



PROSPECTUS OF PUBLIC OFFER OF THE SECOND BOND ISSUANCE

ASA FINANCE d.d. SARAJEVO

SARAJEVO, May 2024

The main members of the Issuer:



Translation disclaimer: The official text is the Bosnian version of the Prospectus. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes. If any questions arise related to the accuracy of the information contained in the translated Prospectus, refer to the Bosnian version of the Prospectus which is the official version.

Public offer of bond issuance

Issuer	ASA Finance d.d. Sarajevo
The main members of Issuer	ASA BANKA d.d. Sarajevo, ASA CENTRAL OSIGURANJE d.d.
Type of issue	Bonds, long term debt securities
Date of emission	01.06.2024. – 30.06.2024.
Number of bonds	30.000
Selling price of bond	1.000 KM
Total issuing amount	30 mil KM
Annual interest rate	5%
Interest payment	Quarterly payment
Bond maturity	5 years
Bank depozitory	ASA BANKA d.d. Sarajevo

ASA Finance d.d. Sarajevo – PROSPECTUS OF PUBLIC OFFERING OF 2nd BOND ISSUANCE

ASA Finance d.d. Sarajevo (hereinafter referred to as the "Issuer") accepts the responsibility for the content within this Prospectus of public offering of the second issuance of bonds (hereinafter referred to as the "Prospectus").

We declare that all the information in this Prospectus constitutes a complete and truthful account of financial statements, assets and liabilities, losses and profits, and the rights and obligation of Emittent contained in this Propsectus, and that the facts which may affect the completeness and truthfulness of this Prospectus have not been left out. The Prospectus does not conceal information of fundamental significance and does not contain information that could be misleading. In accordance with the above, the Emittent accepts responsibility for the information contained in this Project.

In accordance with the legal regulations, Issuer is issuing total amount of 30.000.000,00 KM (in letters: thirty million Konvertibilnih maraka), with duration of five (5) years.

In accordance with the Law on the Securities Market ("Official Gazette of F BiH", No. 85/08, 109/12, 86/15, 25/17), this Prospectus was approved by the Securities Commission BiH (hereinafter referred to as the "Commission") at the session held on 16.05.2024. year, document number: 03/4-19-84/24. By approval of this Prospectus, the Commission has confirmed that the Prospectus contains all the data determined by the Law on the securities market and the Rulebook on securities issue ("Official Gazette of the FBiH", no. 18/09, 87/10, 112/12, 103/14), and that it can be publicly disclosed. The bonds will be included in the official markets of the Sarajevo Securities Exchange Sarajevo.

No one is authorized to give information and statements in conjunction with the offer and sale of bonds, except those contained in this Prospectus. If such information or statements are given, it is not to be relied upon unless it has been approved by the Issuer. The issuance of this Prospectus or issuing and sale of bonds does not imply that the circumstances associated with the Issuer have not changed from the date of issue of this Prospectus. **This Prospectus must not be considered to be a recommendation for purchase or offer sales of bonds by the Issuer or for the Issuer by a third party , in any foreign country where such offering is considered ilegal.**

Each investor considering the purchase of Bonds should perform their own assessment and assessment of the financial position of the issuer, including the inherent risks including those described in Chapter 3. Investment risk and risk causes of this Prospectus. Unless otherwise indicated, all annual/semi-annual reports, including financial statements, are based on calender years. Individual values in the Prospectus are rounded. In this context, the reference to "KM" signifies convertible mark, the currency in Bosna and Hercegovina (in further context: BiH), while the reference to "EUR" signifies euro.

This Prospectus includes statements that are or may be considered 'forward-looking allegations'. These predictive statements may be identified by the use of certain predictive terminology, including, inter alia, the terms: "believes", "estimates", "predicts", "intends", "plans", "considered", "expected", "seek", "goal", "strategy", "purpose", "continues", "can", "will", "necessary" or other variations of these or similar terms. These anticipated statements relate to questions that are not historical facts. The prospective statements appear in different places in the Prospectus and include statements regarding the Intentions, Beliefs and/or Current Expectations of the Issuer, inter alia, in relation to its plans, objectives, achievements, strategies, future events, future revenues or operating results, expenditures, financing needs and trends that the Issuer expects in the industry and the political and legal environment in which it operates, as well as other information that is not historical data. By their nature, the prospective forecasts contained in this Prospectus include risks and uncertainties as they relate to events and depend on circumstances that may or may not occur in the future. The issuer's actual achievements, operating results, financial condition, liquidity, trends and development of business strategies may deviate from the impression given by the anticipated allegations contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition, liquidity, and development of financial strategies and operations correspond to the foreseeable statements contained in this Prospectus, they need not be indicators of results, developments, markets or resources in subsequent developments. Important factors that may cause these deviations include, inter alia, the risk factors described in Chapter 3 of this Prospectus. Interested investors are advised to read this Prospectus in its entirety, especially Chapter 3, for further consideration of factors that may have an impact on the issuer's future achievements. Taking into account these risks, uncertainties and assumptions, the events described in the forecasts in this Prospectus may not occur. These anticipated statements may only be taken into account at the date of this Prospectus.

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1. ISSUER DATA

1.1 Basic information about the issuer

ASA FINANCE d.d. Sarajevo, is a company registered in the Federation of Bosnia and Herzegovina with its registered office at Bulevar Meše Selimovića 16, Sarajevo, and registered with the Municipal Court sarajevo under registration number (MBS): 65-01-0884-08; Issuer identification number: 4201409170005, VAT number: 201409170005 (hereinafter referred to as the Issuer).

The issuer is part of the financial division of the renowned ASA Group which is a multinational conglomerate that encompasses various business segments. The ASA Group includes activities of finance, services, healthcare, real estate and natural resources. The group employs more than 7,000 people in over 30 countries. It is listed among the top 500 companies in Central Europe according to the consulting company Deloitte BiH. The Hastor family as founders and ultimate beneficiary owners (UBO) have a strong commitment to support the development of their home country of Bosnia and Herzegovina (BiH).

The entrepreneurial spirit of ASA Group is a trait that has been present since its inception and is inherited from its founder. ASA Group quickly recognized opportunities to establish new business models based on services that use deep expertise, business networks and operational forces developed by member companies.

The ASA Group not only relied on consistent organic growth, but also encouraged inorganic business growth. Its inorganic growth is based on strategic moves to increase the value of the group by adding members that drive synergies.

ASA Group is not only committed to continuing the development of its business, but also the development of its country, BiH. From its inception, ASA has been able to recognize customer needs and develop comprehensive solutions to meet those needs (e.g.: services, insurance, finances). By filling in the existing gaps, ASA created an opportunity for further development of its business.

As one of the most respected and recognized companies in BiH and with the understanding that business development and development of the country inevitably go hand in hand, ASA has undertaken activities to tackle the main development challenges that BiH and its population face. The ASA Group has identified education and health care as two weak points that hinder the country's development.

In order to support education as one of the main pillars of the country's development, the Hastor Foundation was launched and established in 2006. The Hastor Foundation is a charitable, non-profit organization that has the primary goal of giving the younger generation the opportunity to participate in the development of local communities and their own future through scholarships, educational programs and volunteer programs. Health care is the second major challenge in Bosnia and Herzegovina, as the country's health care system is still suffering the effects of the war and has outdated infrastructure. ASA is currently focused on further developing its segment of health care with the goal of filling in the gaps that are present in the public health system.

The issuer contributes to the group's efforts as the main part of the ASA Group's financial division, owning shares/holdings in banks, insurance companies, funds and other investments in BiH, throughout Europe and the rest of the world. Among the most significant investments is majority ownership of the largest local bank in BiH (ASA Banka d.d. Sarajevo) and one of the largest insurance companies in BiH (ASA CENTRAL OSIGURANJE d.d. Sarajevo).

