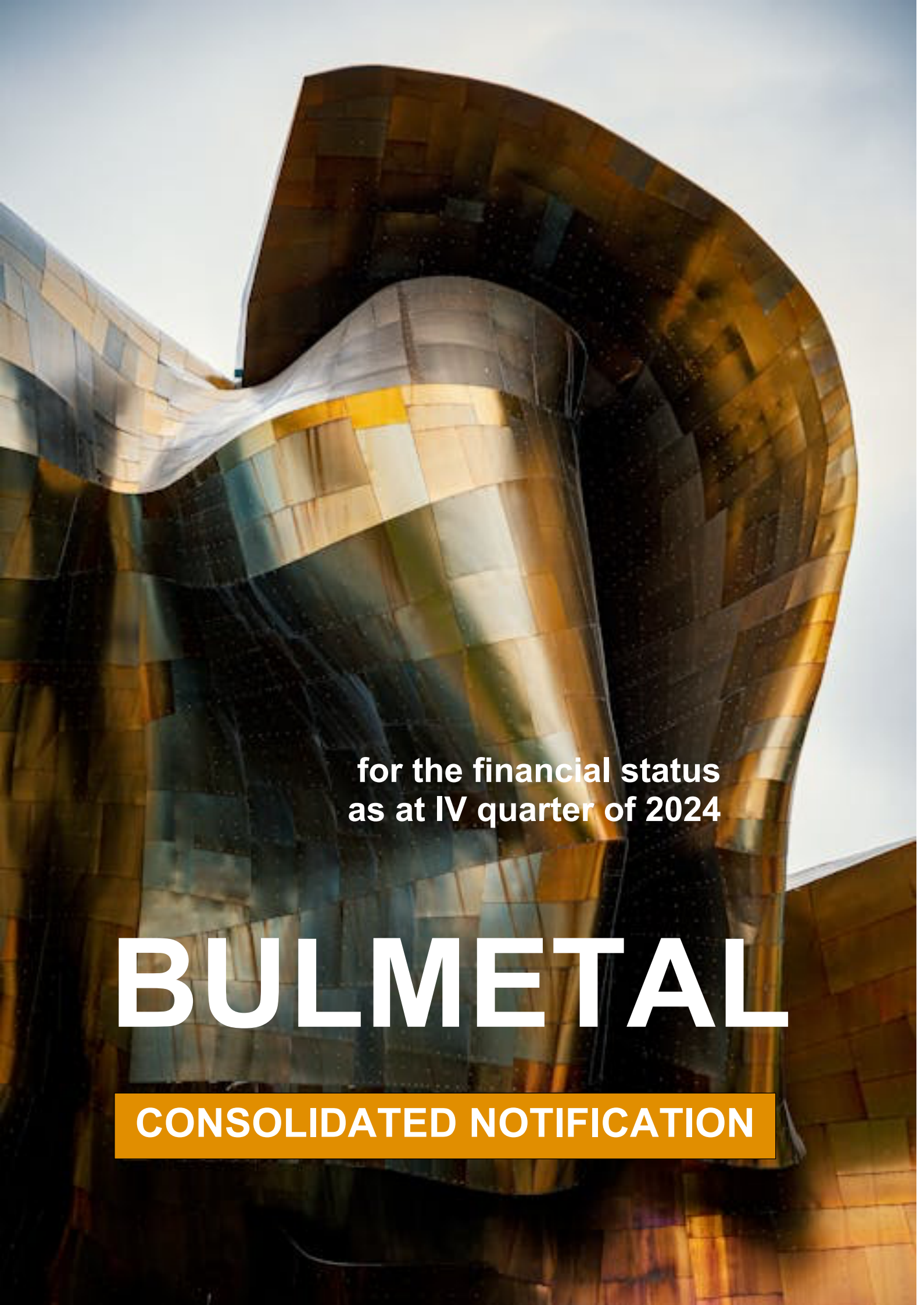

for the financial status
as at IV quarter of 2024

BULMETAL

CONSOLIDATED NOTIFICATION

Bulmetal JSC, town of Gurkovo herewith informs all its current and future investors that this information has been prepared in connection with the requirements of Art. 100o1 para. 1 of the Public Offering of Securities Act (POSA), in connection with Art. 100o1, para. 4, item 2 and para. 5 of the POSA, Art. 14 of Ordinance No. 2 of 09.11.2021 on the initial and subsequent disclosure of information during public offering of securities and admission of securities to trading on a regulated market and Appendix No. 4 of the aforementioned Ordinance. It contains information on the company's activities for the period from 01.01.2024 to 31. 12. 2024.

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I. GENERAL INFORMATION ABOUT THE COMPANY

I.1 Activity profile

BULMETAL is an international group that exports 75% of its products and machines to over 50 countries on 5 continents around the world, serving over 500 customers. The manufacturing of metal packaging dominates the Group's sales with over 60% share of the activity, but machinery is quickly catching up and has nearly a 40% share of the activity's revenue by the end of 2024.

'BULMETAL' JSC is the largest manufacturer of light metal packaging (metal packaging and cans) in Bulgaria. The company processes more than 13 000 tons of sheet metal per year into more than 140 million metal packages for more than 400 customers in Europe from various industries such as food, chemical, cosmetic and other industries.

The company has four production sites in Bulgaria for the manufacture of packaging: three in Gurkovo - Bulmetal central base, Bulmetal North, Bulmetal South, as well as a base in Stara Zagora, which currently houses the processes of lithography and varnishing of the metal sheets for the production of packaging.

Main product divisions in the Packaging sector are packaging for the food industry, packaging for the chemical industry, packaging for fluids used in the automotive industry, aerosol packaging for the construction industry, aerosol cans for the food industry, easy-open lids for cans and bottle caps as well as various metal packaging components.

The Group's packaging portfolio is balanced between three main product groups: aerosol cans, food industry cans and cans for the chemical industry. Each of the three product groups generates ⅓ of the Company's revenue. BULMETAL offers an extremely wide range of packaging: aerosol bottles, boxes for canned products, from boxes from 1 to 30 litres; boxes for paints and varnishes, honey, olives, olive oil, coffee, tea, spices, meats and vegetables, fish products; cheese boxes/tins/cone tins; thinner boxes; moulded boxes; boxes for grease and rubbing alcohol; decorative boxes, etc.

In 2017 and 2018 the Group also started partaking in the engineering business with the vertical integration of two manufacturers of machines and lines for metal packaging with the brands Cevolani/Zucchini in Italy and BiBRA in Germany.

The acquisitions of the engineering companies Cevolani/Zucchini in Italy and BiBRA in Germany, respectively, in 2017 and 2018, enabled BULMETAL to achieve significant vertical integration. Thus, the company acquired two more production bases - in Italy and Germany.

The new sector 'Machinery' represents 1/3 of the Group's activity/revenues in recent years and by the end of 2024, including mainly the manufacture of machinery and equipment (about 75% of the sector's activity) and in a smaller part - production and sale of spare parts for the same (about 20%).

The presence of in-house production of metal packaging machines within the Group will accelerate the technological modernization of BULMETAL and allow the successful implementation of the D2D business model, in which the assembly lines for the production of metal packaging produced by BiBRA and Cevolani will be installed on the premises of BULMETAL's customers, where the Group will provide its customers with the final product, while at the same time will engage with all activities, including line operation, service and maintenance, as well as the supply of the lacquered metal sheets for the packaging manufacture.

I.2 Shareholder structure and capital

As of 31 December 2024, the registered capital of 'BULMETAL' JSC is in the amount of BGN 7 155 179 thousand, divided into the same number of ordinary registered shares with a nominal value of one BGN each. The founder of the Group Kolyo Atanasov Kolev directly owning 76.57% of the capital and votes in the General Meeting, exercises direct control over BULMETAL.

