visitors, such as a restaurant, lobby with exclusive views of the surrounding nature, executive club lounge, VIP club, banquet and conference hall, swimming pool, as well as a dedicated space in the beach area. The 118-room hotel located in Palasa, Albania will welcome the first visitors in April 2025. The total construction area is 16,379 m^2, accounting for a EUR 35 million investment, excluding VAT.



GREEN COAST VILLAGE

Green Coast Village is the newest and biggest tourism development in Albania, a panoramic park of mixed-use premium residence.

Green Coast Resort & Residences had a significant boost in sales, precisely EUR 23 million. During the year, the company delivered 81 units from all 4 phases to customers, since the project has generated most of the income during 2021 and 2022; obtained construction permit for Green Coast Village for plots and finalized contracts with 7 big investors in Green Coast Village and Green Coast 3 projects.

2023 Facts & Figures

2023 YTD

INVESTMENT

EUR 76 million investment realized YTD 2023 according to the projects:

100% OF TOTAL CONSTRUCTED AREA COMPLETED GREEN COAST RESORT & RESIDENCES, A TOTAL INVESTMENT OF
€ 135 million

33% OF TOTAL CONSTRUCTED AREA COMPLETED GREEN COAST HOTEL, A TOTAL INVESTMENT OF
€ 12 million

42% OF TOTAL CONSTRUCTED AREA COMPLETED GREEN COAST VILLAGE, A TOTAL INVESTMENT OF
€ 29 million

SALES

€ 151 million
SALES YTD 2023 GREEN COAST RESORT & RESIDENCES

519 units sold
YTD 2023 GREEN COAST RESORT & RESIDENCES

€ 55 million
SALES YTD 2023 GREEN COAST VILLAGE

187 units sold
YTD 2023 GREEN COAST VILLAGE

DURING 2023

INVESTMENT

€ 28 million
INVESTMENT IN 2023

TOTAL NUMBER OF UNITS

521 total units
OF PROJECT GREEN COAST RESORT & RESIDENCES

697 total units
OF PROJECT GREEN COAST VILLAGE

UNIVERS CITY

UNIVERS CITY

Univers City is a residential project, 10 minutes away from Tirana center. It offers different sports fields with professional parameters, exclusive for residents, green spaces and sports facilities with areas for walking, pedaling and playgrounds for children. Univers City has a physical noise barrier, anti-seismic structure and well-organized road infrastructure. It is designed for all people, for every need, including a public school and kindergarten, 24/7 security, commercial units and public transport, inside the complex. The project started the construction on 2022 and will deliver the first units to clients by mid-year 2024. The total investment cost is projected EUR 136 million. The construction of the Buildings 3 and 4 will be finished in 2024.

Development of the project is being carried out in collaboration with 10 other investors. BALFIN Group is in the role of landowner and investor for 4 building blocks. The respective company is named Elite Urban Development which serves as co-investor in the construction of the "Univers City" residential complex, as the owner of the land where this project is being developed.

FACTS & FIGURES

145,527 m^2
TOTAL PLOT AREA

3,126 units
OF PARKING

99,887 m^2
PARKING AREA

441,438 m^2
CONSTRUCTION AREA

ROLLING HILLS LIQENI

Rolling Hills Liqeni is one of the latest projects conceived for a modern lifestyle and high living standards. The project is located by the Lake of Farkë in Tirana, and it is envisioned as a park by the lake, with a magnificent "piazza" for community gatherings. The villas and apartments are of premium design and will offer the highest construction quality to date.

The estate of 300,000 m² is projected to have an investment cost of EUR 162 million and is expected to be completed within 2028.

BELVEDERE KORÇA

Belvedere Korça is a complex of the latest construction technology, inspired by the civic villas of Korça of the '20 – '40 from the last century. The complex will include 89 villas based on 10 different typologies, ranging from 145 to 440 m², satisfying a wide segment of customers tailoring to their needs and desires. The first phase of residential complex is expected within 2nd quarter of 2024, whilst second phase will be implemented in 2025.

This project is projected at EUR 21 million with a total construction area of 22,202 m².

PJ 137 LIVING

PJ 137 Living Gmbh was founded in December 2019 in Austria, and it is a subsidiary of Balfin Holding. Its main focus is the development of residential areas in Peter Jordan Strasse 137 in Vienna.

The project has a construction area of 2,100 m², and an investment of around EUR 8.3 million.

SKOPJE EAST GATE (SEG)

EAST GATE

Skopje East Gate is an investment that is expected to reach EUR 265 million, consisting of 10 blocks of residential complexes, 5 blocks for commercial purposes, and a shopping center. East Gate Living and Business is part of Skopje East Gate together with East Gate Mall, representing the very first mixed-use development project in North Macedonia. Currently, the investment is in its second phase. The construction of the 4 residential buildings and shopping center has finished. In the second phase, 6 other residential buildings of 111,000 m2 construction area will be completed. In 2023 construction of the 2 residential buildings started. As for the third and last phase, the construction of 5 blocks of buildings for business purposes will be completed in a total construction area of 85,000 m². It will be the first "class A" park of offices in North Macedonia.

In addition to the above, BALFIN Group has another key project in North Macedonia - that of East Gate Retail Park, a new investment in the retail park industry in several cities.

FACTS & FIGURES

EAST GATE LIVING

672
RESIDENTIAL UNITS

20
UNIQUE FLOORPLANS

25,000m²
GREEN AREA

€ 76 million

50 m
DISTANCE BETWEEN BUILDINGS

EAST GATE BUSINESS

5 Class
A-BLOCKS

€ 81 million

50,000m²
GLA

90,000m²
GBA

OVER
670
PARKING LOTS

BALFIN REAL ESTATE

BALFIN REAL ESTATE

Founded in 2018, the company serves as a hub, developed with a clear focus on all services regarding the real estate market and more.

THE MAIN SERVICES THE COMPANY OFFERS:

- **Sales & marketing** strategy preparation & execution for each project
- **Aftersales services** (the customers buy the products in an early stage, when the construction has not started yet, so they need to be followed from the real estate agent, from the moment they buy until they get the ownership certificate).
- **Consultancy on project improvement & new project creation,** by bringing market feedback to the developer & construction company

INTERNATIONAL OFFICES

- Kosovo
- North Macedonia
- Switzerland
- USA coming soon
- Partnerships with 25 international agencies:

FACTS & FIGURES

ANNUAL INCREASE RATE
30% The project portfolio has tripled in the real estate sector

ELITE PORTFOLIO OF PREMIUM PROPERTIES
€ 900 Million+

PROPERTY TURNOVER:
€ 170 Million

NUMBER OF PROJECTS UNDER MANAGMENT
25

EMPLOYEES
100

SHOPPING CENTERS

TEG - TIRANA EAST GATE

TEG
Be happy!

TEG, the largest shopping center in Albania, opened its doors in 2011. With its 160 retail units and 2,000 parking spaces, TEG is an attractive destination for customers from Tirana, Elbasan and Kosovo. The mall is a viable entertaining hub for the community and stands for a diversity of choices in fashion, home products, consumer electronics, seasonal solutions and has a particular emphasis on gastronomy and entertainment.

Hosting renowned international brands such as Inditex Group, H&M, Fashion & Friends, Pizza Hut, Hugo, Boss, Armani Exchange, Emporio Armani, Nike, Koton, New Yorker and many more, TEG boasts a Gross Leasable Area of 56,000 m^2 and attracts 9.6 million visitors annually.

New services including Lost & Found Service, Phone Charging and EV Chargers, have been added.

FACTS & FIGURES

160
RETAIL UNITS

2,000
PARKING SPACES

56,000 m^2
LEASABLE AREA

9.6 million
VISITORS ANNUALLY

EGM - EAST GATE MALL

EAST GATE

East Gate Mall stands out for its great dimensions, with 5 floors, a total area of about 160,000 m^2, and 2,000 parking spaces. Its 182 stores present a choice of over 600 brands.

East Gate Mall houses the largest Zara store in the Balkans (Zara and Zara Home), H&M, LPP and other regional and world-renowned brands. It welcomes 6.9 million visitors annually. EGM's occupancy is more than 90% and with the opening of the entertainment area and office space area the mall shall be fully leased.