The main activity of the Issuer is financial and investment consulting. As of December 31, 2023, The Issuer had five (5) employees (2022: four (4) employees). The total number of employees in Asa group's financial division on the same date is 1,561 (in letters: one thousand five hundred and sixty-one).

1.2. Share capital and ownership structure of the Issuer

The share capital of the Issuer amounts to 28,6 million KM, and consists of 286.000 shares each with a nominal value of 100,00 KM. The shares are registered on the Sarajevo Stock Exchange of Securities Inc. Sarajevo (hereinafter referred to as "Stock Exchange") with the symbol ASFSR.

The share capital of The Issuer is 100% (286.000 shares) privately owned by one shareholder of ASA Invest d.o.o. Sarajevo. In accordance with the ownership structure, the Shareholders' Meeting consists of one shareholder.

2. INFORMATION ON ISSUED SECURITIES

At the proposal of the Supervisory Board, at Assembly's 92nd session held on March 25, 2024, the Decision on the second issue of bonds by public offering through the Sarajevo Securities Exchange No. 75/24 (hereinafter referred to as the "Decision") in the total volume of 30,000 long-term bonds with a nominal value on the maturity date of 1.000 KM for one bond, and the total value of the issue of BAM 30.000.000 was adopted.

2.1. Type of security

The issuer issues bonds, long-term debt securities, which entitle the legal holder to collect the nominal value of the principal within the maturity period plus interest determined by the Decision on bond issue.

Bonds are issued at a fixed annual interest rate. The principal will be paid in the entire amount one-time, on the date of maturity, and the corresponding part of the interest will be paid quarterly.

Bonds are due within five (5) years, with interest payments being made every quarter.

2.2 Legal status of bonds

Bonds are issued in digital form, in electronic record form, registered, freely transferable and unsecured.

The obligations of the Issuer, i.e. the payment of principal and interest, will be executed upon maturity of the same from the return of the placed funds and revenues of the Issuer realized through regular activity, as indicated in the Decision and the Public Invitation.

2.3 Rights contained in bonds

Bonds of this issue are freely transferable debt securities that represent the direct and unconditional obligation of the issuer.

The bondholder has right to collect the nominal value of the principal and the corresponding interest.

Rights and obligations from bonds are acquired, transferred and restricted by entering them into the accounts of bondholders in the Register of Securities of the FBiH.

The issuer's bonds are issued by a public offering and do not contain the right of priority purchase for any category of investors.

The bondholder has no right to seek early redemption.

The issuer may issue other securities at any time, without the consent of the bondholder.

2.4 Total bond issuance amount

The issuer issues 30.000 (in letters: thirty thousand) bonds, with a nominal value of 1.000 KM (in letters: thousand convertible marks) per bond on the date of maturity of the bond.

The total nominal value of the emission is 30.000.000,00 KM (in letters: thirty million convertible marks).

Bond issue i.e. the sale will be carried out continuously within the period provided for the duration of the issue.

2.5. Total amount of previous emissions

Issuer issues debt securities (bonds) second time. The first bond issue was carried out in 2009 in the amount of BAM 1,81 million, with interest of 6% and for a period of three (3) years. This issue was fully repaid within the agreed deadline.

2.6. Yield on bonds

The interest rate is fixed and is 5,00% per annum, and is calculated on the amount of principal with the application of a linear model of interest calculation.

The corresponding part of the interest will be paid quarterly, no later than 10 (ten) days after the end of the quarter.

The principal shall be fully repaid on the due date, no later than 10 (ten) days from the agreed deadline.

2.7 Price and method of determining the price of bonds

The issue will be carried out through the securities exchange, by the method of the prevailing price, and in accordance with the Ordinance on Public Offerings through the Stock Exchange.

The issuer will sell bonds at face value. The selling price of the bond is 1.000 KM per bond, and the price at which buyers subscribe and pay bonds will be formed on the Stock Exchange, but not lower than the nominal value, i.e. the price determined by the Decision and prospectus.

The order for sale is entered by professional intermediaries members of the Stock Exchange at a selling price of 1.000 KM per bond.

Professional intermediaries can enter bond purchase orders at a price equal to or greater than the starting price.

If a larger number of bonds is registered than that foreseen by the Decision, the payment will be made up to the number of bonds provided for in the Decision and the Prospectus, and in accordance with the criteria provided for in the Decision.

The price of bonds in the issue is determined by the Stock Exchange upon completion of subscription, based on the prevailing price.

2.8 Place, manner, time and time of subscription and payment of bonds

When issuing through the Stock Exchange, the subscription of bonds is carried out with professional intermediaries through use of purchase orders.

Under the completed subscription is considered to be the entry of an order into the stock trading system, if the system receives such an order.

After the completion of the subscription, the Stock Exchange submits a report on concluded transactions to all professional intermediaries who participated in the conclusion of transactions and their depositary banks, and to the Register of Securities in the Federation of BiH.

Subscription of bonds will start on 01.06.2024. and last until 30.06.2024. which represents the last day for entering orders.

If more bonds are registered than offered by the Public Invitation, the exact schedule of buyers and registered quantities will be made by the Stock Exchange through the prevailing price method, in accordance with the Ordinance on Hybrid Ways of Trading at SASE.

The depositary bank of a professional intermediary through which the purchase of bonds is made is obliged to transfer payments for bonds to the depositary bank issuer and submit a list of buyers with the quantity they have purchased, the next working day from the expiration

date of the deadline for payment of funds (three (3) working days after the end of the subscription of bonds).

2.9 Success of emissions

The issue will be considered successful if at least 60% of the total number of bonds offered is subscribed and paid within the stipulated deadlines. Otherwise, the issue is considered unsuccessful.

Based on the report of the depositary bank, the Securities Commission of the Federation of BiH (hereinafter: "The Commission") will issue a decision confirming that the issue by a public offering succeeded if the conditions from the Decision, the Prospectus and other legal requirements are met, and enter the bonds in the register of issuers. If the conditions from the Decision and the Prospectus are not met, the Commission issues a Decision declaring the issue of bonds unsuccessful.

The issuer will, within eight (8) days from the date of receipt of the decision on the performance of the emission:

- if the issue is declared successful - publish a report stating the total number and amount of subscribed and paid bonds in the same way as the Public Invitation was published; or
- if the emission has been declared unsuccessful - announce that the emission has failed and indicate the deadline and method of refund of payments made within a period that may not exceed ten (10) days from the date of receipt of the decision.

2.10. Payment of interest and principal

The maturity date of bonds shall be five (5) years from the date of adoption of the Commission decision determining the performance of the issue and approving the registration of bonds in the issuance register with the Commission.

The payment of interest will be made quarterly starting from the date of adoption of the Decision determining the success of the issue and approving the registration of bonds in the register of issuers with the Commission.

The last payment of interest will be made as soon as possible within ten (10) days from the due date.

In case of late payment of interest, the Issuer is obliged to pay default interest to the bondholder.

The maturity of principal is five (5) years from the date of adoption of the Commission Decision determining the success of the issue and approving the registration of bonds in the iste register with the Commission, and the payment of the principal no later than 10 days after the expiry of the due date.

If the day of payment of interest or principal is a non-working day, payment will be made on the first subsequent business day. A working day is a day determined as a working day by the

Register of Securities of the Federation of BiH and business entities that perform payment transactions in the Federation of BiH.