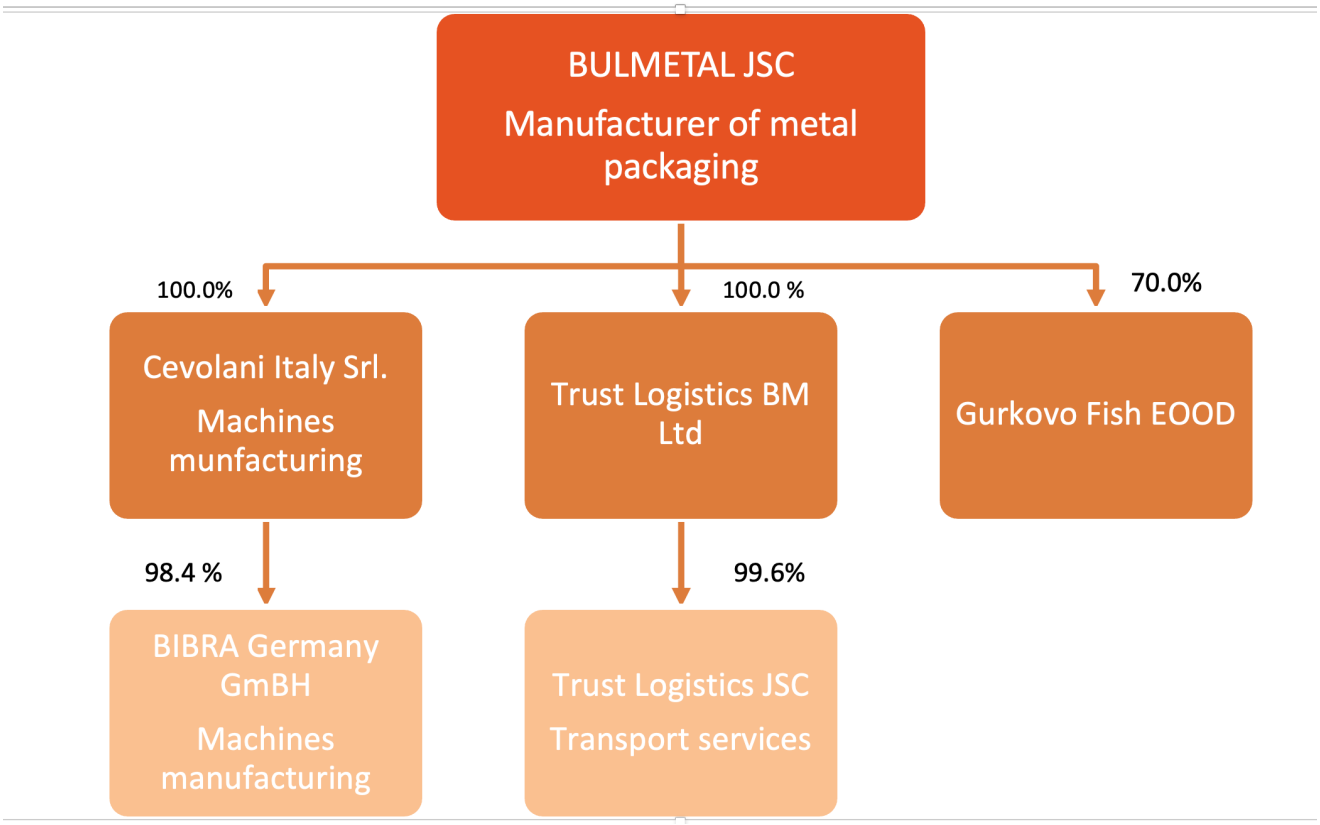
There are no other shareholders who own more than 5% of the capital and of the votes in the General Meeting of the Company.

I.3 Organizational structure

BULMETAL Group is an independent economic group formed by the Issuer Bulmetal JSC, its subsidiaries and the companies controlled by subsidiaries Cevolani Italia Srl, Trust Logistics BM EOOD and Gurkovo Fish Ltd.

The shareholding structure and interests of the Company in subsidiaries and their subsidiaries forming together the Group as of the date hereof are shown in Figure 1 below.

Figure 1: Structure of the BULMETAL group as of the date of this Document



The group includes:

- manufacture of metal packaging, which is mainly carried out by 'Bulmetal' JSC (parent company);
- manufacture of machines and equipment for the production of metal packaging, which is carried out by the subsidiary companies Cevolani Italy Srl and BIBRA Biagosch and Brandau Germany GmbH;
- transport of goods in the country and abroad, which is carried out through the subsidiary 'Trust Logistics' JSC;

As of 31.12.2024, the subsidiaries of 'BULMETAL' JSC are the following:

Table 1: Subsidiaries of 'Bulmetal' JSC

Name	Country	Type of relation	Equity share (%)
Cevolani Italy Srl	Italy	Subsidiary	100%
BIBRA Biagosch and Brandau Germany GmbH	Germany	Subsidiary, controlled by the subsidiary Cevolani Italy Srl	98.40%
Trust Logistics BM EOOD	Bulgaria	Subsidiary	100%
Trust Logistics JSC	Bulgaria	Subsidiary, controlled by the subsidiary Trust Logistics BM EOOD	99.60%
Gurkovo Fish Ltd.	Bulgaria	Subsidiary	70%

Source: 'BULMETAL' JSC

'Gurkovo Fish' Ltd.'s main activity is: agricultural and livestock production and trade with it in the country and abroad. The company does not develop and has not developed any activity until the end of December 2024.

I.4 Management

'BULMETAL' JSC is a joint-stock company with a two-tier management system. The company is managed by a Supervisory Board and a Management Board.

Members of the Supervisory Board of 'Bulmetal' JSC are:

- Kolyo Atanasov Kolev – Chairman of the SB;
- Atanas Kolev Atanasov – member of the SB;
- Rosen Stefanov Papazov – member of the SB

The date on which the mandate of the current members of the Supervisory Board expires is 3 February 2027.

The function of an independent member of the SB in 'BULMETAL' JSC will be performed by Rosen Stefanov Papazov, who meets the conditions for independence. This function is performed from 14.08.2023 with a mandate until 03.02.2027.

Members of the Management Board of 'BULMETAL' JSC are:

- Ivanka Mihaylova Dimitrova – Chairman of the Board and Executive Director;
- Genka Stancheva Koleva – member of the Management Board;

- Boyko Penev Shoylekov – member of the Management Board;
- Velichko Asenov Peev - member of the Management Board;
- Stanimir Stanev Georgiev - member of the Management Board

The date on which the mandate of the current members of the Management Board expires is 3 February 2027, except for Stanimir Georgiev, who was elected as a member of the Management Board for a period of 3 years, starting from 28.07.2023 to 28.07.2026.

I.5 Public information

According to the requirement of Art. 27 et seq. of Ordinance No. 2 of the Financial Supervision Commission (FSC), in connection with Art. 100t, para. 3 of Public Offering of Securities Act (POSA), the Company discloses the regulated information to the public through selected media. All information provided to the media in full unedited text is available at the Internet address: www.x3news.com. The required information is submitted to the FSC through the unified e-Register system for submitting information electronically, built and maintained by the FSC.

The aforementioned information is also available on the Company's website for investors at: www.bulmetal.com.

'BULMETAL' JSC has fulfilled its commitment pursuant to Art. 89o of the POSA, as a result of which a legal entity identification code (LEIC) was assigned - LEI code 984500E6B5FB50BE1184.

The Company's share issue is registered with the ISIN code BG1100014239 and, as of the date of this Report, is traded on the Standard Shares Segment of the Bulgarian Stock Exchange with stock code BMTL.

