



**REPORT ON THE ACTIVITY
OF THE INVESTOR RELATIONS DIRECTOR
OF INDUSTRIAL HOLDING BULGARIA PLC
IN 2021**

Dear Shareholders,

The efficient communication among IHB and its investors, the regulatory authorities, the Stock Exchange, the Central Depository, and the media has always been in the focus of the investor relations activity. In 2021, an efficient interface between the company's management body and its shareholders was ensured, as well as with those who have expressed interest in investing in the company's securities, providing them with information on the current financial and economic condition of the company.

As in the last few years, in 2021 the activity concentrated mainly on the following:

- Ensuring effective communication with the investment community
- Improving awareness of the activity of IHB
- Ensuring the holding of a General Meeting of Shareholders
- Administrative service and support to the shareholders
- Facilitating the work of the management bodies
- Maintaining effective communication within the IHB Group.

Effective communication with the investment community

At IHB, we always seek to maintain effective communication with investors and the investment community as a whole. For us, this is a two-way exchange of information – from IHB to the investment community, and vice versa. To achieve effective communication, we used as means of communication – our website, meetings with investors and good relationships with the media.

In 2021, due to the complicated situation caused by the spread of COVID - 19, the Company was not able to hold its annual general meeting with investors; however, the corporate governance was available for holding individual meetings with investors, if any such were requested, both remotely and in person, in compliance with all anti-epidemic measures.

Information about IHB – comprehensive, accessible, promptly supplied

In 2021, we disclosed comprehensive information in the financial statements and management reports (periodic information), and timely supplied inside information in accordance with Article 7 of Regulation 596/2014. We submitted all periodic reports of the company required by POSA and the regulations on its implementation, within the statutory deadlines – six-month and annual reports (separate and consolidated), as well as quarterly notifications for the financial position of the company – separate and consolidated. The reports and public notifications had been prepared in such a way as to present fairly the company's information and all statutory data. They were published on the IHB's website right after their publication in the bulletin of Investor.BG, FSC and



BSE. Within short time limits, the reports and public notifications were published in English as well. All IR releases according to Article 7 of Regulation 596/2014 were published, in Bulgarian and English language simultaneously, on the IHB's website right after their publication in the bulletin of Investor.BG, FSC and BSE, and emailed to investors having expressed their interest to receive information.

Information on events relating to the activities of IHB and the Group companies was provided currently, within the statutory deadlines.

The legislation regulating the activities of public companies and information disclosure is monitored on an ongoing basis and the new requirements are duly complied with.

Organisation of a General Meeting of Shareholders /GMS/

The regular annual GMS in 2021 was held on 29 June 2021. The GMS approved the consolidated and separate management reports, the registered auditor's report, and the financial statements for 2020; exonerated from liability the members of the Supervisory Board and the Management Board for their activity in 2020, voted for remuneration to be paid to the SB members, appointed a registered auditor for 2021 – AFA OOD, and passed a decision for covering the 2019 financial loss of IHB.

An extraordinary General Meeting of IHB was held on 18 November 2021, which took a decision to reduce the Company's capital by invalidating the redeemed treasury shares held by the Company, as also a decision to amend the Company's Statute to reflect this change. A decision was also made to terminate the current procedure for redemption of treasury shares and to commence a new procedure, with new parameters, for a period of five calendar years.

The notice and materials for both meetings were submitted to the Commercial Register, FSC, BSE and the bulletin of Investor.bg within the statutory deadlines. They were made available to each shareholder who have shown interest in them. They were also made available at the Company's website. The Minutes of the General Meetings and the other notifications have been sent timely.

Always available to the shareholders

IHB maintains fair relationships with its shareholders, informing them of and providing input on questions and problematic issues. In 2021, meetings were held in compliance with all anti-epidemic measures and information was provided in response to inquiries. The analysts were mostly interested in the risks facing the IHB Group companies and the results of IHB.

The interest of small investors – individuals remained almost the same as in previous years, with the most frequently asked questions being those of the existence or not of approved dividends, depositary receipts, issuance of duplicates of depositary receipts, inheritance of shares, trade in shares, decisions of the General Meeting, the results and activities of IHB. In connection with the tender offer made in 2021 by the shareholder Bulls AD, addressed to the other shareholders of the Company, IHB, together with Investment Intermediary Elana Trading, has developed a special website that enables individual shareholders to check whether they own shares of the Company and contains advice on the actions they can take in case they are shareholders, as well as up-to-date information about the tender offer under consideration. Thus, the shareholders – individuals, in addition to information published at the IHB corporate website, receive further assistance in obtaining answers to questions of interest.



At IHB, we always maintain good relationships with the media and always address their inquiries by submitting comprehensive replies. In partnership with Investor.BG, the Holding seeks to assist in informing the public of the development of the Bulgarian capital market.

IHB AD is a member of the Bulgarian Industrial Capital Association and as such, it actively participates in the Council for the Bulgarian Capital Markets Development - the official platform for cooperation between organisations operating in the non-banking financial sector.

IHB always strives to be one of the transparent and accessible public companies in Bulgaria.

Administrative services to management bodies

In 2021, all meetings of the Management Board and the Supervisory Board were convened in compliance with the requirements of the law and internal regulations of the Holding. The invitations, together with the agenda and materials for the meeting, were sent to all members by the relevant deadline. The minutes of the meetings were duly kept and stored.

Cooperation for good corporate governance

In 2021, as it did before, the Investors Relation Director supported the compliance by the Company with the principles of good corporate governance. The Company committed to observe the National Corporate Governance Code, adopted by BSE, whose main objective is to promote and appraise best practices in the field of corporate governance. The Company has been included in the corporate governance index CGIX (Corporate Governance Index) and is one of the seven companies included in the index for 2021. The Corporate Governance Statement, including the report prepared under the National Corporate Governance Code, was again presented in the annual financial statements of IHB for 2021, as part of the Management Report. A non-financial statement of IHB and the IHB Group companies was presented in the annual financial statements of IHB AD for 2021 (consolidated), as part of the Management Report, with the aims to provide a description of the policies followed by the IHB Group in respect of activities concerning employees, social matters, ecology and environment, and combating bribery and corruption, for the year ended 31 December 2021.

In 2021, the shares of IHB scored a growth of 170.37 percent (an weighted average price per share at 30 December 2021 of BGN 2.1359 compared to an weighted average price per share at 30 December 2020 of BGN 1.7900). The weighted average price of the company shares over the entire reporting period 2021 is BGN 1.1355 (vs. an weighted average price of BGN 0.8788 in 2020). For the same period, the main stock exchange indices at the Bulgarian capital market scored a growth as well, namely: SOFIX – a growth of 42.04 percent, BGBX 40 - a growth of 41.72 percent, and BG TR30 - a growth of 36.82 percent, all compared to the growth of 170.37% in the price of the Company's shares.

Effective communication within the IHB Group

The communication process in the investor relations activity includes also exchange of information within the Group. One of the tasks of the Investor Relations Director is to ensure optimal flow of information from the subsidiaries to IHB, with respect to periodic and inside information on their activity. The organisation and control on the information flow within the Group is an important factor to ensure the timely provision of price sensitive information first from IHB to the public, FSC and BSE and at the same time, to prevent leakage of information from the subsidiaries.



Prospects for 2022

The investor relations activity will continue to be concentrated on maintaining correct relations with the shareholders and the investment community, and approbating the best and contemporary international investor relations practices.

May 2022

Vladislava Zgureva
Investor Relations Director