

BALFIN TIMES



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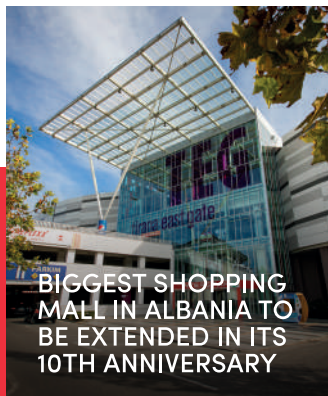
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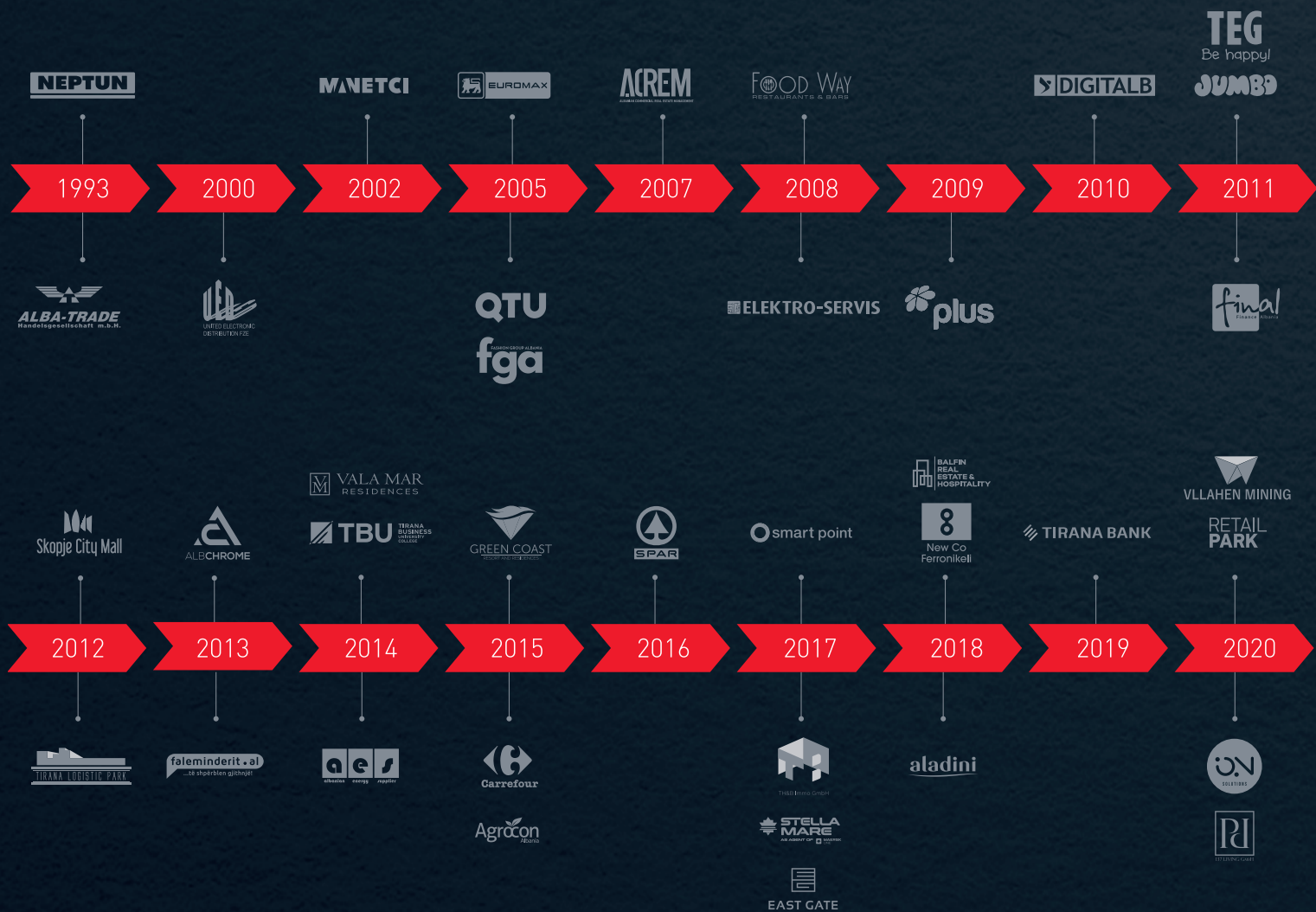
"Balkan Finance Investment Group", (BALFIN Group) is one of the most significant and successful investment groups in the Western Balkans, with a non-consolidated gross revenue of 639.06 million Euros in 2020.

BALFIN Group is a trustworthy partner applying the highest business and ethical standards, with experience and expertise in several industries, great financial capitals, outstanding human resources, and a rigorous focus on innovation.

The Group operates in various industries such as: real estate, retail, mining and smelting industry, banking, tourism, energy, logistics, etc. On the other hand, by applying the highest global business principles and speaking the local language, all group companies are unquestionable leaders in their respective enterprises, thus making BALFIN Group a commended and applauded partner for a large number of significant international companies and financial institutions.

BALFIN Group was founded in 1993 in Vienna by Mr. Samir Mane, and is currently is located and operating in Austria, Albania, Kosovo, Bosnia and Herzegovina, North Macedonia, Montenegro and Netherlands.

BALFIN Group has made constant progress in overall growth by 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.



FACTS AND FIGURES



Approximately
6000 people
work in all BALFIN Group
companies



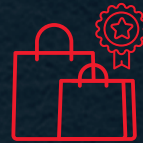
In 2020, Total Group Assets
on standalone financial
performance are around
€ 1.35 billion



Non-consolidated gross
revenue of over
€ 639 million
in 2020



€ 53 million
taxes paid in 2020



QTU and TEG are
respectively
**the first and
the largest**
shopping malls in Albania.