FACTS & FIGURES

160,000 m^2
TOTAL AREA

2,000
PARKING SPACES

182
STORES

6.9 million
VISITORS ANNUALLY

QTU - QENDRA TREGTARE UNIVERS

QTU
E GJITHA RRETH TEJE

The inauguration of Qendra Tregtare Univers (QTU) in 2005 paved the route for a new way to shop in Albania. Enormous indoor space, tens of retail units, entertainment, food and beverages options, it was all a novelty for families to spend quality time in. The premises underwent some radical renovation and expansion in 2018, expanding to an actual total surface of 47,000 m², including about 29,000 m² of gross leasable area and 100 retail units.

The company made a significant investment in photovoltaic systems as part of its strategy to enhance environmental sustainability, reduce operational costs and achieve greater energy independence. The implementation of this project was finalized in May 2023.

FACTS & FIGURES

TOTAL SURFACE
47,000 m²

ABOUT
29,000 m²
GLA

100
RETAIL UNITS

RETAIL PARK

retail park

Retail Park, established in 2020, proudly leads the way as Albania's pioneer in retail parks, bringing the successful Anglo-Saxon concept to the country. Retail Park offers a vibrant shopping experience with a mix of retail, leisure, and dining options.

Retail Park flagship project, West Park in Korca, showcases a unique commercial facility featuring well-known brands and public areas, marking the first investment of its kind in BALFIN Group's portfolio and in Albania. Selected brands are carefully handpicked to meet the basic consumer's daily lifestyle by providing products in key sectors, such as the food industry, toys, electronics, fashion, and home interior.

Shopping Centers Highlights	TEG	QTU	EGM	Retail Park
GLA	50,983	27,151	62,015	5,257
Occupancy	100%	99.34%	90.88%	100%
Visitors	9.6 million	7.1 million	6.9 million	n/a
Stores & Kiosks	156	104	213	4
Exclusive brands	22	5	40	4

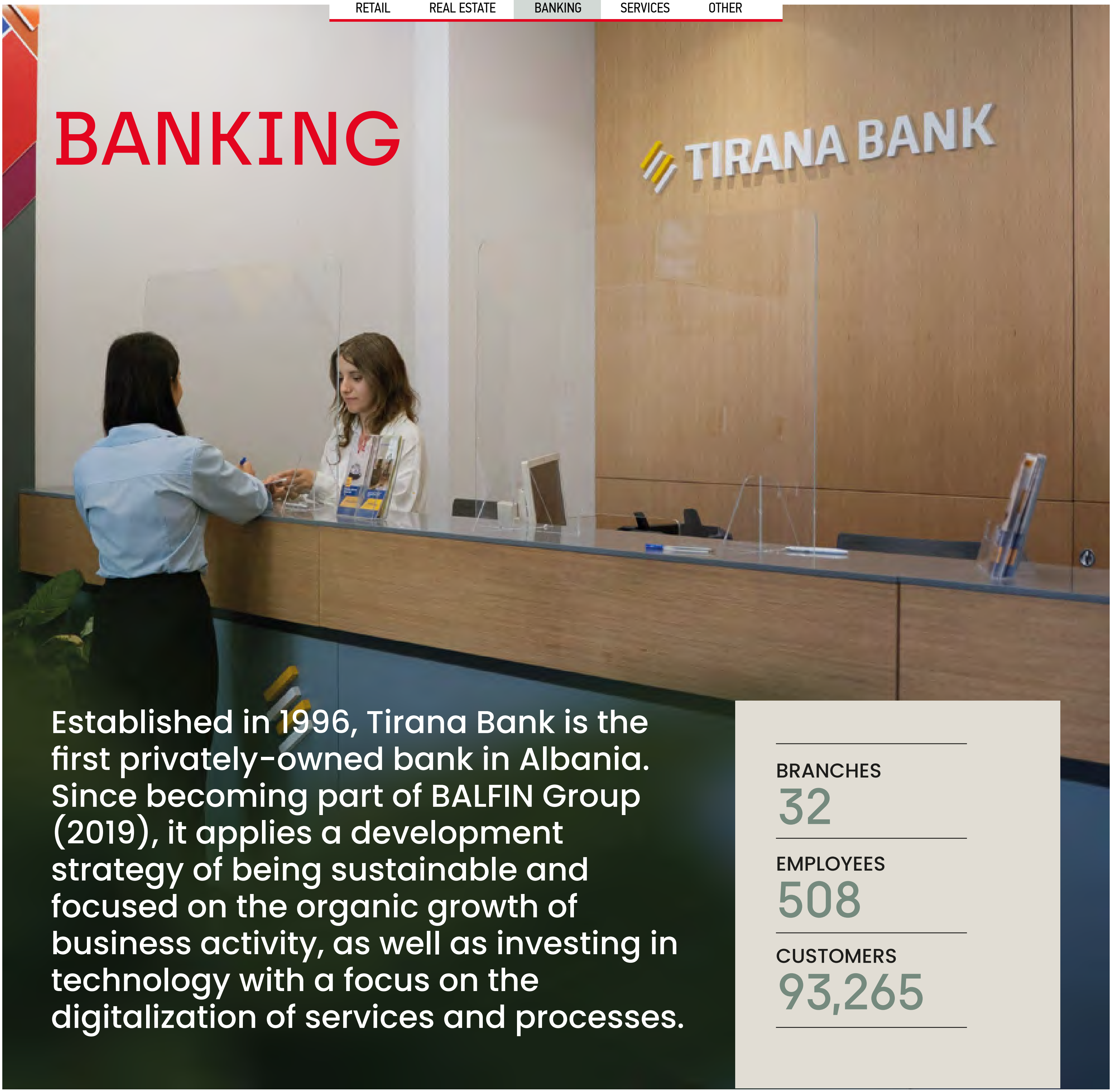
TIRANA LOGISTIC PARK

Tirana Logistic Park (TLP) is the biggest logistics park in Albania and one of the most modern in the Western Balkans. It is strategically located between the Rinas Airport and Durrës Port, easily accessible even from the neighboring countries. Its location is the main advantage, just on the main industrial area of Albania (Tirana-Durres highway), close to the capital city, to the airport and to the largest port in the country.

The facilities enable services such as storage, intralogistics, inventory management, order management, local distribution, freight forwarding, and value-added services such as packaging, pre-packaging, processing, labeling, and knitting. It is quickly connecting businesses all over Albania and those of the region, especially from Kosovo and North Macedonia.

Total unconsolidated revenues in 2023 amount to EUR 723 thousand (vs. 2022: EUR 714 thousand), **while consolidated revenues amount to EUR 365 thousand** (2022: EUR 374 thousand). **Unconsolidated net profit amount to EUR 248 thousand** (vs. 2021: EUR 257 thousand).

BANKING



Established in 1996, Tirana Bank is the first privately-owned bank in Albania. Since becoming part of BALFIN Group (2019), it applies a development strategy of being sustainable and focused on the organic growth of business activity, as well as investing in technology with a focus on the digitalization of services and processes.

BRANCHES
32

EMPLOYEES
508

CUSTOMERS
93,265

2023 was another extraordinary year for Tirana Bank. The growth rate in the main commercial indicators was higher than the average of the banking sector. Despite the challenging economic environment, Tirana Bank achieved an increase in net profit of 144%, in the amount of 21 million Euros (net of the effect of capital revaluation).

Total assets, marked an increase of 27% (about 275 million Euro equiv.) compared to 2022, surpassing any previous result in the history of the Bank and reaching a total of approximately 1.3 billion Euro, indicative of the expansion of continuous activity in recent years. This extraordinary growth is a testament to the enduring trust of Tirana Bank's customers.

The development strategy has continued to be successfully implemented, so the Loan Portfolio increased by 18% compared to the previous year (approximately 90 million Euros), showing the ability to capitalize on market opportunities and at the same time maintaining a healthy interest margin.

During 2023, the Deposit base grew by 20% from the previous year, reaching a total of approximately 1 billion Euros. This success can be attributed to the comprehensive range of deposit products, competitive interest rates, also supported by a personalized customer service, provided with great professionalism by Tirana Bank staff.

EUR million	2023	2022	2021
Consolidated			
Total Assets	1,153	904	775
Net Loans	543	461	367
Deposits	993	788	663
Net Interest Income	46.3	30	22.7
Net Profit	20.2	9.6	6.1

FACTS & FIGURES

6.6%
MARKET SHARE BY TOTAL ASSETS

6th bank
IN ALBANIA BY SIZE OF BRANCH NETWORK

7.8%
MARKET SHARE IN NET LOANS TO CUSTOMERS

6.5%
MARKET SHARE BY CUSTOMERS DEPOSITS

4.2%
NPL RATIO

18.1%
CAR RATIO

1.58%
RETURN ON ASSETS

17%
RETURN ON EQUITY

48%
COST TO INCOME RATIO

54.7%
LOANS TO DEPOSITS

SERVICES

BALFIN Group's activities in services include a range of establishments, varying from logistics to after sales support. The services provided by BALFIN Group include full professional systems and expertise from highly qualified employees that provide easy access for individual consumers, as well as companies.