II. INFLUENCE OF THE PRESENTED ACTIVITY INFORMATION ON THE FINANCIAL RESULTS AS AT 31.12.2024

II.1 Revenue, expenses and profit

Table 2: Consolidated financial indicators of the BULMETAL Group

Indicator (in thousand BGN)	31. 12. 2024	31. 12. 2023	Annual change (%)
Net sales revenue	**110,609**	**115,410**	**-4.16%**
incl. packaging	57,691	*61,615*	*-6%*
Machines and technological lines	*30,305*	*34,527*	*-12%*
Spare parts	*9,634*	*7,045*	*37%*
Others	*12,979*	*12,223*	*6%*
Cost of sales	-82,785	-90,785	-9%
Gross profit	**27,824**	**24,625**	**13%**
Administrative expenses (SG&A)	-12,343	-10,914	13%
Other operating expenses/income	-171	-161	6%
Fundings	0	275	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**15,310**	**13,825**	**11%**
Depreciation expenses	-5,839	-6,855	-15%
Operating earnings (EBIT)	**9,471**	**6,970**	**36%**
Financial income/expenses	-2,928	-2,600	13%
Net profit	**6,543**	**4,370**	**50%**
**no taxes have been charged*			
	31.12.2024	**31/12/2023**	
Total assets	**147,159**	**147,084**	**0%**
Non-current assets	76,133	66,765	14%
Current assets	71,026	80,319	-12%
Equity	**71,059**	**56,342**	**26%**
incl. Retained earnings and profit for the year	51,213	45,821	12%
Total liabilities	**76,100**	**90,742**	**-16%**
Non-current liabilities	18,084	18,922	-4%
Current liabilities	58,016	71,820	-19%
Cash	**2,003**	**869**	**130%**
Total financial debt*	**44,341**	**45,975**	**-4%**
Net financial debt**	**42,338**	**45,106**	**-6%**
** Incl. loans and financial leasing contracts*			
*** Total financial debt minus cash*			
Coefficients	**(as at the end of the period)**		**Annual change (%)**
	31. 12. 2024	**31. 12. 2023**	
Gross margin	25.16%	21.34%	+3.82 p.p.
Operating margin	8.56%	6.04%	+2.52 p.p.
EBITDA margin	13.84%	11.98%	+1.86 p.p.
Net margin	5.92%	3.79%	2.13 p.p.

	31. 12. 2024	31. 12. 2023	
Current liquidity	1.22	1.12	9%
Equity/Total Assets	0.48	0.38	26%
Financial Debt/Total Assets	0.30	0.31	-4%
Net debt/EBITDA	2.77	3.26	-15%
	31. 12. 2024	**31. 12. 2023**	
Average return on assets (ROA)	3.79%	2.31%	64%
Average return on equity (ROE)	7.85%	6.04%	30%

II.1.1 Revenue

The consolidated net sales revenues of the BULMETAL Group for the twelve months as at the end of December 2024 amounted to BGN 110 609 thousand. The same record a decrease of 4.16% compared to BGN 115 410 thousand as at the end of December 2023. Export continues to dominate in the Group's activity, representing 75% of the total net revenue.

The decrease in the Group's net income on an annual basis is the result of a combination of factors. Firstly, at the beginning of the period, there was a decline in product prices in the packaging segment, so despite the reported growth in packaging volumes (most significant in food packaging), sales in value fell by 6% year-on-year to BGN 57 691 000 at the end of December 2024. This price adjustment was limited in time due to the recovery in volume demand in almost all of the main product groups in the sector during the second half of the period.

Second in importance is the decrease in sales in the Machinery sector from 4.5% on an annual basis to BGN 42 024 000. The decrease is the result of intra-group eliminations (part of the sales are to the parent company), as well as the transfer of a significant part of the projects started in 2024 for 2025. The latter leads to a serious increase in reported work-in-progress at Group level. Thus, in practice, the capacity of part of the Group's machinery capacity has already been filled for 2025 and orders and inquiries for 2026 are being accepted. Customer demand continues in new markets, and in addition to the already realized markets such as the Philippines, Morocco, France and Sri Lanka, the BULMETAL Group starts the implementation of new projects in Switzerland, Brazil, the USA, etc.

At the same time, a significant increase in sales of spare parts - a segment with high added value - had a positive impact on the Group's net revenue for 2024. The latter increased by 37% year-on-year to BGN 9 634 000 at the end of the year and are a natural result of the presentation of the Machinery and Technology Lines segment.

In the end, 2024 was the strongest year for the Group's machinery sector since the acquisition of Cevolani and BiBRA. Their total invoiced revenues in 2024, excluding intragroup eliminations, amounted to BGN 48,926,000 and increased by 11% on an annual basis. In addition, for the first time since the acquisition of the two subsidiaries, both generated substantial net profit and positive cash flow and contributed significantly to the Group's excellent performance in 2024.

Earnings by geographic market

Table 3: Revenues by markets of the BULMETAL Group

(in thousand BGN)	31. 12. 2023	Share (%)	Change (%)	31. 12. 2024	Share (%)	Change (%)
Bulgaria	23,657	*20%*	n.a	27,487	*25%*	*16%*
Canada	16,115	*14%*	n.a	0	*0%*	n.a
Romania	11,063	*10%*	n.a	9,515	*9%*	*-14%*
Philippines	0	*0%*	n.a	4,303	*4%*	n.a
Greece	10,160	*9%*	n.a	9,620	*9%*	*-5%*
Germany	3,202	*3%*	n.a	5,505	*5%*	*72%*
Morocco	3,178	*3%*	n.a	4,049	*4%*	n.a
Italy	6,511	*6%*	n.a	7,170	6%	10%
Slovenia	5,722	*5%*	n.a	5,654	*5%*	*-1%*
Others	35,802	*31%*	*n.a*	37,306	*34%*	*4%*
Total Packaging and Machinery	**115,410**	***100%***	***n.a***	**110,609**	***100%***	***-4.16%***

Bulgaria remains the Group's leading single market with an overall share of 25% as at the end of December 2024. In this market, BULMETAL mainly sells metal packaging. Sales revenue in the Bulgarian market reached BGN 27 487 000, to which the strong demand from the food industry in the 'Packaging' sector contributed.

Traditionally strong markets for the Group are Romania (9%), Greece (9%) and Slovenia (5%), where sales of packaging are made to a large number of customers in the chemical and food industry. The decrease of 14% on an annual basis in the Romanian market is due to a shift of production for a leading customer in the chemical sector from Romania to Germany. Accordingly, sales revenues for Germany increased by 72% over the period to reach BGN 5 505 000 at the end of December 2024. The growth in Germany, as well as the stable positions in Italy (6%), were due not only to the packaging segment, but also to successfully implemented projects in the machinery sector.

Sales in Greece decreased by 5% on an annual basis to BGN 9,620,000, which is due to the unfavorable weather conditions last summer for our main customers in the food industry, as well as price adjustments to balance this market.

The completion of orders for new process lines for customers in the Philippines and Morocco places these destinations among BULMETAL's core markets with a total share of 8% of the total sales of finished products and services at the end of December 2024.

Revenue by sector
Packaging sector

The Packaging sector remains the leading contributor to the Group's total sales. For the twelve months as of the end of December 2024, the total revenues of this division, which include sales of finished products, materials, services, technological waste and non-operational assets, reported a decrease in value of 4.20% on an annual basis and amounted to BGN 68 396 thousand. This represents nearly 62% of the Group's total net revenues for the period.

Table 4: Revenue by product type of Bulmetal JSC in volumes

(in thousand BGN)	31.12.2023	*Share (%)*	*Change (%)*	31.12.2024	*Share (%)*	*Change (%)*
Aerosols	40,872,680	*31%*	*1%*	41,049,884	*29%*	*0%*
Cans (Food)	35,234,338	*27%*	*-18%*	41,824,037	*29%*	*19%*
Cans (Chemistry)	7,983,082	*6%*	*-15%*	8,194,948	*6%*	*3%*
Easy Open Lids	6,568,950	*5%*	*-2%*	5,593,205	*4%*	*-15%*
Others (components, services, etc.)	40,423,322	*31%*	-15%	46,227,332	*32%*	14%
Total	**131,082,372**	***100%***	***-11%***	**142,889,406**	***100%***	***9.01%***

**Change is in comparison with 31.12.2022*

Despite the reported decline in value, sales of BULMETAL in volumes during the period under review increased by 9.01% year-on-year from 131 million pieces of packaging and packaging components produced at the end of 2023 to 142.8 million pieces produced at the end of 2024.

The reported price decrease of manufactured products is mainly the result of lower prices of purchased materials used in the production of packaging. It is precisely the observed growth in demand, respectively in volumes for certain products, especially in the second half of the year, that limited the possibility of a more serious decrease in prices, respectively in the net sales revenue of BULMETAL during the period.

