



**INDUSTRIAL HOLDING BULGARIA**

**INDUSTRIAL HOLDING BULGARIA PLC**

**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

**30 September 2021**

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**CORPORATE INFORMATION**

Industrial Holding Bulgaria PLC is a joint stock company (PLC), registered in the Republic of Bulgaria on Company File number 13081 / 1996 with headquarters and registered office at 42 Damyan Gruev Str., Sofia, Bulgaria. The financial year of the Company ends on 31 December.

Initially, the Company has been established as a Privatisation Fund according to the Privatisation Funds Act under the company name Privatisation Fund Bulgaria PLC.

The General Meeting of Shareholders held on 27 February 1998 passed a decision to reorganize the activities of Privatisation Fund Bulgaria PLC into a holding company and to rename it from Privatisation Fund Bulgaria PLC to Industrial Holding Bulgaria PLC. The Company's capital amounts to BGN 107,400,643. The company has a two-tier system of governance, comprising Supervisory Board and Management Board.

The scope of activity of the Company includes acquisition, management, assessment and sale of shares in Bulgarian and foreign companies, acquisition, assessment and sale of patents, cession of licenses to use patents to companies in which the Company holds shares, financing of companies in which the Company holds shares, as well as any other activity not prohibited by law.

The duration of the Company shall be perpetual and the Company is not limited by other resolute condition.

The Company is entered into the Commercial Register at the Registry Agency with Identification Code 121631219. The Company is registered in compliance with the Law on Value Added Tax. The shares of the Company are listed on Bulgarian Stock Exchange AD, Sofia.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**  
For the period ended 30 September 2021

**NOTES**

**Separate Statement of Comprehensive Income**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Interest and dividend income	6,962	16,069
Other operating income	33	54
	<b>6,995</b>	<b>16,123</b>
Costs of personnel	(495)	(460)
Costs of hired services	(131)	(110)
Other operating expenses	(211)	(2,753)
<b>Operating profit</b>	<b>6,158</b>	<b>12,800</b>
Finance costs	(149)	(213)
Finance income	46	-
<b>Profit before tax</b>	<b>6,055</b>	<b>12,587</b>
Income tax (expense) / benefit	-	-
<b>Profit for the period</b>	<b>6,055</b>	<b>12,587</b>
<b>Other comprehensive income / (loss)</b>	-	-
<b>Total comprehensive income for the period, net of taxes</b>	<b>6,055</b>	<b>12,587</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**  
For the period ended 30 September 2021

**Separate Statement of Financial Position**

*BGN'000*

	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>ASSETS</b>		
<b>Non – current assets</b>		
Non-current tangible and intangible assets	116	80
Right-to-use assets	669	787
Investments in subsidiaries	179,143	179,143
Loans to related parties	56,960	63,473
Differed tax asset	5	5
<b>Total non-current assets</b>	<b>236,893</b>	<b>243,488</b>
<b>Current assets</b>		
Loans to related parties	4,526	613
Trade and other receivables	1,334	525
Cash and cash equivalents	4,804	749
<b>Total current assets</b>	<b>10,664</b>	<b>1,887</b>
<b>TOTAL ASSETS</b>	<b>247,557</b>	<b>245,375</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	107,400	107,400
Share premium	30,604	30,604
Treasury shares redeemed	(10,180)	(8,668)
Statutory and other reserves	9,661	9,661
Retained earnings	99,412	93,357
<b>Total equity</b>	<b>236,897</b>	<b>232,354</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	2,281	5,215
Lease liabilities	528	646
Retirement benefit liabilities	35	35
<b>Total non-current liabilities</b>	<b>2,844</b>	<b>5,896</b>
<b>Current liabilities</b>		
Interest-bearing loans and borrowings	3,590	3,917
Lease liabilities	157	155
Deposits from related parties	4,048	2,967
Trade and other payables	21	86
<b>Total current liabilities</b>	<b>7,816</b>	<b>7,125</b>
<b>Total liabilities</b>	<b>10,660</b>	<b>13,021</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>247,557</b>	<b>245,375</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Separate Statement of Cash Flows**

*BGN'000*

	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Operating activity</b>		
Dividends received	1,700	10,782
Cash loans repaid from related parties	8,802	2,641
Cash loans to related parties	(6,224)	(13,628)
Interest received on loans to related parties	729	436
Proceeds from customers	40	58
Remuneration related payments	(498)	(463)
Foreign currency differences	47	-
Payments to suppliers and others	(252)	(164)
<b>Net cash flows from operating activity</b>	<b>4,344</b>	<b>(338)</b>
<b>Investing activity</b>		
Purchase of property, plant and equipment	(63)	(3)
Acquisition of investments	-	(13)
<b>Net cash flows used in investing activity</b>	<b>(63)</b>	<b>(16)</b>
<b>Financing activity</b>		
Payments on redemption of treasury shares	(1,512)	(1,575)
Bank loans received	-	47
Principal paid on bank loan	(3,260)	(2,980)
Interest paid on bank loan	(110)	(167)
Charges paid on bank loan	(7)	(10)
Liabilities paid under lease contracts	(116)	(116)
Interest paid under lease contracts	(9)	(12)
Deposits from related parties	5,083	4,247
Refunded deposits from related parties	(293)	-
Interest paid on deposits from related parties	-	(8)
Other proceeds and payments	(2)	(1)
<b>Net cash flows used in financing activity</b>	<b>(226)</b>	<b>(575)</b>
<b>Increase in cash and cash equivalents</b>	<b>4,055</b>	<b>(929)</b>
Cash and cash equivalents on 1 January	749	1,659
<b>Cash and cash equivalents on 30 September</b>	<b>4,804</b>	<b>730</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Separate Statement of Changes in Equity**

