

BULMETAL JSC

Activity Report

to the Consolidated Interim
Financial Statements as at 30.06.2026

Dear shareholders,

We, the members of the Management Board of 'BULMETAL' JSC (the "Company"), guided by the aspiration to manage the Company in the interest of the shareholders and in accordance with the provisions of Art. 1000, para. 4 and 7 of the POSA and Art. 13, para. 1 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, have prepared this consolidated activity report (the "Report"). The Report contains a comment and analysis of key financial and non-financial indicators and an objective review that presents truly and fairly the development and results of the activity of the Company and its subsidiaries (the "Group"), as well as its condition, together with a description of the main risks it faces for the period from 01.01.2026 to 30.06.2026.

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I. GENERAL INFORMATION ABOUT THE COMPANY

I.1 Activity profile

BULMETAL is an international group that exports more than 80% of its products and machines to over 50 countries on 5 continents around the world, serving over 500 customers. The manufacture of metal packaging dominates the Group's sales with a share of just over 70% of the activity, while the machines and their spare parts business is quickly catching up and accounts for nearly 30% of revenue from the activity by the end of the first quarter of 2026.

'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.

In 2017 and 2018 the Group also started partaking in the machine-building 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. Thus, the company acquired two more production bases - in Italy and Germany.

The synergy of the two acquisitions allows the Group to enter new markets and reposition itself from a manufacturer of metal packaging to a provider of complete solutions for the production of metal packaging, including the ability to install assembly lines directly at the customer (door-to-door, D2D) in order to optimize the production process and reduce the carbon footprint.

In the last four financial years, the main two areas of activity of the Issuer are the manufacture of metal packaging and the manufacture of machines and equipment for the production of packaging. The first sector generated a little more than ½ of the Group's revenues at the end of 2025.

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 company manufactures a wide range of packaging: aerosol bottles; tins for canned foods and products; cans from 1 to 30 litres; cans for paints and varnishes, honey, olives, olive oil, coffee, tea, spices, meats and vegetables, fish products; cheese boxes/tins/cone tins; thinner cans; moulded cans; cans for grease and rubbing alcohol; decorative boxes, etc.

The presence of in-house production of metal packaging machines within the Group accelerated the technological modernization of BULMETAL and allows 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

The company's registered capital is in the amount of EUR 3 649 141.29, divided into 7 155 179 shares with a nominal value of EUR 0.51 each. The difference of EUR 9 243.63, which results from the rounding upon the conversion of the capital into euro, has been allocated to the retained earnings from previous years.

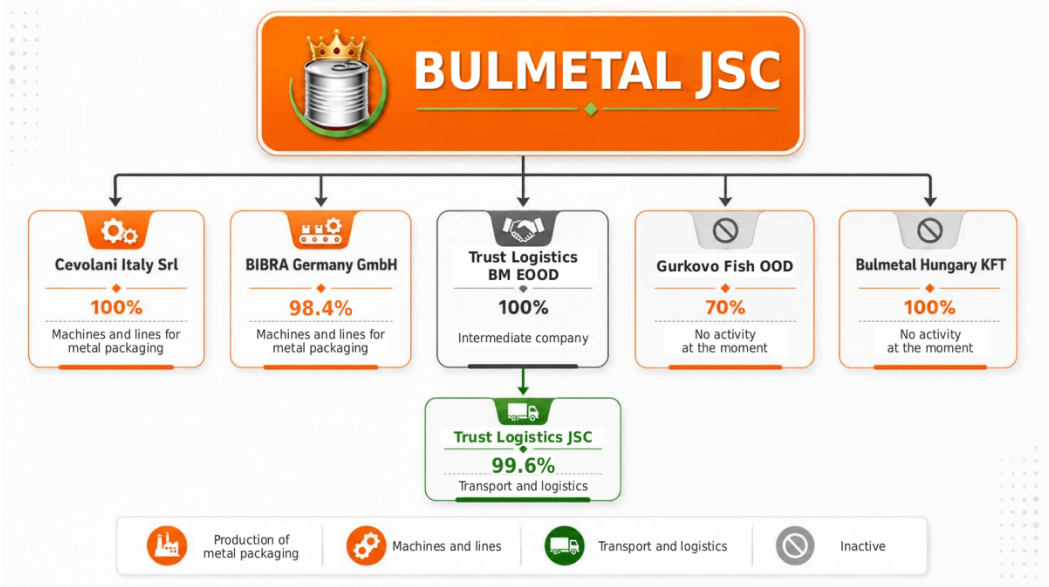
As of the date of this Document, the founder of the Group, Mr Kolyo Atanasov Kolev, in his capacity as a person holding directly 76.57% of the capital and of the votes in the General Meeting of 'BULMETAL' JSC, exercises control over it.

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

The 'BULMETAL' JSC Group is an independent economic group formed by the Issuer 'BULMETAL' JSC, its subsidiaries and the companies controlled by the subsidiaries Cevolani Italy Srl, 'Trust Logistics BM' EOOD, 'Gurkovo Fish' OOD and Bulmetal Hungary KFT. 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 subsidiaries 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 30.06.2026, the subsidiaries of 'BULMETAL' JSC are the following:

Table 1: Subsidiaries of 'Bulmetal' JSC

Name	Country of incorporation	Type of relation	Equity share (%)
Cevolani Italy Srl	Italy	Subsidiary	100%
BIBRA Biagosch and Brandau Germany GmBH	Germany	Subsidiary	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 OOD	Bulgaria	Subsidiary	70%
Bulmetal Hungary KFT	Hungary	Subsidiary	100%

Source: 'BULMETAL' JSC

'Gurkovo Fish' OOD's main activity is: agricultural and livestock production and trade with it in the country and abroad. The company does not carry out and has not carried out any activity during the first half of 2026.

