INDUSTRIAL HOLDING BULGARIA PLC

PUBLIC NOTIFICATION FOR FINANCIAL POSITION ON A STAND-ALONE BASIS 30 SEPTEMBER 2026

CORPORATE INFORMATION

Industrial Holding Bulgaria PLC (the Company) is a joint stock company (PLC) registered in the Republic of Bulgaria under Company File number 13081/1996, with its headquarters and registered office at 79, Knyaginya Maria Luiza Boulevard, Sofia City, Bulgaria. The Company's financial year ends on 31 December.

On 1 January 2026, following the adoption of the euro as the official currency of the Republic of Bulgaria, the Company's capital became EUR 49,372,292.67, divided into 96,808,417 shares with a nominal value of EUR 0.51 each. The currency translation was carried out in accordance with applicable legislation. The company has a two-tier system of governance, comprising the Supervisory Board and Management Board.

The Company's scope of activity includes the acquisition, management, assessment, and sale of shares in Bulgarian and foreign companies, as well as the acquisition, evaluation, and sale of patents; the licensing of patents to companies in which the Company holds shares and financing companies in which it holds shares, and any other activity not prohibited by law.

The existence of the Company shall be perpetual, and the Company is not limited by any other resolutive condition.

Industrial Holding Bulgaria is entered in 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 Company's shares are listed on the Bulgarian Stock Exchange AD in Sofia.

SEPARATE STATEMENT OF THE PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2026

in EUR'000	30 September 2026	30 September 2025
Interest and dividend income	1,730	4,026
Other income	-	-
	1,730	**4,026**
Employee benefit expenses	(324)	(319)
Hired service expenses	(96)	(87)
Other operating expenses	(112)	(99)
Operating profit	**1,198**	**3,521**
Finance income	753	-
Finance costs	(245)	(2,843)
Operating profit before taxes	**1,706**	**678**
Income tax (expense)/benefit	-	-
Profit for the period	**1,706**	**678**
Other comprehensive income	-	-
Total comprehensive income for the period	**1,706**	**678**

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 30 September 2026

in EUR'000	30 September 2026	31 December 2025
Assets		
Non – current assets		
Non-current tangible and intangible assets	153	173
Right-to-use assets	254	285
Investments in subsidiaries	109,944	109,944
Debt instruments at fair value	1,885	2,039
Loans to related parties	33,918	35,507
Differed tax asset	21	-
Total non-current assets	**146,175**	**147,948**
Current assets		
Loans to related parties	1,824	1,330
Dividends receivable	2,478	2,274
Trade and other receivables	273	233
Cash and cash equivalents	12,056	10,195
Total current assets	**16,631**	**14,032**
TOTAL ASSETS	**162,806**	**161,980**
Equity and liabilities		
Equity		
Share capital	49,372	49,497
Share premium	15,858	15,858
Other capital reserves	4,767	4,980
Retained earnings	76,853	75,022
Total equity	**146,850**	**145,357**
Non-current liabilities		
Interest-bearing bank loans	2,819	4,323
Loans and deposits from related parties	6,955	7,480
Lease liabilities	225	256
Retirement benefit liabilities	8	8
Deferred tax liabilities	-	3
Total non-current liabilities	**10,007**	**12,070**
Current liabilities		
Interest-bearing bank loans	5,551	2,849
Loans and deposits from related parties	344	1,626
Lease liabilities	41	40
Trade and other payables	13	38
Total current liabilities	**5,949**	**4,553**
Total liabilities	**15,956**	**16,623**
TOTAL EQUITY AND LIABILITIES	**162,806**	**161,980**

SEPARATE STATEMENT OF CASH FLOWS

For the period ended 30 September 2026

in EUR'000	30 September 2026	30 September 2025
Operating activity		
Dividends received	590	475
Cash loans repaid from related parties	8,582	2,430
Cash loans to related parties	(7,253)	(6,868)
Interest received on loans to related parties	647	530
Purchase of debt instruments (US government securities)	-	(2,057)
Interest received on debt instruments (US government securities)	63	-
Interest received on bank deposits	218	233
Income taxes paid	-	(90)
Employee benefit payments	(329)	(319)
Foreign exchange differences	397	(1,287)
Other proceeds / (payments) from/to contractors, net	(172)	(168)
Net cash flows from operating activity	**2,743**	**(7,121)**
Investing activity		
Net cash flows from investing activity	**-**	**-**
Financing activity		
Interest-bearing bank loans received	2,702	1,224
Principal paid on interest-bearing bank loans	(1,503)	(1,503)
Interest and charges paid on interest-bearing bank loans	(110)	(94)
Loans and deposits from related parties	3,510	4,745
Repaid loans and refunded deposits from related parties	(5,328)	-
Interest paid on loans and deposits from related parties	(117)	-
Lease liabilities paid	(30)	(28)
Interest paid on leases	(6)	(7)
Net cash flows from /(used in)financing activity	**(882)**	**4,337**
Net increase / (decrease) of cash and cash equivalents	1,861	(2,784)
Cash and cash equivalents on 1 January	10,195	11,865
Cash and cash equivalents on 30 September	**12,056**	**9,081**