CONSOLIDATED REVENUES

€ 2.4 million

EMPLOYEES

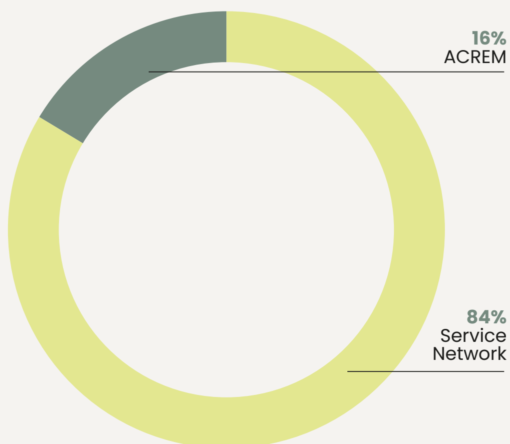
338

COUNTRY PRESENCE

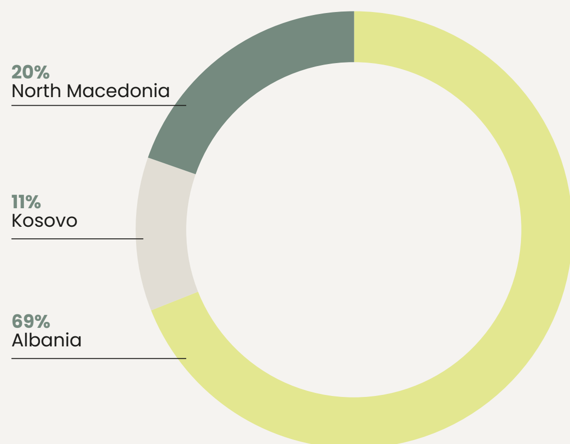
4

Consolidated revenue from the Service Sector has increased by 16% compared to the previous year, amounting to EUR 2.4 million (2022: EUR 2 million). The major contribution is from Elektro-Servis Network.

SERVICE INDUSTRY BY COMPANY



SERVICE INDUSTRY BY LOCATION



ACREM

ACREM (Albanian Commercial & Real Estate Management) is established in 2007. It introduced and implemented the highest standards and best international practices in managing commercial, industrial, and residential properties.

ACREM manages TEG, QTU, Rolling Hills, Ambasador 3, TLP, Retail Park etc. The company offers a full package of services including management, marketing, financial, security, maintenance and consulting, that none of the companies in the market offers as a full package.

ACREM
ALBANIAN COMMERCIAL REAL ESTATE MANAGEMENT

FACTS & FIGURES

145
EMPLOYEES

€ 3 million
MILLION UNCONSOLIDATED REVENUES (VS. 2022: EUR 2.6 MILLION).

MANAGES
3 shopping centers
TEG, QTU AND RETAIL PARK

ELEKTRO-SERVIS NETWORK

Established in 2008, Elektro-Servis is the largest service provider of its kind in Albania, Kosovo (since 2014), and North Macedonia (since 2013). It provides professional after-sale and repair services for the electronic products offered by Neptun International in the respective countries it is present. The company is entitled to exclusive rights on these services from some of the most renowned brands of the world, such as Samsung, Sony, Philips, Huawei, Alcatel, Beko, Bosch, and many others.

ELEKTRO-SERVIS

AS THE SOLE PARTNER AUTHORIZED TO MAINTAIN THE MULTITUDE OF PRODUCTS OFFERED BY NEPTUN, THE STAFF OF ELEKTRO-SERVIS HAS GAINED THE EXPERIENCE AND CONFIDENCE TO MEET ANY CHALLENGES POSED BY THE LAUNCH OF NEW MODELS IN THE MARKET. IN ALBANIA IT COVERS MORE THAN 14 CITIES, IN NORTH MACEDONIA 21 CITIES AND IN KOSOVO 23 CITIES WITH A PORTFOLIO OF 12 BRANDS.

MILŠPED ALBANIA

Milšped Albania, present in Albania since 2014, caters to the clients who placed their trust in Milšped Group to deliver a full regional service. The company provides its services in warehousing, distribution, customs agency, customs warehouses, organization of international road transport, air, ship and rail transport.

Milšped Albania is a joint venture company of BALFIN Group and Milšped Group, an international company with head-offices in Serbia, Croatia, Albania, Montenegro, Slovenia and Bosnia & Herzegovina.

MILSPED
ALBANIA

STELLA MARE

Stella Mare is the representative of Maersk Line and Seago Line, two of the largest groups of shipping containers in the world, providing Albanian, Kosovar and North Macedonian clients with container transportation services from almost any place in Europe to the rest of the world.

Stella Mare is a joint venture of Milšped and BALFIN Group. Stella Mare operates through weekly service in the Port of Durrës. Maersk provides the fastest service in Albania for refrigerated shipping containers from South America, as well as customized ports' services from all Asian and European ports to Albania. Stella Mare will continue the expansion of Maersk and Seago Line's presence in the region.

STELLA MARE
AS AGENT OF MAERSK LINE

RENEWABLE ENERGY

BALFIN Group has recently joined the ranks of companies that are willing to play an active role in combatting the effects of climate change. It has embraced the opportunity to expand in solar and wind energy and is steadily progressing in this direction.

GO GREEN ENERGY

Go Green is the first project of green technology that BALFIN Group has launched. It is focused on the energy generated by solar panels, initially in the coastal area of Albania as a country with mostly sunny days during the year. The venture is following the steps of other successful companies of BALFIN Group and soon it will become a fully-fledged pioneer of green energy in Albania.