Enterprise Value of all
BALFIN Group
companies increased to
€ 755 million
in 2020



Neptun International is
leading retail
the chain of consumer
electronics operating in
Albania, North Macedonia
and Kosovo



KidZone is present in 4
countries, with 21 Jumbo
superstores, offering more than
30.000 products
for every buyer persona



Balfin Real Estate &
Hospitality manages a wide
portfolio of assets that will
grow to approximately
€ 750 million



From 2019, BALFIN Group
is present in the
banking sector
as the sole shareholder of
Tirana Bank



AlbChrome and New Co
Ferronikeli are among
**the largest
exporters**
respectively in Albania
and Kosovo



East Gate
located in Skopje, is
the largest shopping
mall in the region



SPAR is the
**largest
international**
chain of supermarkets in
Albania, serving more
than 25.000 clients daily



€ 116 million
total group investments
planned for 2021

IN 2021 BALFIN GROUP COMPANIES WILL MAKE OVER 108 MILLION EURO OF INVESTMENTS

In 2021, BALFIN is looking to expand in its existing sectors in the region and beyond borders. Our mission is to bring new and modern concepts to Albania and the region and invest in promising industries. Starting out, BALFIN opened the first organized retail in Albania in electronics and groceries, and developed the first shopping malls in Albania and North Macedonia. It is in our genesis and very core to bring this legacy forward. Although our headquarters are located in Tirana, Albania, BALFIN Group is an international investment group, present in seven countries. We are optimistic about the future of the Western Balkans region because we believe in the potential of its people.



We rely on the accuracy of our annual financial and performance records to assess key growth opportunities. In 2019, audited turnover was approximately 480 million Euros, while in 2020 the estimated turnover was 388 million Euros. The turnover decline is mainly due to the lockdown that affected retail sector and fall of prices in international markets for mining industry.

The Covid-19 pandemic created a very challenging new reality for everyone and all social, political and economic activities. Many businesses decided to cut back investment due to the uncertainty created by this situation. At BALFIN Group, we went the other way around. The retail network advanced its expansion by opening new stores in new cities, coming even closer to our customers. Real estate projects pursued the already agreed investment strategy and an important agreement was signed for the construction of a new hotel in the Ionian coast. Recently,

We continued our actual investment in mining and smelting to increase production and quality and further improve health and safety standards, despite the fact that prices in international markets are not in favor.

From the beginning of the pandemic, our focus was the health and safety of our employees, customers and partners. Different group companies have followed different policies and protocols, implementing the recommendations of the respective countries and industries where they operate. In general, we are still growing and hiring, and fortunately no staff were let go due to the pandemic. BALFIN Group has directly employed about 6,000 people and about 10,000 more are indirectly employed by our partners, whose function and work is mainly related to the activity of our Group's companies.

All BALFIN Group companies operate in very competitive markets and industries. This creates the conditions for further improvement and growth for the Group, implementing new ideas, investing in innovation and improving standards.

In 2021, BALFIN Group will invest approximately 86 million Euros in the development of the real estate. This fall, in Skopje, North Macedonia, one of the most important investments of the Group, East Gate, will be inaugurated. This shopping centre will be the third of its kind owned by BALFIN Group, following the success story of TEG and QTU in Tirana, Albania. Now, BALFIN Group is positioned as one of the largest foreign investors in North Macedonia.

TEG Shopping Centre, on its 10th anniversary, will expand and will offer more shopping opportunities.

In collaboration with Accor Group, one of the most important worldwide groups in hospitality industry, BALFIN Group will start the construction of the very first MGallery boutique hotel in one of the most amazing beaches of the Mediterranean Sea, in Palasa, Albanian Riviera.

Following the investments in real estate development, another important milestone is the latest investments in residences in Vienna, Austria. This is the second investment in real estate development in Austria for BALFIN Group.



In the retail industry, all Group Companies have concrete projects to expand their chains of stores, increasing the number of brands and partners and further improving quality of service for costumers. This will be an investment of around 6 million Euro in the Western Balkans Region.

In the banking sector, Tirana Bank, part of BALFIN Group since 2019, will continue to expand the number of branches, but also improve its services and online solutions. Besides the investment in increasing e-banking services, within 2021 Tirana bank will be present in Kosovo as well.

Despite the very difficult years for mining and smelting industry,

BALFIN Group never interrupted the investments in both its companies, AlbChrome in Albania and Newco Ferronikeli LLC in Kosovo. In the next 10 years, Newco Ferronikeli plans to increase its production capacity up to 100%, putting into operation the second production line in 2022, thus doubling the amount of production. This year, approximately 19 million Euros will be invested to increase production and standards, besides offering more jobs for the local communities.

In total, during 2021 BALFIN Group companies will make over 108 million Euro of investments, a testimonial of its commitment to development and the strength of its brand.



IN AUSTRIA, WHERE IT ALL STARTED FOR BALFIN GROUP

When young Samir Mane left for Austria in the early 1990's, with a suitcase full of dreams, no one would have thought that in a short time, from there, he would have established one of the largest conglomerates of business in the Western Balkans.

The cornerstone of this 30-year journey was laid in 1993 in Vienna, Austria and since then the Group has been operating in seven countries around the world.

The first company, or good omen of all this venture that continues, was precisely the Alba Trade company, which even today operates with the same efficiency and dedication in the heart of Central Europe.

Since its inception 29 years ago, Alba Trade has managed to sign business contracts in the Western Balkan markets with suppliers leading the global electronics business, such as Beko, Samsung and LG.

This role continues to be maintained even today with the establishment of new contracts with suppliers. Business financial support with favorable payment terms, as well as the constant supply, willingness and competitive price flexibility thanks to the wholesale business, preserves an important part for the Group companies.

Although a pandemic year, 2020 was a year of success with a 20% increase in Alba Trade total turnover compared to 2019.

The company says that they hope to maintain the same achievements and results during 2021.

The Executive Director of Alba Trade, Alban Caslli, states what the challenges and perspectives of the company are: "Of course, in such mature markets as Austria, but also other European countries, the challenges are daily and the intensity of the business process is very high where a very intensive work is required, updated to market conditions. The challenges are domestic and international competitors, where based on the large markets per capita that they cover, they are very competitive in price and quantity," - he says.

BALFIN is present in Austria even in the real estate development sector, where a year ago it introduced the second real estate project. This project envisions the construction of a residential complex in one of Vienna's most popular areas, between District 18 and 19, an investment of about 10 million Euro, and this residential complex in Vienna is expected to be completed in 2022.

The first real estate development project of BALFIN in Austria started in October 2018. It includes a residential project which has already been completed. The complex is located in the Altmünster area of Austria, which is a well-known tourist area near Lake Traunsee.

NEWCO FERRONIKELI, DOUBLING PRODUCTION WITHIN 2022



NewCo Ferronikeli represents one of the largest employers in the private sector in Kosovo. Currently, from 2020 to 2021, the Ferronikeli company is under the investment phase (20 million Euro investment plan), to launch the second production line in 2022 and thus, consequently, leading to an increase of 1,000 full-time employees. It is worth highlighting the fact that the average salary in Newco is EUR 600/month per employee, making Ferronikel the company that provides with the highest average salary in Kosovo.. The cost for salary expenses goes up to 9 million Euro per year allocated only for the Company's direct employees' salaries.