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2026

in EUR'000	Share capital	Share premium	Statutory and additional reserves	Reserve from revaluation of debt instruments	Retained earnings	Total
On 1 January 2025	**49,497**	**15,858**	**4,939**	**-**	**73,705**	**143,999**
Comprehensive income for the period						
Profit for the period	-	-	-	-	678	678
Other comprehensive income for the period	-	-	-	74	-	74
Total comprehensive income for the period	**-**	**-**	**-**	**74**	**678**	**752**
On 30 September 2025	**49,497**	**15,858**	**4,939**	**74**	**74,383**	**144,751**
On 1 January 2026	**49,497**	**15,858**	**4,939**	**41**	**75,022**	**145,357**
Restatement upon transition to EUR	**(125)**	**-**	**-**	**-**	**125**	**-**
On 1 January 2026, after restatement	**49,372**	**15,858**	**4,939**	**41**	**75,147**	**145,357**
Comprehensive income for the period						
Profit for the period	-	-	-	-	1,706	1,706
Other comprehensive income for the period	-	-	-	(213)	-	(213)
Total comprehensive loss for the period	**-**	**-**	**-**	**(213)**	**1,706**	**1,493**
On 30 September 2026	**49,372**	**15,858**	**4,939**	**(172)**	**76,853**	**146,850**

1. INTEREST AND DIVIDEND INCOME

in EUR'000	30 September 2026	30 September 2025
Dividend income	794	3,150
Interest income	936	876
	1,730	**4,026**

Dividend income reported in the first nine months of 2026 and the first nine months of 2025 is distributed by:

in EUR'000	30 September 2026	30 September 2025
ZMM Bulgaria Holding EAD	708	1,119
IHB Shipdesign AD	86	102
Bulyard Shipbuilding Industry EAD	-	1,820
Maritime Holding AD (in liquidation)	-	109
	794	**3,150**

Interest income reported in in the first nine months of 2026 and the first nine months of 2025 is as follows:

in EUR'000	30 September 2026	30 September 2025
Interest income on loans – related parties	597	592
Interest income on deposits with banks - related parties	166	168
Interest income on deposits with banks - unrelated parties	98	80
Interest income on debt instruments (US government securities)	75	36
	936	**876**

2. EMPLOYEE BENEFIT EXPENSES

in EUR'000	30 September 2026	30 September 2025
Wages and salaries	(281)	(275)
Social insurance costs and other fringe benefits	(43)	(44)
	(324)	**(319)**

3. OTHER OPERATING EXPENSES

in EUR'000	30 September 2026	30 September 2025
Depreciation / amortisation expenses	(54)	(56)
Costs of materials	(11)	(6)
Other operating expenses	(47)	(37)
	(112)	**(99)**

4. FINANCE INCOME AND FINANCE COSTS

in EUR'000	30 September 2026	30 September 2025
Foreign exchange gains, net	753	-
Finance income	**753**	**-**

in EUR'000	30 September 2026	30 September 2025
Foreign exchange losses, net	-	(2,663)
Interest expenses on interest-bearing bank loans	(100)	(83)
Interest expenses on loans and deposits from related parties	(128)	(79)
Interest expenses on leases	(6)	(7)
Bank charges on interest-bearing bank loans	(9)	(11)
Other finance costs	(2)	-
Finance costs	**(245)**	**(2,843)**

5. INCOME TAX

The reconciliation of income tax expenses and the accounting profit multiplied by the applicable rate for the periods ended 30 September 2026 and 30 September 2025 is as follows:

in EUR'000	30 September 2026	30 September 2025
Profit before taxes	**1,706**	**678**
Income tax expense at the applicable tax rate of 10% (2025: 10%)	(171)	(68)
Income, exempt from taxation – dividends	79	315
Utilisation of tax losses on which no deferred tax assets have been recognised	92	-
Unrecognised deferred tax asset on a tax loss for the current year	-	(247)
Utilisation of a temporary tax difference, for which no deferred tax asset has been recognised	-	-
Income tax expense at an effective tax rate of 0 % (2025 г.: 0 %)	**-**	**-**

As of 30 September 2026, the Company reported a deferred tax asset of BGN 21 thousand (as of 31 December 2025: a deferred tax liability of BGN 3 thousand).

6. INVESTMENTS IN SUBSIDIARIES

Investments, held by the Company as of 30 September 2026 and 31 December 2025 are as follows:

in EUR'000	Country of registration	Amount of the shareholding as of 30 September 2026	Percentage of the shareholding as of 30 September 2026	Amount of the shareholding as of 31 December 2025	Percentage of the shareholding as of 31 December 2025
Privat Engineering EAD	Bulgaria	26,938	100.00%	26,938	100.00%
ZMM Bulgaria Holding EAD	Bulgaria	2,452	100.00%	2,452	100.00%
KRZ Port Burgas AD	Bulgaria	2,441	99.65%	2,441	99.65%
KLVK AD	Bulgaria	23,569	67.96%	23,569	67.96%
International Industrial Holding Bulgaria AG	Switzerland	66	100.00%	66	100.00%
Maritime Holding AD (in liquidation)	Bulgaria	205	61.00%	205	61.00%
Bulyard Shipbuilding Industry EAD	Bulgaria	27,333	100.00%	27,333	100.00%
Odessos PBM EAD	Bulgaria	17,063	100.00%	17,063	100.00%
IHB Shipdesign AD	Bulgaria	36	70.00%	36	70.00%
Bulport Logistics AD	Bulgaria	9,841	46.12%	9,841	46.12%
		109,944		109,944	

* Bulport Logistics AD is a subsidiary since the remaining portion of its capital is held by other subsidiaries of Industrial Holding Bulgaria PLC.