Following a joint meeting of the Supervisory Board and the Management Board of 'BULMETAL' JSC, a decision was adopted to establish a subsidiary with its registered office in Hungary. The newly established company, Bulmetal Hungary KFT, was registered on 15.08.2025 as a single-member limited liability company, whose sole owner of the capital is 'BULMETAL' JSC.

The establishment of this subsidiary is aimed at expanding the company's operating capabilities and international presence.

As of 30.06.2026, Bulmetal Hungary KFT does not carry out commercial activity.

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 is 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 – Chairperson of the Management Board and Executive Director;
- Genka Stancheva Koleva – member of the Management Board;
- Boyko Penev Shoylekov – member of the Management Board;
- Stanimir Diyanov Denev – member of the Management Board as of 3 April 2025;
- 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, and of Stanimir Diyanov Denev for a period of 3 years, starting from 03.04.2025.

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 the 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: http://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.

As of 01.07.2026, Evgenia Boyanova Gardeva has been appointed to the position of "Director of Investor Relations". Contact details for the Director of Investor Relations are as follows: email: ir@bulmetal.com; phone: 0885 088 889.

II INFLUENCE OF THE PRESENTED ACTIVITY INFORMATION ON THE FINANCIAL RESULTS AS AT 30.06.2026.

II.1 Revenue, expenses and profit

Table 2: Consolidated financial indicators of the BULMETAL Group

Indicator (in thous. EUR)		30/06/2026	30/06/2025		Annual change (%)
Net sales revenue		**26,014**	**29,062**		**-10.49%**
*incl. packaging (incl. components, services, etc.)**		17,568	17,619		*-0.29%*
Machines and technological lines		*5,760*	*8,105*		*-29%*
Spare parts		*2,370*	*2,443*		*-3%*
Others		*316*	*895*		*-65%*
Cost of sales		-18,264	-21,189		-14%
Gross profit		**7,750**	**7,873**		**-2%**
Administrative expenses (SG&A)		-4,045	-3,809		6%
Other operating expenses/income		-43	-84		-49%
Fundings		0	7		-100%
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**3,662**	**3,988**		**-8.16%**
Depreciation expenses		-1,294	-1,152		12%
Operating earnings (EBIT)		**2,368**	**2,835**		**-16%**
Financial income/expenses		-588	-642		-8%
Profit**		**1,780**	**2,194**		**-19%**
**incl. components, services and others related to the packaging segment*					
***No taxes have been accrued*					
		30/06/2026	31/12/2025		
Total assets		**91,466**	**85,206**		**7%**
Non-current assets		41,201	39,932		3%
Current assets		50,265	45,274		11%
Equity		**41,038**	**37,665**		**9%**
incl. Retained earnings and profit for the year		27,611	26,565		4%
Total liabilities		**50,428**	**47,541**		**6%**
Non-current liabilities		9,926	11,053		-10%
Current liabilities		40,502	36,488		11%
Cash		**1,557**	**3.948**		**-61%**
Total financial debt*		**25,727**	**27,368**		**-6%**
Net financial debt**		**24,170**	**23,420**		**3%**
** Incl. loans and financial leasing contracts*					
*** Total financial debt minus cash*					
Coefficients		**(as at the end of the period)**			**Annual change (%)**
		30/06/2026	**30/06/2025**		
Gross margin		29.79%	27.09%		2.70 p.p.
Operating margin		9%	10%		-1.00 p.p.

EBITDA margin		14.08%	13.72%		0.36 p.p.
Net margin		6.84%	7.55%		-0.71 p.p
		30/06/2026	**31/12/2025**		
Current liquidity		1.24	1.24		0%
Equity/Total Assets		0.45	0.44		1%
Financial Debt/Total Assets		0.28	0.32		-12%
Net debt/EBITDA		3.36	3.70		-9%
		30/06/2026	**31/12/2025**		
Average return on assets (ROA)		1.83%	2.37%		-23%
Average return on equity (ROE)		4.08%	5.46%		-25%

II.1.1 Revenue

The consolidated net sales revenues of the BULMETAL Group as at 30.06.2026 amount to EUR 26 014 thousand, representing a decrease of 10.49% compared with EUR 29 062 thousand as at 30.06.2025. The decrease is mainly due to the lower revenues from machines and technological lines and from the "Other" category, while the revenues from packaging and spare parts remain relatively stable.

The "Packaging" segment continues to play the leading role in the Group's revenue structure. At the end of the first half of 2026 its revenues amount to EUR 17 568 thousand compared with EUR 17 619 thousand for the same period of the previous year. The minimal decrease of 0.29% shows the sustainability of the Group's core business and the maintenance of stable positions in the metal packaging segment.

The most significant decrease in absolute terms is observed in the revenues from machines and technological lines. As at 30.06.2026 they amount to EUR 5 760 thousand compared with EUR 8 105 thousand as at 30.06.2025, representing a decrease of 29%.

The dynamics in this area should be considered in the context of the project-based nature of the business, in which the amount and the timing of revenue recognition are directly related to the stage of execution of the individual contracts. In this sense, the reported decrease in revenues should not be interpreted solely as a result of lower business activity, but also as a reflection of the timing of the execution and recognition of revenues on the individual projects. The unstable geopolitical situation also continues to have a significant impact on the performance of the "Machines" segment. The conflicts in Ukraine and especially the military conflict in Iran have a direct impact on the business of "BIBRA" and "Cevolani", given the stable positions and the high recognition of the two companies in the markets of the Middle East. The continuing military actions in the region have led to a reassessment of the prospects in these markets in the short and medium term. Reduced investment activity is observed in a wide range of business sectors, and this is clearly reflected in the investment plans of the counterparties with which we work. A significant part of the planned investment projects are being postponed, with the main factors influencing investors' decisions being the development and possible conclusion of the military actions, as well as the availability of sufficient guarantees for the restoration of long-term stability and security in the region. This environment continues to put pressure on the timeframes for making investment decisions and, accordingly, on the realization and recognition of revenues from machines and technological lines.