NewCo Ferronikeli plays a very important role in the economy of Kosovo in terms of added value and impact on Gross Domestic Product (GDP). The whole production of the extractive enterprise is exported to Europe and Asia. Amounting up to \$70 million in sales in 2020, Ferronikeli represents the largest exporter in Kosovo actually, due to the low price of nickel including a 3-month suspension period for CapEx commitments. Whether the price of nickel remains the same as the actual price during the rest of 2021, the company forecasts over \$100 million in exports, while in 2022, with two production lines, forecasts indicate that exports will reach a \$175 million worth.

Ferronickel represents a relevant taxpayer. In 2020 alone, the company paid approximately Euro 4 million in indirect taxes contributing to the Kosovo budget. Starting from 2022 it will also start paying Profit Tax. Furthermore, Ferronikeli represents an important stakeholder for other private sector enterprises and for green energy, for the local lignite production company 'Kosova Thëngjilli', as well as a vital actor for the public railway company in Kosovo 'Trainkos'.

Largest user of railways and power supply

'Trainkos' is a public railway company and its entire services in the transport of goods are dedicated up to 90% or more to the needs of Ferronikel. In 2020, 'Trainkos' has transported about 500,000 tons of Ferronickel goods, inside and outside the country, despite the pandemic situation and three months of suspension from the production activity. The projections figures shall increase by 50% in 2021 and will double in 2022, when the two operation lines will be operational. In conclusion, 'Trainkos' depends entirely on Ferronikeli.

Furthermore, Ferronikeli is the largest consumer of electricity in Kosovo, using 50 megawatts per hour throughout the year. The second company in the country ranked after Ferronikel for energy consumption consumes only 10 megawatts per hour. Ferronikel purchases all electricity by reference to the prices from the 'HUPX' (Hungarian Power Exchange). Moreover, on the reference price by 'HUPX', the company pays the transmission fee to KOSTT, another public enterprise in Kosovo. Currently, Ferronikeli does not benefit from any subsidy on energy tariffs. Even though Ferronikeli represents the only intensive consumer of electricity and is considered one of the most advantageous enterprises contributing to the Kosovo budget, it still does not benefit from any preferential treatment.

Ferronikel's monthly bill for electric energy consumption, according to the current price of electricity, amounts up to Euro 3 million. To strongly penetrate the unstable international nickel market, there is need for facilitation on the part of the Kosovo's government. If there is a will, there are many ways for these facilitations to be viable and implemented.

During the pandemic, in terms of business, Ferronickel was affected as consumers began to cancel nickel orders due to production plants closures.

Genci Beribashi, the company's Executive Director, talks more about the challenges faced and coping with difficulties "We were forced to stop operating for three months in our company. Despite the circumstances, we kept all the employees at work and continued paying their salaries during those three critical months, not receiving any facilitation or support on the Government's part. Gradually, between August and September 2020, the demand for nickel began to increase as the imposed closure measures eased. Ferronickel resumed its production activity, although there may have been minor logistical delays due to pandemic measures and quarantine rules in many countries worldwide.

Beribashi also makes a projection for the long-term performance of the company: "Our goal is to integrate the latest technologies to our enterprise and thus become the largest producer of ferronickel in Europe, demonstrating due care for the environment and by supporting green energy. The projection is to be ranked amongst the Top-10 companies in the world for the lowest production costs," concludes Executive Director Beribashi.



EAST GATE MALL, BRANDS REVEALED

Construction works of East Gate Mall are going full speed ahead. One of the biggest malls and entertainment centers in the region is preparing for the fall season when it is expected to open its doors to the public.

The biggest competitive advantage of "East Gate Mall" as a modern multi-purpose complex with its GLA 57.000 m2 is the rich portfolio of tenants, the variety of entertainment and the offer of top brands for every taste and budget, who are coming to the country for the first time or first opening stores at the East Gate Mall.

From tenant mix aspect, East Gate Mall has carefully created the shops' format on one hand to meet the requirements of the tenants, but at the same time to be attractive to visitors. The key anchors at East Gate Mall are well-known international retail chains that will attract the highest frequency of visitors. Of course, different formats of smaller stores aim to refresh the offer, including "pop up stores", showrooms, flagship stores, kiosks and islands that represent flexible models ready to adapt according to the needs of the tenants.

"Central Boulevard" is the main promenade with beautiful shops and different brands that introduce the wide offer in the mall.

"Fashion Avenue", a street dedicated to well-selected premium brands of haute couture for men and women.

"Central Square" offers supermarkets, ancillary services, home decor and technology stores - and this segmentation offers visitors a greater view of content that interests them.

On the first floor, there are shops in the sportswear and sports equipment segments, footwear and accessories, children's clothing, books and toys, fashion for new millennials, so that the target groups can easily find their corner.

East Gate Mall has started revealing which new brands will have their own "debut" performance in the Macedonian market. This included LPP's five brands: The Athlete's Foot, Mango Man, Mango Kids, Papa's Café, Illy Espresso store, as well as Zara Home, Oyscho, Kiko Milano, Madame Coco, and many other names that will base the regional shops exclusively in East Gate Mall. The hypermarket that will be operated by Tinex, covering an area of 2,000 m2 and is one of the so-called "anchor" tenants that are renowned in the market, attracting a large number of buyers.

Due to the modern look of the center, a good part of the brands will perform with the so-called "flagship units" which would mean highly decorated stores by decor and selected portfolio, and some of the brands will be presented with advanced formats that use technology "generation 4.0" as well as the latest interior solutions, in the architecture defined as "edition 2021".

ACCOR AND BALFIN, PARTNERS IN THE FIRST "MGALLERY BOUTIQUE HOTEL" IN ALBANIA

Accor, one of the leading names and hotel chains in the world, and Green Coast Hotel announced on March the launch of cooperation for the development of the first MGallery hotel in Albania. The 112-room hotel located in Palasë, Vlorë will welcome the first visitors in April 2024 and will mark an important moment for the Albanian tourism industry.

Accor strengthens its portfolio in Southeast Europe by introducing its name more and more in these countries, which show a lot of interest in international tourism. Accor has signed an exclusivity agreement with Green Coast Hotel, part of BALFIN Group. The project will be an unprecedented development in the tourism industry in Albania and will put Albania on the map of the international tourism industry. A unique MGallery Boutique hotel, the first on the Ionian coast in the Mediterranean, will offer 112 luxurious rooms and suites, where local tradition combined with modernity and contemporary aesthetics will stand out. Bars and restaurants, a SPA and private beach will create an exclusive premium destination for all visitors.

