



INDUSTRIAL HOLDING BULGARIA PLC

**PUBLIC NOTIFICATION FOR FINANCIAL POSITION
ON A STAND-ALONE BASIS
31 DECEMBER 2024**

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 79, Knyaginya Maria Luiza Boulevard, Sofia City, 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 96,808,417. The company has a two-tier system of governance, comprising Supervisory Board and Management Board.

The scope of activity of the Company includes the 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 existence of the Company shall be perpetual and the Company is not limited by other resolute condition.

Industrial Holding Bulgaria is entered into the Commercial Register kept by the Registry Agency under Unified Identification Code 121631219. The Company is registered in compliance with the Value Added Tax Act. The shares of the Company are listed on Bulgarian Stock Exchange AD, Sofia.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2024

In BGN'000	31 December 2024	31 December 2023
Interest and dividend income	7,584	9,321
Other income	48	19
	7,632	9,340
Reversed loss /(recognised loss) on impairment of investments, net	6,867	(519)
Employee benefit expenses	(817)	(770)
Hired service expenses	(323)	(240)
Other operating expenses	(332)	(253)
Operating profit	13,027	7,558
Finance income	3,325	-
Finance costs	(389)	(1,339)
Operating profit before taxes	15,963	6,219
Income tax (expense)/benefit	(327)	1
Profit for the period	15,636	6,220
Other comprehensive income / (loss)	(4)	4
Total comprehensive income for the period	15,632	6,224

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December 2024

In BGN'000	31 December 2024	31 December 2023
Assets		
Non – current assets		
Non-current tangible and intangible assets	401	218
Right-to-use assets	623	684
Investments in subsidiaries	215,031	198,339
Loans to related parties	61,800	48,786
Differed tax asset	5	6
Total non-current assets	277,860	248,033
Current assets		
Loans to related parties	4,749	943
Trade and other receivables	744	656
Cash and cash equivalents	23,211	38,313
Total current assets	28,704	39,912
TOTAL ASSETS	306,564	287,945
Equity and liabilities		
Equity		
Share capital	96,808	96,808
Share premium	31,016	31,016
Statutory and other reserves	9,661	9,661
Retained earnings	144,150	128,518
Total equity	281,635	266,003
Non-current liabilities		
Interest-bearing bank loans	12,373	14,835
Loans and deposits from related parties	7,000	-
Lease liabilities	565	624
Retirement benefit liabilities	27	45
Total non-current liabilities	19,965	15,504
Current liabilities		
Interest-bearing bank loans	3,926	3,274
Loans and deposits from related parties	662	294
Lease liabilities	74	70
Trade and other payables	126	2,800
Income tax liabilities	176	-
Total current liabilities	4,964	6,438
Total liabilities	24,929	21,942
TOTAL EQUITY AND LIABILITIES	306,564	287,945

ИНДИВИДУАЛЕН ОТЧЕТ ЗА ПАРИЧНИТЕ ПОТОЦИ

For the period ended 31 December 2024

In BGN'000	31 December 2024	31 December 2023
Operating activity		
Dividends received	3,755	5,669
Cash loans repaid from related parties	32,565	15,585
Cash loans to related parties	(48,495)	(18,363)
Interest received on loans to related parties	1,534	1,327
Payments for the acquisition of stocks and shares, and for increasing the capital of subsidiaries	(26,972)	(1,995)
Proceeds from decrease of the capital of subsidiaries	14,422	-
Purchase of debt instruments (US government securities)	(9,349)	(11,523)
Proceeds from sale / maturity of debt instruments (US government securities)	10,157	12,163
Interest received on bank deposits	1,155	744
Income taxes paid	(150)	-
Employee benefit related payments	(838)	(764)
Foreign exchange differences	1,734	(1,559)
Other proceeds / (payments), net	(485)	(333)
Net cash flows from operating activity	(20,967)	951
Investing activity		
Purchase of non-current tangible and intangible assets	(245)	(130)
Sale of non-current tangible and intangible assets	43	9
Net cash flows used in investing activity	(202)	(121)
Financing activity		
Interest-bearing bank loans received	1,457	9,752
Principal paid on interest-bearing bank loans	(3,266)	-
Interest and charges paid on interest-bearing bank loans	(286)	(193)
Loans and deposits from related parties	8,300	1,392
Refunded loans and deposits from related parties	-	(591)
Interest paid on loans and deposits from related parties	(49)	(23)
Lease liabilities paid	(71)	(84)
Interest paid on leases	(18)	(16)
Other proceeds and payments	-	2
Net cash flows used in financing activity	6,067	10,239
Net increase of cash and cash equivalents	(15,102)	11,069
Cash and cash equivalents on 1 January	38,313	27,244
Cash and cash equivalents on 31 December	23,211	38,313

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2024

	Share capital	Share premium	Statutory and additional reserves	Retained earnings	Total
In BGN'000					
On 1 January 2023	96,808	31,016	9,661	122,294	259,779
Comprehensive income for the period					
Profit for the period	-	-	-	6,220	6,220
Other comprehensive income for the period	-	-	-	4	4
Total comprehensive income for the period	-	-	-	6,224	6,224
On 31 December 2023	96,808	31,016	9,661	128,518	266,003
On 1 January 2024	96,808	31,016	9,661	128,518	266,003
Comprehensive income for the period					
Profit for the period	-	-	-	15,636	15,636
Other comprehensive income for the period	-	-	-	(4)	(4)
Total comprehensive income for the period	-	-	-	15,632	15,632
On 31 December 2024	96,808	31,016	9,661	144,150	281,635