Another negative factor that has affected the business in the "Machines" segment is the weak economic activity of businesses in Germany in recent quarters. It led to a significant number of bankruptcies of small and medium-sized enterprises, and unfortunately this circumstance did not bypass some of BIBRA's subcontractors. The disruption of the established supply chains for components and modules for the technological lines produced by BIBRA required the development of a new model and strategy for the selection, evaluation and certification of suppliers. Some of the German subcontractors failed to pass the necessary checks and stress tests, which

required their replacement with new ones, including from Bulgaria and Italy. The machine elements and modules that are subject to external supplies are highly specialized and complex, and therefore require thorough tests and checks before the respective supplier is approved and included in the production cycle. The process of building and validating new supply channels is itself extremely complex and time-consuming.

In order to cope with the delays caused by late deliveries of parts and basic modules, as well as to meet the deadlines set out in the contracts with its customers, significant production and human resources are required, which BIBRA does not have in sufficient quantity at every moment. This further complicates the process of restoring the normal rhythm of production and affects the timeframes for the execution of projects, which in turn affected BIBRA's overall activity and the results achieved.

Revenues from spare parts amount to EUR 2 370 thousand compared with EUR 2 443 thousand for the same period of the previous year, recording a slight decrease of 3%. Their relatively stable level reflects the continuing servicing of installed machines and technological lines and the customers' demand for spare components.

Revenues in the "Other" category amount to EUR 316 thousand compared with EUR 895 thousand as at 30.06.2025, representing a decrease of 65%. Despite the high percentage decrease, the category has a limited share in the Group's total consolidated revenues.

Detailed contribution by segment

The "Packaging" segment continues to have the largest contribution to the Group's total sales, forming approximately 68% of the consolidated net revenues as at 30.06.2026.

The revenues from machines and technological lines represent approximately 22% of the total consolidated revenues. Together with the revenues from spare parts, the machine-building segment forms about 31% of the Group's total sales and continues to have a significant role in the development of BULMETAL as a provider of comprehensive industrial solutions.

Overall, in the first half of 2026 the BULMETAL Group reports a decrease in consolidated net revenues, driven mainly by the performance of the "Machines and technological lines" segment. At the same time, the "Packaging" segment maintains a stable revenue base and continues to be the main pillar of the Group's activity.

Earnings by geographic market

Table 3: Revenues by markets of the BULMETAL Group

(in thousand EUR)	30.06.2026	*Share (%)*	*Change (%)*	30.06.2025	*Share (%)*	*Change (%)*
Bulgaria	6,272	24%	-9%	6,913	24%	n.a
Romania	2,970	11%	24%	2,390	8%	n.a
Greece	2,702	10%	-28%	3,772	13%	n.a
Italy	2,339	9%	51%	1,552	5%	n.a
Canada	2,079	8%	n.a	0	0%	n.a
Slovenia	1,640	6%	22%	1,341	5%	n.a
Germany	879	3%	-1%	889	3%	n.a
USA	834	3%	-71%	2,915	10%	n.a
Saudi Arabia	0	0%	n.a	2,272	8%	n.a
Brazil	0	0%	n.a	1,251	4%	n.a
Others	6,299	24%	9%	5,768	20%	n.a
Total Packaging and Machinery	**26,014**	**100%**	**-10.49%**	**29,062**	**100%**	**n.a**

With regard to revenues by geographic markets, in the first half of 2026 the BULMETAL Group maintains a diversified sales structure. The total revenues from the "Packaging" and "Machines" segments amount to EUR 26 014 thousand, representing a decrease of 10.49% compared with EUR 29 062 thousand as at 30.06.2025.

Bulgaria remains the Group's leading single market with revenues of EUR 6 272 thousand and a share of 24% in total sales. On an annual basis, revenues from the domestic market decrease by 9% compared with EUR 6 913 thousand for the same period of 2025. The main part of them is formed by the "Packaging" segment, while the sales of machines and technological lines also make a significant contribution.

Among the foreign markets, the strongest positive dynamics is observed in Italy, where revenues increase by 51% and reach EUR 2 339 thousand compared with EUR 1 552 thousand a year earlier. The growth is supported both by the sales of metal packaging and by revenues realized from machines and technological lines. The positive development in the sales of metal packaging is also related to the introduction into a normal production cycle of the new line for the production of aerosol packaging, as well as of the line for the production of aerosol rings. The increased production capacity enables the company to react more flexibly to demand and to the competitive environment, offering shorter delivery times and more competitive commercial terms. This supports the more active positioning of aerosol packaging in the foreign markets and contributes to the growth of revenues in Italy.

Romania also reports positive development, with revenues growing by 24% to EUR 2 970 thousand compared with EUR 2 390 thousand as at 30.06.2025. The country's share in total sales increases from 8% to 11%, which confirms the importance of the Romanian market for the "Packaging" segment.

Canada stands out as a new significant market for the Group in the first half of 2026. Revenues from the country amount to EUR 2 079 thousand and form 8% of total sales, while no revenues were reported in the comparable period of 2025. The sales are related to the "Machines" segment and reflect the geographical expansion of the projects being implemented for technological lines and equipment.