In February 2026, the General Meeting of Shareholders of Maritime Holding decided to dissolve the company and to announce its liquidation. The decision to open the liquidation proceedings, together with the notice to creditors, was entered in the Commercial Register in March 2026. In October 2026, following the expiration of the statutory deadline for creditors to claim their receivables, the property of Maritime Holding was distributed among the shareholders, and a closing liquidation balance sheet for the company was prepared.

7. CASH AND CASH EQUIVALENTS

in EUR'000	30 September 2026	31 December 2025
Cash with banks-related parties	4,994	7,041
Cash with banks-others	7,062	3,154
Cash and cash equivalents presented in the Statement of Cash Flows	**12,056**	**10,195**
Restricted cash	-	-
Cash and cash equivalents presented in the Statement of Financial Position	**12,056**	**10,195**

Cash denominated in EUR 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.

8. INTEREST-BEARING BANK LOANS

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

in EUR'000	Currency	Interest rate %	Maturity	30 September 2026	31 December 2025
Bank loan contract No. 22F-000155 of 24 February 2022	EUR	1.40%	2029	2,819	4,323
				2,819	**4,323**

Current portion of long-term interest-bearing bank loans and short-term interest-bearing bank loans

in EUR'000	Currency	Interest rate %	Maturity	30 September 2026	31 December 2025
Bank loan contract No. 22F-000155 of 24 February 2022	EUR	1.40%	2029	2,006	2,006
Bank loan contract No. 22F-001225 of 07 November 2022	EUR	РЛП + 1.7%	2026	3,545	843
				5,551	**2,849**

in EUR'000	30 September 2026	31 December 2025
Principal payable	8,368	7,169
Interest payable	2	3
	8,370	**7,172**

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.

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 EUR 6,136 thousand. In October 2025, an annex was signed for revolving the part of the loan used as overdraft until 04 November 2026. The current floating interest rates are as follows: (a) for loans utilised from the EUR bank account effective as of 31 December 2025 – a one-month EURIBOR + 1.2%, but not less than 1.2%; (b) for loans utilised from the BGN bank account effective as of 31 December 2025 – the reference interest rate of the financing bank + 1.7%, but not less than 1.7%. There was no change in the interest rate levels due to the adoption of the euro as the official currency of the Republic of Bulgaria as of 01 January 2026. The agreement is secured by mortgages on real estate (land and buildings) of a Group company, which is also a guarantor under the loan. The amount of EUR 3,545 thousand was utilised under the contract as of 30 September 2026.

9. 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 EUR'000	30 September 2026	31 December 2025
Balance at the beginning of the period	**296**	**327**
Recalculation of the lease liabilities due to modification	-	7
Interest expenses for the period	6	9
Lease payments for the period	(36)	(47)
Balance at the end of the period	**266**	**296**
Long-term portion	225	256
Short-term portion	41	40

10. EQUITY

Following the introduction of the euro as the official currency of the Republic of Bulgaria on 01 January 2026, the nominal value of a company share was restated in euros by applying the applicable statutory exchange rate. The restatement resulted in a difference between the capital determined based on the number of shares and their new nominal value, and the total amount of capital of EUR 125 thousand, which was taken to the retained earnings.

As of 30 September 2026, the company's capital consists of 96,808,417 dematerialised registered voting shares with a nominal value of EUR 0.51, which are listed at the Bulgarian Stock Exchange. The share capital is subscribed at its nominal value and is fully paid in. There are no preference and bearer shares.

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

in EUR'000	30 September 2026	31 December 2025
96,808,417 ordinary shares with a nominal value of BGN 1 each	49,372	49,497
	49,372	**49,497**

The shareholders of Industrial Holding Bulgaria PLC holding directly more than 5% of the company's capital as of 30 September 2026 are as follows:

	Number of shares as of 30 September 2026	30 September 2026
BULLS AD	66,559,286	68.75%
DZH AD	9,657,874	9.98%
Other natural persons and legal entities	20,591,257	21.27%
	96,808,417	**100.00%**

Treasury shares redeemed

By a decision of the General Meeting of Shareholders of Industrial Holding Bulgaria PLC dated 29 June 2026, another treasury share redemption 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 whole capital of the Company;
- Minimum redemption price - EUR 0.50 per share;
- Maximum redemption price - EUR 1.50 per share.

Allianz Bank Bulgaria AD was elected as an investment intermediary on 17 July 2026.

The Company did not hold treasury shares redeemed as of 30 September 2026.

