



ИНДУСТРИАЛЕН ХОЛДИНГ **БЪЛГАРИЯ**

**INDUSTRIAL HOLDING BULGARIA PLC
PUBLIC NOTIFICATION FOR FINANCIAL
POSITION ON A CONSOLIDATED BASIS**

30 September 2022

INDUSTRIAL HOLDING BULGARIA PLC
Public notification for financial position on a consolidated basis
For the period ended 30 September 2022

CORPORATE INFORMATION

Industrial Holding Bulgaria PLC (the „Company“) 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 has a capital of BGN 96,808,417. The company has a two-tier system of governance, comprising Supervisory Board and Management Board.

As at 30 September 2022, Industrial Holding Bulgaria PLC has 10 direct subsidiaries (31 December 2021: 10), no associates (31 December 2021: Nil), and 10 indirect subsidiaries (31 December 2021: 11 indirect subsidiaries), collectively referred to as “the Group”.

The scope of activity of the Group includes production and trading activities in the area of heavy machinery, shipbuilding, ship repair and maritime transportation, port services, designer’s services, maintenance and repair, and other services.

The duration of all Group companies shall be perpetual and the companies are not limited by other resolute condition.

Industrial Holding Bulgaria PLC is entered into the Register kept by the Registry Agency under Unified Identification Code (UIC) 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.

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NOTES

Consolidated income statement

For the period ended 30 September 2022

In BGN'000

	30 September 2022	30 September 2021
Revenue	107,292	90,759
Other operating income	4,151	3,670
	111,443	94,429
Change in stock of work in progress and finished products	2,209	135
Costs of acquisition and development of assets' self-construction	895	670
Costs of materials	(29,944)	(21,762)
Costs of hired services	(15,416)	(14,157)
Depreciation / amortization expenses	(10,419)	(9,579)
Costs of personnel	(25,187)	(21,034)
Other operating expenses	(2,029)	(1,334)
Operating profit	31,552	27,368
Finance income	4,093	4,513
Finance costs	(209)	(816)
Profit before tax	35,436	31,065
Income tax expense	(1,173)	(837)
Profit for the year	34,263	30,228
Attributable to:		
Equity holders of the parent	33,924	29,954
Non-controlling interests	339	274

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Consolidated statement of financial position

As at 30 September 2022

<i>In BGN'000</i>	30 September 2022	31 December 2021
Assets		
Non-current assets		
Property, plant and equipment	342,099	315,476
Intangible assets	2,381	2,496
Goodwill	9,130	9,130
Investment properties	13,292	13,075
Right-of-use assets	79	296
Deferred tax assets	35	38
Trade and other receivables	13	18
Total non-current assets	367,029	340,529
Current assets		
Inventories	24,118	17,960
Trade and other receivables	11,983	9,229
Contract assets	2,820	469
Income tax receivable	1	57
Cash and cash equivalents	42,600	14,857
Total current assets	81,522	42,572
Assets classified as held for sale	626	626
TOTAL ASSETS	449,177	383,727

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Consolidated statement of financial position

As at 30 September 2022

(Continued)

<i>In BGN'000</i>	30 September 2022	31 December 2021
Equity		
Share capital	96,808	107,400
Decrease in share capital pending registration	-	(10,592)
Share premium	31,016	31,016
Other reserves	84,824	84,948
Reserve from foreign exchange translation of foreign operations	37,616	16,409
Retained earnings	153,668	118,735
	<u>403,932</u>	<u>347,916</u>
Non-controlling interest	1,272	2,229
Total equity	<u>405,204</u>	<u>350,145</u>
Liabilities		
Non-current liabilities		
Interest-bearing loans and other borrowings	5,552	1,003
Loans from related parties	978	-
Lease liabilities	1	4
Trade and other payables	77	66
Government financing	1,180	1,261
Retirement benefit liabilities	726	930
Deferred tax liabilities	10,885	10,488
Total non-current liabilities	<u>19,399</u>	<u>13,752</u>
Current liabilities		
Interest-bearing loans and other borrowings	3,779	3,774
Loans from related parties	164	157
Lease liabilities	86	325
Trade and other payables	14,629	9,583
Contract liabilities	5,101	5,676
Provisions	6	118
Government financing	109	109
Income tax liabilities	700	88
Total current liabilities	<u>24,574</u>	<u>19,830</u>
Total liabilities	<u>43,973</u>	<u>33,582</u>
TOTAL EQUITY AND LIABILITIES	<u>449,177</u>	<u>383,727</u>

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Consolidated statement of cash flows