In Greece revenues decrease by 28% to EUR 2 702 thousand, and the market share falls to 10% compared with 13% a year earlier. Despite the reported decrease, Greece remains among the Group's main foreign markets, mainly through the sales of metal packaging. The dynamics of sales on the Greek market is also influenced by the seasonality of demand, insofar as a significant part of the revenues realized are related to packaging for the food industry. For this product group, orders traditionally depend on the production cycles of customers, the seasonal activity in the processing of food and the schedule of campaigns in the individual sub-segments.

Positive dynamics is also observed in Slovenia, where revenues increase by 22% to EUR 1 640 thousand compared with EUR 1 341 thousand for the same period of 2025. The country's share in total sales reaches 6%, which shows its growing importance for the "Packaging" segment.

Revenues from Germany remain relatively stable, amounting to EUR 879 thousand compared with EUR 889 thousand a year earlier. The reported decrease is 1%, and the country's share remains at 3% of the Group's total revenues.

In the USA revenues of EUR 834 thousand were realized, forming 3% of total sales. Compared with 30.06.2025 they decrease by 71% from EUR 2 915 thousand. The revenues are related to the "Machines" segment, where the results by individual markets depend on the schedule and stage of execution of specific projects.

In the first half of 2026 no revenues were reported from Saudi Arabia and Brazil, while for the same period of 2025 the sales in these markets amounted to EUR 2 272 thousand and EUR 1 251 thousand, respectively. This change makes a significant contribution to the decrease in total revenues and is related to the project-based nature of the sales of machines and technological lines.

The "Others" category forms 24% of total revenues, reaching EUR 6 299 thousand and reporting growth of 9% compared with EUR 5 768 thousand as at 30.06.2025. The increase shows that the Group's wide geographical presence and the contribution of markets other than the separately presented countries have been maintained.

Overall, in the first half of 2026 the BULMETAL Group maintains a strong international presence, with approximately 76% of revenues realized outside Bulgaria. The growth in Italy, Romania, Canada, Slovenia and the "Others" category partially offsets the lower revenues from the USA, Greece, Saudi Arabia and Brazil. The

dynamics by market reflects both the sustainability of the "Packaging" segment and the periodic fluctuations in the "Machines" segment, caused by the execution of individual projects.

Revenue by segment

Packaging segment

As at 30.06.2026 the revenues in the "Packaging" segment amount to EUR 17 568 thousand compared with EUR 17 619 thousand for the same period of 2025, representing a minimal decrease of 0.29%. The result shows the sustainability of the Group's main segment despite the different dynamics of the individual geographic markets. The segment maintains its leading role, forming approximately 68% of the consolidated net revenues.

Table 4: Revenue by market in the "Packaging" segment

(in thousand EUR)	30.6.2026	*Share (%)*	*Change (%)*	30.06.2025	*Share (%)*	*Change (%)*
Bulgaria	4,656	*27%*	*-20%*	5,786	*33%*	*n.a*
Romania	2,970	*17%*	*24%*	2,390	*14%*	*n.a*
Greece	2,702	*15%*	*-28%*	3,772	*21%*	*n.a*
Slovenia	1,640	*9%*	*22%*	1,341	*8%*	*n.a*
Germany	879	*5%*	*-1%*	889	*5%*	*n.a*
Italy	1,695	*10%*	*47%*	1,153	*7%*	*n.a*
Other	3,026	*17%*	*32%*	2,288	*13%*	*n.a*
Total "Packaging" segment	**17,568**	***100%***	***-0.29%***	**17,619**	***100%***	***n.a***

The geographic distribution of revenues in the first half of 2026 shows a decrease in the concentration of sales on the domestic market and a growing contribution from some of the international markets. Bulgaria remains the leading market with revenues of EUR 4 656 thousand and a share of 27%, despite the decrease of 20% compared with the same period of 2025. The share of the domestic market decreases from 33% to 27%. The decrease in revenues on the domestic market reflects both the weaker economic activity in the country and the stagnation in individual customer segments, as well as the more intense competitive environment in which the company operates. During the period 'BULMETAL' JSC adopted a more conservative approach when working with customers with increased credit risk or limited prospects for profitable development, with the focus remaining on maintaining sustainable commercial relations, optimizing price conditions, delivery times and logistics, as well as preserving minimally acceptable margin levels.

In this environment the company's three-year investment programme is of key importance for increasing competitiveness. It is aimed at automation of the production processes, introduction of new state-of-the-art production lines, expansion of the product portfolio and increase of the production capacity. The expected effect is gradual optimization of the production cost, greater flexibility in serving customers and better positioning of the company on both the domestic and the foreign markets.

Romania ranks among the main markets of the segment with revenues of EUR 2 970 thousand and a share of 17%. On an annual basis the sales in the country grow by 24%, and its share increases by 3 percentage points. In Greece revenues amount to EUR 2 702 thousand, decreasing by 28% compared with EUR 3 772 thousand a year earlier. As a result, the share of the Greek market falls from 21% to 15%. The main reason here is the seasonality of customers in the food sector.

The strongest growth among the separately presented markets is reported by Italy, where revenues increase by 47% to EUR 1 695 thousand. Positive dynamics is also observed in Slovenia, where sales increase by 22% to EUR 1 640 thousand. Revenues from Germany remain relatively stable — EUR 879 thousand compared with EUR 889 thousand as at 30.06.2025.

The "Others" category reaches EUR 3 026 thousand and records growth of 32%, with its share in the segment's

revenues increasing from 13% to 17%. This development, together with the growth in Italy, Romania and Slovenia, offsets to a significant extent the lower sales in Bulgaria and Greece and contributes to keeping the total revenues in the segment close to the level of the previous year.