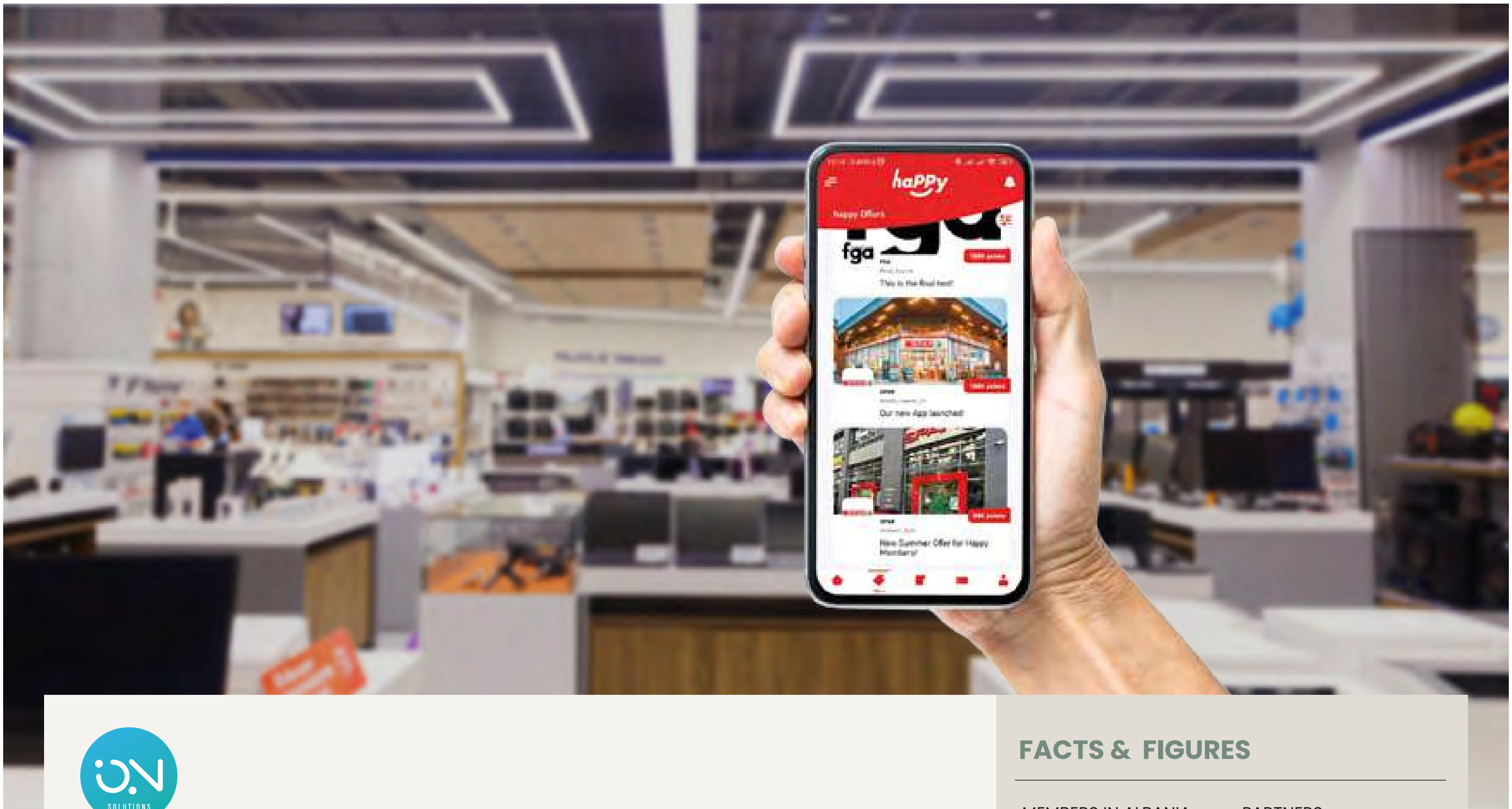
OTHER

Companies consolidated in the "Other" industry are Balfin Sh.p.k (the parent company), On Solutions, Nep Loyalty, Balfin BV and TBU. Their main goal is operating as holding companies and/or offering their services to Group companies.

Therefore, most of their revenues are consolidated in financial statements. Non-consolidated revenue for the year 2023 reached EUR 4.8 million, while consolidated revenue is EUR 1.2 million.

EMPLOYEES
207

ONSOLUTIONS



On Solutions is a customer-centric company established in 2020, specializing in customer retention and customer experience. On Solutions offers a wide range of high-level expertise through loyalty programs, thorough analysis, and efficient online and offline customer service.

On Solutions conducts professional market surveys and research, utilizing key metrics such as NPS (Net Promoter Score), TNPS (Transaction Net Promoter Score), and CSI (Customer Satisfaction Index). It also provides valuable services in social media management, online order management, and tele-sales.

One of On Solutions' notable achievements is managing Happy, the largest loyalty program in Albania. Happy stands out as the only multi-brand scheme in the country, boasting an impressive membership base of over 500,000 individuals. Through this program, On Solutions connects businesses with a vast network of loyal customers, driving engagement, and fostering long-term relationships.

FACTS & FIGURES

MEMBERS IN ALBANIA
500K+

PARTNERS
30+

TRANSACTIONS EVERY MONTH
650K+

ACTIVE USERS PER YEAR
320K+

MARKET SHARE
65%

RETENTION RATE
82%

HAPPY SALES SHARE VS TOTAL REVENUES
63%

TIRANA BUSINESS UNIVERSITY COLLEGE

TBU TIRANA BUSINESS UNIVERSITY COLLEGE

Tirana Business University College (TBU) is a leading educational institution dedicated to preparing professionals in Business Administration and Information Technology, with a strong focus on global market demands. Founded in 2010 and part of the BALFIN Group since 2014, TBU has earned a reputation for excellence, with over 95% of its graduates securing employment in top companies both in Albania and abroad.

In 2023, with BALFIN Group becoming the main shareholder, TBU embarked on a new phase of development, enhancing its standards, quality of education, scientific research, and infrastructure, including a new campus in Tirana's vibrant business district.

TBU's mission is to equip students with the knowledge and skills needed to thrive in a competitive job market, while contributing to the economic growth and modernisation of Albania through industry-aligned programs and strong partnerships with the business community.

TAX OVERVIEW

In 2023, BALFIN Group's total tax contribution amounted to EUR 75.7 million, up from EUR 60.2 million in 2022. This figure encompasses both the taxes paid and those collected through our regional operations.

TAXES PAID

€ 58.3 million

This amount comprises profit tax and other direct and indirect taxes levied on our activities

TAXES COLLECTED

€ 17.4 million

These funds were collected as social security contributions, health contributions, and personal income tax.

As one of the largest and most profitable investment groups in the Western Balkans, BALFIN Group is committed to rigorous and appropriate tax payment. Responsible tax behavior is a critical element of our sustainability strategy. The taxes we pay significantly contribute to local economies and support the development of the countries in which we operate.

The taxes that BALFIN Group pays create vital links between our business and the countries and communities where we operate.

However, transparency extends beyond just the numbers. It also involves demonstrating our commitment to complying with legislation and meeting relevant statutory compliance obligations.

TAX PAID BY INDUSTRY

Industry	Taxes paid 2023 (%)	Taxes paid 2022 (%)	Taxes paid 2021 (%)
Retail	53%	61%	48%
Real Estate	32%	21%	20%
Services	2%	5%	4%
Other	2%	3%	2%
Banking	11%	9%	9%
Mining	–	1%	17%

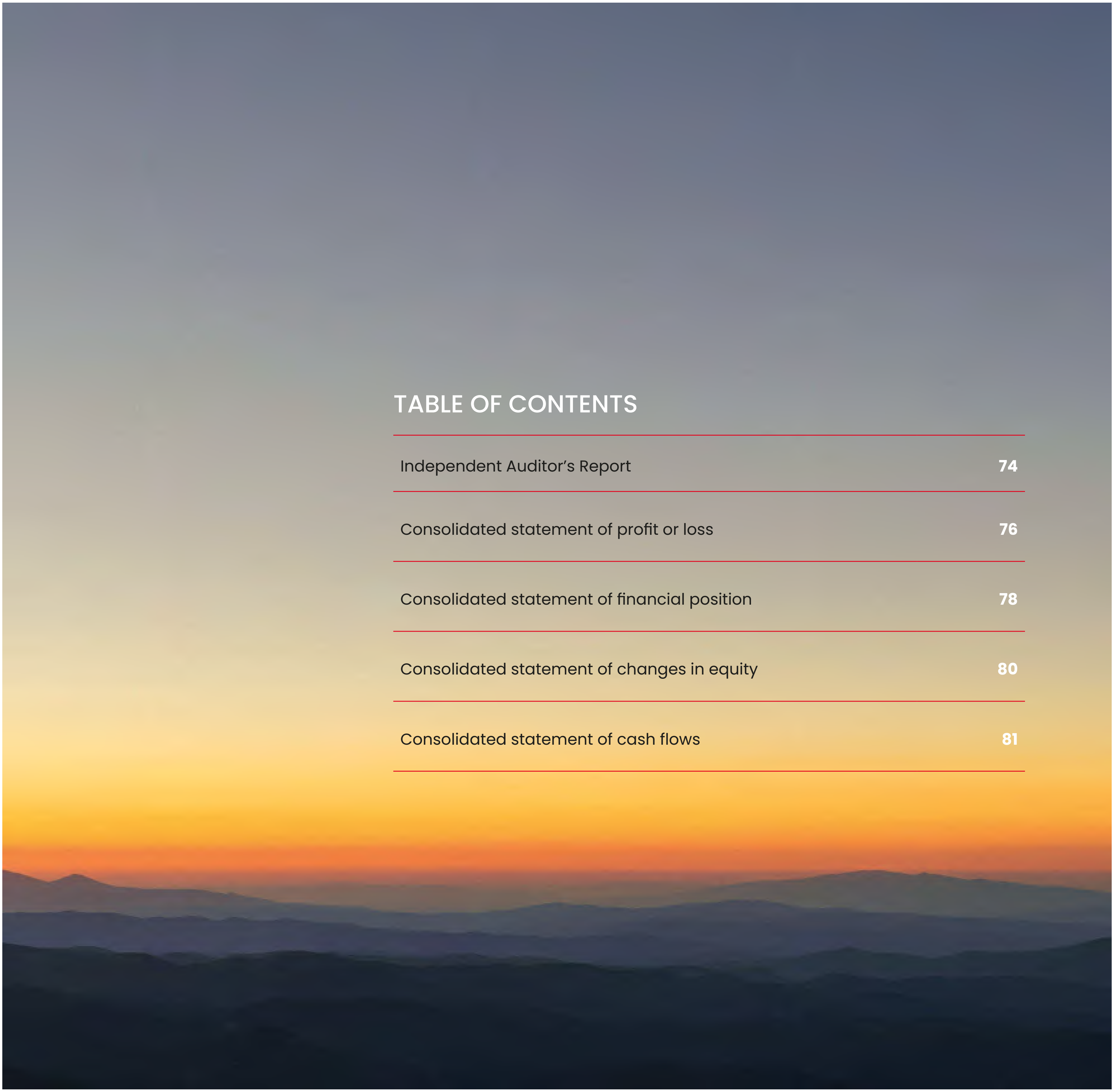
TAX PAID BY RESIDENCE (EUR THOUSAND)

Residence	Taxes paid 2023	Taxes paid 2022	Taxes paid 2021
National	50,173	37,397	35,945
International	25,559	22,857	23,542
Total	**75,732**	**60,254**	**59,487**

BALFIN GROUP

CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023



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Grant Thornton

Independent Auditor's Report

To the Shareholder of Balfin - Balkan Finance Investment Group sh.p.k

Opinion

We have audited the consolidated financial statements of Balfin - Balkan Finance Investment Group SHPK. (hereafter referred as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information included in the 2023 Management Report

Other information includes information in the Group's Management Report for 2023, prepared in accordance with article 17,18,19,20 of Law no. 25/2018 "For accounting and Financial Statements" in addition to the consolidated financial statements and the auditor's report. Management is responsible for other information. The Group's 2023 Management Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover any other information, and we do not express any conclusions that give assurance about this information. In relation to the audit of financial statements, we have the responsibility to read the other information and assess whether the information has material inconsistencies with the financial statements or the knowledge we obtained during the audit or otherwise whether they appear to be materially misstated.