1. INTEREST AND DIVIDEND INCOME

In BGN'000	31 December 2024	31 December 2023
Dividend income	4,935	6,755
Interest income	2,649	2,566
	7,584	9,321

Dividend income of BGN 4,935 thousand was reported in 2024 (2023: BGN 6,755 thousand), distributed by:

In BGN'000	31 December 2024	31 December 2023
ZMM Bulgaria Holding EAD	2,163	4,295
KRZ Port Burgas AD	2,341	1,405
IHB Shipdesign AD	221	798
Maritime Holding AD	210	257
	4,935	6,755

Interest income reported in 2024 and 2023 and is as follows:

In BGN'000	31 December 2024	31 December 2023
Interest income on loans – related parties	1,448	1,450
Interest income on deposits with banks - related parties	854	667
Interest income on deposits with banks - unrelated parties	233	192
Interest income on short-term government securities	114	257
	2,649	2,566

2. REVERSED LOSS /(RECOGNISED LOSS) ON IMPAIRMENT OF INVESTMENTS, NET

In BGN'000	2024	2023
Reversed loss on impairment of investments	6,867	1,692
Recognised loss on impairment of investments	-	(2,211)
	6,867	(519)

As disclosed in „Investments in subsidiaries“, the Company has conducted an impairment testing of investments and loans in the Maritime sector, and as a result, as of 31 December 2024, an impairment loss on investment in Privat Engineering EAD in the amount of BGN 6,867 thousand was reversed (31 December 2023: an impairment loss on investment in Privat Engineering EAD in the amount of BGN 2,211 thousand was recognised, and impairment loss on investment in Bulyard Shipbuilding Industry EAD in the amount of BGN 1,692 thousand was reversed).

3. EMPLOYEE BENEFIT EXPENSES

In BGN'000	31 December 2024	31 December 2023
Wages and salaries	(703)	(665)
Social insurance costs and other fringe benefits	(114)	(105)
	(817)	(770)

4. OTHER OPERATING EXPENSES

In BGN'000	31 December 2024	31 December 2023
Depreciation / amortisation expenses	(140)	(127)
Costs of materials	(19)	(35)
Other operating expenses	(173)	(91)
	(332)	(253)

5. FINANCE INCOME AND FINANCE COSTS

In BGN'000	31 December 2024	31 December 2023
Foreign exchange gains, net	2,505	-
Gain on sale of debt instruments (US government securities)	820	-
Finance income	3,325	-

in BGN'000	31 December 2024	31 December 2023
Foreign exchange losses, net	-	(1,096)
Interest expenses on interest-bearing bank loans	(253)	(182)
Interest expenses on loans and deposits from related parties	(67)	(25)
Interest expenses on leases	(18)	(17)
Bank charges on interest-bearing bank loans	(32)	(15)
Other finance costs	(19)	(4)
Finance costs	(389)	(1,339)

6. INCOME TAX

The reconciliation of income tax expenses and the accounting profit multiplied by the applicable rate for the periods ended 31 December 2024 and 31 December 2023 is as follows:

In BGN'000	31 December 2024	31 December 2023
Profit before taxes	15,963	6,219
Income tax expense at the applicable tax rate of 10% (2023: 10%)	(1,596)	(622)
Income, exempt from taxation – dividends	493	675
Utilisation of tax losses for which no deferred tax asset has been recognised	76	-
Reversed impairment loss on which no deferred tax asset has been recognised	687	169
Unrecognised deferred tax asset on investment impairment expenses	-	(220)
Other movements in temporary differences	13	(1)
Income tax expense at an effective tax rate of 2.05 % (2023: 0 %)	(327)	1

As of 31 December 2024, the Company reported a deferred tax asset of BGN 5 thousand (as of 31 December 2023: BGN 6 thousand) on accrued retirement benefit liabilities, the leave liability, and a right-of-use asset.

7. INVESTMENTS IN SUBSIDIARIES

Investments, held by the Company as of 31 December 2024 and as of 31 December 2023 were as follows:

In BGN'000	Country of registration	Amount of the shareholding as of 31 December 2024	Percentage of the shareholding as of 31 December 2024	Amount of the shareholding as of 31 December 2023	Percentage of the shareholding as of 31 December 2023
Privat Engineering EAD	Bulgaria	52,687	100.00%	45,820	100.00%
ZMM Bulgaria Holding EAD	Bulgaria	4,795	100.00%	4,795	100.00%
KRZ Port Burgas AD	Bulgaria	4,774	99.65%	4,774	99.65%
KLVK AD	Bulgaria	46,096	67.96%	46,096	67.96%
International Industrial Holding Bulgaria AG	Switzerland	130	100.00%	130	100.00%
Maritime Holding AD	Bulgaria	400	61.00%	400	61.00%
Bulyard Shipbuilding Industry EAD	Bulgaria	53,459	100.00%	67,881	100.00%
Odessos PBM EAD	Bulgaria	33,373	100.00%	28,373	100.00%
IHB Shipdesign AD	Bulgaria	70	70.00%	70	70.00%
Bulport Logistics AD	Bulgaria	19,247	46.12%	-	-
		215,031		198,339	

In May 2024, an increase in the capital of the subsidiary Odessos PBM EAD by BGN 5,000 thousand was registered with the Commercial Register. The capital was fully paid up as of 31 December 2024.