*BGN'000*

	Share capital	Share premium	Treasury shares redeemed	Statutory and additional reserves	Retained earnings	<b>Total</b>
<b>Balance as at 1 January 2020</b>	<b>107,400</b>	<b>30,604</b>	<b>(6,536)</b>	<b>9,661</b>	<b>102,772</b>	<b>243,901</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	12,587	<b>12,587</b>
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,587</b>	<b>12,587</b>
<b>Transactions with shareholders recognised in equity</b>						
Treasury shares redeemed	-	-	(1,575)	-	-	<b>(1,575)</b>
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>(1,575)</b>	<b>-</b>	<b>-</b>	<b>(1,575)</b>
<b>Balance as at 30 September 2020</b>	<b>107,400</b>	<b>30,604</b>	<b>(8,111)</b>	<b>9,661</b>	<b>115,359</b>	<b>254,913</b>
<b>Balance as at 1 January 2021</b>	<b>107,400</b>	<b>30,604</b>	<b>(8,668)</b>	<b>9,661</b>	<b>93,357</b>	<b>232,354</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	6,055	<b>6,055</b>
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,055</b>	<b>6,055</b>
<b>Transactions with shareholders recognised in equity</b>						
Treasury shares redeemed	-	-	(1,512)	-	-	<b>(1,512)</b>
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>(1,512)</b>	<b>-</b>	<b>-</b>	<b>(1,512)</b>
<b>Balance as at 30 September 2021</b>	<b>107,400</b>	<b>30,604</b>	<b>(10,180)</b>	<b>9,661</b>	<b>99,412</b>	<b>236,897</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Interest and dividend income**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Dividend income	6,255	15,211
Interest income	707	858
	<b>6,962</b>	<b>16,069</b>

Dividend income of BGN 6,255 thousand (30 September 2020: BGN 15,211 thousand) was reported as at 30 September 2021, distributed by:

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
ZMM Bulgaria Holding AD	3,329	11,385
KRZ Port Burgas AD	2,092	1,405
IHB Shipdesign AD	698	1,268
Maritime Holding AD	136	150
Odessos PBM EAD	-	1,003
	<b>6,255</b>	<b>15,211</b>

The main portion of the dividend distributed as at 30 September 2020 by ZMM Bulgaria Holding AD is based on profits earned by its subsidiary IHB Electric AD (obliterated).

Interest income of BGN 707 thousand (30 September 2020: BGN 858 thousand) originates from interest-bearing receivables from subsidiaries on cash loans granted.

**Employee benefit expenses**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Wages and salaries	(436)	(406)
Social insurance costs and other social payments	(59)	(54)
	<b>(495)</b>	<b>(460)</b>

**Other operating expenses**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Depreciation / amortization expenses	(159)	(152)
Other operating expenses	(29)	(12)
Expenses on materials	(23)	(22)
Investments impairment expenses	-	(2,567)
	<b>(211)</b>	<b>(2,753)</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Finance costs**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
Interest expenses on bank loans	(109)	(165)
Interest expenses on lease contracts	(9)	(12)
Interest expenses on deposits from related parties, etc.	(22)	(24)
Charges bank loans	(7)	(10)
Other finance costs	(2)	(2)
	<b><u>(149)</u></b>	<b><u>(213)</u></b>

**Income tax**

The Company owes no income taxes for the periods ended 30 September 2021 and 30 September 2020.

The reconciliation of income tax expenses and the accounting profit multiplied by the applicable rate for the periods ended 30 September 2021 and 30 September 2020 is as follows:

<i>BGN'000</i>	<b>30 September 2021</b>	<b>30 September 2020</b>
<b>Accounting profit before taxes</b>	<b><u>6,055</u></b>	<b><u>12,587</u></b>
Income tax expense at the applicable tax rate of 10% for 2021 (2020: 10%)	(606)	(1,259)
Non-deductible expenses – revaluation	626	1,521
Tax loss, for which tax asset is not recognized	(20)	(262)
<b>Income tax benefit / (expense) at an effective tax rate of 0% (2020: 0% )</b>	<b><u>-</u></b>	<b><u>-</u></b>

As at 30 September 2021, the Company reported a deferred tax asset of BGN 5 thousand (at 31 December 2020: BGN 5 thousand) on accrued retirement benefit liabilities, the lease liability and the right-of-use asset.



**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Investments in subsidiaries**

Investments, held by the Company as of 30 September 2021 and 31 December 2020, were as follows:

<i>BGN'000</i>	Country of incorporation	30 September 2021		31 December 2020	
		Share amount	Share percentage	Share amount	Share percentage
ZMM Bulgaria Holding AD	Bulgaria	7,885	99.998	7,885	99.998
Privat Engineering EAD	Bulgaria	32,713	100.000	32,713	100.000
KRZ Port Burgas AD	Bulgaria	4,774	99.650	4,774	99.650
Maritime Holding AD	Bulgaria	400	61.000	400	61.000
International Industrial Holding Bulgaria AG	Switzerland	130	100.000	130	100.000
KLVK AD	Bulgaria	46,096	67.960	46,096	67.960
IHB Shipdesign AD	Bulgaria	70	70.000	70	70.000
Bulyard Shippbuilding Industry AD	Bulgaria	63,371	95.890	63,371	95.890
Odessos PBM EAD	Bulgaria	23,653	100.000	23,653	100.000
IHB 3 Design AD	Bulgaria	51	51.000	51	51.000
		<b>179,143</b>		<b>179,143</b>	

**Interest-bearing loans and borrowings**

<i>BGN'000</i>	Currency	Interest rate %	30 September 2021	31 December 2020
Bank Loan Agreement 16 of 27 March 2018	EUR	1.9%	5,871	9,132
			<b>5,871</b>	<b>9,132</b>
Long-term portion			2,281	5,215
Short-term portion			3,590	3,917

The bank loan agreement 16 of 27 March 2018 concluded for the purpose to refinance part of the debenture loan is repaid in equal monthly instalments and matures in April 2023. Guarantors on the contract are subsidiaries. The contract is secured by mortgages on real estate (land and buildings) of a subsidiary.

Over the period from 1 October 2021 until the publication of this Public notification, the Company has repaid BGN 652 thousand. under Bank Loan Agreement 16 of 27 March 2018, representing the instalment for November 2021 and the last due instalment for April 2023.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Lease liabilities**

<i>BGN'000</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
Lease liabilities	<u>685</u>	<u>801</u>
Long-term portion	528	646
Short-term portion	157	155

The lease liability represents the discounted amount of the estimated rental payments under a contract for the rent of an office (a building). Pursuant to the latter contract, the Company also recognized a right-of-use asset.

**Equity**

*Share capital - registered*

The share capital is stated at par according to the court registration.