For the period ended 30 September 2022

In BGN'000

	30 September 2022	30 September 2021
<i>Operating activity</i>		
Proceeds from customers	106,262	100,288
Payments to suppliers	(49,361)	(49,370)
Staff remuneration related payments	(24,059)	(20,839)
Corporate income taxes paid	(146)	(152)
Other taxes refunded /(paid)	1,861	1,276
Foreign currency differences	3,653	71
Government financing received	704	3,073
Cash provided as guarantees	(4354)	-
Other payments	(1,410)	(5,643)
Net cash flows from operating activity	33,150	28,704
<i>Investing activity</i>		
Payments on the acquisition of fixed assets and self-constructed fixed assets	(14,806)	(4,105)
Proceeds from sale of property, plant and equipment	176	41
Other (payments)/proceeds	(28)	-
Net cash flow used in investing activities	(14,658)	(4,064)
<i>Financing activities</i>		
Payments for redemption of treasury shares	-	(1,512)
Proceeds from interest-bearing loans and other borrowings	8,719	3,422
Payments on interest-bearing loans and other borrowings	(3,187)	(17,884)
Payments on lease liabilities	(243)	(229)
Dividends paid	(402)	(315)
Interest paid on loans and other borrowings	(90)	(401)
Interest paid on lease contracts	(2)	(17)
Fees and commissions paid on loans and borrowings	(19)	(20)
Payments on an interest rate swap	-	(284)
Other payments	(73)	(120)
Net cash flow used in financing activities	4,703	(17,360)
Net increase in cash and cash equivalents	23,195	7,280
Cash and cash equivalents at 1 January	14,857	6,942
FX translation effects	194	119
Cash and cash equivalents at 30 September	38,246	14,341

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Consolidated statement of changes in equity

For the period ended 30 September 2022

<i>In BGN'000</i>	Attributable to equity holders of the parent											Non-controlling interest	Total equity
	Share capital	Reduction of share capital in process of registration	Treasury shares redeemed	Share premium	Additional and statutory reserves	Revaluation reserve	Reserve from FX translation of foreign operations	Cash flow hedge reserve	Retained earnings	Total			
At 1 January 2022	107,400	(10,592)	-	31,016	5,124	79,824	16,409	-	118,735	347,916	2,229	350,145	
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	33,924	33,924	339	34,263	
Other comprehensive income for the year	-	-	-	-	-	-	21,207	-	-	21,207	-	21,207	
Total comprehensive income for the year	-	-	-	-	-	-	21,207	-	33,924	55,131	339	55,470	
Transactions with shareholders recognised in equity													
Distribution of profit to reserves	-	-	-	-	(330)	-	-	-	330	-	-	-	
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(383)	(383)	
Liquidation share paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(28)	(28)	
Acquisition of non-controlling interest	-	-	-	-	163	109	-	-	120	392	(392)	-	
Registration of capital reduction	(10,592)	10,592	-	-	-	-	-	-	-	-	-	-	
Total transactions with shareholders	(10,592)	10,592	-	-	(167)	109	-	-	450	392	(803)	(411)	
Transfer of revaluation reserve to retained earnings	-	-	-	-	-	(66)	-	-	66	-	-	-	
Other transfers	-	-	-	-	-	-	-	-	493	493	(493)	-	
At 30 September 2022	96,808	-	-	31,016	4,957	79,867	37,616	-	153,668	403,932	1,272	405,204	

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For the period ended 30 September 2022

<i>In BGN'000</i>	Attributable to equity holders of the parent										Non-controlling interest	Total equity
	Share capital	Reduction of share capital in process of registration	Treasury shares redeemed	Share premium	Additional and statutory reserves	Revaluation reserve	Reserve from FX translation of foreign operations	Cash flow hedge reserve	Retained earnings	Total		
At 1 January 2021	107,400	-	(8,668)	30,604	4,974	80,015	11,597	(299)	75,971	301,594	2,258	303,852
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	29,954	29,954	274	30,228
Other comprehensive income for the year	-	-	-	-	-	-	2,296	227	-	2,523	-	2,523
Total comprehensive income for the year	-	-	-	-	-	-	2,296	227	29,954	32,477	274	32,751
Transactions with shareholders recognised in equity												
Distribution of profit to reserves	-	-	-	-	150	-	-	-	(150)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(405)	(405)
Acquisition of treasury shares	-	-	(1,512)	-	-	-	-	-	-	(1,512)	-	(1,512)
Invalidation of treasury shares redeemed	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	(1,512)	-	150	-	-	-	(150)	(1,512)	(405)	(1,917)
Transfer of revaluation reserve to retained earnings	-	-	-	-	-	(73)	-	-	73	-	-	-
At 30 September 2021	107,400	-	(10,180)	30,604	5,124	79,942	13,893	(72)	105,848	332,559	2,127	334,686

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Revenue

<i>In BGN'000</i>	30 September 2022	30 September 2021
Revenue from manufacture of metal-cutting machines, components and details	25,479	23,671
Revenue from cargo transportation under voyage charter contracts	20,242	26,299
Revenue from time-charter contracts	27,830	17,843
Revenue from repair and reconstruction of ships	17,217	9,860
Revenue from designer's services	2,968	1,817
Revenue from cargo processing	7,746	6,723
Revenue from cargo storage	1,624	1,015
Quay rentals	521	541
Property rentals	1,597	1,556
Revenue from other services	2,068	1,434
	<u>107,292</u>	<u>90,759</u>

The Group's total revenue for the first nine months of 2022 has increased compared to the revenue reported for the same period of 2021. Their dynamics are primarily due to:

- Revenue from ship repairs is increasing mainly thanks to higher workload of the Company, influenced by lower possibility of ship owners to postpone scheduled repairs, as also the freight market slowing down;
- Revenue from ship charter was impacted by the higher average exchange rate of the US Dollar during the reporting period, despite a decrease in average freight rates over the period;
- Revenue from sales of metal-cutting machines, components and details increases as a result of an increase in the share of heavier machines in sales;
- Revenue from cargo processing increases as a result of increased exports of cereals compared to the comparable period.