11. 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 68.75% 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

- Direct subsidiaries
  The direct subsidiaries of Industrial Holding Bulgaria PLC as of 30 September 2026 and 31 December 2025 are disclosed in Investments in subsidiaries.

- Indirect subsidiaries
  - subsidiaries of the direct subsidiary ZMM Bulgaria Holding EAD - ZMM Sliven AD and ZMM Nova Zagora AD, and IHB Metal Castings EAD;
  - 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.

VI. Associated companies

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

11.1. RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

Loans to related parties

in EUR'000		30 September 2026	31 December 2025
Subsidiaries	Non-current portion of long-term loans	33,892	35,481
Associated companies	Non-current portion of long-term loans	26	26
		33,918	**35,507**
Subsidiaries	Current portion of long-term loans	1,819	1,326
Associated companies	Current portion of long-term loans	5	4
		1,824	**1,330**
		35,742	**36,837**
	Principal	35,652	36,697
	Interest	90	140

The loan originated to Karvuna Ltd in the amount of EUR 637 thousand was secured by a sea mortgage on m/v Karvuna, owned by the subsidiary.

Trade and other receivables from related parties

in EUR'000		30 September 2026	31 December 2025
Subsidiaries	Dividends	2,478	2,274
Entities, over which the persons with control exercise significant influence or are members of their key management personnel	Prepayments	-	3
	Interest on bank deposits	84	84
Entities under joint control of the persons exercising control.	Deposit under a rental agreement	3	3
	Prepayments	-	2
		2,565	**2,366**

Trade and other payables to related parties

in EUR'000		30 September 2026	31 December 2025
Entities under joint control of the persons exercising control	Payables to suppliers	-	2
		-	2

Cash with banks - related parties

in EUR'000		30 September 2026	31 December 2025
Entities over which the persons with control exercise significant influence or are members of their key management personnel		4,994	7,041
		4,994	**7,041**

Loans from related parties

in EUR'000		30 September 2026	31 December 2025
Persons exercising control	Non-current portion of long-term loans	6,955	7,480
	Current portion of long-term loans	37	25
		6,992	**7,505**
	Principal	6,955	7,480
	Interest	37	25

Deposits from related parties

in EUR'000		30 September 2026	31 December 2025
Subsidiaries	Current portion of long-term deposits	307	1,601
		307	1,601
	Principal	304	1,597
	Interest	3	4

Lease liabilities under contracts with related parties

in EUR'000	30 September 2026	31 December 2025
Entities under joint control of the persons exercising control	266	296
Balance at the period-end	**266**	**296**
Long-term portion	225	256
Short-term portion	41	40

The fee due under a lease contract concluded with a company under joint control of the persons exercising control in the first nine months of 2026 is EUR 36 thousand and the cash outflow is EUR 36 thousand.

11.2. Related party transactions

Sales transactions

in EUR'000		30 September 2026	30 September 2025
Dividend income	Subsidiaries	794	3,150
		794	**3,150**

Purchase transactions

in EUR'000		30 September 2026	30 September 2025
Hired service expenses	Entities over which the persons with control exercise significant influence or are members of their key management personnel	8	9
Other expenses	Entities under joint control of the persons exercising control	26	17
Other finance costs	Entities over which the persons with control exercise significant influence or are members of their key management personnel	1	-
		35	**26**

Loans to related parties

in EUR'000		Loans granted	Non-monetary increase/ (decrease)	Received principal	Interest income	Received interest
Subsidiaries	30 September 2026	(7,253)	-	8,582	596	647
Associated companies	30 September 2026	-	-	-	1	-
Subsidiaries	30 September 2025	(6,868)	-	2,430	590	530
Associated companies	30 September 2025	-	-	-	2	-
	30 September 2026	**(7,253)**	**-**	**8,582**	**597**	**647**
	30 September 2025	**(6,868)**	**-**	**2,430**	**592**	**530**

Loans granted as of 30 September 2026 mature in 2026-2032. The agreed interest rates vary from 2.1% to 3.00%, 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 the first nine months of 2026 amounts to EUR 166 thousand. Interest on deposits paid by the bank during the period amounted to EUR 166 thousand.

Loans from related parties

in EUR'000		Loans received	Non-monetary increases/ (decreases)	Reimbursed principal	Interest expenses	Paid interest
Persons exercising control	30 September 2026	3,000	-	(3,525)	(113)	(101)
Persons exercising control	30 September 2025	3,901	-	-	(69)	-
	30 September 2026	**3,000**	**-**	**(3,525)**	**(113)**	**(101)**
	30 September 2025	**3,901**	**-**	**-**	**(69)**	**-**

Deposits from related parties

in EUR'000		Deposits received	Non-monetary increases/ (decreases)	Reimbursed principal	Interest expenses	Paid interest
Subsidiaries	30 September 2026	510	-	(1,803)	(15)	(16)
Subsidiaries	30 September 2025	844	-	-	(10)	-
	30 September 2026	**510**	**-**	**(1,803)**	**(15)**	**(16)**
	30 September 2025	**844**	**-**	**-**	**(10)**	**-**

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 30 September 2026 (31 December 2025: 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.