<i>BGN'000</i>	<b>30 September 2021</b>	<b>31 December 2020</b>
107,400,643 ordinary shares with a nominal value of BGN 1 each	<u>107,400</u>	<u>107,400</u>
	<b><u>107,400</u></b>	<b><u>107,400</u></b>

The company's capital comprises 107,400,643 registered dematerialised voting shares with a nominal value of BGN 1 each that are listed for trading on Bulgarian Stock Exchange. The share capital is subscribed at its nominal amount and is paid in full. There is no preference shares or bearer's shares.

*Shareholders*

The shareholders of Industrial Holding Bulgaria PLC holding directly more than 5% of the company's capital as of 30 September 2021 are as follows:

<i>Shareholder</i>	<b>Number of shares as at 30 September 2021</b>	<b>30 September 2021</b>
BULLS AD	60,486,788	56.32%
DZH AD	9,657,874	8.99%
Industrial Holding Bulgaria PLC (treasury shares redeemed)	10,592,226	9.86%
Others	<u>26,663,755</u>	<u>24.83%</u>
	<b><u>107,400,643</u></b>	<b><u>100.00%</u></b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

On 02 July 2021, Industrial Holding Bulgaria PLC received from Bulls AD a Tender offer under Article 149b, Para 1 of POSA for the purchase of up to 25,000,000 shares, but not less than 15,800,000 shares. On 03 August 2021, the Company was informed that as a result of the Tender offer Bulls AD had acquired 22,878,667 shares.

On 9 August 2021, Bulls AD concluded 3 agreements (with DZH AD, Stock Tours AD and Tunisian EOOD) for the implementation of a common company management policy through a joint exercise of the voting rights held by these three legal entities attached to 12,589,069 shares in total, representing 11.72 % of the capital of Industrial Holding Bulgaria PLC, with the way of implementation being determined by Bulls AD. As a result, Bulls AD holds directly and on the grounds of these agreements 73,075,857 shares in total, representing 68.04% of the capital.

On 14 October 2021, Industrial Holding Bulgaria PLC received a notification from Bulls AD for a Tender offer under Article 149b, Para 1 of POSA submitted to the Financial Supervision Commission for the purchase of up to 23,690,662 shares from all other shareholders (other than those that are a party to the agreements with Bulls AD for a common management policy, up to the number of shares specified in these agreements, and other than the Company itself in respect of the treasury shares held by it).

As of the date of publication of this Public notification, the Financial Supervision Commission has not yet ruled on the draft Tender offer submitted.

Bulls AD and the other shareholders that are a party to the agreements for the implementation of a common management policy with regards to Industrial Holding Bulgaria PLC, as described above, do not have the right to exercise their right to vote at the General Meeting of Shareholders of the Company until the requirements set forth in the POSA are met.

The total number of the treasury shares held as at 31 December 2020 is 9,073,468 for the total amount of BGN 8,668 thousand. Over the period 01 January 2021 – 30 September 2021, 1,518,758 treasury shares amounting to BGN 1,512 thousand were bought up. The number of the treasury shares redeemed as at 30 September 2021 is 10,592,226 for the total amount of BGN 10,180 thousand. Pursuant to article 187a, paragraph 3 of the Commercial Act, the voting right attached to these shares has been suspended until their transfer.

On 17 August 2021, a notice for convening an extraordinary General Meeting of Shareholders of Industrial Holding Bulgaria PLC on 04 November 2021 was published. The draft decision includes an item for reducing the capital by cancelling 10,592,226 redeemed treasury shares issued by Industrial Holding Bulgaria PLC.

With entry from 21 October 2021 made in the Commercial Register, DZH AD, as a shareholder holding more than 5% of the capital of Industrial Holding Bulgaria PLC, pursuant to Article 223a of the Commercial Act, has included two additional items on the agenda of the extraordinary General Meeting of Shareholders convened on 4 November 2021, namely to terminate the current redemption procedure and vote on a new redemption decision with new parameters.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Related party disclosures**

The Company is a related party with the following persons in accordance with the definitions of IAS 24:

*I. Persons exercising control*

- Bulls AD, a company that holds directly 56.32% of Industrial Holding Bulgaria PLC. Bulls AD has concluded agreements for a common management policy and as a result, it holds 68.04% of the capital of Industrial Holding Bulgaria PLC.
- Dimitar Zhelev, a person exercising control over Bulls AD and husband of Daneta Zheleva, the Chief Executive Officer of Industrial Holding Bulgaria PLC.

*II. Key management personnel, including the Management and the Supervisory Board of the Company*

*III. Entities under the joint control of the Persons exercising control*

*IV. Entities, over which the persons that have control also exercise significant influence or are members of their key management personnel*

*V. Subsidiaries*

- *Subsidiaries in which the Company holds direct control*

The direct subsidiaries of Industrial Holding Bulgaria PLC as at 30 September 2021 and 31 December 2020 are disclosed in *Investments in subsidiaries*.

- *Subsidiaries in which the Company holds indirect control*

IHB Metal Castings AD and IHB Electric (obliterated) are indirect subsidiaries of Industrial Holding Bulgaria PLC because they are subsidiaries of ZMM Bulgaria Holding AD, a direct subsidiary of Industrial Holding Bulgaria PLC. Karvuna Ltd. and Tirista Ltd. are indirect subsidiaries of Industrial Holding Bulgaria PLC because they are subsidiaries of Privat Engineering EAD, a direct subsidiary of Industrial Holding Bulgaria PLC. Bulport Logistics AD and Odria Ltd are indirect subsidiaries because they are subsidiaries of KLVK AD, a direct subsidiary of Industrial Holding Bulgaria PLC.