Preliminary depreciation plan of bonds

Datum dospijeća	Datum uplate	Broj obveznica	Nominalna vrijednost obveznice u KM	Godišnja Kamatna stopa	Broj dana za obračun kamate	Iznos kamate u KM	Isplata glavnice u KM	Neotplaćeni iznos glavnice u KM	Iznos Anuiteta u KM	Isplata kamata po obveznici u KM	Ukupno isplate po obveznici u KM
30. 9. 2024.	10. 10. 2024.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 12. 2024.	10. 1. 2025.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 3. 2025.	10. 4. 2025.	30.000	1.000	5,00%	90	369.863		30.000.000	369.863	12,33	12,33
30. 6. 2025.	10. 7. 2025.	30.000	1.000	5,00%	91	373.973		30.000.000	373.973	12,47	12,47
30. 9. 2025.	10. 10. 2025.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 12. 2025.	10. 1. 2026.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 3. 2026.	10. 4. 2026.	30.000	1.000	5,00%	90	369.863		30.000.000	369.863	12,33	12,33
30. 6. 2026.	10. 7. 2026.	30.000	1.000	5,00%	91	373.973		30.000.000	373.973	12,47	12,47
30. 9. 2026.	10. 10. 2026.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 12. 2026.	10. 1. 2027.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 3. 2027.	10. 4. 2027.	30.000	1.000	5,00%	90	369.863		30.000.000	369.863	12,33	12,33
30. 6. 2027.	10. 7. 2027.	30.000	1.000	5,00%	91	373.973		30.000.000	373.973	12,47	12,47
30. 9. 2027.	10. 10. 2027.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 12. 2027.	10. 1. 2028.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 3. 2028.	10. 4. 2028.	30.000	1.000	5,00%	90	369.863		30.000.000	369.863	12,33	12,33
30. 6. 2028.	10. 7. 2028.	30.000	1.000	5,00%	91	373.973		30.000.000	373.973	12,47	12,47
30. 9. 2028.	10. 10. 2028.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 12. 2028.	10. 1. 2029.	30.000	1.000	5,00%	92	378.082		30.000.000	378.082	12,60	12,60
31. 3. 2029.	10. 4. 2029.	30.000	1.000	5,00%	90	369.863		30.000.000	369.863	12,33	12,33
30. 6. 2029.	10. 7. 2029.	30.000	1.000	5,00%	91	373.973	30.000.000	30.000.000	30.373.973	12,47	1.012,47
Ukupno						7.500.000	30.000.000		37.500.000	250,00	1.250,00

* The date of issue shall be calculated from the date of adoption of the Commission decision determining the success of the issue and approving the registration of bonds in the register of issuers with the Commission.

2.11. Interest payment delay

In the event of a delay in the payment of interest based on this bond issue, the Issuer will pay statutory default interest from the last day of payment of interest (10 (ten) days from the due date) to the date of actual payment.

The statutory default interest, which the Issuer pays to bondholders on the basis of bondholder statements from the Register of Securities in the Federation of BiH, is calculated using the following formula:

$$K = C \times p \times n / 100$$

where by:

K = statutory default interest,
 C = amount of interest due and unpaid interest,
 p = statutory default interest rate,
 n = number of years.

When calculating default interest for an accounting period of less than one year, the calendar number of days for that year shall apply and the following formula shall be used:

$$K = C \times p \times d / 36.500$$

For a leap year:

$$K = C \times p \times d / 36.600$$

Where it is:

K = statutory default interest,

C = amount of interest due and unpaid interest,

p = statutory default interest rate,

d = number of days.

2.12. Late payment of principal

In the event of late payment of principal from bonds, the Issuer will pay statutory default interest from the date of maturity of the principal (10 (ten) days from the due date) to the date of actual payment. The statutory default interest, which the Issuer pays to bondholders on the basis of bondholder statements at the Register of Securities of the Federation of BiH, is calculated using the following formula:

$$K = C \times p \times n / 100$$

Where it is:

K = statutory default interest,

C = amount of due and unpaid principal,

p = default interest rate,

n = number of years.

When calculating default interest rate for an accounting period of less than one year, the calendar number of days for that year shall apply and the following formula shall be used:

$$K = C \times p \times d / 36.500$$

For a leap year:

$$K = C \times p \times d / 36.600$$

What is it:

K = statutory default interest

C = amount of overdue and unpaid principal

p = default interest rate

d = number of days.

2.13. Utilisation of collected funds

As a member of the ASA Group, The Issuer, participates and supports the activities of the ASA Group that help the growth of infrastructure projects in the Federation of BiH, which are focused on the well-being of the Bosnian society as a whole, e.g. by expanding the health

sector and protecting the environment through electricity production in accordance with ESG standards.

The objective of raising funds through bond issuance will be directly related to this task by investing in the aforementioned areas by financing projects that directly serve these purposes either by providing loans and/or investing in the equity of these projects.

In accordance with the above mentioned, the focus of using the funds raised will be investment in the following projects / areas:

1. Health sector projects
2. Energy projects
3. Industrial Real Estate Projects
4. Projects of "Near shoring"
5. Projects with high degree of yield

Health sector projects

-Investing in laboratories, polyclinic centers, medical centers and hospitals in order to provide high-quality health services based on EU standards

-Development of medical programs and planning of health facilities in the health sector

-Investment in research, education, development, innovation, development of centers for clinical studies and research, genetics and genetic counseling

-Investment in the production and distribution of medical devices, medical and hygienic products of high quality

-Investment in projects of export of medical devices to demanding markets of the European Union

Energy projects

-Investment in solar energy production projects aimed at growing energy needs in BiH and the European Union and reducing CO₂ emissions and global warming in accordance with the needs of the Green Agenda. The trend of electricity consumption in the world is steadily increasing while making efforts to reduce the impact of electricity generation on global warming, i.e. to reduce CO₂ emissions into the atmosphere as much as possible.

-Investment in projects for the construction of photovoltaic power plants. The production of electricity from renewable energy sources is a generally accepted approach around the world as one of the ways of avoiding further global warming while using available renewable sources (solar radiation, wind energy, geothermal energy and the like). In addition, electricity produced in conventional thermal power plants due to its negative effects on the environment becomes the subject of appropriate taxes, which makes its production economically hardly justified. Because of all of the above, the production of electricity from renewable energy sources, i.e.

increasing its share in total energy produced, is a strategic goal of the EU, but also of the countries of the region, including BiH.

Industrial Real Estate Projects

-Industrial real estate is the business of providing real estate for private commercial use. Industrial property is rarely available to the public and is dedicated to specific work. The specific uses for this type of real estate are diverse, ranging from mechanical engineering, scientific research to package deliveries. There are many types of industrial real estate. In essence, any building that prioritizes functionality over form can be considered an industrial space.

-Production facilities is one of the possible types of industrial real estate. From simple manual assembly lines to heavy machinery. Heavy production usually requires a fairly large space. The need for real estate can be tens of thousands of square meters and some of the requirements include spacious loading docks, support for heavy machinery with significant electricity consumption. Industrial tenants who need this type of space often sign long-term lease agreements and adjust the layout of the premises to match exactly what they need. Lightweight production facilities do not require as many square meters and are much more flexible. It is used mainly for easy assembly and basic production.

One of the biggest opportunities for industrial property owners is **storage and distribution**. Many companies need a base for equipment, additional supplies, vehicles or parts. These companies rent premises from which truck terminals are operated or where there is a large fleet of vehicles. Truck terminals are used as temporary transportation locations, through which goods pass for the exchange of deliveries, refueling or parking until the next job.

-Distribution centers appear to support same-day delivery by online retailers. Large distribution companies need huge storage spaces, enough products and leave room for loading goods. Unlike multipurpose warehouses, distribution hubs have constant activities.