If, based on the work done, we conclude that there is a material anomaly in this information, then we should report this fact.

Other Matters

The consolidated financial statements for the year ended December 31, 2022, have been audited by another auditor who expressed an unqualified opinion on the consolidated financial statements, on 23 October 2023.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton sh.p.k.

Tirana, Albania

10 July 2024

Kledian Kodra, FCCA

Grant Thornton

Consolidated statement of profit or loss for the year ending December 31, 2023
(All amounts in '000 Eur, unless otherwise stated)

	Notes	For the year ended on December 31, 2023	For the year ended on December 31, 2022
Revenue from contracts with customers	12	592,447	492,836
Rental income	13	26,850	21,832
Cost of sales	15	(403,298)	(363,234)
Gross Profit from Non-Financial Operations		**215,999**	**151,434**
Net interest income from financial operations	14	46,323	29,515
Gross profit		**262,322**	**180,949**
Other operating income	21	5,144	6,305
Selling and distribution expenses	16	(14,686)	(12,320)
Administrative and other operating expenses	17	(39,323)	(37,074)
Employee expenses	19	(56,378)	(44,172)
Depreciation and amortization expenses	20	(25,177)	(21,670)
Expected credit losses	18	(4,370)	(2,177)
Operating profit		**127,532**	**69,841**
Gain on bargain purchase		302	-
Finance costs	22	(25,111)	(10,495)
Finance income	23	4,235	2,943
Gain / (Loss) on sale of subsidiary	7	2,112	(26,414)
Share of profit of an associate and a JV	30	497	1,144
Profit before tax		**109,567**	**37,019**
Income tax expense	24	(11,103)	(10,706)
Deferred tax expense	32	(8,380)	(441)
Profit for the year		**90,084**	**25,872**
Profit / (Loss) from discontinued operations	7	(1,325)	(12,856)
Profit for the year		**88,759**	**13,016**
Profit of the year attributed to:			
Owners of the parent		82,372	6,598
Non-controlling interest		6,387	6,420
		88,759	**13,018**

Consolidated statement of other comprehensive income / (expenses)
for the year ending December 31, 2023
(All amounts in '000 Eur, unless otherwise stated)

	Notes	For the year ended on December 31, 2023	For the year ended on December 31, 2022
Profit of the year		**88,759**	**13,018**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences		(5,070)	(2,891)
Fair value on available-for-sale			
financial assets	25	12,545	(20,804)
Deferred tax related to FV loss			
recorded directly in OCI		(1,883)	3,109
Total comprehensive income		**94,351**	**(7,568)**
Total Comprehensive income of the year attributable to:			
Owners of the parent		88,159	(13,723)
Non-controlling interest		6,192	6,155
		94,351	**(7,568)**

Balfin Group

Consolidated statement of financial position as of December 31, 2023

(All amounts in '000 Eur, unless otherwise stated)

	Notes	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	26	53,149	67,219
Investment property	27	185,665	154,607
Right of use assets	28	49,821	37,794
Investments in associates and joint ventures	30	1,031	1,215
Intangible assets	29	7,376	5,731
Financial assets	34	376,027	212,710
Equity instruments	35	845	-
Interest-bearing loans given	33	16,567	29,215
Loans to customers from finance operation long term	36	296,830	236,278
Inventory	31	70,378	44,430
Prepayments and deferred expenses	37	14,165	14,609
Other assets	40	6,384	5,012
Contract asset	12	70,616	2,574
Deferred tax assets	32	3,514	5,129
Total non-current assets		**1,152,368**	**816,523**
Current assets			
Inventory	31	111,089	110,929
Trade and other receivables	38	59,363	54,304
Contract assets	12	14,478	1,535
Interest-bearing loans given	33	27,093	17,415
Financial assets	34	244,268	221,221
Income tax receivable		3,292	781
Prepayments and deferred expenses	37	9,388	7,781
Loans to customers from finance operation short term	36	245,799	224,306
Cash and due from banks	39	131,892	120,237
Total current assets		**846,682**	**758,509**
Assets held for sale		-	838
Total assets		**1,999,050**	**1,575,870**

The consolidated financial statements are approved on July 16th, 2024 and signed by:

BALFIN
Investment Group sh.p.k.

Edlira Muka
Chief Executive Officer and Administrator

Blerina Daka
Chief Financial Officer

The consolidated statement of financial position has to be read in conjunction with the notes which are part of these consolidated financial statements set on pages 8 to 104.

Balfin Group

Consolidated statement of financial position as of December 31, 2023

(All amounts in '000 Eur, unless otherwise stated)

	Notes	As at December 31, 2023	As at December 31, 2022
Capital and reserves			
Share capital		24,241	24,241
Other capital and legal reserves	41	17,133	17,004
Retained earnings		432,328	355,017
Reserves		83,791	28,028
Equity attributable to equity holders of the parent		**557,493**	**424,290**
Non-controlling interests		76,236	28,708
Total equity		**583,729**	**452,998**
Non-current liabilities			
Deferred tax liabilities	32	9,499	599
Trade and other payables	45	2,252	1,674
Lease liabilities	28	38,779	29,417
Contract liabilities	12	66,578	23,158
Due to customers	43	175,172	172,381
Interest-bearing borrowings	42	93,743	89,337
Provisions	44	3,099	2,212
Subordinated debt	46	14,450	14,450
Total non-current liabilities		**403,572**	**333,228**
Current liabilities			
Provisions short-term	44	467	1,607
Contract liabilities	12	47,320	37,494
Interest-bearing borrowings	42	23,424	30,467
Lease liabilities	28	10,398	8,421
Income tax payable		543	1,167
Trade and other payables	45	110,905	93,947
Dividends payable		385	914
Total current liabilities		**193,442**	**174,017**
Due to customers	43	818,307	615,551
Liabilities directly associated with the assets held for sale		-	76
Total liabilities		**1,415,321**	**1,122,872**
Total equity and liabilities		**1,999,050**	**1,575,870**

The consolidated financial statements are approved on July 16th, 2024 and signed by:

Edlira Muka
Chief Executive Officer and Administrator

Blerina Daka
Chief Financial Officer

BALFIN
BALFIN - Balkan Finance Investment Group sh.p.k.

The consolidated statement of financial position has to be read in conjunction with the notes which are part of these consolidated financial statements set on pages 8 to 104.