Table 5: Revenue by type of product in the 'Packaging' sector in value

(in thousand BGN)	31. 12.2023	*Share (%)*	*Change (%)*	31. 12. 2024	*Share (%)*	*Change (%)*
Aerosols	22 605	*32%*	*n.a*	21 354	*31%*	*-6%*
Cans (Food)	20 089	*28%*	*n.a*	20 394	*30%*	*2%*
Cans (Chemistry)	10 047	*14%*	*n.a*	8 929	*13%*	*-11%*
Easy Open lids	941	*1%*	*n.a*	788	*1%*	*-16%*
Other (components, services, etc.)	17 712	*25%*	*n.a*	16 931	*25%*	*-4%*
Total	**71 394**	**100%**	**n.a**	**68 396**	**100.00%**	**-4.20%**

The structure of BULMETAL's revenues by product type remained unchanged in the fourth quarter of 2024 with the leading role of aerosols and cans for the food sector, which together account for 61% of total sales in the packaging sector.

Table 6: Revenues by markets in the 'Packaging' sector

(in BGN thousand)	31. 12. 2023	*Share (%)*	*Change (%)*	31.12.2024	*Share (%)*	*Change (%)*
Bulgaria	23,657	*33%*	*n.a*	26,744	*39%*	*13%*
Romania	11,063	*15%*	*n.a*	9,515	*14%*	*-14%*
Greece	10,160	*14%*	*n.a*	9,620	*14%*	*-5%*
Slovenia	5,722	*8%*	*n.a*	5,654	*8%*	*-1%*
Germany	3,202	*4%*	*n.a*	3,889	*6%*	*21%*
Italy	4,174	*6%*	*n.a*	4,275	*6%*	*2%*
Others	13,416	*19%*	*n.a*	8,699	*13%*	*-35%*
Total sector 'Packaging'	**71,394**	***100%***	**n.a**	**68,396**	**100%**	**-4.20%**

BULMETAL's revenue structure by packaging market also remained unchanged, with Bulgaria (39%), Romania (14%) and Greece (14%) playing a leading role as the main markets for the Group's packaging.

Sector 'Machines'

The Machines sector accounted for 38% of the BULMETAL Group's revenue during the period under review.

Table 7: Revenue by products and services in the 'Machines' sector

(in BGN thousand)	31. 12. 2023	*Share (%)*	*Change (%)*	31.12.2024	*Share (%)*	*Change (%)*
Technology lines and equipment	34,515	*78%*	*n.a*	30,305	72%	*-12%*
Spare parts	7,045	*16%*	*n.a*	9,634	23%	*37%*
Services	2,003	*5%*	*n.a*	1,840	4%	*-8%*
Other	423	*1%*	*n.a*	245	1%	*-42%*
Total	**43,986**	***100%***	***n.a***	**42,024**	***100%***	***-4.5%***

Despite the reported decline of 4.5% on an annual basis, which is more accounting than real, the general trend in the industry for the production of technological lines and machines for the production of metal packaging is positive, with a significant increase in demand over the next two years, given the legislative restrictions on the use of plastics worldwide.

With regard to product types in the machinery sector, 72% of sales in the machinery sector come from machinery or finished technology lines. During the period under review, the latter reported a decrease of 12% on an annual basis due to the transfer of part of the projects started in 2024 for 2025 and intragroup eliminations (produced by Cevolani aerosol machine for the parent company BULMETAL JSC). The revenues of this segment at the end of 2024 amount to BGN 30,305,000.

At the same time, the sales of spare parts, which are a segment with high added value for the Group, reported an increase of 37% on an annual basis and reached BGN 9,634,000. This is mainly due to the need to maintain and service already realized sales of machines and technological lines. Incoming orders for new machines in the Group leads to a natural demand for spare parts and services related to them.

Table 8: Sales structure of Machines and Technology lines by country

(in BGN thousand)	30.09.2023	*Share (%)*	*Change (%)*	31.12.2024	*Share (%)*	*Change (%)*
Philippines	0	*0%*	*n.a*	4,303	*14%*	*n.a.*
Morocco	3,178	*9%*	*n.a*	4,049	*13%*	*27%*
Sri Lanka	0	*0%*	*n.a*	1,956	*6%*	*n.a.*
Italy	2,337	*7%*	*n.a*	2,895	*10%*	*24%*
France	4,528	*13%*	*n.a*	2,073	*7%*	*-54%*
Germany	0	*0%*	*n.a*	1,616	*5%*	*n.a.*
Austria	0	*0%*	*n.a*	1,252	*4%*	*n.a.*
Switzerland	0	*0%*	*n.a*	3,140	*10%*	*n.a.*
Brazil	0	*0%*	*n.a*	1,723	*6%*	*n.a.*
Canada	16,115	*47%*	*n.a*	0	*0%*	*n.a.*
Bulgaria	0	*0%*	*n.a*	743	*2%*	*n.a.*
Panama	0	*0%*	*n.a*	704	*2%*	*n.a.*
USA	0	*0%*	*n.a*	1,629	*5%*	*n.a.*
Other	8,357	*24%*	*n.a*	4,222	*14%*	*n.a*
Total Sales of machinery and process lines	**34,515**	***100%***	***n.a***	**30,305**	***100%***	***-12%***

During the period under review, Bulmetal completed orders for new technology lines for Cevolani clients in the

Philippines, Sri Lanka, Switzerland, Brazil and the USA and BIBRA in Morocco, France, Germany, Austria, Dubai and Panama.

Financial performance of key subsidiaries

CEVOLANI ITALIA S.R.L.

Macroeconomic situation in Italy from the beginning of the year until 31. 12. 2024

Italy's macroeconomic analysis for 2024 is based on economic fundamentals such as GDP growth, inflation, unemployment, demographic change and economic policies.

GDP growth

Italy's GDP growth forecast for 2024 is marginally increasing, following the trend of previous years. The Italian economy continued to recover from the pandemic and the global economic turmoil. The achieved GDP growth is 0.5% compared to an expected growth of 0.9%. This is weaker growth than in other major EU economies, such as Germany or Spain, but has been relatively stable since the fallout of the COVID-19 crisis.

Inflation

In 2024, inflation in Italy was expected to fall from the historical levels of 2022-2023, when the EU faced high energy and commodity prices. Inflation in Italy remained stable at 1.3% at the end of December. This is the result of a moderate fall in energy prices, but also of the efforts of the European Central Bank (ECB) to manage monetary policy and control inflationary pressures.

Unemployment

Italy is experiencing structural problems in the labour market, including high youth unemployment and inactivity in the southern regions of the country. The forecast for 2024 pointed to a decline in overall unemployment, but it remained relatively high at 6.1%. Higher job growth was expected in the service and technology sectors, but problems with regional employment imbalances will continue.

Demographic and structural challenges

Italy has serious demographic problems, such as low birth rates and an ageing population. This puts pressure on social spending and the labour market as the pension system becomes increasingly unsustainable. For 2024, these demographic trends continued to have a negative impact on the economy in the long term, raising serious questions about the sustainability of public finances and the need for reforms in welfare systems.

Economic policies and incentives

The possibility of economic stimulus will continue to be an essential part of the Italian government's policies. Infrastructure modernisation, green investment and innovation programmes will be key areas of attention. The Italian government will continue to make use of the European Recovery Fund to boost the economy and tackle structural problems.

Development of CEVOLANI for the period from 1 January 2024 to 31 December 2024.

In the financial year 2024, Cevolani recorded sales revenues of a bit more than BGN 30 056 000 on an individual basis, representing an increase of 6% compared to 2023. The main driver of growth was the increase in realised

spare parts, the sales of which increased by 25% to BGN 6 135 000 at the end of December 2024.

Most projects launched in the second half of 2023, as well as those launched at the beginning of 2024, put a 100% load on Cevolani's production capacity for the whole of 2024. This had a positive impact on achieving the 2024 trade turnover.

On the other hand, projects launched at a later stage in 2024 are still in the implementation phase, which ensures the provisioning of the revenue part of the 2025 budget to a large extent. If some ongoing negotiations are successfully concluded in the next few months, their implementation will start no earlier than mid-2025 and the outcome of their completion will be reported in the 2026 financial year.

The volume of received new orders for individual machines and complete technology lines exceeded EUR 15 million, while the volume of received orders for spare parts and after-sales service and activities amounted to more than EUR 4 million. These parameters correspond to the goals set for implementation in 2025 by the company's management.

All projects initiated in the markets of Canada, the USA, South America, India and the Philippines in 2023 were completed with the successful installation and commissioning into normal production mode of the technology lines subject to transactions.