<i>In BGN'000</i>	30 September 2022	30 September 2021
Income from financing	2,388	2,612
Gain on sales of materials and scrap	1,426	753
Gain on sale of fixed assets and assets classified as held for sale	167	74
Other income	170	231
	<u>4,151</u>	<u>3,670</u>

Income from financing reported during the period from 01 January 2022 to 30 September 2022 include primarily:

- Income of BGN 1,832 thousand (01 January 2021 – 30 September 2021: nil) received under the government program to compensate electricity consumers;
- Income of BGN 475 thousand (01 January 2021 – 30 September 2021: BGN 2,530 thousand) received under the Employment Protection Program of the Employment Agency aimed to support businesses and reduce negative impact of COVID-19.

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Costs of materials

<i>In BGN'000</i>	30 September 2022	30 September 2021
Main materials	(14,217)	(11,233)
Fuel used un ships	(7,047)	(5,536)
Electric power	(4,233)	(1,548)
Auxiliary materials	(2,698)	(1,910)
Spare parts	(1,238)	(1,063)
Other materials	(511)	(472)
	<u>(29,944)</u>	<u>(21,762)</u>

The increase in fuel consumption in the operation of ships during the first nine months of 2022 compared to the same period of 2021 is a result of the rise in electricity prices and US Dollar average exchange rate. Costs of electricity have increased significantly due to the sharp rise in the price of this energy source despite of the positive effect of the solar parks put in operation by two of the subsidiaries.

Costs of hired services

<i>In BGN'000</i>	30 September 2022	30 September 2021
Services of subcontractors	(6,180)	(4,262)
Port-related expenses	(2,950)	(4,764)
Insurances	(1,234)	(1,001)
Agency services	(966)	(665)
Security	(684)	(637)
Repairs	(596)	(675)
Software maintenance on subscription	(570)	(264)
Civil contracts	(251)	(283)
Other services	(1,985)	(1,606)
	<u>(15,416)</u>	<u>(14,157)</u>

Costs of personnel

<i>In BGN'000</i>	30 September 2022	30 September 2021
Salaries	(19,348)	(16,433)
Compulsory social insurance	(3,000)	(2,626)
Management contracts	(1,603)	(1,119)
Compulsory social and health insurance on management contracts	(86)	(79)
Other personnel costs	(1,150)	(777)
	<u>(25,187)</u>	<u>(21,034)</u>

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Other operating expenses

<i>In BGN'000</i>	30 September 2022	30 September 2021
Business trips and crew replacement	(805)	(483)
Local taxes and charges, tax on expenses, etc.	(542)	(476)
Notarial, judicial and other fees	(280)	-
Scrap and retirement of fixed tangible assets	(128)	(22)
Provisions accrued	105	235
Other expenses	(379)	(588)
	(2,029)	(1,334)

Notarial, judicial and other fees of BGN 225 thousand were reported in the first nine months of 2022 in connection with a claim of a Group company filed before the London Arbitration Court for non-compliance by a client with its payment commitments.

Finance income and finance costs for the reporting period:

<i>In BGN'000</i>	30 September 2022	30 September 2021
<i>Finance income</i>		
Foreign currency gains, net	4,049	4,509
Other finance income	44	4
	4,093	4,513
<i>Finance costs</i>		
Interest expenses	(100)	(697)
Foreign currency losses, net	-	-
Other finance costs	(109)	(119)
	(209)	(816)

Interest expenses

<i>In BGN'000</i>	30 September 2022	30 September 2021
Interest expenses on bank loans received	(89)	(352)
Interest expenses on loans from related parties	(9)	(31)
Interest expenses on interest rate swap	-	(297)
Interest expenses on lease liabilities	(2)	(17)
	(100)	(697)

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Cash and cash equivalents

<i>In BGN'000</i>	30 September 2022	31 December 2021
Cash on hand	259	208
Cash with banks-related parties	34,545	12,409
Cash with banks-others	3,442	2,240
Cash and cash equivalents presented in the Statement of Cash Flows	38,246	14,857
Cash restricted as collateral on bank loans	4,354	-
Cash and cash equivalents presented in the Statement of Financial Position	42,600	14,857

Cash denominated in BGN is measured at its nominal value and those denominated in foreign currency – at the closing exchange rate of BNB at the end of the reporting period. Foreign exchange differences are reported as current income and respectively, expenses. Aiming at managing cash available and earning revenue from it, the Company concluded one-month and three-month deposits totalling USD 10,390 thousand.

In April 2022, the Company restricted the amount of USD 2,170 thousand as collateral on Bank Loan No. 22F-000155; as of the date of this public notification, the funds are discharged. A short-term deposit is established on the restricted amount as well.