A very prestigious architectural studio from Belgium has been selected for the conception of the hotel. The hotel is expected to start construction during the last quarter of 2021.

Green Coast MGallery 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 dedicated space in the beach area.

The hotel is expected to be a new international destination where culture, art, history can be "touched" and where impressive experiences will be experienced.

Albania has been visited by over 8 million tourists over the last two years and the country is showing a high demand for quality and premium accommodation services.

MGallery Hotel Collection, includes boutique hotels, each with its own original style and unique story to tell. Each destination offers an extraordinary experience inspired by the traditions of the surrounding area, creating unforgettable moments that inspire eternal memories. Today, MGallery owns more than 100 Boutique hotels, enabling visitors to discover more than 30 destinations worldwide. In the city centre, along the coast, set in nature or spaces with extraordinary views, the hotels of the MGallery Collection invite every visitor to explore the world and its splendors.

Accor is one of the world's leading hotel groups, consisting of more than 5,000 properties and 10,000 service units in 110 states. The group has one of the most diverse and fully integrated hotel collections in the tourism industry, which includes luxury and premium brands, mid-range and economy brands, distinctive lifestyles, entertainment and nightlife venues, restaurants and bars, private residences, shared accommodation properties, collaboration spaces and more. Accor also boasts an unrivalled portfolio of prominent brands and with approximately 300,000 staff members worldwide. Over 65 million members benefit from the all-inclusive ALL - Accor Live Limitless' comprehensive loyalty program - a daily travel companion that provides access to a wide variety of services and experiences.



"BUILDING THE FUTURE IN ALBANIA"

Amidst COVID-19 and the global unprecedented crisis it created for the real estate industry, BALFIN has gone beyond adapting. As an industry leader, BALFIN has focused on further strengthening its competitive differentiation and position through bold investments. Ardiana Sokoli, Group's Real Estate Vice President, talks about market trends, the impacts of COVID-19, and rethinking the future of real estate development and elite

tourism investments in Albania.

How do you assess the real estate market in Albania during these first six months? Has the pandemic had any impact?

Being a global event, the pandemic has undoubtedly affected economic structures worldwide, and naturally the Albanian economy as well. Thanks to the indicators, the recovery seems optimistic, although at a slow pace. The real estate sector in Albania rests upon two main pillars, firstly the quality-price ratio, and secondly the dynamics of urban mobility. This indicates that Albanians are constantly moving both towards the capital and abroad. In the first scenario, the demand for residential houses in the metropolitan area has increased, while in the second scenario, those who leave, own a property making a return on their investment through rent.

With reference to the last decades, the quality-price ratio has been optimized. In this view, the quality of construction materials has increased, high expertise in contemporary design and development has been acquired, and costs are retained at affordable levels to the Albanian market and consumer.

Owing to the support from the banking system, now it is easier for Albanians to afford buying a house. As for those in search of a higher lifestyle quality, the opportunities of exclusive communities have increased, and they provide a higher quality compared to the region.

How significant is the signing of the agreement between BALFIN and ACCOR for Albania and the Western Balkans?

ACCOR Group is one of the leading hotel brands and networks across the globe. The cooperation

between BALFIN and ACCOR marks the beginning of a new chapter in the modern area of Albanian tourism. Today, on account of this cooperation, Albania is mapped in elite tourism and can exclusively welcome more than 65 million visitors – members of the ACCOR loyalty club.

BALFIN has already revealed the development of the first MGallery hotel in the country. The 112-room hotel, located in Palasë, will open the doors for the first visitors in April 2024. This agreement visualises a great leap forward for the tourism industry in our country. Lastly, we are competing as a premium destination in the Mediterranean, through Green Coast Resort & Residences. The MGallery Hotel Collection appeal to every visitor to explore the world and its splendours. To come up with a design for the hotel, which is expected to start construction during the last quarter of 2021, a highly distinguished architectural studio from Belgium has been selected. The Green Coast MGallery hotel will offer a great range of facilities for visitors, such as restaurants, VIP club lounge, banquet and conference rooms, swimming pool, as well as dedicated spaces in the beach area.

Once again, the BALFIN Group seems to be investing a lot of energy in real estate development projects. What are some of the future key projects?

BALFIN Group aspires to always be at the forefront of development and innovation. Today, the group projects are too many to be counted, and real estate development projects are among the most thriving. Upon introducing for the first time in Albania the concept of shopping malls in the dimensions of TEG and QTU, or the elite residences in exclusive communities such as Rolling Hills and Green Coast, now we aim to develop projects that improve our communities.



Ardiana Sokoli,
Group's Real Estate Vice President



Collina Verde is a project under development, given special care and which will provide a comfortable lifestyle, with the greenery view of Lundra hills, the fresh air, and the scenic landscapes. This project consists of a small number of villas suitable for small and large families, or for individuals who adhere for a quiet life and more privacy on the outskirts of the capital.

Rolling Hills Lakeside is comprised of premium villas and apartments which planned to welcome new residents of a selected community by Farka Lake. The quality of life will increase twofold by means of the high standard of the design and development, as well as the natural environment that will embrace every resident. Relaxing views of the greenery and the lake, family tranquillity, and the dynamism of a central piazza with commercial units, services, coffee shops and recreational spaces, all brought together. All of this, provided at an acceptable price as compared to what is offered.

Univers City has been conceived as a new city within the concrete jungle. Univers City is located next to the Qendra Tregtare Univers (QTU) and will consist of residential buildings suitable for everyone: young families, young couples, students or large families looking for bigger apartments with lower prices. This mini city will provide a comprehensive range of services, sufficient for an autonomous living within a community located very close to QTU, where the needs for food, clothing and entertainment can be adequately met. Spaces and sports facilities for healthy living will also be provided. Greenery will surround every corner of the complex. A public school for children and absolute security and privacy have been foreseen as well. The most crucial element of the project is the lowest market price for the optimal quality that is offered. Anyone who wants to have an apartment in Tirana, will no longer have to pay an arm and a leg, as Univers City welcomes everyone and fulfils every need for every family's journey.

Green Coast Village is an exceedingly ambitious project, aiming at building the first tourist village with international tourism standards. Green Coast Village will be in Palasa, at proximity to the previous Green Coast project. This majestic project will consist of residences, several 4 and 5-star hotels as well as apartment complexes. There will be an abundance of recreational spaces, services, and entertainment units, for vacations and leisure throughout the year.