CEVOLANI receives good technical and commercial references as feedback from its customers in the USA, Philippines and North Africa. This is a prerequisite both for deepening business contacts with these already established business partners and for implementing new sales opportunities to new countries from these regions.

Table 9: 'Cevolani Italia' revenue by product type

Manufacturing divisions	Value (thousand BGN)	Share (%)
Technological lines and equipment / Cevolani, Zucchini /	21,951	73.03%
Spare parts	6,135	20.41%
Services	1,742	5.80%
Others	228	0.76%
Total	**30,056**	**100%**

The main destinations with projects for new machines and process lines as at 31.12.2024 are presented in the table below.

Table 10: Revenue of "Cevolani Italia" from the sale of machines by markets

Markets	Value (thousand BGN)	Share (%)
Philippines	4,303	14,32%
Bulgaria	4,800	15.97%
Sri Lanka	1,956	6,51%
Italy	2,748	9.14%
Switzerland	3,140	10.45%
USA	1,629	5,42%
Brazil	1,723	5.73%

Others	1,652	5,50%
Total	**21,951**	**73,03%**

The data in Table 9 and Table 10 are on an individual basis by financial indicators of Cevolani.

CEVOLANI's organizational structure has been maintained during the period under review, with staffing levels remaining unchanged despite the increased volume of orders and contracts, and in line with the 2024 budget. The company aims to continue to increase its efficiency and maintain a positive turnover/employee ratio for the type of business in which it operates.

After being confirmed by the relevant state institutions in December 2024, Cevolani launched the implementation of an investment project for the construction of a 200 KW photovoltaic system with an adjacent battery for electricity storage, which will lead to an optimization of electricity costs and is in line with the criteria for achieving a lower carbon footprint from production. The project will be supported by grant funding. The completion and commissioning are planned for the end of July 2025.

BIBRA Biagosch and Brandau Germany GmbH

Germany's economic performance in the fourth quarter of 2024

The macroeconomic analysis of Germany's economy for 2024 is based on economic indicators such as GDP growth, inflation, unemployment and structural challenges facing the country.

GDP growth

In 2024, the German economy recorded a GDP decline of 0.2% compared to the previous year. This is the second consecutive annual decline. The main factors leading to this situation include a reduction in industrial production, persisting problems in the construction and automotive sectors, as well as reduced domestic consumption.

Inflation

Germany, as part of the euro area, has been severely affected by global inflation developments in recent years, with inflation reaching double-digit levels in 2022. A significant improvement was expected in the 2024 forecast. At the end of the year, it came true and the inflation rate was at 2.2%. Declining energy prices and stabilising global supply chains proved to be a favourable factor.

Unemployment

The unemployment rate in Germany reached 6.0% at the end of 2024, compared to 5.7% in 2023. This is due to weak economic activity and reduced labour demand. At the same time, the number of job vacancies has decreased, indicating a weaker labour market.

Structural and demographic challenges

Germany is facing serious demographic problems, with an increasing ageing population. This puts significant pressure on welfare systems such as the pension system and healthcare. To address these issues, the country will need to develop policies aimed at attracting skilled labour through migration and boosting the birth rate.

Despite reform efforts, these structural challenges will be implemented in the long term.

In conclusion, the German economy experienced a difficult 2024, marked by a recession, increased unemployment and a decline in industrial production. While inflation has fallen, economic uncertainty and weak GDP growth remain key challenges. Expectations for 2025 are for a slight growth of 0.3%, but the economy will continue to be subject to global and domestic risks.

Development of BIBRA Biagosch and Brandau Germany GmbH for the period from 1 January 2024 to 31 December 2024.

During the 2024 financial year, BiBRA recorded sales revenues of more than BGN 18 870 000 on an individual basis, which represents an increase of approximately 19% compared to 2023. This growth is characterised by the completion of projects initiated in both 2023 and 2024 and by a significant increase in spare parts sales. The latter grew by 137% year-on-year at the end of December 2024.

*Table 11: BIBRA revenue by product type***

Manufacturing divisions	Value (thousand BGN)	Share (%)
Technological lines and equipment	13,134	69.60%
Spare parts	5,039	26.70%
Services	596	3.16%
Others	101	0.54%
Total	**18,870**	**100%**

*Table 12: BIBRA Machinery sales revenue by markets***

Markets	Value (thousand BGN)	Share (%)
Morocco	4,049	21.46%
France	2,073	10.99%
Germany	1,616	8.56%
Dubai	620	3,29%
Panama	704	3,73%
Bulgaria	743	5.66%
Austria	1,252	6.63%
Italy	147	0.78%
Others	1,930	10.23%
Total	**13,134**	**69.60%**

**The data in Table 11 and Table 12 are on an individual basis by financial indicators of BIBRA.

Demand development in the sector in which Bibra operates.

During the 2024 financial year was recorded a significant increase in demand for automatic machines and complete packaging production lines for the canning and cosmetics industries. Export oriented sales are becoming more tangible, as the structure of transactions is formed by 10% domestic market and 90% export.

BiBRA's reputation as a reliable machine and equipment manufacturer over the years, continuous quality improvement and shortened delivery times have had a positive impact on the company's global reputation,

which in turn led to the company's substantial growth in 2024.

The 2025 production programme includes the completion of several projects launched in 2024. The more significant ones include:

1. Aerosol ring production line,
2. DRD line for lids with a diameter of 73x30 mm,
3. Bottom line with a diameter of 65 mm,
4. Insulated wall-coated furnaces for the heat treatment of varnish coating of metal packaging lids.

In 2024, there is a trend towards a noticeable increase in the volume of inquiries for the production of various non-standard machinery and equipment. This is a clear sign of the company's growing recognition as an established supplier worldwide. This is also supported by the positive trend of deepening cooperation between BiBRA and large corporations (Trivium, Envases, Eviosys, Emballator).

The name of BIBRA is increasingly established in the Middle East region, where in addition to traditional customers such as Al Watania, SAPIN, Saudi Can, Savola, the company began to work with companies such as EMIC and Reef Cap. The potential of this region has not been exhausted and the company continues to work actively in the development of new partnerships.

Through the support of its agents in South America (Brazil, Mexico), BiBRA managed to deepen its relationships with established clients in Brazil and Peru.

In terms of competition, Alfons Haar, Naroska and Blema remain major competitors in the production and supply of machines and complete lines for two-component boxes. At the end of November 2024, BiBRA successfully competed with Alfons Haar and received an order worth over €1.3 million from a customer in Spain.

Despite the impending severe economic and social situation in the country and the beginning of the political crisis in Germany, BiBRA expects sustainable growth in 2025 as well. By the end of 2024, the new machinery and line production contracts launched at BiBRA amount to approximately EUR 8 million and almost fill the company’s annual capacity. At the same time, requests for offers exceed EUR 15 million. The increase in sales included in the company's budget relates not only to the sales of machinery, but also to spare parts and tooling, and last but not least to the sale of services (major repair and upgrading of old equipment) and after-sales service.

II.1.2 Cost and profit

During In the period 01.01.2024 - 31.12.2024 Bulmetal’s gross profit increased by 13% on an annual basis to BGN 27 824 thousand compared to BGN 24 625 thousand a year earlier.

The reason for the better gross profit is in the reduced cost of sales by 9% on an annual basis, due to the decrease in the price of the basic raw material, packaging materials and significantly in the value of the used in the manufacturing energy. The latter is due to the Group’s investment in own renewable energy. In addition, the improvement of the profitability of the subsidiaries, in particular BiBRA, has a positive effect on the Group's profitability. As a result of the above, the Group's gross margin increased by 382 basis points from 21.34% at the end of 2023 to 25.16% at the end of 2024.

Administrative expenses during the period under review increased by 13% year-on-year, mainly due to the costs of

professional and other services related to business events and the public offering of BULMETAL.

As a consequence, the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) recorded a year-on-year growth of 11% from BGN 13 825 000 at the end of 2023 to BGN 15 310 000 at the end of 2024.

The EBITDA margin increased by 186 basis points to 13.84%, versus 11.98% in December 2023, respectively.