In August 2024, a decrease in the capital of the subsidiary Bulyard Shipbuilding Industry EAD through the invalidation of shares after their acquisition by the Company was registered with the Commercial Register. The capital was decreased by 14,421,576 ordinary, materialised, registered voting shares with a nominal value of BGN 1 each.

In September 2024, a second decrease in the capital of the subsidiary Bulyard Shipbuilding Industry EAD was registered with the Commercial Register to cover prior years' losses. The capital was decreased by 34,829,684 ordinary, materialised, registered voting shares with a nominal value of BGN 1 each.

In May 2024, Industrial Holding Bulgaria PLC acquired 16,839,330 shares of the capital of Bulport Logistics AD from its subsidiary Bulyard Shipbuilding Industry EAD for the price of BGN19,247 thousand. Bulport Logistics AD is an indirect subsidiary as it is a subsidiary of the direct subsidiary of Industrial Holding Bulgaria PLC – KLVK AD.

Review of the measurement of net investments in subsidiaries

As of 31 December 2024, the Company's management conducted a review of the measurement of its net investments in subsidiaries in the Maritime sector (Privat Engineering EAD and KLVK AD), taking into account the following factors:

- The rise in the freight market as a result of the increased demand for shipping tonnage and the increase in sailing distances due to the Black Sea crisis;
- The high closing exchange rate of the US dollar at the end of the reporting period (1.88260 as of 31 December 2024 versus 1.76998 as of 31 December 2023), as the forecast cash flows of the ships are denominated in US dollars (the functional currency of the shipping companies) and the significant portion of the net investments in these subsidiaries is denominated in BGN and EUR.

The recoverable amount of these investments has been determined by a value-in-use calculation based on forecast cash flows for the remaining useful life of the ships, with assumptions consistent with those of the prior period tests. The cash flows from the expected fleet expansion, considering the three new shipbuilding contracts awarded, are also included in the tests.

The recoverable amount of KLVK AD is calculated as higher than the investments' carrying amount, and the loans originated to the subsidiary, on which no impairment was charged in previous reporting periods.

The recoverable amount of Privat Engineering EAD is calculated as higher than the investments' carrying amount and the loans granted to the subsidiary. As a result, the Company has recognised a partial reversal of BGN 6,867 thousand of the impairment of its investment in Privat Engineering EAD.

8. CASH AND CASH EQUIVALENTS

In BGN'000	31 December 2024	31 December 2023
Cash with banks-related parties	16,266	27,431
Cash with banks-others	6,945	10,882
Cash and cash equivalents presented in the Statement of Cash Flows	23,211	38,313
Restricted cash	-	-
Cash and cash equivalents presented in the Statement of Financial Position	23,211	38,313

Cash denominated in BGN is measured at its nominal value, and that denominated in foreign currency is measured at the closing exchange rate of BNB at the end of the reporting period. Foreign exchange differences are reported as current income and expenses, respectively.

Aiming to manage the cash available in US Dollars and earn revenue, the Company contracted short-term deposits (maturing within three months).

In August 2024, the Company invested a significant part of its cash (USD 12,193 thousand) by originating a loan to its subsidiary KLVK AD, used by the latter to finance the first advance payment for Vaya LTD and Ticha LTD, Marshal Islands, under the shipbuilding contracts concluded by them in June 2024.

9. INTEREST-BEARING BANK LOANS

Non-current portion of long-term interest-bearing bank loans

in BGN'000	Currency	Interest rate %	Maturity	31 December 2024	31 December 2023
Bank loan contract No. 22F-000155 of 24 February 2022	EUR	1.40%	2029	12,373	14,835
				12,373	14,835

Current portion of long-term interest-bearing bank loans

in BGN'000	Currency	Interest rate %	Maturity	31 December 2024	31 December 2023
Bank loan contract No. 22F-000155 of 24 February 2022	EUR	1.40%	2029	3,926	3,274
				3,926	3,274

In BGN'000		31 December 2024	31 December 2023
Principal payable		16,292	18,101
Interest payable		7	8
		16,299	18,109

Bank Loan Contract No. 22F-000155 was concluded to secure loan funds for investments of a subsidiary that is also a co-debtor under the contract, and guarantors are other subsidiaries. The contract is secured by mortgages on real estate (land and buildings) of the subsidiary implementing the investment project. The deadline for loan repayment was until February 2029. In the first quarter of 2024, Industrial Holding Bulgaria PLC utilised the full loan amount. The loan repayment commenced in March 2024.