As one of the most prestigious projects, it is carried out by "Emre Arolat Architecture", an international studio, with headquarters in New York, London, and Istanbul. This is the same studio that designed with splendid finesse the aforementioned project "Rolling Hills Lakeside".

Green Coast Resort & Residences 2 will also be expanded, in the wake of the success it represents, as a unique destination and due to the quality of the project, thus generating higher demand for further development.



BIGGEST SHOPPING MALL IN ALBANIA TO BE EXTENDED IN ITS 10TH ANNIVERSARY

Tirana East Gate (TEG) is the biggest shopping center in Albania. With an area of more than 95.700 m², this center is built to distinguish the variety of brands and products, the introduction of exclusive brands, entertainment areas, restaurants, cafes, and maximum comfort for the customers. TEG is the presenter of the most popular international brands, like SPAR, Jumbo, Neptun, Cineplexx and the house of Inditex Group, the largest clothing retail group in the world, with its premium brands (Zara, Massimo Dutti, Bershka, Pull & Bear, Stradivarius and Zara Home). Located 4 km from the city center, TEG has become a major shopping destination of the citizens of Tirana, and not only.

Nevertheless, it's been 10 years since the TEG construction, so the recent developments and innovations in retail and shopping centers field brought the need for an extension project. The renovation not only will increase the property value, but will directly impact positively the customer experience of the center by having additional retail shopping spaces and entertainment for all visitors, exclusively in TEG.

TEG will be extended with a total construction surface of 16,998 m², in which 12,100 m² is ground and first floor, and 4,898 m² is underground/parking spaces, with a total GLA of 9,769.2 m². Regarding the new retail area that will be an added value to the shopping center, the shopping mall will have new retail units (6,584.1m²), new food and beverage units (1,060.5 m²), new great entertainment opportunities (playground for kids, 2,124.6 m²).

These renovations will impact directly in elevating the shopping mall standards and expectations, which means increasing the number of visitors as well.

Refurbishment and extension allow schemes to refocus the TEG strategy, strengthen the tenant mix and respond to current trends. For extending marketing strategies and events area of the center, will be added a new Event Court doubling the current area of events (609.4 m² total). Also, this project will have an important social impact in the employment and the development of the local surrounding area.

The works for the extension project has already started and currently it's been working on the first phase of the construction project. The estimated deadline of works is July 2022.



"TEG has been close to the customers for 10 years now with a wide range of shops and international brands, thus becoming the most frequented shopping center in the country. With the rapid digital transformations of retail and the growing need for changes and innovation in shopping centers, there seems to be new opportunities for them to engage clients and to improve customer satisfaction. The need for TEG to be part of this trend, to extend and bring a new concept of itself, in addition to being as close as possible to the client, is the main reason of this project. Shopping centers will need to offer more than just a place to shop. With the TEG extension project we aim to rethink and reorganize the tenant mix, by offering to our clients a wide shopping experience with new exclusive international brands. Also, leisure and entertainment will be in our focus by mixing retail, dining and leisure, so that the client will find them all in one place. The main focus is to provide an attractive modern shopping environment and a unique personalized experience, so the costumers will feel comfortable and satisfied during time in TEG," - stated Mariola Kuçi, ACREM's CEO (The Managing Company of TEG and QTU).



| Mariola Kuçi, ACREM's CEO



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 **TIRANA BANK**
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TIBANK – TIRANA BANK SIDES WITH DIGITALIZATION



In the banking industry, technologies are eliminating barriers and opening doors for new financial services day by day. Adoption of digitalization is very important and unavoidable especially for the banking sector. Tirana Bank not only recognized this requirement on time, but also accelerated digital reinvention, building a truly digital bank accessed anywhere, anytime, at the comfort of one's palm.

At Tirana Bank, customer experience is of paramount importance. Their success is founded on a transparent relationship between the Bank and the customer, and best presented through their products and services. Today, customers have round-the-clock access to Tirana Bank thanks to TiBank: an innovative platform created to meet the customer's every requirement.

With user experience being the focal point, TiBank offers a 360 degree scope. Customers can have a detailed overview of all their products and history with Tirana Bank and get real time information regarding the actions carried out. A digital map provides the location of Tirana Bank branches and ATMs throughout Albania. Fast, easy and secure transfers within the country and abroad, between accounts and third parties have been enabled. Mailbox, an interactive dedicated space, immediately answers any questions regarding Customer Service at any time. Users no longer worry about queues or nearest banks' opening hours when they want to open a term deposit, pay bills, change the status of Debit Cards and settle Credit Cards.

Furthermore, Tirana Bank has elevated its digital offering by enabling customers to manage their finances from their smartphone. For this purpose, a special category proves useful – Personal Financial Management – which offers several services such as categorization of all transactions, creating savings plans, drafting budget categories, crediting through Payroll Functionality etc., all in a fast and convenient way.

By embracing digitalization, Tirana Bank now provides enhanced customer services, with accessibility and time-saving as two simple but key advantages, boosting customer loyalty. Customers are guaranteed maximum protection and assistance. Interactive, convenient user interface and high level security were the foundation of this important milestone in the operations of Tirana Bank. And this is only the beginning.

Tirana Bank is taking important steps in technology investments to be as close as possible to customers, and respond to the needs and trends of the time. Since joining BALFIN Group in 2019, this is the next big commitment for its consolidation and further growth in the market. BALFIN Group has undertaken a process of substantial transformation by maximizing the use of digital systems to facilitate, accelerate and enhance the quality of the group companies' offer. Such transformation endeavors will affect the day-to-day work process following the footsteps of the most successful international success stories for each of the industries where the group operates.



RETAIL PARK, BALFIN GROUP'S NEW VENTURE EXPECTED TO EXTEND ACROSS THE COUNTRY

BALFIN Group will soon launch a new venture, fundamentally representing an innovative business model. Denominated as the Retail Park, this project consists of the construction of a commercial building, along with common public spaces and green areas.

Korça, the city of serenades, will lift the curtain of this premier business model. Four well-known brands will be accommodated in this shopping mall, selectively chosen to meet the basic consumer's daily life requirements, by providing quality products in key sectors, such as the food industry, electronics, fashion, toys for children, interior design etc.

The commercial complex offers a diverse selection of shops, similar to shopping malls but with a more consolidated structure, thus creating more free spaces available to citizens. Furthermore, Retail Park represents a pioneer investment of its kind in the country, and one of the most important retail investments in the city of Korça in the last decade, which beyond the embodied tradition and opportunities, has suffered for a long time due to the lack of substantial investments in this category. Moreover, the project is intended to develop in an area where there is a scarcity of investments, located at the city entrance, close to

the new Intercity Bus Terminal. In this perspective, the scope is to establish the foundations for the re-qualification of the entire area, turning this project into a prominent catalyst for the development of the whole district of Korça.

