

MATERIALS
ON THE AGENDA OF THE GENERAL MEETING OF THE SHAREHOLDERS
IN BULGARIAN REAL ESTATE FUND SPV
SCHEDULED FOR 28TH SEPTEMBER 2020

Re: article 1 of the agenda: Annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019;

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision under **article 1 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting accepts the annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019’.

Note: The annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019 is enclosed to the Annual Financial Statements for 2019 of the special purpose vehicle.

Re: article 2 of the agenda: Report of the registered auditor on the audit of the annual financial statements for 2019.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision under **article 2 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting accepts the report of the registered auditor on the audit of the annual financial statements for 2019.’

Note: The report of the registered auditor on the audit of the annual financial statements for 2019 is enclosed to the Annual Financial Statements for 2019 of the special purpose vehicle.

Re: article 3 of the agenda: Report on the work of the Audit committee of the special purpose vehicle for 2019.

1. Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 3 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting approves the Report on the work of the Audit committee of the special purpose vehicle for 2019.’

2. Report on the work of the Audit committee of the company for 2019.

REPORT

ON THE WORK OF THE AUDIT COMMITTEE OF BULGARIAN REAL ESTATE FUND SPV FOR 2019

1. The Audit committee of Bulgarian Real Estate Fund SPV was established in compliance with art. 40e, paragraph 1, of the Independent Financial Audit Act (IFAA)(canceled) at an extraordinary General Meeting of the shareholders in the company held on 05th February 2009.

2. The members of the current Audit committee of the company are: Atanas Kirilov Traychev – Chair of the Audit committee; Nikolay Sergeevich Dragomiretski – Member of the Audit committee; Irena Yordanova Daskalova - Member of the Audit committee.

3. The General Meeting of the shareholders in Bulgarian Real Estate Fund SPV fixed a term of office of 3 years of the current Audit Committee.

4. The Audit Committee of Bulgarian Real Estate Fund SPV carries out its activity on the grounds of Art. 107 and following of the Independent Financial Audit Act (IFAA), adopted on 29 November 2016.

5. In compliance with the provisions of IFAA the main tasks and functions of the Audit committee are:

- informs the management bodies of the Bulgarian Real Estate Fund SPV about the results of the statutory audit and explains how the statutory audit has contributed to the reliability of the financial reporting, as well as the role of the audit committee in this process.
- Monitoring of the financial reporting processes in Bulgarian Real Estate Fund SVP;
- Monitoring of the efficiency of the internal control systems of the company;
- Monitoring the effectiveness of the internal control system, the risk management system and the internal audit activity in terms of financial reporting to the Bulgarian Real Estate Fund SVP;

- Monitoring the mandatory audit of the annual financial statements, including its implementation, taking into account the findings and conclusions of the Commission for Public Oversight of Registered Auditors on the application of Art. 26 (6) of Regulation (EU) № 537/2014;;
- checks and monitors the independence of the registered auditors in accordance with the requirements of Chapters Six and Seven of the LFMA, as well as with Art. 6 of Regulation (EU) № 537/2014, including the expediency of providing services outside the audit of the audited entity under Art. 5 of the same regulation.
- is responsible for the selection procedure of the registered auditor and recommends his / her appointment, except in cases when the audited entity has a selection committee. when the company has a commission for conducting a selection procedure, the audit committee monitors its work, and based on its results proposes to the General Meeting of Shareholders to assign the audit engagement in accordance with the requirements of Art. 16 of Regulation (EU) № 537/2014.
- notifies through its chairman the Commission for public supervision over the registered auditors, as well as the management bodies of the enterprise for each given approval under art. 64, para. 3 and Art. 66, para. 3 of the LFIA within 7 days from the date of the decision.
- reports to the appointing authority.
- prepares and through its chairman submits to the Commission for Public Oversight of Registered Auditors by May 31 an annual report on its activities; The report shall be prepared in the form and content in accordance with an ordinance adopted by the Commission for Public Oversight of Registered Auditors.

6. While carrying out its work after the check-ups and analyses performed, the Audit Committee established that violations affecting the fair and accurate presentation of the activity and the financial results of Bulgarian Real Estate Fund SPV had not been committed in 2019.