Under Bank Loan Contract No. 22F-001225 concluded with a commercial bank, Industrial Holding Bulgaria PLC was granted a total limit for working capital financing, issuance of bank guarantees and letters of credit of the Holding and/or its Group companies in the amount of up to BGN 12,000 thousand. In October 2024, an annex was signed for revolving the part of the loan used as overdraft until 04 November 2025. The current floating interest rates are as follows: (a) for loans denominated in EUR – a one-month EURIBOR + 1.2%, but not less than 1.2%; (b) for loans denominated in BGN – the reference interest rate of the financing bank + 1.7%, but not less than 1.7%. The agreement is secured by mortgages on real estate (land and buildings) of a Group company, which is also a guarantor under the loan. No funds for working capital financing were utilised as of 31 December 2024.

10. LEASE

Industrial Holding Bulgaria used an office under an office rental agreement concluded with a company under joint control of the persons exercising control for a 10-year term.

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

Lease liability

In BGN'000	31 December 2024	31 December 2023
Balance at the beginning of the period	694	33
Newly-occurred lease liabilities in the period	-	708
Recalculation of the lease liabilities due to modification	16	42
Non-monetary payment of lease liabilities during the period	-	(6)
Interest expenses for the period	18	17
Lease payments for the period	(89)	(100)
Balance at the end of the period	639	694
Long-term portion	565	624
Short-term portion	74	70

11. EQUITY

The share capital is stated at par according to the registration with the Commercial register.

In BGN'000	31 December 2024	31 December 2023
96,808,417 ordinary shares with a nominal value of BGN 1 each	96,808	96,808
	96,808	96,808

As of 31 December 2024 the Company's capital comprised 96,808,417 dematerialised registered voting shares with a nominal value of BGN 1 each, listed for trading on the Bulgarian Stock Exchange. The share capital is subscribed to at its nominal amount and is fully paid in. There are no preference shares or bearer's shares.

The shareholders of Industrial Holding Bulgaria PLC holding directly more than 5% of the company's capital as of 31 December 2024 are as follows:

In BGN'000	Number of shares as of 31 December 2024	31 December 2024
BULLS AD	66,116,706	68.30%
DZH AD	9,657,874	9.98%
Other natural persons and legal entities	21,033,837	21.72%
	96,808,417	100.00%

Treasury shares redeemed

By a decision of the General Meeting of Shareholders of Industrial Holding Bulgaria PLC dated 18 November 2021, another 5-year procedure was initiated with the following parameters:

- number of shares to be redeemed annually 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 redemption price - BGN 1.00 per share;
- maximum redemption price - BGN 3.00 per share.

Allianz Bank Bulgaria AD was elected as an investment intermediary.

The Company did not hold treasury shares redeemed as of 31 December 2024.

12. 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 68.30% 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 of 31 December 2024 and 31 December 2023 are disclosed in Investments in subsidiaries.

- Subsidiaries in which the Company holds indirect control
 - subsidiaries of the direct subsidiary ZMM Bulgaria Holding EAD - ZMM Sliven AD and ZMM Nova Zagora AD;
 - subsidiaries of the direct subsidiary Privat Engineering EAD – IHB Shipping Co EAD, Karvuna Ltd, Tirista Ltd and Karia Ltd;
 - subsidiaries of the direct subsidiary KLVK AD - Bulport Logistics AD, Serdika Ltd, Odria Ltd, Ticha Ltd and Vaya Ltd.
 - subsidiaries of the direct subsidiary Maritime Holding AD – Bulgarian Register of Shipping EAD.

VI. Associated companies

- associated companies of the direct subsidiary International Industrial Holding Bulgaria AG – CI NMF I Black Sea JV Holdco B.V. and Drazhki Varna EAD.

12.1. RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

Loans to related parties

In BGN'000		31 December 2024	31 December 2023
Subsidiaries	Non-current portion of long-term loans	61,749	48,735
Associated companies	Non-current portion of long-term loans	51	51
		61,800	48,786
Subsidiaries	Current portion of long-term loans	4,745	943
Associated companies	Current portion of long-term loans	4	-
		4,749	943
		66,549	49,729
	Principal	66,307	49,513
	Interest	242	216

The loan originated to Karvuna Ltd in the amount of BGN 1,319 thousand was secured by a sea mortgage on m/v Karvuna, owned by the subsidiary.

Trade and other receivables

In BGN'000		31 December 2024	31 December 2023
Subsidiaries	Dividends	370	140
Entities, over which the persons with control exercise significant influence or are members of their key management personnel	Prepayments	5	10
	Interest on bank deposits	71	178
Entities under joint control of the persons exercising control.	Deposit under a rental agreement	6	6
	Prepayments	3	-
		455	334

Trade and other payables

In BGN'000		31 December 2024	31 December 2023
Subsidiaries	Capital increase liabilities	-	2,725
Entities under joint control of the persons exercising control	Payables to suppliers	2	3
		2	2,728

Cash with banks - related parties

In BGN'000		31 December 2024	31 December 2023
Entities over which the persons with control exercise significant influence or are members of their key management personnel		16,266	27,431
		-	-
		16,266	27,431

Loans from related parties

In BGN'000		31 December 2024	31 December 2023
Persons exercising control	Non-current portion of long-term loans	7,000	-
	Current portion of long-term loans	11	-
		7,011	-
	Principal	7,000	-
	Interest	11	-

Deposits from related parties

In BGN'000		31 December 2024	31 December 2023
Subsidiaries	Short-term deposits	651	294
		651	294
	Principal	650	293
	Interest	1	1

Lease liabilities under contracts with related parties

In BGN'000	31 December 2024	31 December 2023
Entities under joint control of the persons exercising control	639	694
Balance at the period-end	639	694
Long-term portion	565	624
Short-term portion	74	70

The fee due under a lease contract concluded with a company under joint control of the persons exercising control in 2024 is BGN 89 thousand and the cash outflow is BGN 89 thousand.