Julian Mane, retail Group's Vice President states: "With this model, and through a new expansion, we want to give a clear signal that the work and growth continues, and that our commitment is always focused on every opportunity that brings our way of doing business closer to consumers, with always clear in mind our core objective to improve the standard of living, wherever we invest".

The investment is expected to be realized in early 2022 and will be the first cornerstone of its kind, as the Retail Park model will be later extended by BALFIN Group to other cities in Albania, such as in Vlora, Elbasan, Tirana and beyond.

Upon the project completion, feasibility and the start of its operations, Korça city and its outskirts will benefit of 90 newly emerged job vacancies.

Situated in an area of 7124 m², the building structure will be composed of light-weighted construction materials, a perfect combination in respect of nature and preservation of urban features of the city. The novelty relies on putting side-by-side, under the same roof, the best well-known local and international brands. Given that the area lacks shopping malls, this investment is expected to impact the rapid development of the area in a substantial and positive way, by facilitating and elevating the living standards of citizens, and therefore avoiding long-way travelling to the capital for this purpose.



Julian Mane,
Retail Group's Vice President



JUMBO

over
30.000
products

For the
whole
family!



ALBANIA • BOSNIA & HERCEGOVINA • KOSOVO • MONTENEGRO



JUMBO, A REGIONAL HOUSEHOLD BRAND

10 years ago, Jumbo was first introduced to the Albanian market, opening doors in Tirana, and further on in five other major cities. Introducing a one stop shop concept with over 30,000 products for all demographics, superstores and the best price-quality ratio, Jumbo disrupted the retail market of its kind. It was clear then that the values and mission that framed Jumbo's operations were purposely set out for further successful expansion.

Today, Jumbo operates in 4 different markets in the Balkan region, in Albania, Kosovo, Bosnia Herzegovina and Montenegro, with 21 superstores, approximately 780 employees, serving over 35,000 customers every day.

To its customers, Jumbo is not only a store offering infinite alternatives with reasonable prices and good quality, it is an experience. At Jumbo, customers of all ages and backgrounds can experience every season, trend, desire or hobby in one place.

Despite the hardships businesses and consumers faced in the past year and a half due to COVID-19, Jumbo was determined to make the experience accessible to new markets in the region. Defeating the pandemic's circumstantial odds, in May 7th 2021, Jumbo inaugurated its 6th store in Tuzla, Bosnia and Herzegovina, and the 20th under the management of BALFIN Group. A month later, the celebration of the newest store in Radanovici, the second one located on the coast of Montenegro, engulfed the entire community.

Both inaugurations demonstrated the strength of the Jumbo brand as a household name and its renewed promise for enriched product range, competitive prices and what's more important, the best experience.

"Currently, we have 21 JUMBO stores that operate under BALFIN's Management and we look forward to opening more, even beyond the Balkans, in Moldova. During this year we have opened two new stores in the markets where we operate, respectively in Bosnia and Herzegovina and Montenegro, and we are preparing for the next opening in Albania.

Moreover, JUMBO aiming at being closer to the customers in an innovative way will preserve the partnership with SPAR network and other partner stores by supplying them with the most demanded products, at the same price and quality. The expansion through partner stores will start this year even in the other countries where JUMBO is present.

Our team is bringing to every city, not just a shop, even though it has thousands of articles and an enormous inventory, but also the chance for all our customers, to have a comfortable and welcoming space that they can call "home". There's much more to come and we are all happy about that," says **Toljan Papajorgji, CEO of Jumbo.**

At the same time, JUMBO continues with sales through e-commerce channels with the main focus of being close to each customer throughout the countries where it operates, offering a wide range of products and conveniently ordering them through the support provided by customer care teams.

What's next for Jumbo? Currently, a new store opening is in the making in Albania. Jumbo will create about 70 new jobs in the upcoming months, arising from new store openings.

By putting consumer needs at the core of day to day business and investing in experience, Jumbo is sure to continue to lead the retail industry and expand beyond borders.



Toljan Papajorgji,
CEO of Jumbo Albania, Bosnia and
Hercegovina, Kosovo and Montenegro

TRANSPARENCY AND FINANCIAL REPORTING, BALFIN GROUP A STEP AHEAD

Annual financial reporting represents a standard being long implemented by BALFIN Group and currently constituting a legal obligation in Albania. In a detailed interview, the Chief Financial Officer and member of the Board of Directors of BALFIN Group, Blerina Daka, underlines the standard to be followed in reporting the financial achievements of businesses.

Why do international companies increasingly focus their attention on preparing annual financial reports on the company's performance?

International corporations consider this report as an opportunity to transmit to shareholders, the public, partners and other stakeholders all the relevant information about the corporation in a holistic way, in the clearest and most transparent form feasible. This report represents a good chance to demonstrate the progress performance in relevant sectors, the annual performance and significant corporate achievements surpassing the financial figures that can be read in the audited financial statements, mainly by professional readers. The Annual Report provides a mechanism to support the creation of a more commercially attractive and differentiated outlook of the business, thus revealing the corporate inner values system, the corporate culture, internal good governance, risk management, or social responsibility to communities where the corporate operates. If you want to get to know a corporation, the first paper you should read is the Annual Report. Of course, its essence is to demonstrate how successful the corporation is in doing business, highlighting elements such as annual profit, turnover or market capitalization value, which are of immense importance to corporate partners and investors. The annual report provides, to all stakeholders, including funding entities, suppliers and customers, an indication and a reassurance of their investment in that corporation. Furthermore, you get to know how well this corporation treats its staff, how much it supports the communities or extend of social responsibility. Reputation and public perception of a corporation's behavior towards environmental protection, interaction with communities, management of human resources, corruption or similar issues increasingly have an impact on its success. The Annual Report represents a very good mechanism to convey all these values to the public in an understandable and tangible form. International corporations are already aware that transparency in financial reporting represents a key element to their success. It generates a positive climate established around the business and increases credibility in the investors' community while becoming a competitive advantage in the long run for the corporation.

Since when did BALFIN Group start preparing the Annual Financial Reports and what is the outcome?