The production capacity in the segment is supported by the commissioned fourth line for the production of aerosol packaging. The investment creates opportunities for a higher degree of utilization, for serving additional demand and for attracting new customers. The line for the production of aerosol rings also operates in a sustainable production mode and provides the necessary components for the operating aerosol can assembly lines. In this way the dependence on external supplies of rings, which in previous periods prevented the full utilization of the production capacities, is limited.

Table 5: Revenue by product type in the "Packaging" segment

(in thousand EUR)	30.6.2026	Share (%)	Change (%)	30.06.2025	Share (%)	Change (%)
Aerosols	6,465	37%	14%	5,690	32%	n.a.
Cans (Food)	4,788	27%	-15%	5,642	32%	n.a.
Cans (Chemistry)	2,019	11%	-13%	2,334	13%	n.a.
Easy Open Lids	226	1%	2%	221	1%	n.a.
Others (components, services, etc.)	4,070	23%	9%	3,732	21%	n.a.
Total "Packaging" segment	**17,568**	**100%**	**-0.29%**	**17,619**	**100%**	**n.a.**

The product structure of revenues in the "Packaging" segment in the first half of 2026 is characterized by a growing contribution of aerosol packaging and the "Others" category, which offset to a significant extent the lower revenues from cans for food and chemical products.

Aerosol packaging is the leading product category with revenues of EUR 6 465 thousand and a share of 37% compared with 32% a year earlier. On an annual basis revenues grow by 14%, which is in line with the expanded production capacity and the higher volume of sales realized in this product group.

Cans for the food industry remain the second most important category with revenues of EUR 4 788 thousand and a share of 27%. Compared with 30.06.2025 a decrease of 15% is reported, as a result of which their share in the segment's revenues falls by 5 percentage points — from 32% to 27%.

Revenues from cans for chemical products amount to EUR 2 019 thousand compared with EUR 2 334 thousand for the same period of the previous year. The decrease of 13% leads to a reduction in the category's share from 13% to 11% of the segment's total revenues.

Easy Open lids generate revenues of EUR 226 thousand, recording growth of 2% on an annual basis. Their share remains limited and stays at 1% of the revenues in the "Packaging" segment.

The "Others" category, which includes components, services and other related activities, reaches EUR 4 070 thousand and records growth of 9% compared with EUR 3 732 thousand as at 30.06.2025. Its share in the segment's revenues increases from 21% to 23%.

Overall, in the first half of 2026 the product mix shifts towards aerosol packaging and related components and services. The growth in these categories almost entirely offsets the decrease in cans for the food and chemical industries, which is why the total revenues of the "Packaging" segment remain close to the level of the same period of 2025.

Table 6: Revenue by product type of 'BULMETAL' JSC in volume

(in number of pieces)	30.6.2026	Share (%)	Change (%)	30.06.2025	Share (%)	Change (%)
Aerosols	24,854,220	34%	23%	20,221,757	28%	n.a.
Cans (Food)	20,207,204	28%	-3%	20,820,615	28%	n.a.

Cans (Chemistry)	3,792,200	5%	-15%	4,467,017	6%	n.a.
Easy Open lids	2,891,460	4%	18%	2,441,260	3%	n.a.
Other (components, services, etc.)	21,183,313	29%	-17%	25,460,985	35%	n.a.
Total	**72,928,397**	**100%**	**-1%**	**73,411,634**	**100%**	**n.a.**

In volume terms, sales by 'BULMETAL' JSC as at 30.06.2026 amount to 72 928 397 packages and components compared with 73 411 634 pieces for the same period of 2025. The total volume decreases by approximately 1%, with significant changes in the product mix observed behind the relatively stable overall level.

The strongest positive dynamics is reported for aerosol packaging. The quantities sold grow by 23% to 24 854 220 pieces compared with 20 221 757 pieces a year earlier. As a result, the category's share in the total volume increases from 28% to 34%. The development is in line with the higher revenues from aerosol packaging and with the expanded production capacity in this area.

Sales of cans for the food industry amount to 20 207 204 pieces, representing a decrease of 3% compared with 20 820 615 pieces as at 30.06.2025. Despite the decrease, the category maintains a share of 28% in the total quantities sold.

For cans for chemical products a decrease of 15% is reported, with the volumes realized reaching 3 792 200 pieces compared with 4 467 017 pieces a year earlier. The category's share decreases from 6% to 5% of the total volume.

Easy Open lids record growth of 18% to 2 891 460 pieces compared with 2 441 260 pieces for the same period of 2025. As a result, their share in the total quantities increases from 3% to 4%.

The "Others" category, which includes components and other related products, reports a volume of 21 183 313 pieces, representing a decrease of 17% compared with 25 460 985 pieces a year earlier. Its share in total sales decreases from 35% to 29%.

Overall, in the first half of 2026 the total volume of sales remains close to the level of the previous year, but the product structure is changing towards a higher relative share of aerosol packaging and Easy Open lids. The growth in these categories offsets to a significant extent the lower volumes of cans for food, cans for chemical products and the "Others" category.

Machinery segment

Table 7: Revenue by products and services in the "Machines" segment

(in thousand EUR)	30.6.2026	*Share (%)*	*Change (%)*	30.06.2025	*Share (%)*	*Change (%)*
Technology lines and equipment	5,760	68%	-29%	8,105	71%	n.a.
Spare parts	2,370	28%	-3%	2,443	21%	n.a.
Services	306	4%	-57%	706	6%	n.a.
Other	10	0%	-95%	189	2%	n.a.
Total "Machines" segment	**8,446**	**100%**	**-26%**	**11,443**	**100%**	**n.a.**

In the first half of 2026 the revenues in the "Machines" segment amount to EUR 8 446 thousand compared with EUR 11 443 thousand for the same period of 2025, representing a decrease of 26%. The main factor for the change is the lower revenues from technological lines and equipment, as well as the decrease in services and the "Other" category. The segment forms approximately 32% of the Group's consolidated revenues as at 30.06.2026.