12.2. RELATED PARTY TRANSACTIONS**Sales transactions**

In BGN'000		31 December 2024	31 December 2023
Dividend income	Subsidiaries	4,935	6,755
Rental income	Subsidiaries	-	10
Revenue from sales of fixed assets	Subsidiaries	-	1
		4,935	6,766

Purchase transactions

In BGN'000		31 December 2024	31 December 2023
Hired service expenses	Entities under joint control of the persons exercising control	-	10
	Entities over which the persons with control exercise significant influence or are members of their key management personnel	9	-
Other expenses	Entities under joint control of the persons exercising control	35	23
Other finance costs	Entities over which the persons with control exercise significant influence or are members of their key management personnel	1	2
		45	35

In May 2024, Industrial Holding Bulgaria PLC acquired 16,839,330 shares of the capital of Bulport Logistics AD from its subsidiary Bulyard Shipbuilding Industry EAD for the price of BGN19,247 thousand. Bulport Logistics AD is an indirect subsidiary as it is a subsidiary of the direct subsidiary of Industrial Holding Bulgaria PLC – KLVK AD.

Loans to related parties

In BGN'000		Loans granted	Non-monetary increase/ (decrease)	Received principal	Interest income	Received interest
Subsidiaries	31 December 2024	(48,495)	-	32,565	1,444	1,534
Associated companies	31 December 2024	-	-	-	4	-
Subsidiaries	31 December 2023	(18,312)	-	15,585	1,450	1,327
Associated companies	31 December 2023	(51)	-	-	-	-
	31 December 2024	(48,495)	-	32,565	1,448	1,534
	31 December 2023	(18,363)	-	15,585	1,450	1,327

Loans granted as of 31 December 2024 mature in 2024-2032. The agreed interest rates vary from 2.1% to 3.75%, except for: (a) an investment loan granted to a subsidiary, which bears an interest rate of 1.6%; the loan was financed by a targeted bank loan, and (b) a loan granted to an associated company, which bears an interest rate of 7.50%.

Interest income on deposits placed by Industrial Holding Bulgaria PLC with a bank-related party (entities over which the persons with control exercise significant influence or are members of their key management personnel) in 2024 amounts to BGN 854 thousand. Interest on deposits paid by the bank during the period amounted to BGN 961 thousand.

In May 2024, an increase in the capital of the subsidiary Odessos PBM EAD by BGN 5,000 thousand was registered with the Commercial Register, which was fully paid up. In 2024, BGN 2,725 thousand was also contributed to the 2023 increase in the subsidiary's capital.

Loans from related parties

In BGN'000		Loans received	Non-monetary increases/ (decreases)	Reimbursed principal	Interest expenses	Paid interest
Persons exercising control	31 December 2024	7,000	-	-	(60)	(49)
Persons exercising control	31 December 2023	-	-	(591)	(20)	(23)
	31 December 2024	7,000	-	-	(60)	(49)
	31 December 2023	-	-	(591)	(20)	(23)

Deposits from related parties

In BGN'000		Deposits received	Non-monetary increases/ (decreases)	Reimbursed principal	Interest expenses	Paid interest
Subsidiaries	31 December 2024	1,300	(950)	-	(7)	-
Subsidiaries	31 December 2023	1,392	(1,103)	-	(5)	-
	31 December 2024	1,300	(950)	-	(7)	-
	31 December 2023	1,392	(1,103)	-	(5)	-

Non-monetary movements in deposits from related parties are a set off of the liabilities under these deposits against receivables of the Company on shareholding during the relevant period.

Terms and conditions of related party transactions

The sales to and purchases from related parties are made on contractual terms. Outstanding balances at the year-end are unsecured (except for loans) and interest-free (except for specific loans), and settlement occurs in cash. No guarantees have been provided or received for any related party receivables or payables. The Company has recognised no impairment losses as of 31 December 2024 (31 December 2023: Nil). An impairment testing is carried out each financial year based on an analysis of the financial performance of the related party and the market in which the related party operates.

13. COMMITMENTS AND CONTINGENCIES

Legal claims

No legal claims have been brought against the Company.

Guarantees

Under Contract No. 22F-001225 signed with a commercial bank, a loan for granting a total limit for working capital financing, issuance of bank guarantees and letters of credit of the Holding and/or Group entities with a limit of up to BGN 12,000 thousand, as of 31 December 2024:

- bank guarantees were issued to Group companies, namely IHB Metal Castings AD for BGN 20 thousand and ZMM Nova Zagora for BGN 9 thousand (31 December 2023: BGN 163 thousand).

The unutilised limit under Contract No. 22F-001225 amounted to BGN 11,971 thousand as of 31 December 2024.