12. 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 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 EUR 6,136 thousand, as of 30 September 2026:

- bank guarantees totalling EUR 161 thousand were issued to Group companies, namely Bulyard Shipbuilding Industry EAD – EUR 102 thousand, IHB Metal Castings EAD – EUR 10 thousand, ZMM Bulgaria Holding EAD – EUR 21 thousand, and ZMM Nova Zagora AD – EUR 28 thousand (31 December 2025: EUR 120 thousand).

The unutilised limit under Contract No. 22F-001225 amounted to EUR 2,430 thousand as of 30 September 2026.

In 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 the same year.

The corporate guarantees secure all advance payments before the ship's delivery, totalling USD 52,175 thousand, and any possible interest for delay. Guarantees are valid until all advance payments (from the first to the fourth) are paid, which is expected to be completed 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 due payment under the shipbuilding contracts. At the end of the reporting period, the Group financed using its own funds advance payments totalling USD 22,628 thousand (after receiving the counter-bank guarantees from the seller), including USD 3,515 thousand paid in 2026.

In October 2025, Industrial Holding Bulgaria PLC and the other shareholders of Maritime Holding AD (in liquidation) entered into an agreement securing the performance of the obligations of Maritime Holding AD (in liquidation) under a sale transaction with a total value of EUR 1,450 thousand for its shares in Bulgarian Register of Shipping EAD. The agreement is for a period of four years and covers any future property damage suffered by the buyer, up to a maximum of EUR 1,305 thousand. Each shareholder's guarantee is proportional to their shareholding in Maritime Holding AD (in liquidation). Under the agreement, upon commencement of a liquidation procedure, the shareholder's commitment is converted from a guarantee to an assumption of debt.

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.

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

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

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 Holding'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 cyclicity (ship repair, shop design, maritime transport, and port activity), thus reducing the return on the whole 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 trade development. Of all segments in the IHB's investment portfolio, the most direct and imminent impact they have on the shipping industry. Stress in the market and pressure on freight have a number of divergent factors:

- cyclicity of the shipping industry – cycles are linked to the global economy and the balance between the proposed shipping tonnage and the needs of exporters and importers. Risk exists for operators who have failed to properly plan and distribute their cash flows at a time of difficult access to finance under aggravated conditions during a crisis;
- number of ships in construction, entry into service, and state of the ship cutting market;
- environmental restrictions – the introduction of new regulations and requirements to limit emissions and increase the energy efficiency of vessels may require technical changes, use of fuels with lower carbon intensity, and other measures to bring them into compliance with the applicable ecological regulations;
- global fuel problems - on the one hand, oil can be a cause of conflict; 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, a major global supplier of crude oil and gas, changes in the foreign trade policies of leading economies, as well as the escalation of tension and military actions in the Middle East, have a negative impact.

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 and customs duties imposed

This risk stems from changes in economic policy imposed by objective economic or political factors, including expanding war conflicts around the world, the military conflict in the Black Sea region, increased political uncertainty in some countries, sanctions imposed, changes in the customs policies of leading economies, and the restrictions imposed on trade in some countries. This risk impedes the free movement of goods and people, leads to redirection of trade flows and changes in transport corridors, and affects the prices of energy resources and commodities. The military actions and increased risks to shipping in the Black Sea may adversely affect the Group's ship repair and shipbuilding activities. As regards the machine-building segment, the risk may manifest as reduced sales volumes in traditional markets.

Risks associated with climate change and natural disasters

Bulgaria is exposed to almost all risks related to climate change. On the one hand, these risks can affect the building stock and machinery, requiring adaptation measures (such as the use of sustainable building materials, energy efficiency measures, changes in design, investments in low-energy technologies, etc.) to minimise the negative effects. On the other hand, climate change poses threats to employees' health and safety. The higher temperatures 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.). Extreme meteorological events and natural disasters, such as floods, earthquakes, long-lasting heat, droughts, fires, storms and hailstorms, may cause not only loss of human lives, but also financial damages that could affect economic sustainability and growth. The impact of such events could surpass the borders of the country in which they occur and may affect vast territories in neighbouring countries.

Along with the direct effects on assets and employees, climate risks also impact through the insurance market – an increase in insurance premiums is observed, which simultaneously limits coverages, further increasing the financial vulnerability of businesses.

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. Additional regulatory and financial requirements are being introduced on imports of certain commodities and products relating to the implementation of the European Union's environmental policies and limiting harmful ecological footprint.

It is the Group's policy to comply with the required processes and standards, as well as to invest in environmentally friendly RES technologies, improve energy efficiency, and reduce carbon emissions from the Group's fleet.

Risks arising from pandemics and epidemics

Globalisation worldwide and the freer movement of goods and people lead to a faster spread of pandemics and epidemics, making it difficult to contain them in individual regions and countries. In the case of more serious diseases, restrictive measures could disrupt supply chains and adversely impact the global economy, economic environment and the Group subsidiaries' operations.