Bank loans

Long-term

<i>In BGN'000</i>	Currency	Interest rate, %	Maturit y	30 September 2022	31 December 2021
Bank loan agreement number 16 of 27 March 2018	EUR	1.9%	2023	-	326
Bank loan agreement number 19F-002296 of 08 October 2019	EUR	1.6%	2026	537	677
Bank loan agreement number 22F-000155 of 24 February 2022	EUR	1.4%	2028	5,015	-
				5,552	1,003

Short-term

<i>In BGN'000</i>	Currency	Interest rate, %	Maturit y	30 September 2022	31 December 2021
Bank loan agreement number 16 of 27 March 2018	EUR	1.9%	2023	1,304	3,588
Bank loan agreement number 19F-002296 of 08 October 2019	EUR	1.6%	2026	186	186
Bank loan agreement number 22F-000155 of 24 February 2022	EUR	1.4%	2028	2,289	-
				3,779	3,774

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<i>In BGN'000</i>		30 September 2022	31 December 2021
Payables on bank loans	Principal	9,328	4,775
	Interest	3	2
		9,331	4,777

The bank loans are secured by mortgages on land and buildings, and registered pledges on plant and equipment owned by Group companies with total carrying amount as of 30 September 2021 of BGN 58,893 thousand (31 December 2021: BGN 80,049 thousand). In addition, KRZ Port Bourgas AD has been pledged as an entity.

At 30 September 2022, the Group had no unutilised limits in the form of a credit line for working capital financing under bank loans amounting to BGN 5,500 thousand pursuant to Contract 319 dated 30 November 2006.

In February 2022, the Group signed a Bank Loan Contract No. 22F-000155 for the purpose of investing in a project for the extension of one of the ports totalling EUR 10,000 thousand. The loan matures in February 2028 with a 12-month term of utilisation and is to be repaid in equal instalments commencing in March 2023. A fixed interest rate of 1.4% p.a. has been agreed. The loan applicant is Industrial Holding Bulgaria PLC and Group companies are guarantors under the contract. In April 2022, the company frozen the amount of USD 2,170 thousand as a collateral under the contract in an account with the creditor bank. In the end of November 2022, mortgages were imposed on real estate (land and buildings) of a Group company and the restricted funds were discharged. The funds utilised by the Group from this bank loan amounted to EUR 3,733 thousand as of 30 September 2022.

In November 2022, Industrial Holding Bulgaria PLC concluded Bank Loan Contract No. 22F-001225 with a commercial bank for the provision of a total limit for working capital financing, issuance of bank guarantees and letters of credit to the benefit of the Holding and/or its Group companies in an amount of up to BGN 12,000 thousand. This limit will replace the currently effective limit of USD 10,000 thousand under Contract No. 319 of 30 November 2006 signed with another commercial bank. According to the new EUR Loan Contract, a variable interest rate has been agreed equal to the 1M EURIBOR +1.2%, but not less than 1.2%. The contract is to be secured by mortgages on real estate (land and buildings) of a Group company. The guarantor under the contract is a Group company.

Equity

Share capital - registered

The share capital is stated at nominal value according to the registration with the Commercial Register.

<i>In BGN'000</i>	30 September 2022	31 December 2021
96,808,417 ordinary shares with nominal amount of BGN 1 each	96,808	107,400
	96,808	107,400

On 18 November 2021, the extraordinary General Meeting of Shareholders of Industrial Holding Bulgaria PLC took a decision to reduce the capital of the Company from BGN 107,400,643 to BGN 96,808,417 by invalidating 10,592,226 redeemed treasury shares with par value of BGN 1 each. The reduction of the capital was entered into the Commercial Register on 7 March 2022.

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Capital of the parent company Industrial Holding PLC as of 30 September 2022 comprises 96,808,418 dematerialised registered voting shares with nominal amount of BGN 1 each, which are listed for trading on the Bulgarian Stock Exchange. The share capital is subscribed at its par and is fully paid-in. There is no preference shares and bearer's shares.

Shareholders

The shareholders of Industrial Holding Bulgaria PLC holding more than 5% of the company's capital as of 30 September 2022 are as follows:

<i>Shareholder</i>	Number of shares as of 30 September 2022	30 September 2022
BULLS AD	65,526,988	67.69%
DZH AD	9,657,874	9.98%
Other shareholders	21,623,555	22.33%
	96,808,417	100.00%

Treasury shares redeemed

By decision of the General Meeting of Shareholders of Industrial Holding Bulgaria PLC of 18 November 2021, a new treasury shares redemption procedure was initiated with the following parameters:

- Number of shares to be redeemed each year for a period of five years - up to 3% of the registered capital of the Company for each calendar year, but not more than 10% in total for the entire redemption period and not more than 10% of the entire capital of the Company;
- Minimum amount of the purchase price - BGN 1.00 per share;
- Maximum amount of the purchase price - BGN 3.00 per share.

The appointed investment intermediary is Allianz Bank Bulgaria AD.

Industrial Holding Bulgaria PLC held no treasury shares redeemed as of 30 September 2022.