Projects of "Near shoring"

Bosnia and Herzegovina has a great potential of "Near shoring" taking into account the events of the COVID-19 pandemic, which was characterized by the interruption of the supply chain of goods and products. This has contributed to the manufacturer's decision to select suppliers from a closer geographical location. Given the geographical position of BiH, it is noticeable that manufacturers from the EU are increasingly choosing suppliers from BiH and the region. "Near shoring" is a strategic business practice that involves outsourcing tasks to neighboring or nearby countries rather than remote offshore locations. This approach offers several advantages, providing services to a variety of industries. From cost savings to improved communication, Near Shoring provides benefits that drive the growth of the economy. However, this does not come without its shortcomings, including potential cultural differences and limited talents. "Near shoring" is a business strategy in which a company transfers its business processes or services to a nearby location. This location is usually located in the same region or continent, benefiting from reduced costs and cultural alignment. Geographical

proximity allows for simplified cooperation and communication, so this approach is often favored. "Near shoring" achieves cost savings and other strategic goals through a systematic outsourcing approach.

Factors influencing companies' decisions for „Near Shoring“ may depend on their industry, specific needs and goals when making decisions. The primary consideration taken into account is the geographic proximation of the outsourcing destination with the company's headquarters or major operations. Several other key factors are: lower labor costs, availability of qualified and specialized workforce, cultural compatibility, time zone, access to modern infrastructure and technology, political stability and a favorable business environment, access to new markets and customer bases, improved supply chain management and reduced transportation costs. A number of industries rely on "Near shoring" to improve efficiency and reduce costs. The key sectors that commonly use "Near shoring" are:

-The manufacturing industry involves the production of goods through various processes, including: raw material processing, assembly and quality control, to create finished products for consumers or other enterprises. "Near shoring" for production involves outsourcing production or specific production processes to a nearby location or country. Companies in developed regions often approach neighboring or cheaper countries to take advantage of reduced labor and transportation costs.

-Financial services include a wide range of money-managing businesses, offering banking, investment, insurance and more services. "Near shoring" in the financial services industry often includes outsourcing back-office features such as: data entry, customer support, compliance and IT services to nearby countries or regions. Financial institutions can use qualified, cost-effective working groups while maintaining the benefits of control and communication.

-The consumer goods industry refers to enterprises engaged in the production, distribution and sale of products intended for personal use, such as: clothing, electronics, food and household goods. "Near shoring" improves operational efficiency, economy and product quality – critical factors in a highly competitive sector. It enables companies to remain competitive, adapt to market trends and efficiently meet consumer demands.

-The electronic manufacturing industry includes the production of electronic components, devices and equipment, from semiconductors and plates to consumer electronics and industrial machinery. "Near shoring" is crucial for the electronic device manufacturing industry to maintain competitive advantages in terms of operational efficiency, cost-effectiveness and product quality.

-The production of medical devices refers to the production of a wide range of medical equipment and devices used in healthcare facilities, such as: surgical instruments, diagnostic machines and implants. "Near shoring" in this industry offers advantages such as: cost savings, reduced logistic complexity and faster response time. Proximity to production hubs enables better quality control, compliance and cooperation, ultimately increasing efficiency and competitiveness. **The automotive components industry** specializes in the production of automotive parts and components for the automotive industry. For the automotive components industry, "Near shoring" is key in ensuring efficient operations, efficient cost

management and maintaining a high level of product quality. "Near shoring" ultimately contributes to the competitiveness and success of the sector in the global market.

The clothing and textile industry includes the production of clothing, fabrics and related goods. It includes a range of businesses, from design to production, distribution and ultimate retail of clothing and textile artifacts. In the context of the domains of clothing and textiles, "Near shoring" represents the strategic transfer of certain or all production processes to nearby locations or nearby regions. This strategic transfer is supported by gaining advantages such as cheaper labor, geographic proximity to markets and streamlining supply chains.

Projects with high rates of return

The funds raised through bond issuance will be used for placement within the described business areas in order to achieve business and financial goals.

The expected impact of the funds raised by bond issuance is an improvement in the targeted business areas with high yield and reasonable risks involved.

The funds raised will also be used for other projects that meet the expected returns on investments.

2.14. Method of determining the price of a bond on the secondary market

The bonds will be listed on the Sarajevo Stock Exchange Market and secondary trade will be made on the Stock Exchange.

The bond price will be based on the so-called "clean price" which does not include the accrued interest. The price will be expressed as a percentage of the bond's face value. Payment upon purchase of bonds on the Stock Exchange shall be made according to the price at which it was traded plus the accrued interest for the period from the last payment of interest until the day of settlement of the deal concluded on the Exchange (T +2), not including the day of settlement of the deal.

Calculation and settlement in secondary trade of bonds is carried out by the Register of Securities of the Federation of BiH.

2.15. Method of payment of principal and interest

The calculation and payment of interest and principal on bonds will be carried out through the depositary bank on the basis of a specially concluded contract.

If the due date of principal, interest or other amounts arising from bonds is a non-working day, payment will be made on the first subsequent business day. A working day is a day that is determined as a working day of the Register of Securities of the Federation of BiH and business entities that make payments in the Federation of BiH.

3. INVESTMENT RISK AND RISK CAUSES

3.1 General information on risks

Investment risk is the degree of uncertainty of the return on investment. The investor consciously assumes certain types of risks, in accordance with their own preferences of the risk-return on investment relationship.

Below are the risk factors for investing in the issuer's bonds, and the investor should certainly make his own assessment of the issuer's financial position, the issuance conditions, and information that can affect the success of the issue and return on investment.

3.2 Systemic risk

Systemic risk is a risk that is associated with general conditions in the capital market and as such cannot be diversified.

Systemic risk is affected by: economic growth, macroeconomic situation in the country, political events, employment, price levels and other factors that the Issuer cannot influence. Thus, the systemic risk of an individual state involves all risks associated with possible political instability, which is reflected in the integrity and existence of the state itself.

Political, economic and social conditions in the country and in the region include risks associated with possible political instability within the country and region, which can further complicate the operation of the entire capital market, including the Issuer.

In July 2022, Moody's Investors Service confirmed BiH's sovereign credit rating of "B3 with stable outlook".

On August 4, 2023, the Credit Rating Agency Standard & Poor's upgraded BiH's sovereign credit rating of "B3 with stable outlook".

3.3 Risks of the Issuer

An issuer in its business may be exposed to the following risks:

Market and financial risks

The activities of the issuers and the Group expose it primarily to the financial risks of changes in exchange rates and interest rates. Exposures to market risk are complemented by sensitivity analysis as described below. The Issuer's exposure to market risks or the way it manages and measures risk remains unchanged in recent years.

3.3.1 Credit risk

Credit risk refers to the other party's inability to settle its contractual obligations resulting in the issuer's financial loss. The issuer has adopted a policy to do business with credit-reliable

clients and to provide sufficient collateral, where it proves necessary, as a means of reducing risks and financial losses.

The Issuer's exposure and customer credit rating are constantly monitored, and the total value of concluded transactions is dispersed between accepted clients. Exposure to credit is controlled by client constraints that are regularly reviewed by the Supervisory Board.

The issuer as part of the financial division is exposed to credit risk from investments in affiliated companies that offer traditional banking products. This segment of credit risk is defined as an existing or potential risk of loss due to the debtor's default to the bank. This credit risk is continuously managed using an established credit risk management process that includes identification, measurement, assessment, monitoring and control.

3.3.2. Interest rate risk

The issuer is not directly exposed to interest rate risk, as the business is financed from its own intergroup funds approved at fixed interest rates. However, there is an issuer's exposure to interest rate risk based on investments in affiliated companies. Interest rate risk is the risk of potential adverse effects on financial results and capital due to changes in interest rates.