In June and July 2024, Industrial Holding Bulgaria PLC issued three corporate guarantees to guarantee the performance of the subsidiaries' obligation to make advance payments under the three shipbuilding contracts concluded in June 2024.

The corporate guarantees secure all advance payments before the ship's delivery in the total amount of USD 52,175 thousand and any possibly due interest for delay. Guarantees are valid until the payment of all advance payments (from first to fourth), which is expected to be made by the end of 2027. The obligation under the guarantees may be terminated if the contracts are terminated by the buyer in accordance with the agreed terms and conditions. The amount of the corporate guarantees is reduced by every payment made under the shipbuilding contracts. At the beginning of August 2024, the subsidiaries-ship owners, after obtaining the cross-bank guarantees from the seller, transferred the first advance payment of USD19,113 thousand in total, including USD 12,193 thousand financed by Industrial Holding Bulgaria PLC and the remaining balance by its subsidiary Privat Engineering EAD.

Collateral

In connection with Bank loan contract number 22F-000155 of 24 February 2022, obtained to secure loan funds for investments of a subsidiary, a financial collateral agreement was signed by way of a pledge of receivables providing for a right of use over all its accounts with the creditor bank in the amount of the loan liability at the relevant time.

In connection with Bank loan contract number 22F-001225 of 07 November 2022, obtained to secure a total limit for working capital financing, issuing bank guarantees and letters of credit, a financial collateral agreement was signed by way of a pledge of receivables providing for a right of use over all its accounts with the creditor bank in the amount of the loan liability at the relevant time.

14. DESCRIPTION OF THE MAJOR RISKS AND UNCERTAINTIES FACED BY THE COMPANY

The risk management policy of IHB is developed in such a way as to identify and analyse any risks faced by IHB, to set risk appetite limits and controls, and to monitor the risks and compliance with the limits set.

Non-systematic risks specific to the Company

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

As the activity of IHB relates to the management of other companies' assets, it is exposed to the Group subsidiaries' industry risks. The Group's investments are focused on businesses characterised by the 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 overall investment portfolio.

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 - expanding 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.

Risks associated with climate change

Like many other regions of the world, Bulgaria is exposed to almost all risks related to climate change. On the one hand, these risks can have a significant impact on the building stock and machinery, which requires adaptation arrangements to be made (such as the use of sustainable building materials, energy efficiency measures, change in the way of designing, investments in low-energy technologies, etc.) to minimise the negative effect. On the other hand, climate change poses threats to employees' health and safety. The higher temperatures and worsened air quality increase the risk of health issues and reduce productivity, which also requires additional adaptation arrangements (cooling of the working environment, provision of areas for rest, health programs, etc.). Natural disasters such as floods, earthquakes, etc., resulting from these risks can cause both loss of human life and significant financial losses, significantly affecting economic stability and growth. The impact of such events can often go beyond the borders of the country in which they occur and threaten large-scale territories in neighbouring countries.

Climate risks can also impact financial stability, reputation and operational continuity, requiring a comprehensive sustainability and adaptation strategy that includes assessing materiality and integrating sustainable practices across all levels of business operations.

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 significantly regulations in this area. The pressure on phasing out 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, and other financial burdens to compensate harmful ecological footprint.

It is a policy of the Group to comply with its 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, as

well as investing in environmentally friendly technologies (related to RES, equipping own ships with ballast systems, reducing carbon emissions from the Group's fleet, etc.).

Risks arising from pandemics and epidemics

Globalisation 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, blocks world trade, limits and pose difficulties on the supply chain, and has an adverse impact on all economic agents. Possible extension / reduction of restrictive measures in individual countries are risks that can lead very fast to both improvement and deterioration of the external environment, and that have an impact on the trade partners of the Group companies.

Risks associated with fraud and abuse

The changing environment in combination with the expanding use of new technologies have intensified the risk of fraud and abuse, including the risk related to cyber-attacks, unscrupulous trade practices, bankruptcies of contractors, etc.

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 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.

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 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.

Management has adopted a long-term approach to human resource management related to preliminary and subsequent qualification of staff, a close cooperation with the academic society in the country, and attracting foreign workers.

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 repair, ship design, port activities, classification and certification.

The unstable political and economic environment intensified 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.

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 competent bodies of the Company. 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 Bulgaria's entry into the ERM II exchange rate mechanism (the so-called euro area waiting room), there is a low risk that the exchange rate of the euro against the Bulgarian lev will be different from the pegged one when the country joins the euro area. 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 minimising the effects of the changes in the floating interest rate component. In 2024, the trend of relatively high interest rates and more stringent fiscal terms and conditions continued, caused by strengthening the Central banks' policies due to the high inflation rates worldwide in 2022 and 2023.

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 risks arising from the military conflict around the world, particularly the conflict between Russia and Ukraine, intensifies. These risks cannot be managed and controlled by the management team.

15. TRENDS FOR BUSINESSES, IN WHICH THE GROUP COMPANIES OPERATE

Maritime transport

In 2024, contracts were signed for the construction of three new bulk carriers to be manufactured in China. Delivery is expected in 2027/2028.