With a decrease in depreciation costs of 15% on an annual basis, the Group's operating profit (EBIT) for the period increased by 36% on an annual basis and reached BGN 9 471 000 compared to BGN 6 970 000 a year earlier. The operating margin for the period increased by 252 basis points from 6.04% to 8.56% on an annual basis.

The Group's pre-tax profit at the end of December 2024 in turn reached BGN 6 543 000 compared to BGN 4 370 000 a year earlier and increased by 50% on an annual basis.

II.2 Assets, liabilities and equity

II.2.1 Assets

Table 13: BULMETAL Group's key balance sheet indicators

Indicator (in thousand BGN)	31. 12. 2024	31. 12. 2023	Annual change (%)
Total assets	**147,159**	**147,084**	**0%**
Non-current assets	76,133	66,765	14%
Current assets	71,026	80,319	-12%
Equity	**71,059**	**56,342**	**26%**
incl. Retained earnings and profit for the year	51,213	45,821	12%
Total liabilities	**76,100**	**90,742**	**-16%**
Non-current liabilities	18,084	18,922	-4%
Current liabilities	58,016	71,820	-19%
Cash	**2,003**	**869**	**130%**
Total financial debt*	**44,341**	**45,975**	**-4%**
Net financial debt**	**42,338**	**45,106**	**-6%**
** Incl. loans and financial leasing contracts*			
*** Total financial debt minus cash*			

The Group's assets amounted to 147 159 thousand BGN as of 31.12.2024 and have no significant annual change compared to the end of 2023.

At the end of the period, the group reports a 12% drop in current assets to BGN 71 026 000, which is due to the better collection of receivables from customers and reduced value of inventories.

The decrease in inventories is due to the increase in demand in terms of quantity in the packaging sector and the completion of projects in the machinery sector. The latter determines the significant decrease in the items production and goods. At the same time, the workload in the Machinery sector contributes to a significant increase in the Group's work-in-progress by 48% year-on-year to BGN 22 320 000 at the end of 2024. The main part of this are projects for new technology lines and machines started in 2024, which projects are expected to be completed in 2025.

Ultimately, the effect of this is a drop of 13% in inventories to BGN 45 403 000 at the end of December 2024.

At the same time, the Group's receivables decreased by 13% year-on-year to BGN 23 380 000, at the end of December 2024.

Non-current assets increased by 14% on an annual basis to BGN 76 133 thousand mainly as a result of the costs incurred for the acquisition of new fixed tangible assets, mainly the costs incurred for the acquisition of a new machine on the territory of the Group's production facilities in Bulgaria.

II.2.2 Liabilities

Total liabilities at the end of December 2024 reach BGN 76 100 thousand, decreasing by 16% compared to the end of 2023. Non-current liabilities are BGN 18 084 000 as of 31.12.2024, with no significant change on an annual basis. Current liabilities amount to BGN 58 016 000 and decrease by 19% on an annual basis as a result of better management of the operating capital of the Group.

The Group's equity as of 31.12.2024 reached BGN 71 059 thousand, increasing by 26% on an annual basis compared to the end of 2023 as a result of the increase in the share capital of BULMETAL entered in the Commercial Register on 04.01.2024 and the retained earnings.

II.2.3 Financial debt

The total financial debt as of 31.12.2024 amounts to BGN 44 341 thousand, which represents a decrease of 4% compared to the end of 2023. The ratio between financial debt and total assets amounts to 30%, which represents a decrease of 1 p.p. compared to 31.12.2023.

The net debt/EBITDA ratio declines further from 3.26 times at the end of 2023 to 2.77 times at the end of December 2024. This indicator remains consistently lower than the industry average.

III TRANSACTIONS WITH RELATED AND INTERESTED PARTIES

At the Group level, there are no transactions with related and/or interested parties within the considered reporting period that have significantly affected the financial position or the results of the Company and/or the Group's activities during the considered period. There are no changes in the transactions concluded with related parties disclosed in the annual report that would have a significant impact on the financial position or the results of the Company's and/or the Group's activities during the considered reporting period.

IV EXPLANATORY NOTES UNDER ART. 100o[1], PARA. 5 OF POSA

IV.1 Important events during the reporting period

IV.1.1 Material transactions

The Company has considered material transactions to be those that result in, or can reasonably be expected to result in, a favourable or unfavourable change of 10 percent or more of revenue or net profit.

There are no customers of the Group whose share exceeds 10% of sales revenue for 2024.

The largest single customer of the Group is the Romanian company BOSTIK ROMANIA S.R.L, whose main activity is the production and sale of various chemical products intended for the construction industry. For the period from 01.01.2024 - 31.12.2024 between BULMETAL JSC and BOSTIK ROMANIA SRL were completed transactions

totalling 6 676 thousand BGN, which represents almost 6% of the Group's total sales revenue for the period.

The main share of raw materials and materials is provided by imports. Sources of supply are reliable manufacturers, which is in line with regulatory requirements and aims to maintain consistency and traceability in terms of quality.

There are no suppliers whose share exceeds 10% of the consolidated total costs for services and materials for 2024.

IV.1.2 Others

- On 02.01.2024 the Commercial register at the Registry Agency records the increase in the capital of BULMETAL JSC as a result of the initial public offering of shares issued by the Company held in December 2023. As a result of the offering, the Company's capital was increased from 6 225 550 BGN to 7 115 179 BGN. The new issue of shares was registered in the Central Depository on 05.01.2024 and entered in the register under Art. 30, para. 1, item 3 of the FSCA, for the purpose of trading on a regulated market with decision 14-ПД/11.01.2024. of the Financial Supervision Commission.

- By its resolution dated 11.01.2024, the Management Board of the BSE admitted for trading on the Main Market BSE, Segment shares 'Standard' the issue of shares of BULMETAL JSC with ISIN code BG1100014239 and exchange code: BMTL issued by BULMETAL and set 17.01.2024 as the starting date for trading. Trading started on the above-mentioned date with an official BSE ceremony in the presence of the Chairman of the Supervisory Board of BULMETAL JSC Kolyo Atanasov and BSE Executive Director Manyu Moravenov.

- In connection with the above, with Entry 20240130114243 dated 30.01.2024, the new Articles of Association of the Company, adopted at the General Meeting of Shareholders held on 10.10.2023, have been entered in the Commercial Register maintained by the Registration Agency. According to the decision of the General Meeting, the Articles of Association enter into force on the condition that the company acquires the status of a public company - after a successful increase of its capital and after the issue of shares is entered in the register under Art. 30, para. 1, item 3 of the FSCA for the purpose of trading on a regulated market and the shares from the capital increase will be admitted for trading on a regulated market.

  With entry from the same date, in the Commercial Register, on the basis of Art. 110, para. 7 of POSA, it is explicitly stated that BULMETAL JSC is a public company.

- On 15.02.2024 the Company has released information that the Ministry of Innovation and Growth has approved a project of the Company for financing under the National Recovery and Resilience Plan (NRSP), investment "Economic Transformation Program" (ETP) to component "Smart industry", procedure "Support for the transition to a circular economy in enterprises". The project envisages the acquisition of a press for aerosol rings at a total value of BGN 4 612 thousand, of which BGN 999.9 thousand is a grant, and the amount of BGN 3 612 thousand is self-financing. A contract is to be signed with the Managing Authority of the program - the Ministry of Innovation and Growth, and the project will be implemented within the stipulated time.

- On 01.04.2024 BULMETAL has informed that its subsidiary in Italy - Cevolani Italia Srl has concluded a commercial contract with a customer from Saudi Arabia. The subject of the contract is the production and delivery of an automatic line for the production of three-component metal packaging for the food industry. The value of the transaction is in the amount of EUR 1 171 650, and the implementation period is set at 13 months. The term begins to run from the date of fulfilment of each of the specified conditions: signed contract, paid advance, issued bank guarantee against the paid advance and transmitted SWIFT from the letter of credit issued in favour of CEVOLANI.

- As of 12.04.2024, Evgenia Boyanova Gardeva has been appointed to the position of 'Director of Investor Relations' of 'BULMETAL' JSC. Contact details for the Director of Investor Relations are as follows: email: ir@bulmetal.com; phone no: 0885 088 889.