The total amount of related party transactions and outstanding balances for the current and previous reporting periods is as follows:

**Receivables from and payables to related parties**

**Loans to related parties**

<i>BGN'000</i>	<b>Type of transaction</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<i>Subsidiaries</i>	Principal	60,895	63,473
	Interest	591	613
		<b>61,486</b>	<b>64,086</b>
Long-term portion		56,960	63,473
Short-term portion		4,526	613

The loans granted are secured by promissory notes, except for the loan extended to Odria Ltd of BGN 17,388 thousand as at 30 September 2021, which is secured by a first ranking sea mortgage on m/v Dimond Sky, owned by a subsidiary.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Trade and other receivables**

<i>BGN'000</i>	<b>Type of transaction</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<i>Subsidiaries</i>	Dividends	1,325	501
<i>Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel</i>	Prepayments	6	10
		<b>1,331</b>	<b>511</b>

**Cash with banks – related parties**

<i>BGN'000</i>		<b>30 September 2021</b>	<b>31 December 2020</b>
<i>Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel</i>		3,252	103
		<b>3,252</b>	<b>103</b>

**Deposits from related parties**

<i>BGN'000</i>	<b>Note</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<i>Subsidiaries</i>	Principal	4,037	2,960
	Interest	11	7
		<b>4,048</b>	<b>2,967</b>
Long-term portion		-	-
Short-term portion		4,048	2,967

Deposits received from subsidiaries as at 30 September 2021 are not secured and bear a fixed interest rate; they mature in September 2021. The terms and conditions of deposits as at 31 December 2020 remain the same.

**Sale transactions**

<i>BGN'000</i>	<b>Type of transaction</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
<i>Subsidiaries</i>	Dividend income	6,255	15,211
	Rental income	33	54
		<b>6,288</b>	<b>15,265</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Purchase transactions**

	<b>Type of transaction</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
<i>Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel</i>	Costs of hired services	10	10
	Other finance costs	1	-
		<u>11</u>	<u>10</u>

**Loans to related parties**

<i>BGN'000</i>		<b>Amounts granted</b>	<b>Non-cash – (increase) / decrease</b>	<b>Principal repaid</b>	<b>Interest income</b>	<b>Interest received</b>
Subsidiaries	30 September 2021	(6,224)	-	8,802	707	729
Subsidiaries	30 September 2020	(13,628)	-	2,641	858	436
	<b>30 September 2021</b>	<b>(6,224)</b>	<b>-</b>	<b>8,802</b>	<b>707</b>	<b>729</b>
	<b>30 September 2020</b>	<b>(13,628)</b>	<b>-</b>	<b>2,641</b>	<b>858</b>	<b>436</b>

**Deposits from related parties**

<i>BGN'000</i>		<b>Amounts received</b>	<b>Non-cash – increase / (decrease)</b>	<b>Principal paid</b>	<b>Interest expenses</b>	<b>Interest paid</b>
Subsidiaries	30 September 2021	5,083	(3,731)	(293)	(22)	-
Subsidiaries	30 September 2020	4,247	(2,320)	-	(24)	(8)
	<b>30 September 2021</b>	<b>5,083</b>	<b>(3,731)</b>	<b>(293)</b>	<b>(22)</b>	<b>-</b>
	<b>30 September 2020</b>	<b>4,247</b>	<b>(2,320)</b>	<b>-</b>	<b>(24)</b>	<b>(8)</b>

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Commitments and contingencies**

**Legal claims**

No legal claims have been filed against the Company.

**Guarantees**

According to Contract 319 of 30 November 2006 signed with a commercial bank for granting a credit limit for issuance of bank guarantees, letters of credit and working capital financing of the Holding and/or Group entities with a limit of BGN 10,000 thousand, as at 30 September 2021:

- bank guarantees of BGN 20 thousand (31 December 2020: BGN 20 thousand) were issued to Group companies: IHB Metal Castings AD,
- a letter of guarantee was issued to cover a liability of KRZ Port Burgas AD amounting to BGN 3,000 thousand (31 December 2020: BGN 3,000 thousand);
- a revolving credit line for working capital financing of BGN 5,500 thousand was opened (31 December 2020: BGN 5,500 thousand). As of 30 September 2021, the amount utilised by the subsidiary KRZ Port Burgas is BGN 135 thousand and by ZMM Nova Zagora AD – BGN 570 thousand (presented net), respectively.

As of 30 September 2021, the unutilized limit under this contract for provision of a credit limit amounted to BGN 4,795 thousand.

The contract with the bank is secured by a registered pledge on the commercial enterprise of KRZ Port Burgas AD as a combination of rights, obligations and factual relations, with registration of the main assets with the respective registries.

**Collateral**

To secure Bank loan agreement 16 of 27 March 2018 concluded for the purpose of partial financing of a debenture loan, the Company concluded a financial collateral agreement through a pledge of receivables providing for a right of use over all its accounts with the bank-creditor in an amount that should be at least equal to the loan liability at the relevant time.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Non-systematic risks specific to the Company**

**Risks associated with the holding structure and the structure of the portfolio of IHB**

In so far as the activity of the Company relates to management of other companies' assets, it is exposed to the Group subsidiaries' industry risks. The Holding's investments are focused on segments characterised by slow rotation of funds invested (machine-building), dependence on energy and other resources (machine-building, ship repair, maritime transport) and high cyclicality (ship repair, ship design, maritime transport, classification and certification, and port activity), thus reducing the return on the investment portfolio of the Holding as a whole.

**Risks arising from pandemics and epidemics**

Globalization worldwide and the freer movement of goods and people lead to a significantly faster spread of pandemics and epidemics, and make it difficult to locate them in individual regions / countries, which in the case of more serious diseases, such as COVID-19, blocks world trade, limits and pose difficulties on the supply chain, and has an adverse impact on all economic agents. The development of the pandemic and possible extension / reduction of restrictive measures in individual countries are risks that can lead to both improvement and deterioration of the external environment.

**Risks associated with morbidity of the population**

The high incidence of COVID-19 in Bulgaria at the moment and the low vaccination rate create a number of difficulties in the implementation of the main business processes of the Holding and its subsidiaries. They are, on the one hand, due to key workers getting sick and / or being placed under quarantine at the same time, as well as to the need for key personnel to work remotely, predetermined by reasons to preserve health or the need to take care for children or other family members. On the other hand, Bulgaria's entry into the red COVID zone has a negative impact on trading partners in making their purchase decisions (eg in the shipbuilding and ship repair sectors).