Risks associated with fraud and abuse

The changing environment, in combination with the expanding use of new technologies, has intensified the risk of fraud and abuse, including risks related to cyber-attacks, interruptions or compromises of information systems, unscrupulous trade practices, contractor bankruptcies, etc.

Risk related to basic commodities, materials and energy sources

This risk results from changes in the supply and prices of raw materials, materials, and various energy sources used. Disrupted supplies result in a rise in prices, which 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 depends on fuel prices. The impact of changes in the market price of electric energy is similar, as it is determined by factors beyond management's control. The fact that its price has remained consistently above EUR 100 per megawatt-hour is reducing the competitiveness of the subsidiaries, and the Group is seeking to partially offset this impact by investing in renewable energy sources.

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 and on training well-educated staff. The long-term trend of a declining and ageing population in our country reduces the number of working-age people. Employees' professional qualities directly affect entities' financial results and innovation performance. The risk is intensified by the convertibility of some professions and the high worldwide demand for such staff.

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

Risks related to the implementation of investment projects

Subsidiaries implement investment projects of significant scope and long duration. There is a risk of delays (including burdensome administrative procedures), cost increases, or contractor non-performance, which may affect the terms of commissioning and expected return

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, which differ between sectors. The most affected segments are those of ship repair, ship design, and port activities.

The unstable political and economic environment intensified credit risk worldwide, and for the Group in particular. There has been a noticeable decline in customer payment discipline and an increase in bankruptcies. Exposure is higher among customers in sectors experiencing financial difficulties or operating in an environment of reduced economic activity. The Group's credit policy provides that each new client shall be investigated for solvency before being offered the standard delivery and payment terms and conditions. In addition to the price offered, when selecting a potential client or charterer, managers consider their credit rating, reputation, market position, credentials, and more.

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 the policy of the Group to issue financial guarantees only to Group companies and only after obtaining preliminary approval from the Company's competent 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 with IHB to open letters of credit and issue 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 from delayed client payments. The Group companies prepare financial plans to cover their expenses and current payables for 90 days. Where possible, a deferred payment to suppliers and subcontractors is applied in combination with the above measures, without negatively affecting their businesses. The Holding's management supports the Group companies' efforts to attract bank financing for investments and capacity utilisation, 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 make purchases and/or sales and/or receive loans in currencies other than their functional currency. Aiming to reduce the Group's exposure to currency risk, the Holding's management is seeking to minimise payments in foreign currencies other than the functional currency in the operating activities of most companies. The Group is exposed to currency risk from changes in the US Dollar exchange rate affecting the free cash flows generated by maritime transport, held in anticipation of the expansion of the ship portfolio. In some cases, there could be tax effects. Selling goods and services in euros limits currency risk, but may adversely affect the competitiveness of some subsidiaries. This impact is significant in the machine-building industry, where changes in the US dollar exchange rate against the euro affect the price positioning of lathes on dollar markets. Currency fluctuations change their relative price and require a careful balance between currency stability and market presence.

Interest rate risk

The Group companies are exposed to interest rate risk in financing arrangements that include a floating interest rate component and a margin. In managing this risk, management seeks to negotiate fixed-rate loans, depending on the market environment.

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 growing number of military conflicts around the world are intensifying. These risks cannot be entirely managed and controlled by the management team.

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

Maritime transport

The freight market during the first nine months of 2026 remains volatile, with market participants continuing to operate under conditions of high uncertainty and limited opportunities for long-term planning and process optimisation.

The escalation of military conflicts around the world reduces shipowners' readiness to operate in affected routes and adversely affects cargo flows, including on Black Sea routes. The rising frequency of incidents involving commercial vessels is further putting pressure on the insurance market, making cargo more expensive and simultaneously increasing shipping security risks.

The freight levels in the Handysize and Supramax segments, which include the Group's fleet, are higher than in the comparative period last year, and, along with developments in demand, changes in commercial routes, and the more inefficient use of available tonnage related thereto, support the market.

Demand for grain cargoes, coal, and fertilisers, as well as the development of iron ore and other bulk cargo transportation, continues to define the market. The volumes of bulk cargo sea transportation grew in the third quarter as well, supported by an increase in the number of main cargo and China's sustained demand for commodities, where the broader scope of activities indirectly impacts the smaller segments through overall cargo volumes and the allocation of available tonnage. As regards grain cargoes, transportation has increased since the beginning of the year. However, there is a short-term decrease in the summer season, including exports from the Black Sea, while global coal transportation shows a moderate increase. For fertilisers, export disruptions from the Persian Gulf limit offers.

The market for newbuilding bulk carriers continues to be influenced by high newbuilding prices and uncertainty about future fuel technologies. Nevertheless, the more favourable market environment is accompanied by increases in orders for new ships. The supply of already-ordered ships increases tonnage offerings, while the decommissioning of older ships remains limited. Higher freight levels create the preconditions to preserve this trend in the short term as well.