3.3.3. Currency risk

The issuer and the Group undertake certain transactions denominated in foreign currencies that result in risk due to exposure to exchange rate fluctuations. Risk exposure mainly exists in eur, usd and chf currencies. Since KM is fixed on EUR, the Issuer and the Group are not exposed to changes in the EUR exchange rate.

Based on the exposure as of 31.12.2022, the sensitivity of the entire Group to an increase and decrease of 10% against the USD and CHF would result in an increase or decrease in the Group's foreign currency denominations of 14% (USD) and 15% (CHF).

10% represents the sensitivity rate used in the internal reporting of key management personnel on foreign exchange risk and represents the Management Board's assessment of reasonably possible changes in exchange rates. The analysis is carried out only for receivables and liabilities denominated in foreign currency and represents an adjustment of their value at the end of the period for a 10% change in exchange rates.

3.3.4. Liquidity risk

Through its internal acts/rules, The Issuer manages liquidity risk by maintaining adequate reserves, loans from banks and other sources, continuously monitoring forecasted and actual cash flows, and aligning maturity profiles of financial assets and liabilities.

3.3.5. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate and failed internal processes, people and systems, or external events. This definition includes legal risk, but

excludes strategic and reputational risk. The issuer manages operational risks by controlling, accepting, transmitting them to third parties or avoiding them by applying internal policies and procedures. All activities of The Issuer are covered by appropriate work procedures done in accordance with legal regulations.

3.3.6. Capital risk

The issuer manages its capital to ensure that the company will be able to continue as an unlimited business through the optimization of debt and capital balance, current assets and current liabilities in related entity transactions.

The issuer and the Group track capital by monitoring debt indicators. This indicator is calculated as the ratio of net received loans, liabilities per lease and total capital. Net received loans are calculated as total loans received (long-term and short-term loans, as well as annuity liabilities shown in the statement of financial position) and minus cash and cash equivalents and given short-term deposits. The management monitors the structure of the funding source on a monthly basis. As part of this monitoring, the Administration takes into account the cost of funding and the risks associated with each of the funding classes.

3.3.7. Insurance risk

The issuer as part of the financial division is exposed to the risk of insurance based on investments in affiliated companies that offer non-life insurance products: accident insurance, travel and health insurance, vehicle liability insurance, transport insurance, property insurance, general liability insurance and various financial loss insurance.

Insurance risk refers to uncertainty in the operations of an insurance company. The most important components of insurance risk are premium risk and reserve risk. These risk components relate to the adequacy of premium tariffs and the adequacy of reserves in relation to insurance obligations and capital base.

The premium risk is present at the time of issuing the policy before the occurrence of the insured event where there is a risk that the incurred costs and damages will be higher than the received premiums. The risk of reserves is the risk that the costs and damages that will be incurred will be higher than the premiums received. Reserve risk is the risk that the absolute level of technical reserves has been misjudged or that actual damages will vary around the statistical environment.

Within the scope of insurance, the Management Board considers that the Group does not have a significant concentration of exposure to the group of insured persons measured by social, occupational, age and similar criteria.

The Group manages insurance risk through established acquisition limits, procedures for approving transactions involving new products or exceeding the limit of default obligations, pricing, product design and reinsurance management. The acquisition strategy seeks diversity that will ensure a balanced portfolio and is based on a large portfolio of similar risks over many years, which reduces the variability of results.

Concentration of insurance risk.

The highest probability of significant losses for the Group arises from catastrophic events such as storms, floods or earthquakes.

3.4 Security risk

The risks that could affect the issued bonds include:

3.4.1. Credit risk

The biggest risk to which investors are exposed is the risk that the issuer does not pay its obligations under the bonds issued. The issuer does not have a established credit rating, but the price of this issue could be affected by a change in the credit rating of BiH. The changes will largely depend on macroeconomic developments in the domestic economy, and in the event of a budget deficit in the current account balance, it could lead to the revision of the existing investment credit rating of BiH, and even to its lowering, which would result in a drop in the prices of all debt securities, which would have a negative effect on investors.

3.4.2. Liquidity risk

The capital market in the Federation of BiH is still relatively shallow and underdeveloped compared to developed markets. It is characterized by the dominant presence of equity securities (shares) created in the process of privatization. In recent years, trading in debt securities has also been present. The following types of debt securities are present on the capital market of the Federation of BiH: bonds issued by the Government of the Federation of BiH, i.e. the Federal Ministry of Finance, municipal bonds, corporate bonds as well as bank bonds.

The limiting factor is the size of the market, poor liquidity for existing instruments, the absence of a large number of domestic institutional investors.

Regardless of the listing of bonds on the Stock Exchange, there are no guarantees that active trading of the same will develop on the secondary market.

In the event that active trading does not develop in the secondary market, such a fact could have a negative impact on the liquidity of the bond and at the same time on the price of bonds. There are no persons who have undertaken to act as intermediaries in secondary trading and thus provide liquidity of the offered and market prices. Secondary bond trading will be completely free and the volume of trading will depend on the interests of potential buyers and sellers.

It is not certain that active secondary bond trading will develop, which would last an overall period until the bonds mature, which can make it difficult to sell bonds at a fair market price. No guarantee can be given that a secondary market for bond trading will be developed, nor a guarantee that there will be liquidity of such a secondary market if it develops, nor can there be a guarantee that if the secondary market develops, it will also exist continuously. In an illiquid market, registered bondholders may not be able to sell bonds at a fair market price.

3.4.3. Currency risk

Currency risk is the risk of a change in the value of financial instruments due to a change in exchange rates. The convertible mark (KM) as the official currency in BiH is pegged to the Euro. The Central Bank of BiH maintains monetary stability in accordance with the "Currency board" arrangement (1 KM = 0.51129 EUR, or 1 EUR = 1.95583 KM), which means that it issues domestic currency with full coverage in free convertible foreign exchange assets at a fixed exchange rate (1 KM = 0.51129 EUR, or 1 EUR = 1.95583 KM).

3.4.4. Interest rate risk

Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go higher or lower in response to changes in interest rates than the market price of short-term securities. Due to fluctuations in interest rates, the market value of such securities may vary during the repayment period.

4. PRIORITY PURCHASE RIGHT

The issuer issues bonds without priority purchase rights.

5. PURCHASE RESTRICTIONS, RESTRICTIONS SCOPE AND PERSONS SUBJECT TO THE RESTRICTION

The issue will be considered successful if 60% of the total number of bonds offered is subscribed and paid within the stipulated deadline.

If a larger number of bonds is subscribed than contained in the Decision, the payment shall be made up to the number of bonds provided for in the Decision and the Prospectus, according to the criteria provided for in the Decision.

The issuer does not reserve the right to withdraw from the Public Offer of Bonds before the expiry of the established deadline for their subscription and payment.

Restrictions on the purchase of issuing bonds for natural persons investors are not provided for, except in cases provided by law.

6. ACTIVITY AND OPERATIONS OF THE ISSUER

6.1 Macroeconomic review

BiH's economy shows resilience in a difficult environment. Economic growth slowed to 1,8% in 2023, from 4,2% in 2022, but according to projections, it will increase to 2,7% in 2024 this year. Demand will be supported by higher real wages, continued policy support, a slight recovery in private investment and tourism, while exports of goods to the EU will partially recover. If there

is no substantially greater reform progress, GDP growth is expected to remain "subdued" at approximately 3% in the medium term — too low to achieve significant revenue convergence with revenues in the European Union. The current account deficit shrank in 2023 thanks to lower oil prices, higher investment revenues and remittances, but in 2024 it will deteriorate due to growing domestic demand. (Source: IMF)

According to the IMF (International Monetary Fund) projections, inflation will continue to decline. Inflation, from a record value of 17.5% reached in October 2022, gradually declined and in 2023 it was on average 6%, and in 2024 it is expected to fall further to 3%. However, inflation that does not include food and energy prices is proving more persistent, reflecting the continued pressures caused by wage increases.