**Risks arising out of dependence on the development of the global economy and trade**

The state of the global economy and demand for raw materials underpin the development of trade. Of all segments in the IHB's investment portfolio, the most direct and imminent impact they have on the shipping industry. Stress on the market and pressure on the freight have a number of divergent factors:

- cyclicity of the shipping industry – cycles are linked to the global economy and the balance between the proposed shipping tonnage and the needs of exporters and importers. Risk exists for operators who have failed to properly plan and distribute their cash flows at a time of difficult access to finance under aggravated conditions during crisis;
- number of ships in construction and entry into service and state of the ship cutting market
- increased environmental restrictions – the introduction of new eco-norms and directives against environmental pollution and for energy savings for vessels imposes mandatory reconstructions of vessels to comply with regulations, shortens the time of operation of ships, and make their operation more expensive;
- global fuel problems - on the one hand, oil can be a cause of conflict and, on the other hand, the price and availability of it can be a cause of erosion or a fall in the freight market, as marine fuels are the main raw material in the industry and stock commodity;
- development potential – stems from major infrastructure projects, major investments in the gas and oil sectors, etc.

The level of economic activity worldwide has impacted, albeit more slowly, on machine building, shipbuilding and ship repair, while port operations depend to a greater extent on the developments in the domestic market.



**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Risk of political instability in traditional markets and regions, military activities and/or penalties imposed**

This risk stems from future changes in economic policy imposed by objective economic or political circumstances - continuing war conflicts around the world, political uncertainty in many places, sanctions and restrictions imposed on trade with a number of countries. This risk mainly affects maritime and port business as it impedes the free movement of goods and leads to a change in trade flows and transport corridors, and hampers the access of registry inspectors to supervised vessels. Additionally, the risk also affects the machine building industry by reducing sales volumes on traditional markets.

**Risks associated with fraud and abuse**

As a result of the spread of the COVID-19 pandemic, the risk of fraud and abuse increases, including that related to cyber-attacks, unscrupulous trade practices, bankruptcies of contractors, etc.

**Risks relating to environment legislation**

The domestic and international legislation on ecology implies compliance with a number of measures on prevention, control and reduction of various types of environmental pollution. The trend in recent years is to increase regulations in this area. The pressure on phasing out the use of traditional energy sources (such as oil or gas) is growing worldwide, which for the Group has its strongest impact on maritime transport. Restrictive duties are being introduced on imports of raw materials from countries that do not follow the European Union's environmental policies.

The Group's policy is to comply with all regulatory obligations in the area of ecology, which is linked to fixed investments for the alignment and maintenance of facilities and processes in accordance with the required standards and norms. All investment projects are also in line with environmental protection requirements.

**Risk related to the prices of basic raw materials, materials and energy sources**

This risk results from changes in the prices of raw materials, materials and various energy sources being used. The rise in prices has an extremely unfavourable effect on the results of manufacturing companies operating in metal-intensive and energy-absorbing segments, such as machine building, shipbuilding and ship repair. Maritime transport is highly dependent on the prices of fuels, which are a commodity. The impact of changes in the market price of electric energy is similar, as the electric energy is subject to international supply and demand and is determined by factors beyond the control of management. For several years now, the supply of electric energy has been negotiated at a Group level on the open market.

Since the beginning of 2021, the level of this risk has been high. Gas, electricity and heat prices have already risen sharply across Europe. The price jump cannot be transferred directly to the end customers and will significantly affect the profitability of the products and services offered by the Group.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Risk caused by disrupted supply chains**

The risk of further increases in international prices of raw materials and goods is increasing more and more due to broken supply chains. It is difficult to determine what part of inflation is due to the recovery of demand after easing the restrictive measures and what to the problems with supplies caused by congested ports and the shortage of raw materials and workers. The problems of disruption of global chains for the production and supply of goods and raw materials feed inflation at a rapid pace and confront central banks with a new problem. Rising interest rates will affect demand, which has driven the world out of last year's recession, but will not help much with supply problems. If the shortage then eases and trade returns to normal, the policy may appear too restrictive and halt the recovery. However, if banks refrain from action and supply problems continue, expectations of higher inflation may increase, which will force companies to raise wages and prices, and could result in rapid interest rate hikes and tighter fiscal conditions.

**Risks relating to attracting and retaining experienced and qualified employees**

Given the problems with the effectiveness and relevance of the education system in Bulgaria and the demographic collapse in the country, many sectors of the national economy are experiencing not only a capacity crunch. The lasting trend of declining and aging population in our country naturally reduces people of working age, including that of the low-skilled. Employees' professional qualities affect directly entity's financial results and innovation performance. The risk is reinforced by the convertible nature of some professions and high worldwide demand for such staff (professionally trained and motivated seamen and officers, registry inspectors, engineering personnel and specialist workers – welders, hull workers (hull fitters), pipe fitters, etc.). Vaccination requirements in Europe and the world as a prerequisite for many economic activities are putting additional pressure. The most affected segments are that of machine building, maritime transport, and ship repair segments. Management has adopted a long-term approach to human resource management related to preliminary and subsequent qualification of staff, as well as a close cooperation with the academic society in the country.

**Credit risk**

Credit risk is the risk of possible financial loss if a client or a party to a financial instrument fails to perform its contractual obligations. The risk is mainly related to receivables from clients and investments in other financial assets.

*Receivables from clients* – The Group's credit risk exposure depends on the customer's individual characteristics that differ between sectors. The most affected segments are that of ship building, ship design, classification and certification, and port activities.

Currently, the credit risk worldwide and for the Group in particular is still high due to the COVID-19 implication. The Group's credit policy provides for that each new client shall be investigated for solvency before being offered the standard delivery and payment terms and conditions. Besides the price offered, when selecting a potential client or a charterer managers consider its credit rating, reputation, popularity, recommendations, etc.

*Investments* – The Group invests mainly in businesses and companies where the Holding holds the control and power to determine their development strategy. With respect to portfolio investments, the ambition is to invest in liquid securities. Part of investments are made over considerable periods of time, during which it is possible that the Group will receive a very limited yield, lower profits, and may even experience losses.

*Guarantees* - It is a policy of the Group to issue financial guarantees only to subsidiaries and only after obtaining the preliminary approval of the managing bodies. There is a risk that the guarantees may be utilised in the event of non-performance of the covered liabilities.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Liquidity risk**

Liquidity risk is the probability that the Group will be unable to meet all its obligations when they become due. Such risk may arise in case of delayed payments by clients. The Group companies elaborate financial planning to cover their expenses and current payables for a period of 90 days, including settlement of financial liabilities. Where possible, a deferred payment to suppliers and subcontractors is applied in combination with the above measures, but without affecting negatively their businesses. The Holding's management supports the Group companies' efforts towards attracting bank financing for investments and capacity utilization in the form of revolving credits for working capital in support of production. The attracted volumes of funds are maintained at pre-determined levels and approved only after their economic effectiveness for each company has been proven.