Consolidated statement of changes in equity for the year ending December 31, 2023
(All amounts in '000 Eur, unless otherwise stated)

	Note	Share capital	Legal and regulatory reserve	Other capital reserves	Foreign currency translation reserve	Fair value of reserves	Retained earnings	Total	Non-Controlling Interest	Total equity
Total equity as at 1 January 2022		**24,241**	**11,562**	**1,726**	**26,753**	**(2,649)**	**342,623**	**404,256**	**30,428**	**434,684**
Profit for the year		-	-	-	-	-	6,863	6,863	6,155	13,018
Other comprehensive income		-	-	-	21,619	(17,695)	-	3,924	-	3,924
Total comprehensive income		**-**	**-**	**-**	**21,619**	**(17,695)**	**6,863**	**10,787**	**6,155**	**16,942**
Dividend distributed		-	-	-	-	-	-	-	(5,154)	(5,154)
Increase in share capital		-	-	-	-	-	-	-	(2,719)	(2,719)
Transfers to and from retained earnings	40	-	-	3,715	-	-	6,229	9,944	-	9,944
Exchange rate effect		-	-	-	-	-	(698)	(698)	-	(698)
Balance at December 31, 2022		**24,241**	**11,562**	**5,441**	**48,372**	**(20,344)**	**355,017**	**424,289**	**28,710**	**452,999**
Profit for the year		-	-	-	-	-	82,372	82,372	6,387	88,759
Other comprehensive income		-	-	-	43,917	10,661	-	54,578	-	54,578
Total comprehensive income		**-**	**-**	**-**	**43,917**	**10,661**	**82,372**	**136,950**	**6,387**	**143,337**
Dividend distributed		-	-	-	-	-	-	-	(8,094)	(8,094)
Increase / (decrease) in share capital		-	-	-	-	-	-	-	(834)	(834)
Transfers to and from retained earnings	40	-	-	131	1,185	-	(407)	909	74	983
Exchange rate effect		-	-	-	-	-	(4,654)	(4,654)	(7)	(4,661)
Balance at December 31, 2023		**24,241**	**11,562**	**5,572**	**93,474**	**(9,683)**	**432,328**	**557,494**	**26,236**	**583,730**

Consolidated statement of cash flows for the year ending December 31, 2023
(All amounts in '000 Eur, unless otherwise stated)

	Note	For the year ending December 31,2023	For the year ending December 31,2022
Profit before tax from continuing operations		109,567	37,020
Profit / (Loss) before tax from discontinued operations		(1,325)	(12,856)
Profit before tax		**108,242**	**24,164**
Adjustments to reconcile profit before tax to net cash flows:			
Gain / (Loss) on disposal of subsidiary		-	(26,414)
Depreciation and impairment of PPE and RoU	26,28	17,244	16,170
Depreciation and impairment of investment property	27	6,798	4,481
Amortization and impairment of intangible assets	29	1,046	1,019
Allowances, provisions and write-offs		(4,403)	(2,092)
Gain / (Loss) on disposal of asset	22	393	431
Finance income	14,23	(59,202)	(35,342)
Finance costs	14,22	9,262	3,454
Share of profit of an associate and a JV	10	(497)	(1,144)
Working capital adjustments			
Change in trade and other receivables		(59,306)	185,733
Change in inventories		(13,139)	2,763
Change in trade and other payables		55,367	(19,455)
Change in compulsory reserve		(13,641)	(7,738)
Change in restricted cash		34	993
Change in loans to customers		(32,563)	(71,689)
Change in due to customers and banks		124,479	87,526
Change in due to banks			-
Income tax paid		(14,134)	(11,468)
Interest from non-financial operation			
Interest received		3,617	2,374
Interest paid		(7,504)	(2,160)
Interest from financial operation			-
Interest received		56,164	33,290
Interest paid		2,447	(784)
Net cash flows from operating activities		**180,704**	**184,112**

Consolidated statement of cash flows for the year ending December 31, 2023
(All amounts in '000 Eur, unless otherwise stated)

	Note	For the year ending December 31, 2023	For the year ending December 31, 2022
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		296	1,805
Purchase of property, plant and equipment	26	(10,407)	(29,941)
Acquisition of subsidiary, net of cash acquired		-	2,172
Purchase of intangible assets	29	(1,081)	(688)
Proceeds from sale of intangible assets		-	-
Purchase of investment property	27	(8,482)	(10,653)
Proceeds from sale of investment property		577	1,018
Decrease / (increase) of investment in associates		17	347
Purchase of financial assets at FVOCI	34	(131,872)	(63,679)
Proceeds from financial assets at FVOCI	34	76,030	91,819
Purchase of financial asset held at amortized cost		(88,971)	(159,788)
Increase of capital from NCI shareholders		(1,251)	-
Dividend received	10	771	1,589
Net cash flows from/(used in) investing activities		**(164,373)**	**(165,999)**
FINANCING ACTIVITIES			
Proceeds from borrowings, net		(6,880)	(18,526)
Payment of principal portion of lease liabilities		(9,962)	(10,679)
Issuance of subordinated debt		(1,370)	8,755
Dividend paid		(8,686)	(17,569)
Net cash flows (used in)/from financing activities		**(26,898)**	**(38,019)**
Net increase/(decrease) in cash and cash equivalents		(10,567)	(27,567)
Net foreign exchange difference		2,200	(5,726)
Cash and cash equivalents at January 1	**39**	**55,849**	**79,483**
Cash and cash equivalents at December 31	**39**	**47,482**	**55,849**

DOWNLOAD CONSOLIDATED FINANCIAL STATEMENTS

ALBANIAN

Pasqyrat Financiare të Konsoliduara për vitin e mbyllur më 31 dhjetor 2023

ENGLISH

Consolidated Financial Statements as at and for the year ended December 31, 2023

SOCIAL CONTRIBUTION

MANE FOUNDATION

MANE
FOUNDATION

During its three decades of activity, BALFIN Group has contributed in various forms to social causes. Its companies have gradually strengthened and structured their giving back to community, alongside the personal involvement of the founder. Social engagement went on to become a pillar of the Group's philosophy, involving all its companies across countries.

In the 30th anniversary of BALFIN Group, the Mane Foundation is established to give a new dimension to the commitment to improve communities. The Foundation addresses some of the most immediate issues in today's society, in the fields of Education and Youth, Health and Well-being, Fight Against Poverty and Inequalities, Environment, and Arts. It takes into consideration the SDGs and the experience of prestigious organizations, to bring about change in the lives of citizens.

Mane Foundation has launched B4Students – a program specifically for university students and youth. It supports students, local startups, and entrepreneurs by investing in education and sustainable solutions. The program offers internships, mentorships, site visits, and scholarships to develop students' skills and provide them with employment opportunities. B4Students also provides funding for startups and social activities of students.

PILLARS OF ACTIVITY

EDUCATION

Mane Foundation tries to modernize teaching in schools, improve academic life of students and empower academic institutions.

ENVIRONMENT

Mane Foundation promotes initiatives that reduce the carbon footprint in the everyday actions of the Group it is associated with and makes its part to protect the environment.

HEALTH AND WELL-BEING

Mane Foundation strives for healthier conditions of living, especially for those that are disadvantaged.

POVERTY ALLEVIATION

Mane Foundation provides food, clothing, and other useful items to categories of people in need.

ARTS AND CULTURE

Mane Foundation preserves cultural heritage and supports initiatives that enhance the cultural and artistic history, as well as engage young people.

SUSTAINABLE DEVELOPMENT GOALS

BALFIN Group is fully aware of the role of business in the implementation of the SDGs and plays its role in achieving the Sustainable Development Goals related to its fields of activity. Based on the profile of its companies and the characteristics of the communities where they operate, BALFIN Group adheres to these sustainability goals:

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 10 REDUCED INEQUALITIES
- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 15 LIFE ON LAND
- 17 PARTNERSHIPS FOR THE GOALS

YEAR 2023 IN NUMBERS

4,000 students
ENROLLED IN B4STUDENTS

40 partner
ORGANIZATIONS AND UNIVERSITIES

46 projects
PROJECTS IMPLEMENTED IN ALBANIA, BOSNIA AND HERZEGOVINA, KOSOVO, MONTENEGRO, NORTH MACEDONIA

€ 500,000
EURO ALLOCATED TO SOCIAL PROJECTS IN THE REGION

37,000 beneficiaries
BY 13 COMPANIES OF BALFIN GROUP

ACTIVITY DURING 2023

B4Students has led the way in EDUCATION, with Business Ideas Competition and its winning apps, the visits of students to various working sites, sharing of practical expertise on part of Group's experts, and the internships and employment opportunities across BALFIN Group.

The Foundation has equipped a high school in Korça with a new ICT laboratory, Tirana Bank has renovated the ICT laboratory at the Faculty of Information Technology in Tirana, while Neptun Kosova set up a modern laboratory for students of the Faculty of Electrical and Computer Engineering in Prishtina.

Jumbo in Kosova embraced the tradition of Jumbo in Albania to renovate kindergartens, and Green Coast continues to award scholarships to top marketing students.

The shopping malls of BALFIN Group protect the environment by recycling paper waste, installing charging stations for electric cars, making use of solar energy, natural ventilation and lighting, as well as supporting projects that stimulate outdoor activities. Tirana East Gate supported the international competition Recycle-Creative, organized by the Faculty of Architecture and Urbanism in Tirana, encouraging students to crate lamps with recycled materials.
Tirana Bank promoted the Green Business Competition, to encourage business ideas that revive local production traditions, use of local resources, and an environmentally friendly approach.