6.2 Core business

The issuer is authorized to perform all tasks in accordance with the founding act and the Statute of the Issuer, as well as the applicable regulations.

The main activity of the Issuer is financial and investment consulting.

The issuer has several domestic subsidiaries (legal entities and associations), as well as investments in the country and abroad.

The largest domestic subsidiaries as of 31.12.2023:

Name	Type	Share
ASA Bank d.d.	Bank	89,10%
Central Insurance d.d. Sarajevo ¹	Insurance	95,00 %
ASA Insurance d.d.	Insurance	88,03 %
DUF Blago d.o.o. Sarajevo ²	Management of Inv. Funds	100,00 %
ASA Agent d.o.o. ³	Services	80,00%

More investment in affiliated companies

Name	Type	Share
Aurin Trinity Fund SCS SICAV RAIF	Investment fund	14,02 %
ZIF Prevent Invest d.d.	Investment fund	25,00 %
AURIN Investment Group GmbH	Inv. Management Fund.	85,98 %

The business of the Issuer is carried out at the headquarters of the issuer in Sarajevo and in the target network of branches in the territory of the Federation of BiH.

6.3 Consolidated financial statements

The total consolidated assets of the Issuer and its subsidiaries in the Group as of 31 December 2023 amount to BAM 3,2 billion. The issuer consists of several domestic subsidiaries (legal entities and associations) as well as investments in the country and abroad.

¹ From 2/2023 merged into ASA Central osiguranje d.d.

² From 6/2023 changed name in ASA ASSET MANAGEMENT d.o.o.

³ From 2023 ASA Central Insurance Owner 100%

Financial statements are prepared in accordance with international financial reporting standards. The following tables are the consolidated financial statements of the company.

Comments on consolidated reports:

- Total operating revenues amounted to KM 257,6 million in 2023, which is 49% more than in 2022 when they amounted to KM 172,5 million;
- The group's comprehensive profit was KM 42,2 million in 2023;
- The group's total receivables were 1,43 billion at the end of 2023 increased by 11,9% compared to the end of 2022;
- The group's total assets are KM 3,2 billion at the end of 2023 and are 8% higher than at the end of 2022;
- The accumulated profit reached 258.5 million KM at the end of 2023.

ASA Finance d.d. Sarajevo
Consolidated statement of financial position
as of 31 December 2023

(all amounts are presented in BAM '000)			
	Note	31 December 2023	31 December 2022
ASSETS			
<i>Non-current assets</i>			
Tangible and intangible assets	15	72,634	70,494
Property investments	16	51,141	38,020
Goodwill	37	-	-
Investments in associates	38	9,616	8,409
Loan receivables	17	1,427,951	1,276,126
Long-term deposits	18	13,669	13,235
Financial assets at fair value through other comprehensive income	19	28,354	30,004
Financial assets at amortized cost	20	27,690	2,167
Deferred tax assets	-	636	461
Long-term loans and other receivables	21	4,091	4,720
Total non-current assets		1,635,782	1,443,636
<i>Current assets</i>			
Loan receivables	17	344,605	342,759
Other short-term assets and receivables	22	95,966	106,427
Financial assets at fair value through the profit and loss statement	23	21,507	10,587
Financial assets available for sale	24	-	350
Share of reinsurance in reserves for insurance contracts	25	16,218	10,744
Obligatory reserves at the Central Bank of Bosnia and Herzegovina	26	247,799	247,673
Cash and cash equivalents	27	833,976	805,843
Total current assets		1,560,071	1,524,383
TOTAL ASSETS		3,195,853	2,968,019

ASA Finance d.d. Sarajevo
Consolidated statement of financial position
as of 31 December 2023

(all amounts are presented in BAM '000)			
	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
<i>Capital</i>			
Equity	28	28,600	28,600
Statutory reserves	-	1,315	1,315
Revaluation reserves - financial assets at fair value through other comprehensive income	-	787	395
Accumulated profit	-	258,543	225,974
Total equity attributable to the Group owners		289,245	256,284
<i>Non-controlling interest</i>		45,106	39,776
Total equity		334,351	296,060
<i>Non-current liabilities</i>			
Long-term borrowings	29	23,070	22,179
Lease liabilities	30	6,185	2,863
Received deposits	31	879,728	920,123
Provisions	32	3,963	2,566
Provisions for insurance contracts	33	80,903	69,090
Total non-current liabilities		993,849	1,016,821
<i>Current liabilities</i>			
Short-term borrowings	29	85,359	106,359
Current portion of lease liabilities	30	2,910	2,717
Received deposits	31	1,704,249	1,485,679
Trade payables	34	7,509	7,482
Other liabilities	35	63,655	46,998
Provisions	32	3,971	5,903
Total current liabilities		1,867,653	1,655,138
TOTAL EQUITY AND LIABILITIES		3,195,853	2,968,019

The accompanying notes on pages 11 to 48 form an integral part of these consolidated financial statements.

Signed on behalf of the Company and Group on 26 April 2024:

Haris Moro, Director



ASA Finance d.d. Sarajevo
Consolidated statement of profit and loss and other comprehensive income
for the year then ended 31 December 2023

(all amounts are presented in BAM '000)				
	Note	2023	2022	
Interest income	7	86,899	31,066	
Income from insurance business	8	108,417	99,320	
Other operating income	9	62,256	42,159	
Total operating income		257,572	172,545	
Depreciation and amortization	15, 16	(9,439)	(4,496)	
Employee expenses	10	(45,839)	(24,694)	
Financial expenses	11	(16,957)	(10,695)	
Other operating expenses and costs	12	(143,042)	(133,867)	
Total operating expenses		(215,277)	(173,752)	
Financial income	13	4,525	3,417	
Portion of net result of associated companies	38	177	1,194	
The excess of net assets of subsidiaries over the cost of acquisition	38	-	209,604	
PROFIT BEFORE TAX		46,997	213,008	
Income tax	14	(5,363)	(1,931)	
Gains/(losses) on the basis of reduction of deferred tax assets		175	(459)	
PROFIT AFTER TAX		41,809	210,618	
Other comprehensive income		392	-	
TOTAL COMPREHENSIVE INCOME		42,201	210,618	
Distributed to:				
(all amounts are presented in BAM '000)				
Group owners		36,629	208,270	
Non-controlling interest		5,572	2,348	
		42,201	210,618	

The accompanying notes on pages 11 to 48 form an integral part of these consolidated financial statements.