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Related party disclosure under IAS 24

The consolidated financial data of the Group covers the following companies:

	Country of registration	Equity interest	
		30 September 2022	31 December 2021
Industrial Holding Bulgaria PLC	Bulgaria	Parent company	Parent company
Privat Engineering EAD	Bulgaria	100.00	100.00
ZMM Bulgaria Holding EAD	Bulgaria	100.00	100.00
ZMM Sliven AD	Bulgaria	95.98	95.98
ZMM Nova Zagora AD	Bulgaria	99.24	93.57
IHB Metal Castings EAD	Bulgaria	100.00	100.00
KRZ Port Bourgas AD	Bulgaria	99.65	99.65
KLVK AD	Bulgaria	100.00	100.00
International Industrial Holding Bulgaria AG	Switzerland	100.00	100.00
Maritime Holding AD	Bulgaria	61.00	61.00
Bulgarian Register of Shipping EAD	Bulgaria	61.00	61.00
Bulyard Shippbuilding Industry EAD	Bulgaria	100.00	100.00
IHB Shipping Co EAD	Bulgaria	100.00	100.00
Karvuna LTD	Marshal Islands	100.00	100.00
Odria LTD	Marshal Islands	100.00	100.00
Tirista LTD	Marshal Islands	100.00	100.00
Serdika LTD	Marshal Islands	100.00	100.00
Karia LTD	Marshal Islands	99.00	-
Bulport Logistics AD	Bulgaria	100.00	100.00
Odessos PBM EAD	Bulgaria	100.00	100.00
IHB Shipdesign AD	Bulgaria	70.00	70.00
IHB 3 Design AD (obliterated from the Register)	Bulgaria	-	51.00

In November 2021, the General Meeting of Shareholders of IHB 3 Design AD took a decision to discontinue the operations of the company and to announce it in liquidation. In July 2022, after the expiration of the statutory term for rising claims by the creditors, the property of IHB 3Design AD (obliterated from the Register) was distributed among the shareholders and the closing liquidation balance sheet of the company was drawn up. In August 2022, the company was obliterated from the Register.

In January 2022, the General Meeting of Shareholders of ZMM Nova Zagora AD took a decision to increase the entity's capital. New shares were subscribed only by the parent company, ZMM Bulgaria Holding EAD, while the other shareholders waived their rights. In March 2022, the capital increase was registered with the Commercial Register and as a result, the Group's share of the company reached 99.24%

In September 2022, Privat Engineering took part in the incorporation of the subsidiary Karia Ltd – Marshal Islands, and acquired 99% of its capital.

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The Groups deems that it 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 67.69% 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 common 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

Related party transactions

Trade and other receivables from related parties

<i>In BGN'000</i>	30 September 2022	31 December 2021
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	16	7
	16	7

Cash with banks – related parties

<i>In BGN'000</i>	30 September 2022	31 December 2021
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	34,545	12,409
	34,545	12,409

Loans from related parties (including interest)

<i>In BGN'000</i>	30 September 2022	31 December 2021
Persons exercising control	1,142	157
	1,142	157
Long-term portion	978	-
Short-term portion	164	157
Principal	1,135	157
Interest	7	-

Trade and other payables to related parties

<i>In BGN'000</i>	30 September 2022	31 December 2021
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	9	132
	9	132

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Sales transactions

<i>In BGN'000</i>	Transaction type	30 September 2022	30 September 2021
Entities under common control of persons exercising control	Rental income	1	1
		<u>1</u>	<u>1</u>
Entities under common control of persons exercising control	Rental income	3	4
		<u>3</u>	<u>4</u>
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	Sales of services	35	30
	Rental income	55	62
	Other sales	7	3
		<u>97</u>	<u>95</u>
		<u>101</u>	<u>100</u>

Purchase transactions

<i>In BGN'000</i>	Transaction type	30 September 2022	30 September 2021
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	Purchase of hired services	524	450
	Purchase of FTAs	41	-
	Other finance costs	54	93
		<u>619</u>	<u>543</u>

Movements of interest-bearing loans and borrowings from banks – related parties

<i>In BGN'000</i>		Amounts received / (provided)	Amounts (paid)/ refunded	Interest (expenses)/ income	Interest paid
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	30 September 2022	-	-	-	-
Entities, over which the persons that have control exercise also significant influence or are members of their key management personnel	30 September 2021	3,217	(8,574)	(222)	(231)
	30 September 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	30 September 2021	<u>3,217</u>	<u>(8,574)</u>	<u>(222)</u>	<u>(231)</u>

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Movements of loans from related parties

<i>In BGN'000</i>		Amounts received / (provided)	Amounts (paid)/ refunded	Interest (expenses)/ income	Interest paid
Persons exercising control	30 September 2022	978	-	(9)	(2)
Persons exercising control	30 September 2021	-	(4,850)	(31)	(39)
	30 September 2022	978	-	(9)	(2)
	30 September 2021	-	(4,850)	(31)	(39)

Terms and conditions of related party transactions

The sales to and purchases from related parties are made at contractual prices. Outstanding balances at the period-end are unsecured (except for loans), interest free (except for loans) and the settlement is made in cash. There have been no guarantees provided to or received for related party payables or receivables, except for the ones listed below. For the period ended 30 September 2022 (31 December 2021: Nil), the Group had not written down related party receivables. A review for impairment is made every financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments and contingencies

Legal claims

There are no significant legal claims brought against the Group.

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 2022:

- bank guarantees of BGN 20 thousand (31 December 2021: BGN 20 thousand) were issued to Group companies, namely: 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 2021: BGN 3,000 thousand);
- a revolving credit line for working capital financing of BGN 5,500 thousand was opened (31 December 2021: BGN 5,500 thousand). As of 30 September 2022, no amounts were utilised by the Holding and/or by subsidiaries.

As of 30 September 2022, the unutilized limit under this contract for provision of a credit limit amounted to BGN 5,500 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.