Amendments to regulations aimed at limiting emissions from sea transport remain a significant factor for the freight market. The sector operates under the expanded scope of the European Union Emissions Trading System and the implementation of FuelEU Maritime. In response, the Group took steps to use biofuels as an alternative to fossil fuels in its own fleet on specific routes, where technically possible and could be realised, taking into account the operational reliability of vessels and the availability of such fuel, where the possibilities to do that depend on the terms and conditions of renting the ships. Moreover, based on the operational annual exploitation indicator for carbon intensity (CII) for 2025, all the Group's ships are assigned a C rating (the scale is from A to E, where A is assigned to ships with better performance).

The Group aims to limit the direct impact of rising fuel costs, port fees, and carbon allowances by leasing the ships on time charters. This type of contract requires the charterer to cover the fuel costs and port fees, while the carbon quotas are reflected in the contractual terms and conditions. The rental levels, as a whole, follow the freight market improvement.

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

Shipbuilding and ship repair

In the first nine months of 2026, the ship repair market remains sensitive to the deteriorated shipping environment in the Black Sea. Intensified military and insurance risks, driven by a rising number of incidents involving merchant ships, restrict shipowners' ability to direct ships to the region, thereby adversely affecting the competitiveness of Black Sea ship repair enterprises relative to alternative repair locations. The risk environment also affects the terms and conditions of voyage insurance. The rising costs of transiting the Bosphorus and the Dardanelles, whose tariffs were updated as of July, are having an additional cost-increasing effect.

Against the backdrop of pressure on material, energy, and general overhead costs, shipowners remain sensitive to the price, deadlines, and scope of repairs. At the same time, the need for mandatory repairs and for maintaining the operational fitness of the fleet supports demand for ship repair services, but, due to the complicated market environment and higher freight levels, it encourages shipowners to optimise the terms, scope, and place of repairs. In this environment, the Bulyard Shipbuilding Industry's repair activities are moderate.

Interest in businesses focused on energy efficiency and fleet decarbonisation grows cautiously, with some shipowners continuing to wait for greater clarity on the economic drivers, regulatory requirements, and selection of technological solutions.

Ship design

In the first nine months of 2026, interest in design services in specialised niches – vessels for the fishing industry, offshore vessels, as well as icebreakers and polar vessels - continued. The latter gains greater importance in light of the strategic significance of the North Sea routes and programmes for renovating the specialised fleet in the Arctic regions. As regards the vessels for constructing and servicing offshore wind farms, the importance of cost-saving and multifunctional engineering solutions increases.

The practical application of solutions for reducing fuel costs and emissions, including the effective use of wind sails and rotors, hybrid systems, and alternative fuels such as methanol, drives improvements in energy efficiency and decarbonisation. The effective FuelEU Maritime Regulation supports the elaboration of such solutions. However, their implementation continues to depend on the economic substantiation of specific projects, available infrastructure, and the level of technological readiness.

The development of international requirements for emissions and safety in shipping also supports demand for design and engineering services, as future measures are still to be clarified.

In this environment, IHB Shipdesign began to direct its activity on more complex conversions and modifications of existing ships. These include solutions relating to decarbonisation and alternative fuels, as well as design changes to ship systems and deck equipment. Solutions related to the new requirements for pilot transfer facilities, which apply from 1 January 2028, are also among the current trends.

Port operations

In the first nine months of 2026, port operations developed amid active trading in grain and oilseed crops, with the bountiful harvest of wheat and barley in Bulgaria increasing available quantities for export. At the same time, weaker Ukrainian maritime exports and risks to shipping and port infrastructure in the Black Sea affect supply and the competitive environment in the regional grain market, creating more favourable conditions for the sale of Bulgarian grain. As regards sunflower, operational data indicate significantly higher average yields than the previous year.

Markets for metal and fertilisers also play a significant role in shaping the processable volumes. In the European metal market, demand from industry remains low, and the share of imported products is high. Since 1 July 2026, the EU's safeguard measure on steel imports was replaced by a more restrictive regime that reduces duty-free quotas and raises the tariff rate outside those quotas. As regards fertilisers, supply disruptions due to tensions in the Middle East, in combination with difficulties around the Strait of Hormuz, limit offers and affect cargo flows. The implementation of the Carbon Border Adjustment Mechanism in its final form, beginning in 2026, introduces additional administrative and financial requirements for metal and fertiliser importers. It may impact the selection of suppliers and import organisation.

Against this background, processed grain cargoes have increased at the two terminals of the Group, resulting in a higher overall workload. The risk is supported by the expanded capabilities of Odessos PMB to accept larger ships and batches after commissioning the new deep-water berth at the end of 2025. At the same time, the rise in the costs of labour, fuel and electricity puts pressure on port companies' operating expenses.

The Group continues to invest in developing and improving cargo processing capacity in its port terminals. The expansion of the port terminal at KRZ Port Burgas is ongoing, and during this period, the metal structures for the new quay wall and its construction began. The goal is to improve and accelerate grain and other cargo processing, and to increase the terminal's capacity. In parallel, work to improve the silos' productivity was completed.

Bulport Logistics offers services for small and mid-sized vessels, yacht mooring, small-vessel docking for repairs, facility and office rental, and storage and production activities.