Retail companies have joined forces with customers in specific campaigns and have invited their own employees to share time and expertise with those that need it the most. SPAR Albania, Jumbo Albania and Fashion Group Albania's long-standing cooperation with World Vision has once again proved successful in transforming lives in Albania throughout the past year.
Jumbo in Bosnia and Herzegovina has inaugurated the Jumbo Sensory Room – a special facility that improves the quality of life for brave children and young people that have emerged victorious against cancer.

Companies of the Group have cooperated with Mane Foundation to extend a helping hand to families in need in the region. They have contributed to retirement homes, families affected by floods, and have made it possible that children dedicate themselves to education.

OUR PEOPLE

We, at BALFIN Group invest in new ideas and explore new opportunities, building our business on the talent of our people and through partnerships, innovation, consideration, teamwork and accountability. Key to the success of our diverse workforce is treating our employees with respect, honesty, and fairness. For us, family is very important, and we strive to provide our employees with the necessary conditions to balance work and private life.

WE ENCOURAGE THE EXPRESSION OF DIFFERENT VIEWPOINTS, PROVIDE POSITIVELY DIFFERENTIATED REWARDS AND RECOGNIZE AND PROMOTE HIGH PERFORMANCE. THIS IS THE PLACE WHERE EMPLOYEES CAN REALIZE THEIR CAREER ASPIRATIONS DUE TO OUR CONTINUOUS INVESTMENT IN LEARNING AND DEVELOPMENT OF OUR PEOPLE AND PROVISION OF JOB PROMOTION OPPORTUNITIES WITHIN AN ENVIRONMENT OF GROUP COMPANIES OPERATING IN DIVERSE BUSINESS SECTORS.

HR Key Figures

6 in 10
EMPLOYEES ARE WOMEN

4 in 10
TOP LEADERSHIP POSITIONS ARE WOMEN

APPROXIMATELY
450
PROMOTIONS HAPPEN PER YEAR

34
YEARS OLD IS THE AVERAGE AGE OF OUR EMPLOYEES

4 years
IS THE AVERAGE TENURE OF OUR EMPLOYEES IN THE COMPANY

EACH EMPLOYEE RECEIVES
19
TRAINING HOURS ON AVERAGE PER YEAR

1,938
NEW RECRUITMENTS

30
INTERNSHIPS RESULTING IN PERMANENT EMPLOYMENT

6 in 10
RECRUITMENTS WERE WOMEN

1 in 10
RECRUITMENTS WERE FOR MANAGERIAL POSITIONS

5 in 10
10 PROMOTED EMPLOYEES WERE WOMEN

3 in 10
PROMOTED EMPLOYEES WERE MANAGERS

670 employees
TRAINED EACH MONTH ON AVERAGE.

Our HR Strategic Goal

Our goal is to champion better working conditions and improve living standards for our employees. We are dedicated to collaborating with BALFIN Group's business units to maximize the potential of our greatest asset, our employees. We embrace change and are open to benefit from any sort of opportunity created by continuous change. We are committed to applying the best talent management practices and maximizing employee experience and HR excellence.

The key pillars of BALFIN Group's HR Strategy are:

KEY PILLARS OF HR STRATEGY

TALENT MANAGEMENT

BALFIN Group is committed to applying the highest standards in Talent Management to foster a culture of employee engagement and maximize productivity. This involves improving talent acquisition and development practices, optimizing succession planning and management, and advancing performance and career management practices.

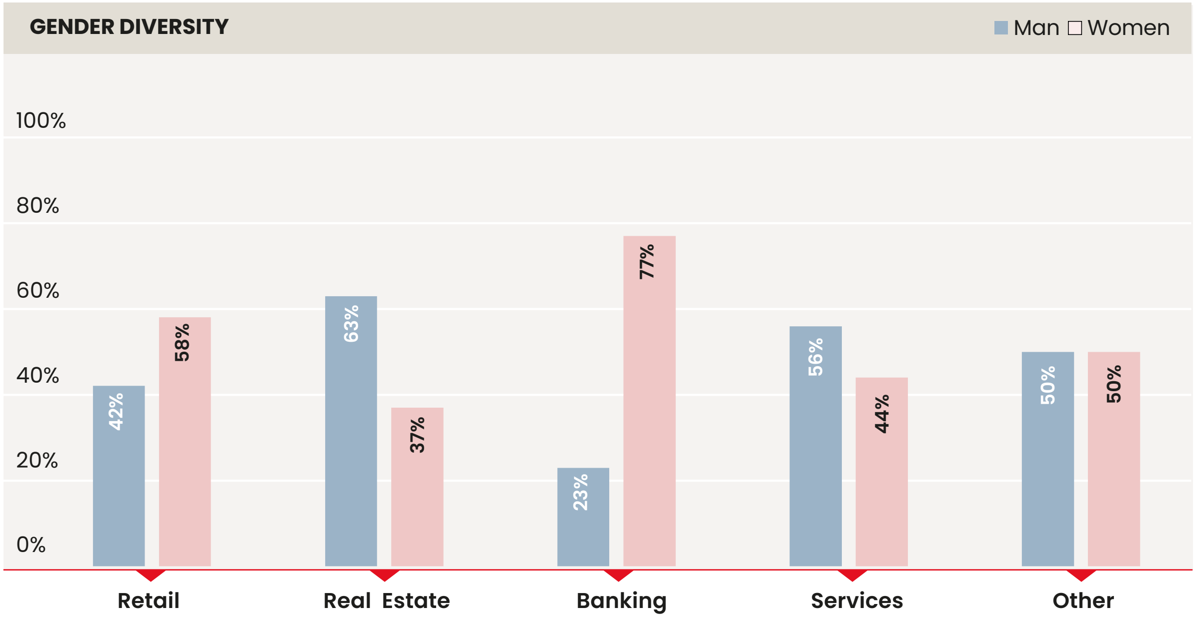
EMPLOYEE EXPERIENCE

BALFIN Group aims to be an outstanding workplace by providing exceptional employee experience. This supports both organizational performance and individual satisfaction.

HUMAN RESOURCES EXCELLENCE

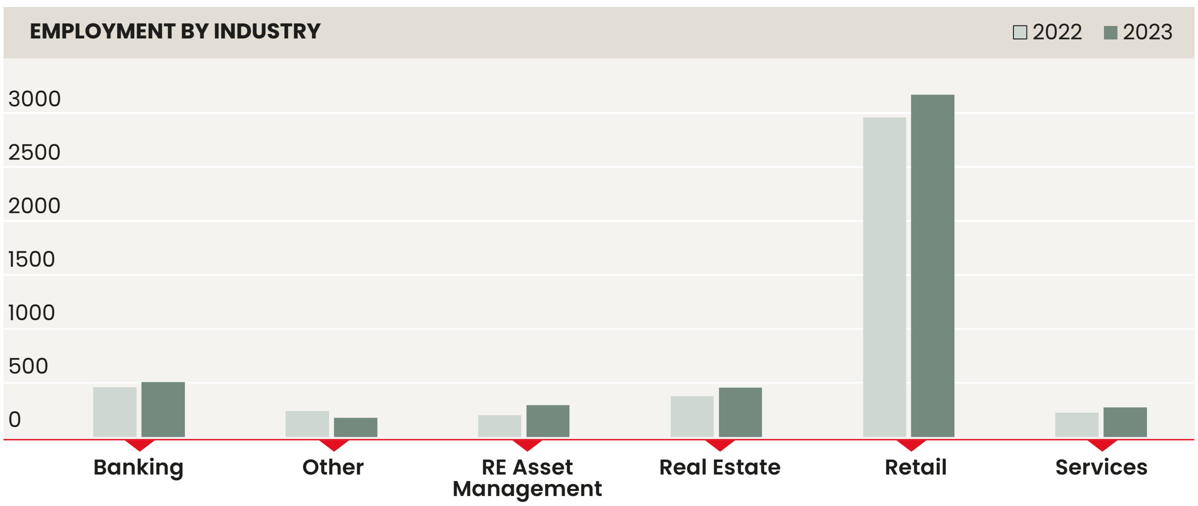
BALFIN Group ensures the highest standards of HR practices to maximize business impact. This includes enhancing the strategic role of HR, improving HR services, and leveraging technology effectively.