**Currency risk**

The Group companies are exposed to currency risk as they perform purchases and/or sales and/or receive loans in currencies, other than the functional currency. Aiming at reducing the Group's exposure to currency risk, the Holding's management is trying to minimise the payments in foreign currencies other than the functional currency in the operating activity of most companies. The goal is that transactions with customers and suppliers are agreed primarily in BGN and EUR for the companies the functional currency of which is the Bulgarian lev and in USD for the ship companies, as USD is the main currency, in which the ship business operates. Given the Bulgaria's jointing the ERM II exchange rate mechanism (the so-called euro area waiting room), there is a low risk that the EUR exchange rate agreed vis-à-vis the exchange rate of the Bulgarian lev in the event of entry into the Euro area to be different from the current fixed exchange rate. The Group is currently exposed to currency risk from changes in the exchange rate of the US Dollar in relation to the free cash flows generated by maritime transport. The increase in the revenue share from foreign ships in total sales strengthens the impact of this risk on the financial results of the ship register.

**Interest rate risk**

The Group companies are exposed to interest rate risk in cases of financing, whose price includes a floating interest rate component plus a margin. In managing this risk, management seeks to either negotiate fixed-rate loans or to conclude hedging transactions aiming at minimizing the effects of the changes in the floating interest rate component. Rising inflation in 2021 could lead to a change in Central Banks' policies to increase interest rates and impose tighter fiscal conditions.

**Systematic risks**

The Holding and its subsidiaries are exposed to systematic risks relating to the market and macro-environment in which the companies operate. These risks cannot be managed and controlled by the management team.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**Trends for businesses, in which the Group companies operate**

**Maritime transport**

In the third quarter as well, the shipping market has maintained its high growth reported since the beginning of 2021. The demand for ship tonnage continued and freight levels rose significantly, reaching their highest levels for ten years. The main impetus for the restart of maritime transport was given by the recovery of the global economy, accompanied by the need to supply of many and different goods, most of whose stocks are at record low levels or even depleted. The implementation of a number of contracts postponed during the 2020 crisis has begun. Congestion in many ports (in particular in southern China) has blocked part of the available ship tonnage and as a result price levels have risen. Complicated relations between some countries have changed cargo flows and forced deliveries from more distant destinations with smaller vessels. All these factors contributed to the segment achieving high positive results.

Despite the rise in the price of scrap metal, the cutting of old vessels and reduction of tonnage in operation continues at a slow pace and volume, as many owners try to make the most of market demand and high freight before scraping their old ships. This has a negative impact on orders for new vessels, which remain at record lows. The impact of the serious rise in the prices of steel, fuels and the ever-increasing environmental requirements towards new ships is similar and results in higher investments in acquisitions. At the same time, there is no foreseeable horizon in which the owners of the new vessels will be able to operate them without making additional costs for compliance with regulatory changes and restrictions. Moreover, the concept of environmentally friendly marine fuel in view of the new regulations is not clear.

It is expected that the market will continue to maintain high levels of freight throughout the current year, supported by incentives from many countries, which have already increased the volume of all types of cargo. The future of shipping will depend on the development of the COVID-19 pandemic and its impact on the global economy, the US-China trade war, numerous local conflicts and sanctions that were imposed.

The Group's ships sail with Bulgarian crews, the recruitment of which is a serious problem due to the convertible nature of their professions, and in recent months due to the increased requirements for vaccination of seafarers and command staff.

The profitability of this segment of the Group's portfolio is influenced by the existing conventions for ballast water treatment, which are being implemented in stages. After the two ships from the fleet of IHB - m / v Karvuna and m / v Anteya, in September 2021 a ballast system was installed on m / v Diamond Sea as well. The m / v Diamond Sky will cover the new environmental standards in its upcoming class renovation scheduled for the first half of 2022. These mandatory investments worsen the entities' financial ratios as they do not have a positive impact on their profitability and require serious expenses and more days out of operation; however, they enable ships to continue operating and generating revenue in the future. In the coming years, the impact of other new regulations for the reduction of carbon dioxide emissions in the atmosphere in accordance with Plan 2030-2050 will be assessed, as well as possible solutions to comply therewith.

**Ship building and ship repair**

The expectations for business recovery in 2021 were conditioned primarily by the need for the ship repairs, postponed due to the pandemic, to be carried out so that the vessels could continue operating. Following this trend, orders gradually recovered in the first months of the year. However, the high freight levels in shipping had impacted adversely on the workload of **Bulyard Shipbuilding Industry AD** in the third quarter, as they again encouraged shipowners to postpone class repairs in order to take advantage of the peak of the market or, if not able to postpone them, to limit the volume of repairs to a minimum in order to shorten the term and reduce losses of ships being out of charter. As a result, price competition in the industry at the regional level has intensified a lot lately, especially strengthened by the highly depreciated Turkish lira, which has created additional competitive advantages for factories in our southern neighbour. The industry was also negatively affected by the sharp jump in the prices of materials and especially of energy resources. The repair volumes in 2021 are expected to be in comparable volume and revenue compared to those in 2020.

## **INDUSTRIAL HOLDING BULGARIA PLC**

### **PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

Following the reduced construction of new and the delayed modification and upgrade of existing vessels in 2020 due to the COVID-19 pandemic, at present new orders are still very low, supported by high levels and uncertainties surrounding fuels, respectively the engines that ships will be able to use in the future.

#### **Ship design**

The continuing low levels of new shipbuilding orders over the past nine months of 2021 have affected the development of design services in several directions. On the one hand, increasingly large measures and rules to reduce the greenhouse effect of ships are pushing for orders for new construction due to the lack of clarity at the moment what ships will be sought, with what engines and what fuel they will operate. The development of alternatives is still at an early stage. There is also no foreseeable time horizon in which owners can operate their ships without the need for additional investment to meet the dynamically changing environmental regulations.