- On 07.05.2024 BULMETAL JSC informed that the Company successfully installed together with the company Solarhome JSC a new battery for storing electricity produced by solar panels with a capacity of 1 megawatt. This is the first joint project of the two companies in the field of electrical energy storage. The implementation of several more projects of a similar nature is planned. The installation of this type of batteries is the first of its kind in Bulgaria for industrial needs. Currently, the Company has four photovoltaic plants that cover about 45% of its energy needs, with the construction of another one with a capacity of 1.2 MWh pending. It will be installed on the newly built production halls, which will be put into operation within a few months. In addition to the launched projects between BULMETAL JSC and Solarhome JSC, the contract for the construction of a power plant with a peak power of 180 kWh was signed between 'BIBRA Biagosch and Brandau Germany' GmbH and Solarhome JSC. The project implementation period is eight months from the approval of the technical documentation by the relevant supervisory authorities in Germany.

- On 25.06.2024 BULMETAL JSC announced that its subsidiary in Germany - BIBRA Biagosch and Brandau Germany GmbH, has signed a commercial contract with a customer from Austria worth 640,000 euros. The subject of the contract is the development, production and supply of an Automatic Transfer Press, type Unistar WTP-40N + tool with a triple tight ring with a diameter of 108 mm (according to offer Nr. 24/ 140.4). The deadline for the implementation of the contract is February 2025.

- On 01.07.2024 BULMETAL JSC announced that the Financing Agreement under the "Economic Transformation Program" (PIT) to the "National Recovery and Sustainability Plan" (NRSP) has been signed. After the completion of the project, BULMETAL JSC will increase its production capacity for the production of aerosol ring by more than 18% and will optimize the cost of the final product, which will make it significantly more competitive.

- As of 10.09.2024 Bulmetal JSC announced that it has received two new management system certificates:

  - certificate of conformity to the standard for environmental management systems: ISO 14001:2015. This International Standard specifies the requirements of an environmental management system that an organization can use to increase its environmental performance.

  - certificate of compliance with the standard for occupational health and safety management systems: ISO 45001:2018. The adoption of an occupational health and safety (OHS) management system is designed to enable an organization to provide safe and healthy workplaces, prevent work-related injuries and illnesses, and improve its OHS performance.

- On 17.09.2024 Bulmetal JSC announced that as of 16.09.2024, in connection with Financing Agreement No. BG-RRP-3.008-0077-C01 under the 'Economic Transformation Program' (PIT) to the 'National Recovery and Resilience Plan' (NRRP), by selection procedure BG-RRP-3.008 'Support for the transition to a circular economy in enterprises', it has concluded contract No. BG-RRP3.008-0077-C01-Su-1 with the contractor MPI Ltd., UIC 107585529.

  Subject of the contract: Delivery, installation and commissioning of an aerosol ring press. Total value of the contract: BGN 4 600 000 /excl. VAT/.

  Implementation period: 10 months as of the date of signing of this Agreement, but within the framework of Financing Agreement No. BGRRP-3.008-0077-C01 'Support for the transition to a circular economy'.

- On 1 October 2024, 'Bulmetal' JSC announced that its subsidiary in Germany – 'BIBRA Biagosch and Brandau Germany' GmbH, has concluded a commercial contract with a new customer from Italy worth 1 775 000

euros. The subject of the transaction is a production line for the production of deep-drawn metal boxes with dimensions ϕ73x30 mm. The production capacity of the line will be 600 pieces per minute. The implementation period is 12 months.

- On 17 October 2024 Bulmetal JSC announced that at a joint meeting of the Supervisory Board and Management Board, held on 26.09.2024, it was decided that the company would conclude a new Framework Agreement for the provision of a credit limit. The contract was concluded on 15.10.2024 under the following conditions:
  - Authorized limit – EUR 2 300 000.
  - Deadline for repayment – 30.09.2034.
  - Interest conditions - floating interest rate + premium
  - Collateral - contractual mortgage.

The new framework contract refinances a previous framework contract at better interest rates.

- On 18 October 2024 Bulmetal JSC informed that its subsidiary in Italy, Cevolani Italy Srl, has concluded a commercial contract with a new customer from Algeria.
  - Subject of the contract: Production line for the production of milk powder boxes.
  - Contract value: EUR 3 150 000.
  - Implementation period: 12 months.

With the signing of this contract and its inclusion in the production program of Cevolani Italy Srl, the subsidiary occupies a stable position in the Algerian market, and the company's capacity for 2025 will be occupied at 80%.

- On 7 November 2024, Bulmetal JSC announced that the company had received approval for the financing of three projects under Procedure BG-RRP-4.032-S1 'Support for new capacities for the production of electricity from renewable sources and electricity storage with an installed capacity of 200 kW to 2 MW'. An invitation to sign a contract is forthcoming.

- On 25. 11. 2024, BULMETAL informed that, as of 14 November 2024, the company had concluded a 'Contract for the supply of equipment and installation of a three-phase energy storage system with a capacity of 5 015 kWh, PCS with a power of 2 500 kW', at a site located in Gurkovo, with contractor 'Solaren Dom' OOD, UIC 204120853. The energy storage system (ESS) has the following parameters: - Type: Energy storage system - Capacity 5 015 kWh, PCS with a power of 2 500 kW; Total contract value: BGN 1 440 455.30 (excluding VAT). The delivery period of the equipment is 5 months from the signing of the contract. The deadline for the installation of a three-phase energy storage system awarded by this contract shall be 20 working days from the date of delivery of the equipment.

- On 25.11.2024. BULMETAL informed that its German subsidiary, BIBRA Biagosch and Brandau Germany GmbH, had concluded a commercial contract with a Spanish customer for EUR 1 240 900. Subject of the transaction:
  - Technological line for production of metal lids for metal packaging with a diameter of 65 mm.
  - The implementation period is 12 months.

V RISKS, FACED BY THE BULMETAL GROUP

V.1 The relatively high indebtedness poses risks.

The economic environment and the sector in which the BULMETAL Group operates, as well as the implemented investment program in recent years lead to the use of a relatively large volume and share of loan capital. Although there are currently no difficulties in securing the necessary financing for the activity and it enjoys favourable financing conditions, it cannot be guaranteed that this will continue in the future.

V.2 Lack of sufficient and qualified production staff

The inability of the Group to recruit and retain sufficiently qualified personnel, at an acceptable level of remuneration, could have a significant adverse effect on its business, operating results and financial condition. The opening of new industries in various sectors combined with deteriorating demographics and continued migration in Bulgaria has led to a serious labour shortage, competition between employers and serious pressure on wage levels. These trends are further reinforced in the region in which the Company operates, where there is an increased demand for labour from arms manufacturing companies, which have been under heavy load in the past year as a result of the war in Ukraine. Last but not least, the unattractive and peripheral location and remoteness of the BULMETAL production site from large cities also has an impact on the selection and hiring of quality personnel.

V.3 Dependence on executive management and qualified personnel

The implementation of the Company's strategy and plans for the future development of the Company largely depends on the activities of its senior management and other key and qualified personnel. These individuals possess production, commercial, marketing, technical, financial and other specialized skills that are critical to the successful functioning and development of the Company. The loss of one or more of the key directors, managers or other key and qualified personnel, or the inability to provide adequate plans to replace such personnel, could adversely affect the Company's operations and competitiveness until a suitable replacement is found.

V.4 Some of the company's counterparties may not pay or delay the amounts due.

Late payments or non-payments can have a negative impact on profits and the financial status of BULMETAL. Despite the strict customer monitoring system, the use of factoring to manage short-term receivables and the insurance of all trade receivables of the Group companies, the long-term solvency of customers is beyond the Group's control.

V.5 Disruption of production facilities

The production processes at BULMETAL include cutting, coating and shaping of metal. These processes, which are carried out at high speeds and involve the operation of heavy machinery and equipment, involve various risks and hazards, including industrial accidents, leaks and ruptures, explosions, fires, mechanical damage and environmental hazards such as spills, leaks from storage tanks, release of toxic or dangerous substances and gases. Such hazards could cause unplanned work interruptions, occupational accidents and deaths, serious damage or destruction of property and equipment, environmental pollution, civil, criminal and administrative penalties and liabilities that could have an adverse effect on the business, financial condition and the Company's operating results.