7. In 2019 the registered auditor of the enterprise did not provide additional services to the audited company.

8. The Audit committee of the company recommends the Board of Directors of Bulgarian Real Estate Fund SPV to propose to the ordinary General meeting of the shareholders scheduled for 28th September 2020 to appoint "AFA" OOD, uniform identification code: 030278596, Sofia, Oborishte Region, 38 Oborishte str., to audit and certify the financial statements of the company for 2020.

9. This report has been executed in compliance with art. 108, para. 1, point 8 of IFAA.

Re: article 4 of the agenda: 'Approval of the Annual financial statements of the special purpose vehicle for 2019.'

1. Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 4 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

'The General meeting approves the Annual Financial Statements of the special purpose vehicle for 2019.'

2. Annex: Annual Financial Statements of the special purpose vehicle for 2019.

Re: article 5 of the agenda: Report of the Director of Investor Relations.

1. Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 5 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

'The General meeting approves the Report of the Director of Investors Relations.'

2. Report of the Director of Investor Relations.

REPORT

By Alexander Georgiev – Director of Investor Relations in

BULGARIAN REAL ESTATE FUND SPV

**To the ordinary annual General meeting of the shareholders in the Company
scheduled for 28th September 2020**

Dear shareholders, members of the Board of Directors and guests to the General meeting of Bulgarian Real Estate Fund SPV,

The position of Director of Investor Relations in public companies has been introduced as part of the legislative changes aimed at more complete and timely disclosure of information by the public companies to their shareholders, future investors and competent authorities, as well as at protection of the rights of both majority and minority shareholders.

Bulgarian Real Estate Fund SPV is a public company filed in the Companies register in December 2004, and in May 2005 the company was licensed by the Financial Supervision Commission to carry out business as a special purpose vehicle.

The major events related to the activity of Bulgarian Real Estate Fund in 2019 are described in detail in the annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019.

In view of the events related to the activity of Bulgarian Real Estate Fund SPV in 2019, my work as Director of Investor Relations was aimed at the following four main directions:

I. The first direction of my work as Director of Investor Relations in Bulgarian Real Estate Fund SPV was related to forwarding the materials for summoning of the General Meeting to all shareholders, who had requested to review them, within the time limits stipulated by the law.

Each invitation to attend the General meeting of the shareholders of Bulgarian Real Estate Fund SPV, including the materials concerning the agenda, was sent within the time limit set by the law to the Deputy Chair in charge of the Investment Supervision Department, Bulgarian Stock Exchange AD and in the public domain.

The invitations to convene the General Meeting of the shareholders in Bulgarian Real Estate Fund SPV were announced in due time in the Companies Register.

The materials on the agenda of each session of the General Meeting of the shareholders were available to the shareholders at the registered address of the Company from the date of publication of the invitation in the Companies register and on the website of the company. Additionally, in the cases, when this was expressly requested by individual shareholders in the Company, the materials were sent to be reviewed by them.

II. The second direction of my work was related to my obligations to keep and store the documentation regarding the decision-making process in Bulgarian Real Estate Fund SPV.

The bodies of the Company, which make decisions in connection with its business, are the General meeting of the shareholders and the Board of Directors.

The Board of Directors of Bulgarian Real Estate Fund SPV would convene meetings every time when necessary for the normal operation of the Company.

Detailed minutes were kept for the agenda, made proposals, discussions, voting and passed decisions at each session of the General Meeting of the shareholders and of the Board of Directors. The originals of these minutes are kept with the documentation of Bulgarian Real Estate Fund SPV. The minutes from all sessions of the General meeting and some of the minutes of the sessions of the Board of Directors (in the cases when this is explicitly provided by the law) are sent in due time to the Deputy Chair in charge

of the Investment Supervision department of the Financial Supervision Commission and Bulgarian Stock Exchange AD (and any other authorities/persons, as provided by the law). Each shareholder is entitled to review the contents of the minutes from the session of the General meeting and may also receive a copy thereof (from the Deputy Chair in charge of the Investment Supervision Department of the Financial Supervision Commission).