Technological lines and equipment retain their leading role in the segment's product structure with revenues of EUR 5 760 thousand and a share of 68%. Compared with 30.06.2025 revenues decrease by 29% from EUR 8 105 thousand, and their share falls from 71% to 68%. The dynamics is characteristic of the project model of the machine-building business, in which the amount and the timing of revenue recognition depend on the value, the stage of execution and the completion of the individual contracts.

Revenues from spare parts amount to EUR 2 370 thousand compared with EUR 2 443 thousand a year earlier,

representing a limited decrease of 3%. Nevertheless, their share in the segment's revenues increases significantly — from 21% to 28%. The result shows the relative stability of this activity and its importance for the servicing and maintenance of the already installed machines and technological lines.

The "Services" category generates revenues of EUR 306 thousand compared with EUR 706 thousand as at 30.06.2025, recording a decrease of 57%. Its share in the segment's revenues decreases from 6% to 4%. Services continue to complement the Group's overall offering through activities related to installation, commissioning, service and technical maintenance.

Revenues in the "Other" category amount to EUR 10 thousand compared with EUR 189 thousand for the same period of the previous year. Despite the reported decrease of 95%, the category has an insignificant share in the segment's revenue structure as at 30.06.2026.

Overall, the results in the first half of 2026 reflect a lower volume of recognized revenues from machines, technological lines and related services. At the same time, the relatively stable revenues from spare parts provide a more sustainable component in the segment's structure and partially limit the effect of the project cyclicality of the main activity.

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

(in thousand EUR)	30.6.2026	*Share (%)*	*Change (%)*	30.06.2025	*Share (%)*	*Change (%)*
Canada	2,079	36%	n.a.	0	0%	n.a.
Bulgaria	1,616	28%	43%	1,126	14%	n.a.
USA	834	14%	-71%	2,915	36%	n.a.
Italy	644	11%	62%	398	5%	n.a.
Spain	322	6%	215%	102	1%	n.a.
Austria	265	5%	556%	40	0%	n.a.
Saudi Arabia	0	0%	n.a.	2,272	28%	n.a.
Brazil	0	0%	n.a.	1,251	15%	n.a
Total Sales of machines and technology lines	**5,760**	***100%***	***-29%***	**8,105**	***100%***	***n.a***

Geographically, the sales of machines and technological lines in the first half of 2026 are directed mainly to Canada and Bulgaria, which together form 64% of the revenues in the product group.

Canada is the leading market with revenues of EUR 2 079 thousand and a share of 36%, with no sales for the same period of 2025. The result reflects the execution of a new project and the significant role of the country in the geographic structure of sales in the current period.

Bulgaria ranks second with revenues of EUR 1 616 thousand and a share of 28%. On an annual basis the sales on the domestic market grow by 43% compared with EUR 1 126 thousand as at 30.06.2025, and the country's share doubles from 14% to 28%.

In the USA revenues of EUR 834 thousand were realized, representing 14% of the sales of machines and technological lines. Compared with EUR 2 915 thousand a year earlier a decrease of 71% is reported, as a result of which the share of the American market falls from 36% to 14%.

Positive dynamics is observed in the European markets of Italy, Spain and Austria. Revenues from Italy grow by 62% to EUR 644 thousand and form 11% of the sales. In Spain revenues reach EUR 322 thousand compared with EUR 102 thousand a year earlier, and in Austria — EUR 265 thousand compared with EUR 40 thousand. Regardless of the high growth rates, the contribution of Spain and Austria remains more limited — 6% and 5%, respectively.

In the first half of 2026 no sales of machines and technological lines were reported in Saudi Arabia and Brazil. For comparison, as at 30.06.2025 these markets generated a total of EUR 3 523 thousand and formed 43% of the revenues in the product group. The absence of sales in the two countries in the current period is the main factor

for the reported decrease in revenues.

Overall, the geographic structure in the first half of 2026 shows a significant redirection of the project activity from Saudi Arabia, Brazil and the USA to Canada, Bulgaria and other European markets. The total revenues from machines and technological lines decrease by 29%, but their distribution among more active markets limits the concentration and confirms the international scope of the segment.

Financial Indicators of Key Subsidiaries

CEVOLANI ITALIA S.R.L.

Macroeconomic situation in Italy – first half of 2026

Economic environment and market dynamics

In the first half of 2026 the activity of Cevolani Italia S.R.L. continues to develop under conditions of increased macroeconomic and geopolitical uncertainty. The main risks are related to the tension in the Middle East, the fluctuations in energy prices and the effect of international trade policies on investment activity.

Development of demand and commercial opportunities

In the first half of 2026 Cevolani reports sustainable market interest, mainly from international customers. Although the volume of newly received orders remains below the level of the same period of the previous year, the active offer portfolio shows significant potential for the realization of new projects.

The Metpack international exhibition influenced the schedule for making investment decisions by customers. Until it took place, some of the potential contractors preferred to wait for the presentation of the new technological and commercial solutions before proceeding with the realization of the planned investments.

As at 30.06.2026 Cevolani's active offers amount to approximately EUR 29.21 million in total, distributed as follows:

- EUR 1.93 million are offers with "down payment" status, for which an advance payment is expected;
- EUR 3.77 million are offers with "hot" status, on which the negotiations are at an advanced stage;
- EUR 23.51 million are offers with "medium" status, which have been submitted and are being reviewed by the potential customers.

The most promising commercial opportunities are related to customers from Algeria, Ghana, Saudi Arabia, the United Arab Emirates and the USA. Zucchini's offer portfolio amounts to an additional EUR 1.65 million, with all proposals being of "medium" status.