ASA Finance d.d. Sarajevo
Consolidated cash flow statement
for the year ended 31 December 2023

	2023	2022	
(all amounts are presented in BAM '000)			
Operating activities			
Profit before tax	46,997	213,008	
Adjustment for:			
Depreciation	9,439	4,496	
Gains from the sale of fixed assets	(5,109)	(5,016)	
Impairment of goodwill	-	17,501	
Portion of the net result of the associated company	177	(1,194)	
Impairment of receivables	8,436	2,308	
Decrease of deferred tax assets, net	-	459	
Income from dividends recognized in the consolidated income statement	(1,082)	(447)	
Interest income recognized in the consolidated income statement	(86,899)	(31,066)	
Interest expense recognized in the consolidated income statement	16,639	9,076	
Increase in the share of reinsurance in the reserves for insurance contracts	(5,474)	(2,304)	
Increase in reserves for insurance contracts	11,813	8,093	
Increase in tangible assets due to increase and decrease in share in subsidiaries, net	-	(26,287)	
Adjustment of tangible assets (correction and disposal)	685	(643)	
Fair value adjustment of tangible assets and changes in accounting policy	(3,839)	(4,509)	
Changes in capital due to increase and decrease of shares in subsidiaries, net	(3,910)	(3,216)	
Changes in operating activities:			
Decrease/(increase) in trade and other receivables	5,381	(36,574)	
Decrease/(increase) in trade and other payables	27	4,484	
Increase in trade payables	(535)	5,879	
(Decrease)/increase in provisions	178,175	1,483,411	
Increase in liabilities for deposits received	16,657	23,318	
Increase in other current liabilities	(16,639)	(9,076)	
Interest paid	(5,363)	(1,931)	
Income tax paid	-	-	
Net cash flow generated from operating activities	165,576	1,649,770	
Financing activities			
(Decrease)/increase in borrowings, net	(20,109)	18,943	
Increase in lease liabilities	3,515	4,181	
Net cash flow (used)/generated in financing activities	(16,594)	23,124	

ASA Finance d.d. Sarajevo
Consolidated cash flow statement
for the year ended 31 December 2023

	2023	2022	
(all amounts are presented in BAM '000)			
Investing activities			
Purchase of tangible and intangible assets	(22,405)	(26,277)	
Increase in loan receivables	(156,717)	(1,053,876)	
Cash inflow from sold tangible assets	5,968	10,336	
Decrease in deposit and other loans receivables	195	3,655	
Increase in receivables from the Central Bank	(126)	(155,090)	
Decrease of financial assets at fair value through OCI	2,026	40,229	
(Increase)/decrease of financial assets at AC	(25,817)	856	
Increase of financial assets at FV through P&L	(10,920)	(6,919)	
Increase of investments in associates	(1,384)	(650)	
Decrease/(increase) of investments available for sale	350	(350)	
Dividends received	1,082	447	
Interest received	86,899	31,066	
Net cash flow used in investing activities	(120,849)	(1,156,573)	
Net increase in cash and cash equivalents	28,133	516,321	
Cash and cash equivalents at the beginning of the year	805,843	289,522	
Cash and cash equivalents at the end of the year	833,976	805,843	

The accompanying notes on pages 11 to 48 form an integral part of these consolidated financial statements.

6.4 Audited Statement of Financial Position of ASA Finance d.d. Sarajevo on 31.12.2023 in KM

ASA FINANCE d.d. Sarajevo Statement of financial position As of 31 December 2023

<i>(all amounts are presented in KM '000)</i>			
	Note	31 December 2023	31 December 2022
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	12	2	3
Assets under lease - IFRS 16	12	6	26
Investments in subsidiaries	13	94,534	93,143
Investment in associates	14	5,045	5,045
Financial assets at FVOCI	15	6	1,113
Total non-current assets		99,593	99,330
<i>Current assets</i>			
Trade and other receivables	16	157	3,338
Loan receivables	17	10,298	20,323
Term deposits in banks	18	148	149
Cash and cash equivalents	19	100	24
Total current assets		10,703	23,834
TOTAL ASSETS		110,296	123,164
EQUITY AND LIABILITIES			
<i>Capital</i>			
Owner's capital	20	28,600	28,600
Statutory reserves	-	1,315	1,315
Revaluation reserves - financial assets at fair value through other comprehensive income	-	3	395
Accumulated (loss)	-	(5,418)	(13,720)
Total capital		24,500	16,590
<i>Non-current liabilities</i>			
Provisions	21	7	5
Long-term lease liabilities	22	-	7
		7	12
<i>Current liabilities</i>			
Trade payables	23	304	76
Short-term borrowings	24	85,359	106,359
Short-term lease liabilities	22	5	19
Other liabilities	25	121	108
Total current liabilities		85,789	106,562
TOTAL EQUITY AND LIABILITIES		110,296	123,164

The accompanying notes on pages 9 to 31 for an integral part of these financial statement.

Signed on behalf of Company as of 22 April 2024:

Haris Moro
Haris Moro, Director



6.5 Audited Statement of Profits of ASA Finance d.d. Sarajevo on 31.12.2023 in KM

ASA FINANCE d.d. Sarajevo Statement of profit and loss and other comprehensive income For the year ended as of 31 December 2023

<i>(all amounts are presented in KM '000)</i>			
	Note	2023	2022
Revenue from sold goods and services	-	-	-
Other operating income	5	302	1,455
Total operating income		302	1,455
Employees expenses	6	(558)	(1,571)
Services	7	(21)	(14)
Depreciation	12	(21)	(21)
Other operating costs and expenses	8	(5,039)	(1,531)
Total operating expenses		(5,639)	(3,137)
Financial income	9	16,743	2,194
Financial expenses	10	(3,496)	(3,183)
PROFIT/(LOSS) BEFORE TAX		7,910	(2,671)
Income tax expense	11	-	-
PROFIT/(LOSS) AFTER TAX		7,910	(2,671)
Other comprehensive income		392	132
TOTAL COMPREHENSIVE PROFIT/(LOSS)		8,302	(2,539)

The accompanying notes on pages 9 to 31 for an integral part of these financial statement.

6.6 Audited Cash Flow Statement of ASA Finance d.d. Sarajevo on 31.12.2023 in KM

ASA FINANCE d.d. Sarajevo
Statement of cash flows
For the year ended as of 31 December 2023

<i>(all amounts are presented in KM '000)</i>	2023	2022
Poslovne aktivnosti		
Profit/(loss) before tax	7,910	(2,671)
Adjustments for:		
Depreciation	21	21
Impairment of receivables	3,671	28
Provisions for severance payments	2	-
Dividend income	(16,504)	(1,647)
Financial income recognized in profit and loss statement	(239)	(547)
Financial expense recognized in profit and loss statement	3,496	3,183
Changes in operating activities:		
Decrease/(increase) of trade and other receivables	3,412	(3,534)
Increase in trade and other payables (liabilities)	241	89
Interest paid	(3,496)	(3,182)
Net cash used in operating activities	(1,486)	(8,260)
Net cash from financing activities		
(Repayment)/inflows from borrowings	(21,000)	18,248
Repayment of lease liabilities	(21)	(22)
Net cash flow (used)/generated from financing activities	(21,021)	18,226
Cash flow from investing activities		
Purchase of tangible assets	-	(1)
Decrease of bank deposits	1	528
Decrease/(increase) in loan receivables	6,123	(2,150)
Net increase of investments in subsidiaries, associates and financial instruments at FV OCI	(284)	(11,387)
Received interest and dividends	16,743	2,194
Net cash flow generated/(used) in investing activities	22,583	(10,816)
Net increase/(decrease) of cash and cash equivalents	76	(850)
Cash and cash equivalents at the beginning of the year	24	874
Cash and cash equivalents at the end of the year	100	24

The accompanying notes on pages 9 to 31 for an integral part of these financial statement.

6.7 Opinion of the external auditor on the financial statements of ASA Finance d.d. Sarajevo on 31.12.2023.

The audit report of financial statements for the year ended December 31, 2023 was issued by BDO BH d.o.o. Sarajevo, Fra Anđela Zvizdovića 11, Sarajevo. The certified auditor who signed the audit report is Lejla Kaknjo, Executive Director and Certified Auditor.

According to the auditor, the financial statements of ASA Finance d.d. Sarajevo are presented objectively and realistically in all materially significant items the financial position of the company as of December 31, 2023.