In January 2022, the Group renegotiated the terms and conditions of the limit for working capital financing under Contract No 319 of 30 November 2006 for granting a credit limit for issuance of bank guarantees, letters of credit and working capital financing, and the term for utilisation and repayment of amounts under this limit was extended until January 2023.

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Collateral

In connection with Bank loan contract number 22F-000155 of 24 February 2022, obtained for the purpose of securing loan funds for investments of a subsidiary, Industrial Holding Bulgaria PLC, the companies – guarantors and the company-co-debtor signed financial collateral agreements through a pledge of receivables providing for a right of use over all their accounts with the creditor bank in an amount that should be at least equal to the loan liability at the relevant time.

In connection with Bank loan contract number 19F-002296 of 8 October 2019 received for the purpose of financing the construction of a photovoltaic power plant, the company- borrower under the loan signed a financial collateral agreement through a pledge of receivables over all its accounts with the bank-creditor in the amount of the loan liability for the time being. In 2020, the company-co-borrower under the loan also signed a financial collateral agreement.

In connection with Bank loan contract number 16 of 27 March 2018 concluded for the purpose to finance partially a debenture loan, Industrial Holding Bulgaria PLC and the entities-guarantors under the loan signed financial collateral agreements through a pledge of receivables providing for a right of use over all their accounts with the bank-creditor in the amount of the loan liability for the time being.

The collateral described above is effective until the date of full repayment of the loan obligations they secure and / or until the date of termination of the revolving limits, as the case may be.

Description of the major risks and uncertainties faced by the Group

Non-systematic Group specific risks

Risks associated with the holding structure and the structure of the Group's portfolio

The Group's investments are focused on businesses characterised by slow rotation of funds invested (machine-building), dependency on energy and other resources (machine-building, ship repair, maritime transport) and high cyclicality (ship repair, ship design, maritime transport, classification and certification, port activity), thus reducing the level of return of the overall investment portfolio.

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 chains, and has an adverse impact on all economic agents. Possible extension / reduction of restrictive measures in individual countries are risks that can lead to both improvement and deterioration of the external environment, and that have an impact on the trade partners of the Group companies.

Group companies.

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:

- cyclicality 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 and other technical solutions to bring them in compliance with ecological regulations;
- 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 commodity in the industry and a stock commodity. Restrictions imposed by the European Union and the United States on Russia as a major global supplier of crude oil and gas are having a negative effect;

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

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, refugee flows. This risk impedes the free movement of goods and people, and leads to a change in trade flows and transport corridors; moreover, it hampers the access of registry inspectors to supervised vessels. The risk also affects the machine building industry by reducing sales volumes on traditional markets. The war in Ukraine has the most severe effect. It affects negatively both the sales and the supplies of the Group companies.

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Risks associated with fraud and abuse

The COVID-19 pandemic intensified the risk of fraud and abuse increases, including that related to cyber-attacks, unscrupulous trade practices, bankruptcies of contractors, etc. The conflict between Russia and Ukraine has a similar effect.

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 coal, oil or gas is growing worldwide. 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.

Risk related to basic commodities, materials and energy sources

This risk results from changes in the supplies and prices of raw materials, materials and various energy sources being used. Disrupted supplies result in rise in prices and it in turn, has an extremely unfavourable effect on the results of manufacturing companies operating in metal-intensive and energy-absorbing segments, such as machine building and ship repair. Maritime transport is dependent on the prices of fuels. 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.

In 2022, the level of this risk has intensified. Gas, electricity and heat prices have risen to critical levels across Europe. Additional inflationary pressures are being exerted by the many monetary incentives introduced worldwide by countries in an attempt to deal with the effects of the pandemic and the shocking levels of energy prices. The broken supply chains due to COVID-19, as well as to the war in Ukraine, affect the growth of international prices of commodities and goods and fuel inflation at a rapid pace. The price jump cannot be transferred directly to the end customers and significantly affects the profitability of the products manufactured and services offered by the Group.

Risks relating to attracting and retaining experienced and qualified employees

Many sectors of the national economy are experiencing a capacity crunch exacerbated by a long-standing lack of focus on secondary vocational education. The lasting trend of declining and aging population in our country naturally reduces people of working age. Employees' professional qualities affect directly entities' financial results and innovation performance. The risk is intensified by the convertible nature of some professions and high worldwide demand for such staff, as also by the withdrawal from the labour market of some of the skilled employees from Russia and Ukraine.

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, port activities, classification and certification.

The war in Ukraine and restrictions against Russia increase the level of credit risk worldwide and for the Group in particular. 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.

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Investments – The Group invests mainly in businesses and companies where the Holding holds the control and power to determine their development strategy.

Guarantees - It is a policy of the Group to issue financial guarantees only to Group companies 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. In case of need, the subsidiaries utilise funds from the credit limit agreed by IHB for opening of letters of credit and issuance of bank guarantees to trade contractors.

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. 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 fixed one. 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. The inflation growth in 2022 has led to a change in Central Banks' policies to increase interest rates and 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. The risk arising out of the military conflict between Russia and Ukraine is growing. These risks cannot be managed and controlled by the management team.