We anticipated and initiated the work for the preparation and publication of the Annual Report before it became a mandatory legal requirement in Albania for the so-called subjects of public interest, where BALFIN Group is also part of. The first Annual Report was published in 2018, in line with some of the best practices of international corporations. The 2018 Report was



Blerina Daka – Chief Finance Officer – BALFIN Group

made available only digitally and published solely online. Later on, it was decided to publish the subsequent 2019 Annual Report in both versions, printed and online, so as to reach as many of the targeted audience and relevant stakeholders. We are fully committed to preserving the most transparent communication with the public and our partners as we consider it as an effective way to disseminate our values and convey what BALFIN Group represents and why it is worth doing business with the Group. Even in the preparation, certification and publication phase of the Annual Report, BALFIN Group remains a pioneer by being the first Group to apply reporting international standards. We have undertaken one step further ahead than the standard required under the Albanian legislation, therefore embracing the international standards. The preparation of the annual reports has already become an internal norm of our reporting standard.

In a near future, we aim to increase the frequency of preparing financial reports for periods shorter than one year. This objective will be accomplished step by step, along with the expansion of our group and further access to international financial markets, where regulatory requirements for financial reporting standards are more stringent. The next future step anticipated is the accomplishment of the 'credit rating' for the parent company or for parts of the group structures at sectoral level, by prestigious credit rating companies, which is an indicator of credibility to invest or finance the Group as a whole or separate parts thereof. Furthermore, we have enhanced our internal capacities to respond to any regulatory requirements for additional reporting that may arise from the adoption of the new legislation within the country.

Who certifies the accuracy of these reports and whom do they serve?

The financial information and data related to internal governance and business going concern, which is contained in the Annual Report published by the Group, is certified by the auditors of the consolidated financial statements of BALFIN Group. This constitutes a legal requirement for financial reporting in Albania pursuant to the Law "On Accounting and Financial Reporting". For groups operating as holdings, i.e. the BALFIN Group, the preparation of the consolidated audited statements constitutes a legal requirement, together with the progress report certified by the relevant auditors. As for other information contained in the Annual Report, it can be confirmed through official sources or publicly accessible information. For example, if the report

states that the Group companies have contributed 1.2 million Euro in support of the earthquake catastrophe, this can be easily confirmed through data published by the Earthquake Solidarity Fund and beneficiaries of direct donations evidencing the reconstruction of houses. The Annual Report, as stated above, serves to all stakeholders, but mostly to financial institutions and business partners. When we approach international banks to provide Balfin Group with financing on important projects, their initial list of requirements is topped with whether we have prepared the Group's Annual Report and consolidated financial statements. This report facilitates and provides them with information to better understand the business performance and the targeted future path of the Group.

To the best of your knowledge, are there many companies in Albania and in the region that issue their Annual Report and what would be the next step for a large company in terms of financial transparency, in addition to the Annual Report?

The preparation of the Annual Report in Albania is a standard mainly applied by companies or international foundations that implement the standards implied by parent companies abroad, or otherwise businesses that operate under strong regulatory requirements i.e. the banking, insurance or telecommunications sector. However, it is not a common practice and not widely spread in businesses with Albanian shareholders. This is due to several reasons. First, the legal requirement to prepare an Annual Report has only become effective in the 2019 fiscal year and, like anything new, it requires an adaptation period. Secondly, the emancipation level of these businesses is crucial to acknowledge the benefits that the annual report generates in terms of establishing new business partnerships, them being financing banks or their own clients, or for the reputation of the company itself. Third, each standard demands the allocation of internal resources, whether financial, human and time-wise, to be dedicated to the preparation of quality reports in a complete and detailed form. Regarding the region, i.e. neighbouring countries in the Western Balkans, the situation is similar to Albania, all due to a similar setting in terms of the progress in the adoption of the legal framework governing financial reporting, and the business approach to financial reporting.





SPAR: DOUBLED DEMAND FOR “MADE IN ALBANIA” PRODUCTS IN THE LAST TWO YEARS

Albanian brands are increasingly focusing on their market expansion and promotion of their product values, which constitute a priority advantage in the eyes of the consumer. Such efforts are going hand in hand with current technological investments, aiming to enhance the products' standard and quality, and therefore marking a higher interest from buyers.

Spar Albania underlines that the trend of healthy eating has oriented customers towards an increasing demand for “Made in Albania” fresh products, thus evoking a significant boost to this category, which has doubled in the last two years.

“Spar” provides consumers with a wide range of products. In total, Spar trades over 40,000 items, of which about 15% consists of local products. This share marked about 7% of the products, compared to 2019. In this regard, we can say that steps forward have been made. Spar has evolved it into a tradition to hold fairs in its network, where local products are promoted, and “Buy Albanian” represents the slogan that is the leitmotif of these activities.

Elona Hametaj, CEO of Spar Albania states: ‘Albanian brands are highly interested in negotiating with supermarket chains, to expand the consumer base, given the wide exposure to the market that the network possesses. On the other hand, the interest of domestic producers for extended market reach is going in the same direction with the investments being undertaken under a 360-degree communication within all channels, which significantly contribute to the

popularity of the represented brands generating thus in sales increase’.

If we estimate the standard and quality of local brands, we can say that the trend is towards growth. The quality of products is improving due to strict control policies imposed by the relevant authorities. Moreover, frankly, there still is room for improvement.

The standard enhancement, which comes due to the investments of Albanian brands in technology, has urged an increased interest in export to Europe or other markets, and therefore the demand has risen. This also demonstrates the high sales potential of Albanian brands.

Local products are daily preferred by the consumer, especially fresh ones. During the pandemic year, these brands demonstrated how indispensable is to rely on local production, as the consumers became aware to support businesses and the local economy, and furthermore they relied upon domestic products for their basic basket needs in a period when imports encountered difficulties and delays.

Albanians trust domestic production, when it comes to products that fall into the category of fresh products, such as meat, dairy, eggs/milk, cheese, fruits and vegetables and the basic basket products, such as olive oil, flour, pasta, honey. As for other products such as detergents, and other basic products, they have a preference to foreign brands.



Elona Hametaj,
CEO of SPAR

CORPORATE SOCIAL RESPONSIBILITY, A UNIFIED FRONT

CSR is a shared responsibility among all BALFIN Group Companies' management, not just a communication approach or a one-off initiative. Corporate Social Responsibility is incorporated into the group's philosophy and DNA. BALFIN recognizes the global behavior that's taking place – in today's socially conscious environment, employees and customers place a premium on working for and spending their money with businesses that prioritize CSR. The group not only foresees this change in the markets and countries where it operates, but is committed to delivering it, influencing and setting the standard, by best utilizing their resources and good will. Consideration and accountability are BALFIN's values and pillars for effecting social change with their business beliefs, practices and profits.