The presence of the Director of Investor Relations at such sessions is an additional guarantee that the decisions of the General meeting of the shareholders, or the Board of Directors, as the case may be, are discussed and adopted in compliance with the requirements of the acting Bulgarian legislation and the Articles of Association of Bulgarian Real Estate Fund SPV, in the interest of all shareholders in the Company and in a transparent manner.

III. The third direction of my work as Director of Investor Relations in the Company was related to the obligations regarding the disclosure information by Bulgarian Real Estate Fund SPV to the Financial Supervision Commission, Bulgarian Stock Exchange – Sofia AD, Central Depository AD and other persons/authorities.

You are aware that the public companies are subject to a very strict supervision by the Financial Supervision Commission, in particular by the Investment Supervision Department. This, however, applies to a greater extent to special vehicle purposes – alongside with the obligations to disclose information, we are also under the obligation, in the cases provided by the law, to make requests for preliminary approval of series of actions that concern companies such as ours. For example, public companies are obliged to notify the Financial Supervision Commission of any changes in their articles of association only. Unlike these, Bulgarian Real Estate Fund SPV, as a special purpose vehicle, is obliged to submit for approval by the Deputy Chair in charge of the Investment Supervision Department of the Financial Supervision Commission the changes in its articles of association adopted by the General Meeting of the shareholders, provided that such changes may be submitted for filing in the file of the Company in the Companies register kept by the Registry Agency only and after such approval has been granted.

We have put the necessary efforts to submit in time to the Deputy Chair in charge of the Investment Supervision Department of the Financial Supervision Commission all financial statements (quarterly and annual) and other notices concerning the activity of the Company (such as acquisition or sale of real estates, construction, etc.), provided that these have had contents complying with the requirements of the applicable legislation. The information disclosed to the Financial Supervision Commission was sent within the same time limits and contents to Bulgarian Stock Exchange AD and the in the public domain, as well as to other persons/authorities in the cases provided by the law.

During the period since the licensing of the Company until now the Financial Supervision Commission has not imposed any compulsory administrative measures on Bulgarian Real Estate Fund SPV due to failure to comply with its obligations to disclose information or failure to comply with other obligations laid down in the Bulgarian legislation in effect.

IV. The fourth direction of my work was related to the maintenance of efficient relationships and contacts among the members of the Board of Directors and the shareholders in Bulgarian Real Estate Fund SPV and the other persons interested to invest in securities issued by the Company.

In connection with this, in the reporting 2019 we put the necessary efforts to provide you on a timely basis with information about the progress of the Company activity, its ongoing financial and economic position and other details that were material to the current and future investors in Bulgarian Real Estate Fund SPV.

- We would notify in time our shareholders of the summoning of the General Meeting of the shareholders by announcement of an invitation in the Companies register, and the materials of the agenda of each session were made available to the shareholders at the registered address and on the website of the of the Company from the date of announcement of the invitation; the materials were sent for review, subject to a specific request by individual shareholders;
- Simultaneously with the submission of the quarterly and annual financial statements of the Company to the Deputy chair in charge of the Investment Supervision Department of the Financial Supervision Commission and to Bulgarian stock Exchange – Sofia AD, the said reports were made available in the public domain.
- In the past 2019 the Director of Investor Relations and all members of the Board of Directors were available to the shareholders and all other future investors in Bulgarian Real Estate Fund SPV, answering the raised questions about the activity of the Company.

Re: article 6 of the agenda: Report for enforcement of the Remuneration Policy for 2019

1. Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 6 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting adopts the Report for enforcement of the Remuneration Policy for 2019’.

2. Report for enforcement of the Remuneration Policy for 2019;

Re: article 7 of the agenda: Relieving from liability the members of the Board of Directors for their work in 2019

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 7 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting relieves from liability the members of the Board of Directors for their work in 2019.’

Re: article 8 of the agenda: Passing a decision for distribution of the financial result.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 8 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting passes a decision to distribute as shareholders’ dividend 90% of the transformed financial result for 2019, determined in compliance with art. 10 of SPV Act, in the amount of BGN 4 300 750,84, or a gross dividend of BGN 0.1241487 per share.