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Trends for businesses, in which the Group companies operate

Maritime transport

In 2022, the international trading scored a decline as a result of disruptions caused by the combined effect of COVID-19, the war in Ukraine and global sanctions against Russia, and initial expectations for maritime transport development were reduced. The shipping market slowed its growth due to the reduced demand for tonnage and lower freight levels compared to 2021 that, however, remained relatively high. Because of the continuing uncertainty, the cutting of old vessels and reduction of tonnage in operation runs at a slow pace and volume. These factors had a negative impact on orders for new bulk vessels, which remained at low levels. The impact of the rise in the prices of steel, fuels and the ever-increasing environmental requirements towards new ships is similar. Climate issues and the decision to reduce the use of coal as an energy source are shrinking demand for tonnage. There is no foreseeable horizon in which the owners of the new vessels will be able to operate them without making additional costs for bringing them in compliance with regulatory changes and without restrictions. The concept of environmentally friendly marine fuel and at the same time, effective ship fuel, in view of the new regulations is not clear.

The Group's ships sail with Bulgarian crews and foreign crews. Their recruitment is difficult due to the convertible nature of their professions and limited number of qualified staff in the country.

All vessels of the IHB fleet have ballast systems installed. In 2022, the work on the environmental categorization of ships in accordance with the requirements of the EEXI/IMO regulations began. In the coming years, the impact of new regulations for the reduction of carbon dioxide emissions in the atmosphere will be assessed.

Ship building and ship repair

Shrinking possibilities of postponing mandatory class repairs of ships, by which the statutory deadline for the implementation of projects related to environmental requirements for the installation of ballast systems gradually expire, in combination with the decline in the freight market, have increased the orders contracted by **Bulyard Shipbuilding Industry AD (BHI)** from the beginning of 2022. The fully booked capacity of the Turkish shipyards with Russian ships, which expect to be repaired there due to the ban on visiting EU ports, also contributed to this situation. High interest continued throughout the entire period, which ensured almost full loading of the plant and better results compared to those achieved in 2021. High prices of materials and especially, of energy resources, despite the state subsidies, impacted negatively on them. The military conflict between Russia and Ukraine is also having a negative impact on business because of disrupted supply chains, keeping commodity prices high.

Ship design

Despite the upsurge in new (mostly government) gas and container ship construction orders that began in the second quarter of 2022, the still low levels of shipbuilding are affecting the development of design services in several directions. On the one hand, tighter measures and rules to reduce the greenhouse effect of ships are reducing orders for new construction due to the lack of clarity at the moment what ships will be sought and with what engines. The development of alternatives is still at an early stage. There is also no clear time horizon in which owners can operate their ships without the need for additional investment to meet the dynamically changing environmental regulations. The demand for retrofit ballast design services is gradually decreasing due to the approaching deadline for retrofitting the fleet in operation. In addition, the war in Ukraine and its negative effects on global economy are forcing shipowners to reconsider their investment intentions for new, as well as reconstruction and renovation of existing, vessels.

On the other hand, trends are emerging, stimulating the demand for design services from the beginning of 2022. Activity in coastal areas is recovering. New vessels are being sought for the fishing industry as well as general purpose offshore vessels. Interest in specialised vessels (new and retrofit) for construction and maintenance of offshore wind farms is expected to grow gradually. There is also interest in the conversion of vessels – either changing their purpose or increasing their functionality.

The passenger ship market is dependent on the development of the pandemic and the measures to limit it imposed by the countries. The lifting of most restrictions during the 2022 summer tourist season has had a positive impact on the sector. Despite the demand for such ships, including design services, orders remained at low levels. Shipowners and financing institutions are cautious. Because of the general uncertain situation, fuelled by high inflation and the coming recession, agreed projects have been postponed yet before their start.

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The management of IHB Shipdesign monitors the trends in the development of the environmental protection policy. From this year, the so-called hybridization of ships began to develop, aiming to reduce fuel costs. It is planned to increase the share of ships that will be modernized in order to decarbonize and reduce carbon emissions. An increased demand is expected for engineering services and for environmental categorization of ships in operation in accordance with the requirements of the EEXI/IMO regulations coming into force from 2023.

Classification and certification

The Bulgarian Ship Register (BRS, the Register) reports revenue growth in the first nine months of 2022 on YoY. Thanks to the established network of the company abroad, the Register provides its customers with a competitive service in terms of price and lead time. The appreciation of the US dollar has also had a positive effect on the BRS financial results.

The main work on the agreed at the end of 2021 supervision for assigning a class to a training and research ship of N. Y. Vaptsarov Naval Academy was completed. It is expected that the certification will take place by the end of the year.

At the beginning of 2022, the procedure on authorisation of BSR by the Maritime Administration Executive Agency to inspect ships sailing inland waterways was completed. A new contract was signed with the Agency for the inspections of ships and small vessels, in which new items that need inspection have been added, expanding the range of services offered by the Register. The company reported growth in inspections of ships on the Danube River have increased as a safe waterway for the cargo flow to Central Europe.

In the latest publication of the 2022 Paris Memorandum on the performance of the Recognized Organizations, BSR preserved its average performance position for another year, reported an improvement in indicators and a rise in the ranking, a good sign for attracting new customers and applying for approval by new Flags Administrations. The management's efforts are focused on attracting new agents and shipowners, developing and offering additional services to the main ones. During the reporting period, a contract was signed with the Administration of Belize. A procedure had also been launched with the Administration of Sierra Leone. Contracts were signed with new agents who will promote the BSR activities in Egypt and Greece.