Freight market grew in 2024 driven by increased demand for tonnage in specific segments and an increase in sailing distances as a result of the Red Sea crisis. The recovery of the Panama Canal's navigability that has begun should reduce freight rates, but the lack of a foreseeable horizon for resolving the Red Sea conflict may offset this impact.

Market participants forecast freight rates to ease in 2025 if the Red Sea conflict is resolved. A further effect in this direction is expected to be the outpacing increase in the supply of shipping tonnage compared to the demand for such. The US's eventual introduction of trade barriers also poses a significant risk to the growth of the world economy (respectively, to the demand for bulk cargo). If the market weakens, the rate of cutbacks on older ships is expected to increase.

The shift in regulations that are expected to influence the decarbonisation efforts also impacts significantly on the freight levels:

- The new FuelEU regulation aims to reduce greenhouse gas intensity covering not only CO₂ emissions but also methane and nitrous oxide emissions.
- The EU Emissions Trading Scheme: from January 2024, the European Union has included shipping in its Emissions Trading Scheme (ETS).

Introducing new rules to combat adverse climate change (such as EEXI/CII/EU-ETS) is expected to continue stimulating the low sailing speed and, respectively, put significant price pressure on the freight market. However, It is unclear how the

regulatory environmental framework will develop, depending on the shifts in political adjustments on the topic in Europe and especially in the United States.

In 2024, the Group continued its work in compliance with the new regulations to improve operational effectiveness. Based on the annual operational efficiency indicator Carbon Intensity Index (CII), a certification of the ships for 2024 is imminent. For 2023, all ships were rated C (the scale is A to E, with A being a better-performing ship).

The Group's ships sail with Bulgarian and foreign crews.

Ship building and ship repair

The ongoing events in the Gulf of Aden and the armed conflict in the Gaza Strip have changed the direction of ship owners in carrying out repairs in the Mediterranean basin region due to the increased cost and risk of moving to China. In 2024, a trend away from Turkish factories was observed as well. All that positively impacted the orders of **Bulyard Shipbuilding Industry**.

In 2024, there was a decline in customer enquiries for the installation of ballast systems due to the expiry of the legal deadline for their installation. However, the increasing regulatory requirements for decarbonising ships are expected to open up other market niches and opportunities for ship repair plants.

Disrupted supply chains continue to keep prices high for some materials.

Ship design

Currently, the most significant trends in the ship design sector are focused on energy transformation and digitalisation, emphasising new technologies for decarbonisation and sustainable shipping. Despite innovations in hydrogen solutions, the realisation of these changes has been slow - shipbuilding companies are waiting for new regulations and standards to evolve, creating challenges and significant opportunities for innovation in the sector.

Tighter measures and rules to reduce the greenhouse effect of ships are affecting orders for new construction due to the need for more clarity at the moment on what ships will be sought and with what engines. The development of alternatives is still at an early stage. The demand for retrofit ballast design services is decreasing due to the approaching deadline for retrofitting the fleet in operation. The expanding military conflicts in different regions globally and the worsening economic environment are forcing shipowners to reconsider their investment intentions for new and the reconstruction and renovation of existing vessels.

On the other hand, trends are emerging, stimulating interest in design services. Activity in coastal areas is growing. Vessels are being sought for the fishing industry and general-purpose offshore vessels. Interest in specialised vessels for the construction and maintenance of offshore wind farms and in the conversion of ships – either changing their purpose or increasing their functionality- is expected to grow. There has also been a stirring of the market in the area of small "pilot" projects, financed primarily by various grant schemes, related to the design of alternative variants of ships with reduced harmful emissions (even in the absence of established market technologies for the replacement of ship fuels).

Classification and certification

In 2024, **the Bulgarian Ship Register** (BRS, the Register) reports relatively stable levels in its revenue from foreign shipowners compared to the same period in 2023. The market stagnation seen at the beginning of the year, mainly a consequence of the postponement of dock surveys due to high shipyard occupancy and the crises in the Middle East and Ukraine regions, was overcome in the second half of the year. There has also been an increase in surveys of ships sailing on inland waterways and in small craft.

In 2024, BRS was authorised by the Administration of Jamaica to conduct surveys, which will expand the range of services offered and is a prerequisite for finding new clients.

Management's efforts aim to attract new agents and shipowners and develop and offer additional services to supplement the main ones. In 2024, BRS successfully passed the periodic audit by LRQA ("Lloyd's Register") to renew the quality system certificate under ISO 9001:2015.

Port operations

Cereal production in Bulgaria in 2024 declined due to poor harvests, and yields were also low in Russia and Ukraine. This situation had a negative impact on the Group's grain cargo through the two ports compared to 2023. The trend of grain traders continuing to consolidate grain export consignments and use larger ship sizes continued. Produce is not held in storage to await more favourable price levels.

Expectations that low maize and sunflower yields would lead to an increase in imports of these crops to fill the capacity of Bulgaria's many processing facilities due to falling processed product prices did not materialise.

Ongoing geopolitical tensions as well as various trade agreements and policies may negatively impact grain trade.

The port terminals of **Odessos PBM and KRZ Port Burgas** are part of the public transport ports in Varna and Burgas, whose development depends to a more significant extent on the economic situation in Bulgaria and in the countries of the Mediterranean and Black Sea regions.