Re: article 9 of the agenda: Appointment of a registered auditor for 2020 financial year.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 9 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General meeting appoints “AFA” OOD, uniform identification code: 030278596, Sofia, Oborishte Region, 38 Oborishte str, to audit and certify the financial statements of the special purpose vehicle for 2020 financial year.’

Re: article 10 of the agenda: Change in the Board of Directors of the company.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 10 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting dismisses Nikolay Hristov Skarlatov from the position of a member of the Board of Directors and elects Nikolay Sergeevich Dragomiretski as a new member of the Board of Directors with a five-year term.’

Re: article 11 of the agenda: Determining the amount of the management guarantee for the new member of the Board of Directors.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 11 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting determines a guarantee for the management of the new member of the Board of Directors in the amount of his 3-month gross remuneration.’

Re: article 12 of the agenda: Election of a new Audit Committee of the company.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 12 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting elects a new Audit Committee composed of: Atanas Kirilov Traichev, Maria Slavyanova Nakova and Irena Yordanova Daskalova for a three-year term.’

Re: article 13 of the agenda: Election of a Chairman of the Audit Committee of the company.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 13 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting elects Atanas Kirilov Traichev as Chairman of the Audit Committee of the company.’

Re: article 14 of the agenda: Authorization of the Board of Directors of the company to determine the remuneration of each of the members of the Audit Committee.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 14 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting authorizes the Board of Directors of the company to determine the remuneration of each of the members of the Audit Committee.’

Re: article 15 of the agenda: Adoption of changes in the Remuneration Policy of the members of the Board of Directors.

Proposal of the Board of Directors of Bulgarian Real Estate Fund SPV for a decision **under article 15 of the agenda** of the ordinary General Meeting of the shareholders scheduled for 28th September 2020:

‘The General Meeting approves the proposed changes in the Remuneration Policy of the members of the Board of Directors.’

Template of Power of attorney in compliance with art. 116, paragraph 3, of the Securities Public Offering Act

POWER OF ATTORNEY TEMPLATE

for representation of a shareholder at the ordinary General meeting of the shareholders in

BULGARIAN REAL ESTATE FUND SPV

In case of legal entity shareholder
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I, the undersigned,, personal No., identity document No....., issued on by, permanent address: City, street No., floor, apt....., as a representative of, having its seat and registered office in,St., floor, uniform identification code:, shareholder in Bulgarian Real Estate Fund SPV, holding /...../ registered dematerialised voting shares in the capital of Bulgarian Real Estate Fund SPV, uniform identification code: 131350366, in compliance with art. 226 of the Commercial Act in connection with art. 116, paragraph 1 of the Securities Public Offering Act,

or

In case of physical person shareholder

I, the undersigned,, personal No., identity document No....., issued on by, permanent address: City, street No., floor, apt....., as a shareholder in Bulgarian Real Estate Fund SPV, holding /...../ registered dematerialised voting shares in the capital of Bulgarian Real Estate Fund SPV, uniform identification code: 131350366, in compliance with art. 226 of the Commercial Act in connection with art. 116, paragraph 1 of the Securities Public Offering Act,

AUTHORISE

In case of attorney - physical person

....., personal No., identity card No....., issued by the Ministry of the Interior on , permanent address:, street No., floor, apt.,

or

In case of attorney - legal entity

....., having its seat and registered office in, street No., floor, uniform identification code, represented by, personal No., identity document No....., issued on by, permanent address: city:, street No., floor, apt., acting as

to represent the company managed by me/to represent me at the ordinary General Meeting of the shareholders in Bulgarian Real Estate Fund SPV, uniform identification code 131350366, to be held on 28th September 2020 at 10:00 in Sofia, 36, Dragan Tsankov Blvd., Interpred – World Trade Center Sofia, 2nd floor, block A, Plovdiv hall, and in case of absence of quorum on the date specified in the invitation for the general meeting of the shareholders, on 14th October 2020 at 10:00 at the same place and with the same agenda and to vote with shares in the capital Bulgarian Real Estate Fund SPV on the items of the agenda, according to the instructions below, that is to say:

1. Annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019; Draft decision: the General meeting adopts the Annual report of the Board of Directors on the activity and management of the special purpose vehicle in 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

2. Report of the registered auditor on the audit of the annual financial statement for 2019; draft decision: The General meeting adopts the report of the registered auditor on the audit of the annual financial statement for 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

3. Report on the work of the Audit Committee of the special purpose vehicle for 2019; draft decision: The General Meeting adopts the report on the work of the Audit Committee of the special purpose vehicle for 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

4. Approval of the Annual financial statement of the special purpose vehicle for 2019; draft decision: The General Meeting approves the Annual financial statements of the special purpose vehicle for 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

5. Report of the Director of Investor Relations; Draft decision: The General Meeting adopts the report of the Director of Investor Relations.

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

6. Report on application of the remuneration policy for 2019; Draft decision: The General Meeting adopts the report of the on the application of the remuneration policy for 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

7. Relieving from liability the members of the Board of Directors for their work in 2019; Draft decision: The General Meeting relieves from liability the members of the Board of Directors for their work in 2019;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

8. Passing a decision for distribution of the financial result; Draft decision - The General meeting passes a decision to distribute as shareholders' dividend 90% of the transformed financial result for 2019, determined in compliance with art. 10 of SPV Act, in the amount of BGN 4 300 750,84, or a gross dividend of BGN 0.1241487 per share.

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

9. Appointment of a registered auditor for 2020 financial year; draft decision: The General meeting appoints "AFA" OOD, uniform identification code: 030278596,

Sofia, Oborishte Region, 38 Oborishte str, to audit and certify the financial statements of the special purpose vehicle for 2020 financial year;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

10. Change in the Board of Directors of the company; draft decision - the General Meeting dismisses Nikolay Hristov Skarlatov from the position of a member of the Board of Directors and elects Nikolay Sergeevich Dragomiretski as a new member of the Board of Directors with a five-year term;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

11. Determining the amount of the management guarantee for the new member of the Board of Directors; draft decision - the General Meeting determines a guarantee for the management of the new member of the Board of Directors in the amount of his 3-month gross remuneration;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

12. Election of a new Audit Committee of the company; draft decision - the General Meeting elects a new Audit Committee composed of: Atanas Kirilov Traichev, Maria Slavyanova Nakova and Irena Yordanova Daskalova for a three-year term;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

13. Election of a Chairman of the Audit Committee of the company; draft decision - the General Meeting elects Atanas Kirilov Traichev as Chairman of the Audit Committee of the company;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

14. Authorization of the Board of Directors of the company to determine the remuneration of each of the members of the Audit Committee; draft decision - the General Meeting authorizes the Board of Directors of the company to determine the remuneration of each of the members of the Audit Committee;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

15. Adoption of changes in the Remuneration Policy of the members of the Board of Directors; draft decision - the General Meeting approves the proposed changes in the Remuneration Policy of the members of the Board of Directors;

Voting method: For, against, abstain, the attorney is entitled to decide whether and how to vote;

The attorney shall vote as stated above. In case of instructions to vote 'against', the attorney may consider whether and how to vote, in case of instructions to vote 'abstain' the attorney can make additional proposals on the items of the agenda, as the attorney deems appropriate. The authorisation includes/does not include issues that are included in the agenda under the conditions of art. 231, paragraph 1, of the Commercial Act, and are not reported and published also in compliance with art 223 and art. 223a of the Commercial Act. In the cases under art. 231, paragraph 1, of the Commercial Act the attorney has/does not have the right to decide alone whether and how to vote. In the cases under art. 223a of the Commercial Act the attorney has/does not have the right to decide alone whether and how to vote, as well as to make/not to make proposals for decisions on issues additionally included in the agenda.

In compliance with art. 116, paragraph 4, of the Securities Public Offering Act, subdelegating the above rights shall be null and void.

AUTHORISER

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**Todor Lyudmilov Breshkov, Chairman of the Board of
Directors of BULGARIAN REAL ESTATE FUND SPV**