Port operations

The port terminals of Odessos PBM and KRZ Port Burgas are part of the public transport ports in Varna and Burgas. Their development depends on the economic situation in Bulgaria and in the countries of the Mediterranean and Black Sea regions.

The demand for port services and cereals cargo flows through the Group's terminals is influenced mostly by the harvest in the country.

Initial expectations for good yields in the new agricultural season in our country stimulated the export of last year's grain at inflated prices in the second quarter of 2022. Despite the relatively good yields in the new season, the expectations of strong exports in the third quarter did not come true. The opening of the grain corridor and the low prices of Ukrainian and Russian grain, in combination with the higher cost of the new harvest in our country due to the high prices of fertilizers, had had a negative impact on exports through Bulgarian ports. Domestic producers refrained from selling in anticipation of better conditions on the global market. Small shiploads from Ukraine were imported, slightly stimulating trading in cereals, mainly on the domestic market. The increased size of shipping lots sought continues to have an adverse effect on the activity and performance of small terminals.

The recovery of metal volumes depends on the development of the economy and investments in infrastructure and construction projects, and most of all, on the European policy regarding the import from third countries. The conflict in Ukraine, a major regional producer of iron ore and steel, and global sanctions against Russia, are also having an impact on this type of cargo. Traders are seeing high activity, increasing their stock to be able to maintain an active role in the market and in anticipation of higher prices. A slight increase in metal cargoes is possible until the end of the year due to the fulfilment of quotas.

The terminals in the regions of Varna and Burgas are focusing their efforts on building new capacities and storage facilities aiming at improving and accelerating the processing of cereals and other cargo, which in turn strengthens the competitive environment.

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Bulport Logistics offers services in the field of small and mid-sized vessels and yachts mooring, small vessels docking for repairs, as well as the rental of offices and areas for storage and production activities. The changed work organisation due to the pandemic in combination with continuing uncertainty and high prices of energy resources impact negatively on the demand for office space and repairs of small vessels in the past period of 2022, despite the state subsidies.

The focus of the company is directed towards the development of its warehousing and logistics business by gradually repairing and improving the technical condition of the existing buildings and sites, developing and improving the infrastructure of the area with the aim to attract new customers. The company is actively working on moving, fixing and servicing the existing pontoons, and building a new small vessels yard.

Machine building

The overall uncertain situation in 2022, fuelled by rising inflation, long lead times and coming recession have cooled the investment activity of the customers of **ZMM Bulgaria Holding** and its subsidiaries, and reduced the number of orders for metal cutting machines offered by the Group. The broad market diversification of the machine-building group and the 2021 excessive orders that are being fulfilled this year are expected to help keep production and realization levels stable in 2022, albeit lower than 2021. The conflict in Ukraine adds further volatility to customers' investment intentions and results in massive increases of supplier prices due to disrupted supplies of materials and key components, and increases demand for alternative suppliers. Despite the difficulties, orders have been agreed that the group team is to fulfil in 2023.

The prices of machines manufactured, adjusted from the beginning of 2022, in combination with the ability to use own electric power generated by the existing solar power plants of the Group and the state subsidies, compensate partially the negative effect on profitability of high prices of basic commodities and record high energy prices.

It is envisaged to continue 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.

Information pursuant to Appendix N 4 to Ordinance N 2 on initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market

Change in individuals exercising control over the company

There were no changes in the ultimate persons exercising control over the Company at 30 September 2022.

As at 30 September 2022, 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 of 30 September 2022: 65,526,988 shares held directly, representing 67.69% of the capital

2. DZH AD

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

As of 30 September 2022: 9,657,874 shares held directly, representing 09.98% of the capital.

3. Daneta Angelova Zheleva

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

As of 30 September 2022: 41,044 shares held directly, representing 0.04% of the capital and through related parties 9,658,520 shares held directly, representing 9.98% of the capital, or directly and through related parties in total 9,699,564, representing 10.02% of the capital

4. Dimitar Georgiev Zhelev

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

As of 30 September 2022: 646 shares held directly, representing 0.0006% of the capital and through related parties 9,698,918 shares held directly, representing 10.02% of the votes, and controlled through Bulls AD 65,526,988 shares held directly, representing 67.69 % of the capital, or directly and through related parties and through controlled parties 75,226,552, representing 77.71 % of the capital.

Dimitar Georgiev Zhelev controls Bulls AD.

Dimitar Zhelev and Daneta Zheleva are spouses.

Initiation of bankruptcy proceedings in respect of the Company or its subsidiary and all significant stages relating to the proceedings until the Company is announced insolvent

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.

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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.

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

On 06 January 2022, Industrial Holding Bulgaria PLC acquired from International Industrial Holding Bulgaria AG 100 shares of the capital of ZMM Bulgaria Holding EAD. As a result of the so-contracted deal, at present Industrial Holding Bulgaria AD is a sole equity owner of the company.

In September 2022, Privat Engineering took part in the incorporation of the subsidiary Karia Ltd – Marshal Islands, and acquired 99% of its capital.

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 Article 100o¹, paragraph 4 with reference to paragraph 2 of POSA.

Daneta Zheleva
Chief Executive Officer
Industrial Holding Bulgaria PLC

Ivan Rashkov
Chief Accountant

Vladislava Zgureva
Investors Relations Director