The terminals in the regions of Varna and Burgas focus their efforts on building new capacities and storage facilities to improve and accelerate the processing of cereals and other cargo, strengthening the competitive environment. The two terminals of the Group are also gradually expanding their capabilities. In Odessos PBM, the port expansion is being implemented actively - the new quay wall and necessary storage facilities were completed; dredging activities are currently underway.

Bulport Logistics offers services to small and mid-sized vessels and yacht mooring, small vessels docking for repairs, and the rental of offices and areas for storage and production activities. The gradual abatement of the effects of the pandemic has increased the demand for production premises combined with office space.

The Company has focused on developing its warehousing and logistics activities by gradually renovating and improving the technical condition of existing buildings and sites, expanding and upgrading the area's infrastructure to meet changing demand trends.

The Company is also working on expanding the services offered to customers. In front of the business building is a parking lot for 160 cars, a fast-charging station with a capacity of 50 kW and a two-connector fast-charging station with a capacity of 150 kW, available at all times of day or night. Heating for two buildings is solved entirely using geothermal energy.

Machine building

Traditionally, **ZMM Bulgaria Holding and its subsidiaries** export products to customers in Europe, Asia, Africa and North America. The machine-building group's lathes are used in the mining, textile, paper and shipbuilding industries, and are also suitable for equipping the bases of vocational schools.

The unstable economic environment in Europe and long-term interest policies contribute to increasing volatility in customers' investment activity. In 2024, there was an increased demand for machinery from customers in countries such as Ukraine, the Czech Republic, Poland, and Spain. Some European countries have surpassed their 2023 levels.

The option to use own electricity from the operating solar plants of the machine-building group has a positive impact on the profitability of the offered products.

The machine-building industry faces several key challenges:

- Intense competition: the market is highly competitive, with the established international players seeking to gain a competitive edge through product innovation and partnerships. In Europe, ZMM Bulgaria Holding is the only manufacturer of a wide range of universal lathes.
- Increasing focus on sustainability: the industry is witnessing a shift to sustainable manufacturing practices. Machines optimising the use of materials, reducing energy consumption, and minimising waste are gaining market share.

16. 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 as of 31 December 2024.

As of 31 December 2024, Industrial Holding Bulgaria 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 31 December 2024: 66,116,706 shares held directly, representing 68.30% 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 31 December 2024: 9,657,874 shares held directly, representing 9.98% 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 31 December 2024: 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 31 December 2024: 646 shares held directly, representing 0.0007 of the capital and through related parties 9,698,918 shares held directly, representing 10.02% of the votes, and controlled through Bulls AD 66,116,706 shares held directly, representing 68.30% of the capital, or directly and through related parties and through controlled parties 75,816,270, representing 78.32% 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

In June 2024, three contracts were signed with the vendor Sumec Marine Co. Ltd., China, and New Dayang Shipbuilding Co. Ltd., China, for the construction in China of three new 64,100 DWT bulk carriers for the IHB fleet. The ships will be acquired by new subsidiaries established for the purpose - Vaya Ltd, Karia Ltd and Ticha LTD, Marshall Islands. The total investment is USD 104,350 thousand with an expected delivery date of the first vessel of October 2027, and April and May 2028, respectively, for the next two ships. In accordance with the requirements of the Public Offering of Securities Act (POSA), the subsidiaries have obtained prior approval from the Board of Directors of Industrial Holding Bulgaria for the above transactions and the conclusion of the contracts.

In June and July 2024, Industrial Holding Bulgaria PLC issued three corporate guarantees to guarantee the performance of the subsidiaries' obligation to make advance payments under the three shipbuilding contracts signed in June 2024. The authorisation of the General Meeting of Shareholders of the company was obtained for the issuance of these guarantees in compliance with Article 114, paragraph 1, item 2 of the POSA.

The corporate guarantees secure all advance payments before the ship's delivery in the total amount of USD 52,175 thousand and any possibly due interest for delay. Guarantees are valid until the payment of all advance payments (from first to fourth), which is expected to be made by the end of 2027. The obligation under the guarantees may be terminated if the contracts are terminated by the buyer in accordance with the agreed terms and conditions. The amount of the corporate guarantees is reduced by every payment made under the shipbuilding contracts. At the beginning of August 2024, the subsidiaries-ship owners, after obtaining the cross-bank guarantees from the seller, transferred the first advance payment of USD19,113 thousand in total.

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.

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

In April 2024, the General Meeting of Shareholders of ZMM Nova Zagora AD resolved on increasing the company's capital. In this procedure, only the parent company ZMM Bulgaria Holding EAD subscribed for new shares, and the other shareholders did not exercise their rights. As a result, the Group's share in ZMM Nova Zagora AD increased from 99.45% to 99.66%.

In May 2024, Industrial Holding Bulgaria PLC acquired from Bulyard Shipbuilding Industry EAD 16,839,330 shares of the capital of Bulport Logistika AD, which is 46.12% 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 Art. 100o1, par. 4 of POSA.

Daneta Zheleva

Chief Executive Officer

Industrial Holding Bulgaria PLC

Ivan Rashkov

Chief Accountant

Vladislava Zgureva

Investors Relations Director