The total amount of the active offers of Cevolani and Zucchini reaches approximately EUR 30.86 million. This creates preconditions for receiving new orders in the second half of 2026 and for forming a portfolio of projects for 2027. Their realization will depend on the final investment decisions of customers, and the offers do not represent concluded contracts or guaranteed future revenues.

Orders and portfolio

In the first half of 2026 the new orders and projects received have a total value of approximately EUR 1.98 million. Most of them are related to spare parts and service activities, which provide current workload and help maintain long-term relationships with customers.

New orders for machines and production lines remain more limited, which reflects the postponement of some of the customers' investment decisions. The management's expectations are that commercial activity will intensify in the coming months.

A significant part of the planned revenues for 2026 is secured by projects already included in the portfolio for customers from Brazil, the USA, Canada and South Africa, as well as by expected deliveries of spare parts and service activities. Based on the progress of the current projects and the degree of coverage of the planned revenues, the management considers that the set turnover target for 2026 remains achievable.

Turnover and operating activity

As at 30.06.2026 the revenues of 'Cevolani Italia' amount to EUR 6 231 thousand compared with EUR 7 754 thousand for the same period of 2025, representing a decrease of approximately 20%.

The main contribution continues to be made by Cevolani and Zucchini technological lines and equipment, which generate revenues of EUR 4 529 thousand and form 72.68% of total revenues. Compared with the first half of 2025, revenues in this category decrease by approximately 17%.

Revenues from spare parts amount to EUR 1 496 thousand compared with EUR 1 589 thousand a year earlier. Despite the limited decrease of approximately 6%, their share in total revenues increases from 20.49% to 24.01%.

For services a more significant decrease is reported — from EUR 723 thousand to EUR 202 thousand. As a result, their share in the revenue structure decreases from 9.32% to 3.24%.

Table 9: 'Cevolani Italia' revenue by product type

Manufacturing divisions	Value (in thousand EUR) 30.06.2026	Share (%)	Value (in thousand EUR) 30.06.2025	Share (%)
Technological lines and equipment / Cevolani, Zucchini /	4,529	72.68%	5,427	69.99%
Spare parts	1,496	24.01%	1,589	20.49%
Services	202	3.24%	723	9.32%
Others	4	0.06%	15	0.19%
Total	**6,231**	**100%**	**7,754**	**100%**

Geographically, the revenues from machines and technological lines in the first half of 2026 were realized in Canada, Bulgaria and the USA. Canada has the largest contribution with EUR 2 079 thousand, followed by Bulgaria with EUR 1 616 thousand and the USA with EUR 834 thousand.

Compared with the first half of 2025 a significant redistribution of revenues among the individual markets is observed. Canada establishes itself as a new main destination, and revenues from Bulgaria increase significantly. At the same time, revenues from the USA decrease, and in the current period no sales of machines and technological lines were reported in Saudi Arabia and Brazil.

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

Markets	Value (in thousand EUR) 30.06.2026	Share (%)	Value (in thousand EUR) 30.06.2025	Share (%)
Canada	2,079	33.37%	0	0.00%
Bulgaria	1,616	25.93%	89	1.15%
USA	834	13.38%	2,915	37.60%
Saudi Arabia	0	0.00%	1,172	15.11%
Brazil	0	0.00%	1,251	16.13%
Total	**4,529**	**72.68%**	**5,427**	**69.99%**

*** The data in Table 9 and Table 10 are presented on an individual basis according to the financial indicators of the subsidiary.**

Human resources

As at 30.06.2026 Cevolani has 38 employees, including 2 managers, 25 administrative and technical staff and 11 production workers.

The headcount and structure of the personnel are in line with the current production workload and the projects included in the budget for 2026. The available human resources provide the necessary capacity for the implementation of the planned activities.

Investments

The photovoltaic system with an installed capacity of 200 kW, together with the energy storage system with a capacity of 60 kW, has been fully commissioned. The electricity produced is used for own needs, and the surplus quantities are sold to the electricity grid.

The investment is expected to contribute to increasing energy efficiency, limiting energy costs and improving the company's competitiveness. The amount of the financial effect will depend on the quantities produced, the share of own consumption and the market prices of electricity.

Summary

In the first half of 2026 Cevolani maintains an active international presence and a significant volume of commercial opportunities, despite the lower value of newly received orders and the reported decrease in revenues compared with the previous year.

The active offer portfolio, the progress on the current projects and the expected recovery of investment activity after Metpack create preconditions for stronger performance in the second half of the year. At the same time, the delivery of spare parts and service activities continue to provide a more sustainable component in the operating activity.

The management assesses the set turnover target for 2026 as achievable, provided that the projects are executed according to the planned schedules and the expected investment decisions of customers are realized. Cevolani continues to be of key importance for the machine-building segment of the BULMETAL Group and for its positioning as an international provider of technological solutions for the metal packaging industry.

BIBRA Biagosch and Brandau Germany GmbH

Macroeconomic situation in Germany – first half of 2026

Economic environment and market dynamics

In the first half of 2026 BIBRA's activity continues to develop under conditions of limited economic growth, increased prices of energy and raw materials, and uncertainty related to the geopolitical situation.

Development of BIBRA's activity

During the reporting period BIBRA continued the implementation of the programme for optimizing costs and the organizational structure. The company is expanding the use of external subcontractors for part of the production activities, mainly in the production and delivery of spare parts.

The main partners in this area are companies from Bulgaria, Spain and Italy. The aim of this model is to shorten the project execution times, to optimize production costs and to improve the company's competitiveness.

The geopolitical uncertainty in the Middle East has a significant impact on BIBRA's activity, as the region is traditionally among the company's important markets. Part of the investments in new production lines under discussion were postponed by customers until a more predictable environment for making investment decisions is restored.