For the past six months, several initiatives, donations and activities have been undertaken and organized on behalf of the Group's companies, bridging the gap between positive impact and the status quo for vulnerable communities and causes.

Tirana Bank cooperated with the Red Cross in Albania to support children of families in need. Together with BALFIN Group, they donated an apartment to a family affected by the earthquake. 600 pupils and academic staff of a primary school in Ksamil benefited from the donation of heating equipments. Lastly but not least, earlier this year Tirana Bank established "Green Terraces", an initiative to promote a healthy and clean environment in cooperation with the Municipality of Tirana.

In July, BALFIN Group and its President, Mr. Samir Mane, donated a new home to three elderly and sick sisters in extreme poverty and living conditions in Malësi e Madhe, Albania.

Spar Albania contributed to enable the "Labyrinth against children's violence" project in collaboration with World Vision Albania and local state institutions, a "challenging social maze" to raise awareness on child abuse. On International Children's Day, Neptun Albania employees, in a voluntary initiative, donated gift packages with clothes, toys and books, and organized a fun day for the toddlers and children of the orphanage in Shkodra, Albania. Just recently, Fashion Group Albania, in cooperation with the Municipality of Tirana and through the efforts of its employees, donated over 5,000 clothing items to families in need in Tirana. Neptun Macedonia lately announced its new strategic partnership with the SOS Children's Village family.

Earlier this year, BALFIN Group CEO, Edlira Muka, joined the live auction organized by Partners Albania to support 2 projects that will transform life and bring sustainable social change for communities in need.

Targeting youth support and engagement, Green Coast, for the third year in a row, awarded its annual scholarship to the excellent student of Tourism Management at the University of Tirana.

Another proactive internal initiative was the creation of Social Clubs at BALFIN Group, stimulating employee social, cultural and sports projects. Lastly, BALFIN Group participated "NPOs – Businesses Speed Dating" in Tirana, where dozens of social businesses, introduced their ideas in an effort to attract the attention of large businesses and get their support.

BALFIN Group will continue to promote higher social values and create positive impact in the community and environment, through strategic projects and initiatives across all Group companies, as a unified front.



MANE TCI AND NEWCO FERRONIKELI ARE THE CHAMPIONS OF BALFIN VOLLEY 2021

This year's Volleyball Championship in Albania and Kosovo successfully concluded with Mane TCI triumphing over 5 times champion, Neptun Albania, and Newco Ferronikeli announced as Kosovo's first volleyball champion. Throughout every match in both countries, players delivered fantastic performances that kept the viewers at their toes.

About 60 employees and 4 companies in Kosovo competed in the championship, characterized by competitive spirit and healthy rivalry. Newco Ferronikel captain Lorent Morina was enthusiastic about this first success in the field of sports, in addition to the growth and success that ferronickel has recently known in the mining market. In Albania, 12 teams and 179 players participated from BALFIN Group companies, all of them displaying impeccable teamwork, effort and grit. Eugesta Jazi, captain of Mane TCI, was happy about their achievement, praising her combative team's spirit and dedication.

Upon the conclusion of the finals, the most distinguished players from both championships were awarded. This year's novelty is that the two finalist teams from Albania will play against the two finalist teams of the Kosovar tournament in

September in Tirana, to announce the champion of the 2021 BALFIN International Volleyball Championship.

During the awarding of the cup to the champion team in Albania, **Agim Fjolla, Director of Communication at BALFIN Group** said: *"Congratulations to all participants! The Volleyball Championship is one of the main social activities of BALFIN Group that has massive participation, not only to play but also to cheer on colleagues."*

Keeping morale high among employees is a crucial component in the success of any organization, and employee satisfaction and wellness is a growing priority of BALFIN Group. Sports activities promote teamwork and foster a sense of connectivity between employees. This unified front has been the purpose of BALFIN's Volleyball Championship since the very beginning. BALFIN Group seeks the highest standard in the arrangement of this championship, where participants reinforce the values of fair play, solidarity and team spirit, and will continue to do so in the years to come, influencing corporate culture in the region.



GENERAL WESLEY K. CLARK JOINS BALFIN TRAINING ACADEMY AS A SPECIAL GUEST

On July 8th, BALFIN Group employees had the honorable opportunity of attending General Wesley Clark’s open lecture on security, and COVID-19’s impact on geopolitics and the economy, as a BALFIN Training Academy special session. A renowned author and honorary advisor on security and economy, General Wesley Clark was the Supreme Allied Commander of NATO from 1997 to 2000.

“At BALFIN Training Academy, we have occasionally invited personalities with a special contribution in various fields, who have shared their knowledge and experiences with us. Today, we have the honor of having here someone who does not need many presentations, General Wesley Clark. We are happy that he accepted the invitation of the President of BALFIN group, Mr. Samir Mane, to share with us his ideas regarding security and the impact that COVID-19 will have on geopolitics and the economy,” said Eni Çeço, Recruitment & Career Development Manager at BALFIN Group.

General Clark shared his vast experience throughout the years in the military, politics and business. He talked about the global pandemic’s effects on the world, geopolitics and the economy. Reminding the audience how important it is to cooperate and rise above obstacles, he said: “Even in the toughest times, people can do wonderful things.”

Having done extensive work in diplomacy and conflict resolution

in Balkans, General Clark is a connoisseur of the region in terms of strategic development and economy.

In his speech BALFIN training Academy, General Clark emphasized the importance of innovation, inclusiveness and international cooperation, especially among youth. “You must be able to work inter-culturally. You must be open to new ideas and challenges, and you must open up the Balkans to the world. I’m looking at you right now and I see how young you are. I’m thinking about the next 20-30 years of your life and what you are going to accomplish. The world is open to you, you must be open to the world and make the most of the opportunities available to you. And I know you will, here in BALFIN.”

General Clark thanked BALFIN Group President, Mr. Samir Mane, for the special invitation of joining BALFIN Training Academy as a special guest speaker.

Continuous growth and development is an essential part of BALFIN Group’s culture. The demand for continuous improvement is recognized and acted upon through the strategic plan with two main products: Talent Pool and BALFIN Training Academy. BALFIN Training Academy is a testimonial of BALFIN Group’s commitment to employee development programs and proactive corporate culture.



| Samir Mane and Wesley Clark at BTA



| Wesley Clark lecturing in Tirana for BTA



The Real treasure of the Mediterranean



GREEN COAST RESORT AND RESIDENCES

- Villas for sale
- Villas for rent
- Financing opportunities
- Vacation exchange
- Dedicated services
- High return on investment