The warehouse and logistics space market in the country is characterised by demand for modern, energy-efficient facilities that allow flexible use of sites and ensure good transport accessibility. Bulport's proximity to a motorway, ports, and the railway network creates favourable conditions to serve diverse cargo and customers. The company continues to focus its efforts on developing its warehousing and logistics operations by gradually renovating existing buildings and sites and improving the area's infrastructure to meet changing lessees' requirements.

As part of its efforts toward sustainable development, the Company implements solutions in energy efficiency and electric mobility. 50 kW and 200 kW fast-charging stations and a 150 kW two-connector station are operational in its territory at all times, day or night. Heating for part of the buildings is provided by geothermal energy.

Machine building

ZMM Bulgaria Holding and its subsidiaries traditionally export products to customers in Europe, Asia, Africa, and North America. The lathes of ZMM Bulgaria are used in mining, petrol, gas, textile, paper, and shipbuilding industries. They are also suitable for furnishing the bases of vocational schools and mobile field workshops used in zones affected by natural disasters or conflicts. In the first nine months of 2026, sales in the European market remained lower, with the Group continuing to direct its efforts toward heavier machines in its product portfolio and markets outside Europe, including Central and South America and Asia. The complicated geopolitical environment, including growing tensions in key regions, limits investment activities, which also affects the machine-building industry where demand remains limited.

Development in the international market for metal-cutting machines is uneven across regions. In Europe, demand is low. China preserves its leading role in the sector and increases competitive pressure by expanding domestic production and exports, while India positions itself as one of the more dynamic markets. The expansion of the scope of the EU's sanctions regimes and stricter controls on exports to certain third countries also limit the possibilities for realisation. Fluctuations in energy resource prices, a shortage of qualified employees, and rising labour costs affect production costs and investment decisions in the sector.

Under conditions of economic and geopolitical instability, automation, digitalisation, and solutions to improve energy efficiency are of key importance. The operating solar plants in the machine-building group support the use of own energy and limit the sensitivity of production costs to the fluctuations observed on the energy market. The energy storage system installed at ZMM Sliven at the end of 2025 expands the possibilities for more efficient use of generated electricity, and an analogous system is planned for ZMM Nova Zagora.

15. 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 charges in the ultimate persons exercising control over the Company as of 30 September 2026.

As of 30 September 2026, 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 30 September 2026: 66,559,286 shares held directly, representing 68.75% 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 2026: 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 30 September 2026: 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 2026: 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 66,559,286 shares held directly, representing 68.75% of the capital, or directly and through related parties and through controlled parties 76,258,850 representing 78.77% 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 declared insolvent

There is no such circumstance.

Conclusion or performance of significant transactions

There is no such circumstance during the reporting period.

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 per cent of the equity of Industrial Holding Bulgaria PLC.

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

In January 2026, the sole equity owner of IHB Metal Castings – ZMM Bulgaria Holding EAD – decided to reduce the capital of IHB Metal Castings EAD to EUR 750,006. The reduction of the company's capital was entered in the Commercial Register in June 2026.

In March 2026, 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 99.66% to 99.79%. The increase of the subsidiary's capital was entered into the Commercial Register in April 2026.

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

By decision of the General Meeting of Shareholders of Maritime Holding AD, held on 09 February 2026, it was resolved on dissolving the company and announcing its liquidation. The decision for opening the liquidation proceeding, together with the notice to creditors, was entered into the Commercial Register on 26 March 2026. The liquidation term is 6 months from the date the notice to creditors is announced in the Commercial Register.

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

DECLARATION

Under Article 100o1, paragraph 4 of the Public Offering of Securities Act

The undersigned, Daneta Zheleva**,** in my capacity as Chief Executive Officer of Industrial Holding Bulgaria PLC, Sofia, UIC 121631219,

DECLARE HEREBY THAT

To the best of my knowledge, the public notification on the financial performance of Industrial Holding Bulgaria PLC for the third quarter of 2026, non-consolidated, gives a true and fair view of the company's assets and liabilities, financial performance, and profit or loss.

30 October 2026 Declarant: .....

/Daneta Zheleva /

DECLARATION

Under Article 100o1, paragraph 4 of the Public Offering of Securities Act

The undersigned, Ivan Rashkov, in my capacity as Chief Accountant of Industrial Holding Bulgaria PLC, Sofia, UIC 121631219,

DECLARE HEREBY THAT:

To the best of my knowledge, the public notification on the financial performance of Industrial Holding Bulgaria PLC for the third quarter of 2026, non-consolidated, gives a true and fair view of the company's assets and liabilities, financial performance, and profit or loss.

30 October 2026

Declarant: .....

/ Ivan Rashkov /

DECLARATION

Under Article 100o1, paragraph 4 of the Public Offering of Securities Act

The undersigned, Vladislava Zgureva, in my capacity as Investors Relation Director of Industrial Holding Bulgaria PLC, Sofia, UIC 121631219,

DECLARE HEREBY THAT:

To the best of my knowledge, the public notification on the financial performance of Industrial Holding Bulgaria PLC for the third quarter of 2026, non-consolidated, gives a true and fair view of the company's assets and liabilities, financial performance, and profit or loss.

30 October 2026

Declarant: .....

/ Vladislava Zgureva /