V.6 Negative publicity can have an adverse effect on the company's business

It is possible that BULMETAL's activities will be the subject of a media and/or online campaign that will present the Company, its main shareholders and/or its management in a negative light. The targeted dissemination of

such negative information may harm the business of BULMETAL or the Group as a whole, lead to a loss of trust and a drop in revenues, which may have an adverse effect on the business, financial condition and/or financial results.

V.7 High competition in the sectors in which the company operates

The sectors in which BULMETAL operates are relatively mature and competitive. A great part of BULMETAL's global competitors are large multinational companies that have greater financial, technical or marketing resources. It is possible that, based on their size, they could manage to offer better prices and/or conditions and/or better products to customers and thus attract part of the Company's customers.

V.8 Impact of regulations related to environmental protection

The industry is characterized by strict regulations regarding packaging and its impact on the environment. Possible legislative changes at the international level in the field of packaging and the environment represent a potential risk for the production of metal packaging. Changes in packaging regulations and standards, as well as the promotion of sustainable packaging, could require companies to make significant changes to manufacturing processes and materials used.

V.9 Impact of regulations related to the production and import of steel

The production and import of steel, which is the main raw material used by BULMETAL, is subject to regulation at the national and supranational level with the introduced general quotas and duties for the import of steel into the EU, introduced in order to protect the steel sector. Foreign steel supply quotas have negatively affected the ability of foreign steel suppliers to supply raw material to Europe.

V.10 Growth and/or volatility in commodity prices.

High volatility in metal commodity prices, driven by macroeconomic factors, geopolitical events and seasonal fluctuations, can create significant uncertainties for the industry. An increase in the prices of raw materials can lead to a significant increase in production costs and a decrease in profit for most companies. Conversely, a fall in prices can lead to inventory problems and even the closure of production facilities.

V.11 Risk of a decrease in economic activity in the European Union and the world.

The risk of a decrease in economic activity in the EU and Bulgaria could affect the demand for metal packaging and reduce companies' revenues. Economic recessions or instability in global markets can lead to a reduction in consumer and industry demand for packaging.

V.12 Political risk

Political risk is the probability of a change of government or a sudden change in its policy, of the occurrence of domestic political turmoil and adverse changes in European and/or national legislation, as a result of which the environment in which local economic entities operate will change negatively, and investors suffer losses.

V.13 Risk of adverse changes in tax and other laws.

In recent years, the Bulgarian tax system has been relatively stable thanks to strict fiscal discipline despite the challenges. There are no guarantees, however, that under the influence of political, economic or demographic

factors, the taxation system will not undergo changes in the future in a negative direction for business entities. If the tax laws and regulations applicable to the Company are changed, this could have a material adverse effect on the Company's results of operations and financial condition.

V.14 Rising interest rates may affect the Group's results.

The increase in interest rates, respectively interest costs, has a direct impact on the profits of companies. To the extent that Bulgaria is in a currency board system and does not conduct an independent monetary policy, the level of interest rates depends mostly on the monetary and interest policy conducted by the European Central Bank (ECB). Within a year, the ECB raised the key rate ten times, and so in July 2023 it is at its highest value in 22 years. This policy of raising interest rates may have a negative impact on the Company's financial position and results, by increasing the cost of borrowing and increasing interest costs.

V.15 Higher inflation can affect earnings and asset values.

A rise in the general price level increases costs for companies and depreciates the value of their assets. Companies in the packaging sector pass on the increase in costs to their end customers, but there is no guarantee that this transfer can be automatic and in full. After more than a decade of relatively low inflation rates of 1-2% on average per year, inflationary processes have significantly intensified, including due to disrupted supply chains and especially the war in Ukraine. This led to a significant increase in the price of all raw materials, including energy, and an inflationary shock of an almost tenfold increase in average annual inflation in 2022. The latter reached its peak in April 2023, when 14% average annual inflation (HICP) was recorded and gradually began to weaken its pace. Inflation at the end of 2024 is already significantly below peak levels and reached 2.1% on an annual basis. The normalization of supply chains, a sharp rise in key interest rates and expectations of a potential economic slowdown could have an additional effect on the slowdown of inflation processes.

VI INFORMATION ON MATERIAL RECEIVABLES AND/OR LIABILITIES FOR THE REPORTING PERIOD

During the period 01.01-31.12.2024, no significant receivables and liabilities arose beyond those specified in sections 2 and 5 of this Report.

VII IMPORTANT EVENTS THAT HAPPENED AFTER THE END OF THE REPORTING PERIOD

On 3 February 2025, BULMETAL informed that the Management Board of Bulmetal JSC, Gurkovo, UIC 202189103, at a joint meeting with the Supervisory Board, decided to convene an extraordinary General Meeting of the Company's Shareholders on 13 March 2025 at 11:00 a.m. at Gurkovo, 37 Prohoda Street, with the following agenda and draft decisions: First and only point: Adoption of a decision to dismiss a member of the Audit Committee of the company and to elect a new member of the Audit Committee. Proposal for a decision: The General Meeting of Shareholders dismisses Mrs. Gergana Venchova Kostadinova as a member of the Audit Committee of the company. In her place, the General Meeting of Shareholders elects for a term of three years Mr. Stilian Anastasov Stilianov as member of the company's Audit Committee.

On 13 February 2025 BULMETAL informed that as of 06.02.2025, due to health reasons, the Commercial Director of the Company Mr. Velichko Peev was dismissed. In his place was appointed a new sales director - Mr. Stanimir Denev, who has the necessary education, qualification and over 14 years of experience in the manufacturing sector.

There are no other important events that occurred after the end of the reporting period.

VIII INFORMATION PURSUANT TO APPENDIX 4 OF REGULATION No. 2 OF THE FSC

VIII.1 Change of persons exercising control over the company

During the reporting period, there were no changes in the persons exercising control over 'BULMETAL' JSC.

VIII.2 Initiation of bankruptcy proceedings for the company or its subsidiary.

During the reporting period, no bankruptcy proceedings were opened for 'BULMETAL' JSC, as well as for its subsidiaries.

VIII.3 Entering into or executing material transactions.

Information on the concluded and/or executed material transactions is presented in Sections II and IV hereof.

VIII.4 Decision on the conclusion, termination and cancelation of a joint venture agreement

During the reporting period, no decision was taken to conclude, terminate or cancel a joint venture agreement by the Company.

VIII.5 Change of auditors of the company and reasons for the change

No auditor has left, been replaced or removed within the historical period under review.

VIII.6 Initiation or termination of a court or arbitration proceedings relating to liabilities or claims of the company or its subsidiary, with a claim price of at least 10 percent of the company's equity capital.

During the reporting period, no court or arbitration proceedings related to liabilities or receivables of the company or its subsidiary, with a claim value of at least 10 percent of the Company's equity, was initiated or terminated.

VIII.7 Purchase, sale or pledge of shares in commercial companies by the issuer or its subsidiary

During the reporting period, there were no incorporations, purchases or sales of new companies, either by BULMETAL or by its subsidiaries.

During the reporting period, there were no established pledges of shares in subsidiaries of BULMETAL.

DECLARATION BY THE PERSONS RESPONSIBLE UNDER ART. ART. 100o1, PARA. 4, ITEM 3 OF POSA

The undersigned,

Ivanka Dimitrova, in my capacity of executive director of BULMETAL JSC

and

Denka Nikolova in her capacity of chief accountant and compiler of the consolidated notification on the financial condition as at 31. 12. 2024 of BULMETAL JSC

HEREBY DECLARE that to the best of our knowledge:

the consolidated notification for the financial status of BULMETAL JSC for the reporting period accurately and honestly reflects the information about the assets and liabilities, the financial condition and the financial result of the Company.

24. 02. 2025

Town of Gurkovo

IVANKA MIHAYLOVA DIMITROVA

Digitally signed by IVANKA MIHAYLOVA DIMITROVA
Date: 2025.02.24 16:57:43 +02'00'

Ivanka Dimitrova

Chairman of the Board and Executive Director

DENKA VELIKOVA NIKOLOVA

Digitally signed by DENKA VELIKOVA NIKOLOVA
Date: 2025.02.24 16:56:49 + 02'00'

Denka Nikolova, Chief Accountant