On the other hand, weak orders for new ships in 2021 have boosted the market for retrofit services and 3D laser scanning. The COVID-19 pandemic has resulted in a new type of cooperation between different companies around the world. Management of **IHB Shipdesign** negotiates with local design companies from North America, South America and Europe the provision of 3D scanning services, while the design itself is carried out at the company's office. Initially due to the crisis and now due to high levels of freight, many shipowners are temporarily postponing their projects related to the environmental requirements in the industry for the installation of ballast systems in order to make the most of favourable market opportunities. The gradual expiration of the statutory deadline for the implementation of these projects stimulates the demand for design services.

The resumption of cruises in 2021 has also boosted the passenger ship market. However, it is directly dependent on the development of the pandemic and the measures to limit it imposed by the countries.

The management of IHB Shipdesign monitors the trends in the development of the environmental protection policy. Increasing environmental pressures worldwide will continue to change the current regulations on vessels, which is expected to have a positive impact on the demand for design services.

#### **Classification and certification**

**The Bulgarian Ship Register (BRS)** maintained the trend of revenue growth in the third quarter of 2021. Despite ongoing restrictions due to the COVID-19 pandemic, the main portion of the requested inspections of vessels have been completed. There is an increase in the activity of the agents through which BSR provide ship certification services.

After the normally weak winter months, the number of inspections of small vessels increased in the second quarter of the year, as a result of the seasonal nature of their operation. In the third quarter, the number of such inspections decreased due to rising prices, forcing small vessel owners to delay their inspection. A natural decline in revenue from such services is expected in the coming cold months.

The register has completed the supervision of the construction of the new tourist catamaran for passenger transport ordered by the Burgas municipality, which already operates voyages with passengers. The company is currently holding negotiations with N. Y. Vaptsarov Naval Academy on signing a contract for assigning a class to a training and research ship. The supervision is expected to take place next year.

The management's efforts are focused on finding new agents, attracting new shipowners, developing and offering additional services to the main ones. In the latest publication of the Paris Memorandum on the Presentation of the Recognized Organizations, BSR retains its position of average performance for another year, reports an improvement in performance and climbing the table, which is a prerequisite for attracting new customers and applying for approval to new Flag Administrations.

#### **Port operations**

The port terminals of **KRZ Port Burgas** and **Odessos PBM** are part of the public transport ports in Burgas and Varna. Their development depends to a greater extent on the economic situation in Bulgaria and in the countries of the Mediterranean and Black Sea regions than on the change in economic activities in other parts of the world.

For cereals, of which Bulgaria is a traditional exporter, the demand for port services and freight flows depend on the volume of crops harvested in the port areas served by these terminals. As a result of the poor grain harvest in the country in 2020, the loads are weak in the first half of 2021, and the tendency to maintain smaller stocks in

## **INDUSTRIAL HOLDING BULGARIA PLC**

### **PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

anticipation of high yields from the new harvest continues. Despite the strong harvest in 2021, grain trade is still stagnant, and transactions in the third quarter are sporadic as a result of delayed sales by grain producers. The high freight rates in shipping forced these customers to change the usual batches - a new segment in the demand for ships with 50 - 80 thousand dwt appeared. Most of the terminals in the ports of Varna and Bourgas are not prepared to handle such large batches. The increase in the import cargo flows of certain crops has had a positive impact as a result of investments in the construction of additional processing capacities in the North-Eastern region of the country. The forthcoming commissioning of new facilities for processing of such crops will increase the demand for closed warehouses. In connection with the above, there is a trend to direct the efforts of the port terminals in the regions of Varna and Burgas towards building new storage facilities and warehouses aiming at improving and speeding up handling processes, which strengthens the competitive environment in which Odessos PBM and KRZ Port Burgas operate.

Fresh metal traders are still cautious. The recovery of these cargo volumes from before the pandemic depends on the development of the economy and investments in infrastructure and construction projects.

**Bulport Logistics** offers services in the field of small and mid-sized vessels and yachts mooring, ships docking for repairs, as well as the rental of offices and areas for storage and production activities. Continuing uncertainties caused by the pandemic affect negatively the demand for office space and repairs of small vessels in the first nine months of 2021, due to low interest and low economic activity of potential customers. Management expects that there will be greater clarity in business environment in 2022 so that it be able to grab any opportunity to possibly improve it and gradually let out the vacant office space in the medium term. The company is also looking for opportunities for alternative solutions in this direction, monitoring the market of shared spaces.

#### **Machine building**

Despite the ongoing pandemic of COVID-19, 2021 began with a reviving investment activity of the customers of both **ZMM Bulgaria Holding** and its **subsidiaries**. Demand for metal-cutting machines offered by the Group continued to grow in the first half of 2021 and boosted expectations for a better 2021. Initially, this growth was more difficult to meet with extended lead time due to the shrank production in 2020 and partially disrupted production rhythm as a result of the large number of ill people during the pandemic waves. Increased demand in all industry segments has also extended the delivery times of components. The companies took measures and gradually began to increase their production capacity in order to normalize the delivery times to customers and stabilize their production schedule. Business support measures introduced by the state have helped to retain staff, however increased capacity has led to a new shortage of skilled labour.

Due to summer holidays, orders in the third quarter decreased as usual, reaching the levels of production capacity, which had not changed the time limits set. A sharp delay in the supply of some non-standard components not in stock in the warehouses of the companies had been observed. It was necessary to look for substitutes and alternative suppliers.

The sharp rise in the prices of basic raw materials, which was reflected in increased costs of input materials and a significant increase in the prices of key suppliers impacted negatively on the profitability at the beginning of 2021. The high price of energy sources also put negative pressure. Extended production deadlines agreed with customers at an earlier stage at lower prices, combined with rising supply prices, will have an adverse effect on profitability in the second half of 2021.

The development of the pandemic and the restrictions imposed locally to preserve the health of the teams on the spot, possible new closing of the borders and the limited opportunity to travel and participate in exhibitions will continue to have their negative effect.

The active and consistent marketing policy pursued by ZMM Bulgaria Holding, the change in the pricing and product development processes in combination with the increased online presence, will continue to bear fruits.

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

**INFORMATION PURSUANT TO APPENDIX 9 TO ORDINANCE 2 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION**

**Change in individuals exercising control over the company**

There were no changes in the ultimate persons exercising control over the Company at 30 September 2021.