Independent Auditor's Report

Opinion

We have audited the separate financial statements of ASA FINANCE d.d. Sarajevo (the "Company"), which comprise of the statement of financial position as at 31 December 2022, statement of profit and loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and Notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and regulatory framework in the Federation of Bosnia and Herzegovina.

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 Financial Statements section of our report. We are independent of the Company 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 ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

We draw attention to Note 2 to the separate financial statements where it is explained that the Company operates as parent company of ASA Finance Group and that the consolidated financial statements will be prepared in accordance with regulatory financial reporting framework adopted in Federation of Bosnia and Herzegovina. In the accompanying financial statements, investments in subsidiaries are recognized at cost. For better understanding of financial position of the Group as a whole, the review of consolidated financial statements is available.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These are the questions we analyse in the context of our audit of the financial statements as a whole and in forming our opinion about them, and we do not give a separate opinion on these issues.

- **Revenue from interest and dividends**
- We drew your attention to Statement of profit and loss and other comprehensive income as well as Notes 5 and 9 to the financial statements. Revenue is one of the most important indicators of the operating profitability. Revenues arising from use of Company's assets which earns interest and dividends and are recognized as follows:
 - Interest income is recognized at the effective interest rate method,
 - Dividend income is recognized when the right to receive the dividend is established.

- **How our audit addressed the key audit matter**

Our approach to key audit matter consists of test of controls as well as different substantive and analytical tests as follows:

- we checked design and implementation of the key controls, we tested operational efficiency of key controls which are identified as significant for our adequacy and sufficiency of audit evidences related to revenues,
- based on statistical methods we selected sample of revenue's transactions, performed detail tests over supporting documentation, furthermore conducted analysis of adopted accounting policies, analysis of the completeness and accuracy of the data, reperformance tests where possible, and investigate identified differences.

Other information

Management is responsible for the other information. In accordance with Law on accounting and audit in Federation BiH, the other information comprises the Annual Report and corporate governance rules. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 detected a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures in response 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 due to fraud is greater than the risk due to error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or circumvention of internal controls.
- 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 Company'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 the used accounting basis based on the going concern used by the management and, based on the obtained audit evidence, we conclude on whether there is a significant uncertainty related to events or circumstances that may cast significant doubt on the Company's ability to continue going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

The engaged audit partner responsible for this independent auditor's report is Lejla Kaknjo.

BDO BH d.o.o.

Lejla Kaknjo, executive director and certified auditor
BDO BH d.o.o.
Sarajevo, 22 April 2024

BDO
Društvo za reviziju

Ezita Imamović, certified auditor

6.8 Business indicators of ASA Banka d.d. Sarajevo and "ASA CENTRAL INSURANCE" d.d. Sarajevo

Audited financial indicators of ASA Banka d.d. Sarajevo from 31.12.2023.

Gross loans given	1,8 billion KM
Total Assets	3,0 billion KM
Net profit after tax	46,0 million KM

More information: <https://www.asabanka.ba/o-nama/izvjestaji-i-publikacije/>

Audited financial indicators "ASA CENTRAL OSIGURANJE" d.d. Sarajevo from 31.12.2023:

Total Assets	136,5 million KM
Net profit after tax	4,8 million KM

More information: <https://asacentral.ba/izvjestaji>

7. MANAGEMENT BODIES AND RESPONSIBLE PERSONS OF ISSUER

The issuing management bodies consist of:

- Assembly of the company
- Management
- Supervisory Board
- Audit Committee,

The independent audit of The Issuer's business is in charge of the international audit company BDO.

The management of the issuer consists of:

Eldin Hadžiselimović is General Manager of ASA Group (<https://www.linkedin.com/in/eldin-hadžiselimovic-600b8228/>). As General Manager, he is responsible for the overall strategy of the ASA Group, which has more than 20 companies and 2500 employees. He joined the ASA Group in 2007 as CEO at ASA Auto, and after two years of work he was appointed member of the Management Board of ASA Group. Throughout his career, Eldin Hadžiselimović has held a number of positions as a member of supervisory boards, both within the ASA Group and beyond. Through various business and economic Associations, he was the driving force behind the development of the BiH economy. He holds a master's degree in economic sciences from the University of Sarajevo and graduated from the Faculty of Mechanical Engineering in Sarajevo.

Haris Moro is the director of the Issuer (<https://www.linkedin.com/in/haris-moro-b0b79489/>). After a successful career at Pricewaterhousecoopers, he took the position of CFO at Vakufska Bank. After three years in Vakufska Banka, from July 2021 until June 2022, he held the position of Regional Controller in APS Group from the Czech Republic. He has been employed by the ASA Group since June 2022 as a financial controller. He was appointed to the position of Director of ASA Finance dd Sarajevo in April 2023. He graduated from the Faculty of Economics in Sarajevo and has been a Certified Accountant since 2017.

Chouaibi Kerim is the deputy Director of the Issuer (<https://www.linkedin.com/in/kerim-chouaibi-89714ab4/>). He began his business career at the renowned American Express company and became the company's director in Germany. After that, he became the director of the consulting company AURIN Capital Management GmbH, which is owned by The Issuer. He performs the function of deputy Director with the Issuer. He graduated from the prestigious University of Queensland in Brisbane, Australia.

Supervisory Board composed of:

Mr. Kenan Hastor

Mr. Damir Hastor

Mr. Samir Redžepović

Audit Committee composed of:

Mrs. Fatima Omerović

Mr. Dženan Prevljak

Mr. Rusmir Pašić

8. SIGNED STATEMENT BY THE RESPONSIBLE PERSONS OF THE ISSUER

According to our belief and in accordance with all our knowledge and the data at our disposal, we declare that all information contained in this Prospectus constitutes a complete and truthful account of the assets and liabilities, loss and profit, financial position and operations of the Issuer, the rights contained in the securities to which they relate, and that facts that could affect the completeness and truthfulness of this Prospectus are not omitted.

9. DEPOSITARY BANK

Depositary Bank Issuer will open a dedicated account for payments of funds from the public bond issue.

Upon receipt of the reports of depositary banks of professional intermediaries through which purchase orders and incoming payments for sold bonds were issued, the depositary bank will submit to the Issuer and the Commission a written report on the results of the issue, no later than five (5) days after the expiry of the deadline for subscription and payment.

After the issue has been declared a success by the Public Offering, the depositary bank is obliged to transfer the paid funds to the Issuer's account within three (3) days from the date of receipt of the Commission's decision.

The depositary bank in the issue of bonds of the Issuer is:

ASA BANKA dd Sarajevo, Trg međunarodni prijateljstva 25, Sarajevo.

10. INVESTMENT STATEMENT

The main objectives and tasks of the business policy of The Issuer are to support the investments described above, as well as to optimize the business of The Issuer and the Group, its competitiveness with constant attention to liquidity, profitability and business success, and in particular, financial monitoring of the operations of companies whose work guarantees profitable business, stability in operation, acceptance of products on the market and safe repayment of borrowed funds.

The issuing funds will be invested by the Issuer for the purpose of achieving the described own objectives, as well as the objectives of business entities, members of the Group.

Furthermore, the expected effects of bond emissions will be reflected in the further strengthening of the issuer's market position, within the group of business entities.

The increase of Tier 2 capital, and thus the strengthening of the capital adequacy of The Issuer, will contribute to further strengthening and have an impact on increasing economic performance and increasing the profitability of The Issuer's business.

Supervisory Board / Management of Issuer

Kenan Hastor, Supervisory Board

Damir Hastor, Supervisory Board

Samir Redžepović, Supervisory Board

Harris Moreau, Director

Chouaibi Kerim, Deputy Director