INDUSTRY GENDER RATIO



EMPLOYMENT BY INDUSTRY

Total employees working at the Group as of 31 December 2023, was 4,878 (2022: 4,467; 2021: 6,309; 2020: 5,717; 2019: 5,803) and the distribution per industry each year is as follows:



WORKPLACE CULTURE AND REWARD

BALFIN Group offers employees a secure, sustainable, and inspiring work environment with positively differentiated working conditions and a highly competitive compensations and benefits package. Above all, BALFIN Group offers a great opportunity for career development and professional progress. Employees are encouraged to engage, interact, and inspire positive change in the workplace and beyond.

Our corporate culture is driven by our own values (Accountability, Partnership, Innovation, Consideration, and Teamwork). We are dedicated to collaborate within BALFIN Group business units to maximize the potential of our greatest asset - our employees. We embrace change and are open to benefiting from opportunities arising. We are committed to acquiring and developing talent, as well as optimizing our HR process efficiency through digital transformation.

PROFESSIONAL DEVELOPMENT

BALFIN Group invests in the professional training and development of employees through its focused development programs. Professional agencies are hand-picked to conduct technical, leadership, and managerial training on a regular basis. We provide professional development opportunities to devoted, high-performing employees who demonstrate potential for progress, allowing them to advance to new career levels. This process takes place in a variety of settings, including the classroom, online, and on-the-job training, where employees are motivated to interact, improve their skills, exchange experiences and ideas, facilitate solutions, etc.

BALFIN TRAINING ACADEMY

BALFIN TRAINING ACADEMY

The Balfin Training Academy represents one of the key pillars of the Group`s strategy for further developing human capital. As a tailored procedure to meet our employee`s needs, the training activities are designed in such a way to support their professional growth in current and future positions. Each year the academy's activities contain more than 5,400 training/ coaching hours with approximately 450 employees as participants. Balfin Training Academy brings together experts from our companies, professors in the academic field, as well as professional trainers from home and abroad. This academy aims to create, maintain, and develop valuable assets, competencies, and professional employees, capable of growing and contributing professionally to their daily work responsibilities and environment in order to be prepared and efficiently respond to any challenge.

TALENT POOL

TALENTPOOL

Talent Pool is a program that sets up the new generation of BALFIN Group leaders. It consists of the identification, training and professional development of talents and their preparation for taking on leadership roles in Group companies located in 10 countries. Since its first edition in 2016, 61 colleagues have completed the Talent Pool program. The program identifies the progressive steps of this talented assembly and enables the creation of a well-prepared group of employees who are offered the opportunity to advance their career within BALFIN Group. Each year, this internal leadership academy executes a tailored program of theoretical knowledge, shadow coaching, and project assignments. During 2023, 40% of Talent Pool participants were promoted to top level managerial positions, including CEO roles.

BALFIN INNOVATION SUMMIT

BIS
BALFIN INNOVATION SUMMIT

Since 2019, Balfin Innovation Summit is an annual tradition that invites all BALFIN Group employees to propose new solutions or start-up companies. The program is based on one of the values of BALFIN Group, namely innovation, where the influence of employees on the performance of companies reaches its peak with projects that overcome current problems and even create new business models.

In 2023's Balfin Innovation Summit, the jury composed of Matilda Shehu, Chief Transformation Officer, Ervin Kajno, Chief Projects Officer, and Ivan Pribićević, Executive Director of Simplify, evaluated BPZ Investment Services by Krisian Zavalani, Retail Business Analyst at BALFIN Group, as the most innovative idea of this 5th edition.

Innovation is interwoven into the fabric of our business, by undeniably determining the success of our operations in the coming years or decades. BALFIN Group is always looking for brand new ideas to strike a balance between more dynamic business and operating models, more proactive design of customer experience, and avant-garde corporate strategies. Furthermore, our efforts at catalyzing innovation among employees aim to improve processes, generate new business ideas, and set market trends, in order to address the issues of sustainable development.

BALFIN RETAIL FORUM

BALFIN RETAIL FORUM

Throughout these years, BALFIN Group has been a determinant actor in the retail sector in the countries it operates. As an industry forerunner, BALFIN Group organized for the third consecutive year Balfin Retail Forum to address the industry's challenges, and catalyze innovation, a key indicator of success as well as a core value of the Group.
This annual event gathers over 200 professionals from Group retail companies in Albania, Kosovo, Macedonia North, Montenegro, Bosnia and Herzegovina, as well as international experts to examine retail trends, optimize operations, leverage innovation and synergies between companies.

DIGITAL TRANSFORMATION

BALFIN Group is committed to harnessing digital technology to optimize every aspect of its operations, delivering benefits to employees, subsidiaries, partners, customers, and the communities it serves. The Group's long-term vision is to cultivate an environment where digital tools, solutions, and processes drive efficiency and effectiveness, ensuring exceptional value for all stakeholders.

TO REALIZE THIS VISION, BALFIN GROUP HAS SET AMBITIOUS GOALS THAT NOT ONLY PROVIDE STRATEGIC DIRECTION BUT ALSO REINFORCE ITS ECONOMIC POSITION THROUGH A COMPREHENSIVE ADOPTION OF DIGITAL TRANSFORMATION.

In 2023, BALFIN Group embarked on a significant digital transformation journey, marking a pivotal moment with the formalization of its Digital Transformation Strategy. This strategy, known as "MIRET," encapsulates the Group's commitment to:

- Modernizing processes and systems
- Improving customer experience
- Enhancing the reliability of infrastructure
- Empowering employee productivity and collaboration
- Transforming products and services

This strategy represents a crucial milestone in BALFIN Group's ongoing evolution towards a more digitally driven future.

The Digital Maturity Assessment was conducted to identify and prioritize digital initiatives across the Group. The insights gained from this assessment were instrumental in benchmarking against regional market standards and highlighting areas for improvement

Design of the Strategic Roadmap. One of the significant milestones in 2023 was the development of a digital transformation roadmap for the next three years, aligned with the MIRET goals. This roadmap outlines the key projects and initiatives that will drive the Group's digital ambitions, providing a clear direction for long-term growth and competitive advantage.

Configuration of Digital Teams. In each of the Group's companies, a Digital Champion position was established. The primary role of these Digital Champions is to work closely with the Transformation Department to facilitate project ideation and implementation, ensuring that all initiatives are well-integrated and effectively executed.
Another crucial aspect of BALFIN Group's digital transformation strategy has been the decision to establish an in-house Software Solutions Team. This in-house development approach allows for greater flexibility, faster implementation, and more effective responses to emerging business needs, while also delivering cost efficiencies

Adoption of Project Management Tools. The Group adopted a unified project management tool aimed at introducing a contemporary way of working and standardizing project management practices across all companies and levels within the organization. This tool is essential for ensuring that projects, whether digital or not, are managed efficiently and effectively.

WITH THE FORMATION OF THE DIGITAL TRANSFORMATION DEPARTMENT, BALFIN GROUPS AIMS TO DRIVE THE GROUP'S TRANSITION INTO THE DIGITAL AGE BY INTEGRATING DIGITAL TECHNOLOGIES ACROSS ALL AREAS OF THE BUSINESS IN ALL THE INDUSTRIES IS PRESENT. THIS INVOLVES REIMAGINING AND OPTIMIZING PROCESSES, ENHANCING CUSTOMER EXPERIENCES, AND FOSTERING A CULTURE OF INNOVATION.

Introduction of the Project Charter. The Digital Transformation Department introduced the Project Charter, a critical tool designed to serve as the foundational step of any project. The Project Charter includes key information based on thorough analysis, enabling the executive leadership to make informed, well-founded decisions.

In 2024, the anticipated deployment of major projects will further highlight the transformative impact of this strategy, showcasing the BALFIN Group's commitment to innovation and excellence in the digital age.

A key focus for the Group is **the Neptun International Omnichannel** project. This initiative aims to provide a seamless, integrated shopping experience across all retail channels, resulting in greater customer satisfaction, increased sales, and more efficient operations.

Additionally, work has commenced on the **Real Estate Management System,** which is expected to significantly streamline operations, enhance decision-making, and improve management practices. This project will ultimately increase the value and performance of your real estate portfolios, while also boosting customer satisfaction.

The Automated Flows Platform and Group Procurement System are two key initiatives designed to streamline operations across all companies within the Group. These projects present a significant challenge, as they must seamlessly integrate processes from diverse industries and multiple countries where the Group operates.
By automating manual tasks, these systems accelerate approval processes, minimise delays, and ultimately lead to faster turnaround times. The benefits are substantial, including enhanced accuracy, improved accessibility, better compliance, cost efficiencies, greater transparency, strengthened security, and a positive environmental impact.

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