As at 30 September 2021, Industrial Holding Bulgaria PLC had information about the following shareholders holding more than 5% of the votes at the General Meeting, as follows:

**1. BULLS AD**

Number of voting shares and their share of the votes at the General Meeting of Shareholders of the company:

As at 30 September 2021: 60,486,788 shares held directly, representing 56.32% of the capital;

Pursuant to the three agreements concluded on 9 August 2021 (with DZH AD, Stock Tours AD and Tunisian EOOD) for the implementation of a common company management policy through a joint exercise of the voting rights attached to 12,589,069 shares in total, representing 11.72 % of the capital, with the way of implementation being determined by Bulls AD, or directly and on the grounds of these agreements holding 73,075,857 shares in total, representing 68.04% of the capital.

*As of the date of approval of this Public notification on the grounds of Article 149, Para 5 of POSA, Bulls AD may not exercise its right to vote at the General Meeting of Shareholders of the Company until the requirements of POSA are complied with.*

On 9 August 2021, Bulls AD concluded an agreement for a common policy in connection with placing a Tender offer with its related parties within the meaning of Article 148h of POSA Dimitar Zhelev, Georgi Zhelev and Daneta Zheleva, holding jointly 41,898 shares, representing 0.039% of the capital. The agreements concluded do not affect the way of exercising the voting rights of the above-named individuals.

*As of the date of approval of this Public notification on the grounds of Article 149, Para 5 of POSA, Dimitar Zhelev, Georgi Zhelev and Daneta Zheleva may not exercise their right to vote at the General Meeting of Shareholders of the Company until the requirements of POSA are complied with.*

**2. DZH AD**

Number of voting shares and their share of the votes at the General Meeting of Shareholders of the company:

As at 30 September 2021: 9,657,874 shares held directly, representing 08.99% of the capital. DZH AD has an agreement concluded for the implementation of a common management policy of Industrial Holding Bulgaria PLC with Bulls AD, with the way of exercising the right to vote at the General Meeting of Shareholders of the Company attached to the shares held by DZH AD being determined by Bulls AD.

*As of the date of approval of this Public notification on the grounds of Article 149, Para 5 of POSA, DZH AD may not exercise its right to vote at the*

**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

*General Meeting of Shareholders of the Company until the requirements of POSA are complied with.*

3. Daneta Angelova Zheleva

Number of voting shares and their share of the votes at the General Meeting of Shareholders of the company:

As at 30 September 2021: 41,044 shares held directly, representing 0.03% of the capital, and through related parties 9,658,520 shares in total, representing 8.99% of the capital, or directly and through related parties 9,699,564 shares in total, representing 9.03% of the capital.

*As of the date of approval of this Public notification on the grounds of Article 149, Para 5 of POSA, Daneta Zheleva may not exercise her right to vote at the General Meeting of Shareholders of the Company until the requirements of POSA are complied with.*

4. Dimitar Georgiev Zhelev

Number of voting shares and their share of the votes at the General Meeting of Shareholders of the company:

As at 30 September 2021: 646 shares held directly, representing 0.0006% of the capital, and through related parties 41,044 shares, representing 0.03% of votes, and controlled through Bulls AD 73,075,857 shares, representing 68.04% of the capital, or directly and through related parties and through controlled parties 73,117,547, representing 68.08 % of the capital.

*As of the date of approval of this Public notification on the grounds of Article 149, Para 5 of POSA, Dimitar Zhelev may not exercise his right to vote at the General Meeting of Shareholders of the Company until the requirements of POSA are complied with.*

Dimitar Georgiev Zhelev controls Bulls AD.

Dimitar Zhelev and Daneta Zheleva are spouses.

As at 30 September 2021, IHB held 10,592,226 redeemed treasury shares representing 9.86% of the Company's capital; pursuant to article 187a, paragraph 3 of the Commercial Act, the voting right attached to these shares has been suspended until their transfer.

**Initiation of bankruptcy proceedings in respect of the Company or its subsidiary and all significant stages relating to the proceedings**

There is no such circumstance.

**Conclusion or performance of significant transactions**

N/A

**Decision for conclusion, termination and cancellation of a joint venture contract**

There is no such circumstance.

**Change in the Company's auditors and reasons for the change**

There is no such circumstance.

**Initiation or termination of court or arbitration proceedings relating to liabilities or receivables of the Company or its subsidiary with a price of the claim of at least 10 per cent of the Company's equity**

For the reporting period, there are no initiated or terminated cases in which the price of the claim amounts to or exceeds 10 percent of the equity of Industrial Holding Bulgaria PLC.



**INDUSTRIAL HOLDING BULGARIA PLC**  
**PUBLIC NOTIFICATION FOR FINANCIAL POSITION**

For the period ended 30 September 2021

On 5 December 2020, in Mombasa, Kenya, Motor ship (m / v) Diamond Sky, registered in the port of Valletta, Malta, owned by ODRIA LTD, a subsidiary of Industrial Holding Bulgaria PLC, was arrested as collateral for a claim for incorrectly delivered cargo and expenses due to the bankruptcy of the cargo charter party. In January 2021, all claims in connection with this case were settled by a signed out-of-court settlement, the arrest of the ship was lifted and the ship was again operational.

On 16 December 2020, Industrial Holding Bulgaria PLC and KLVK AD claimed in court their rights to mortgage creditors under the first-ranking, respectively second-ranking, maritime mortgage on m / v Diamond Sky. In March 2021 all cases have been discarded.

The value of each of the two claims is below the one indicated in item 1.30 of Annex 9.

**Purchase of, sale of or pledge imposed on shares of commercial companies by the issuer or its subsidiary**

There has been no such circumstance during the past quarter.

**Other circumstances deemed by the Company as being of importance to the investors in taking a decision to acquire or to continue to hold publicly offered securities**

N/A

This Public Notification has been prepared in accordance with the requirements of Art. 100o<sup>1</sup>, par. 4 of POSA.

**Daneta Zheleva**  
**Chief Executive Officer**  
**Industrial Holding Bulgaria PLC**

**Ivan Rashkov**  
**Chief Accountant**

**Vladislava Zgureva**  
**Investors Relations Director**