Market demand and commercial prospects

Despite the more conservative approach of customers from the Middle East, the demand for spare parts, tools and related services maintains a positive dynamic. These activities provide a more sustainable component in the revenue structure and help maintain long-term relationships with customers.

According to the management's assessment, signs of expansion of the market for metal packaging and the equipment for its production are observed in Western Europe and the Mediterranean region. International manufacturers such as Silgan, Trivium and Sonoco, including their companies in Eastern Europe, give positive signals for the preparation of new investment projects.

The potential realization of these intentions creates opportunities for new orders, but remains dependent on the final decisions of customers, the financing conditions and the development of the geopolitical and economic environment.

Orders and portfolio

In June 2026 BIBRA concluded a new contract with a customer from Germany for the production and delivery of a lid press with a diameter of 45 mm. According to the project schedule, the execution is to be completed by the end of 2026.

The contract contributes to the utilization of the production capacity in the second half of the year and confirms BIBRA's positions on the German market. Along with the projects for new machines, the company continues to develop the sales of spare parts, tools and services, which are characterized by a shorter execution cycle.

Participation in METPACK and product development

From 5 to 8 May 2026 BIBRA took part in the international exhibition METPACK in Essen, Germany — a leading forum for the metal packaging industry.

At the exhibition the company presented the newly developed CNC press Speedstar with a capacity of over 300

strokes per minute. According to the management's assessment, its technical characteristics position it among the fastest CNC presses in this segment. The first machine of the model is already being produced for one of BIBRA's main customers.

The participation in METPACK created opportunities for expanding commercial contacts both with existing partners and with new potential customers. After the exhibition, negotiations were held with companies from Eastern and Western Europe and the USA, and a number of commercial offers were sent. The management expects some of these opportunities to result in orders during the second half of 2026.

Events after the end of the reporting period

In July 2026 BIBRA realized additional sales of tools to three separate companies. These deals support the positive dynamics in spare parts and tooling equipment and show that customer confidence has been maintained.

In the same month a pre-acceptance test — PAT (Pre-Acceptance Test) — of the newly developed Rapidstar roll-forming machine with an additional punching station, intended for a customer from Austria, was successfully conducted. According to the company's technical assessment, the machine is distinguished by a unique combination of characteristics and represents a significant development in BIBRA's product portfolio.

The events mentioned occurred after 30.06.2026 and are not part of the operating and financial results for the first half of the year, but provide information on the development of the activity after the end of the reporting period.

Human resources

Within the optimization programme, the headcount has been reduced from 47 employees at the beginning of the period to 32 employees as at 31.07.2026. The change is part of the restructuring of the operating model and the wider use of external subcontractors.

Outlook until the end of 2026

The management maintains the goal of achieving an annual turnover of EUR 10 million in 2026. Its achievement will depend on the progress of the current projects, the receipt of new orders after METPACK and the development of sales of spare parts, tools and services.

The optimization of costs, the use of subcontractors and the expansion of commercial contacts create preconditions for improving operating efficiency. At the same time, the postponed investments in the Middle East, the high energy costs and the uncertain economic environment remain the main risks to the achievement of the goals.

Table 11: BIBRA revenue by product type

Manufacturing divisions	Value (in thousand EUR) 30.06.2026	Share (%)	Value (in thousand EUR) 30.06.2025	Share (%)
Technological lines and equipment	1,231	54.57%	2,678	72%
Spare parts	875	38.79%	854	23%
Services	144	6.38%	68	2%
Others	6	0.27%	126	3.39%
Total	**2,256**	**100 %**	**3,726**	**100 %**

The revenue structure in the first half of 2026 shows a reduction in the dependence on revenues from individual projects for technological lines and a growing relative contribution of spare parts and services. Although the

positive dynamics in these activities does not offset the decrease in machines, it provides a more balanced product mix.

Geographically, the revenues from machines and technological lines in the first half of 2026 were realized in Italy, Spain and Austria. Italy is the leading market with revenues of EUR 644 thousand, followed by Spain with EUR 322 thousand and Austria with EUR 265 thousand.

Compared with the same period of 2025 a significant change in the geographic distribution is observed. Revenues from Italy grow by approximately 62%, those from Spain — more than threefold, and revenues from Austria — more than sixfold. At the same time, in the current period no revenues from machines and technological lines were reported in Saudi Arabia and Bulgaria, which as at 30.06.2025 formed a significant part of the sales.

Table 12: Revenue from the sale of BIBRA machinery by market

Markets	Value (in thousand EUR) 30.06.2026	Share (%)	Value (in thousand EUR) 30.06.2025	Share (%)
Italy	644	28.55%	398	0.00%
Spain	322	14.27%	102	2.74%
Austria	265	11.75%	40	1.08%
Saudi Arabia	0	0.00%	1,100	29.51%
Bulgaria	0	0.00%	1,037	0.30%
Total	**1,231**	**54.57%**	**2,678**	**71.87%**

*** The data in Table 11 and Table 12 are presented on an individual basis according to the financial indicators of the subsidiary.**

Summary

In the first half of 2026 BIBRA continues the process of operational restructuring and cost optimization, while at the same time developing its product portfolio and international commercial activity.

The new contract with a German customer, the presentation of Speedstar and Rapidstar and the contacts established during METPACK support the opportunities for receiving new orders. The sales of spare parts, tools and services continue to provide a more sustainable component in the company's activity.

Despite the uncertainty in key markets and the postponement of some investment decisions, the management maintains the goal of a turnover of EUR 10 million in 2026. BIBRA continues to have an important role in the machine-building segment of the BULMETAL Group and in the development of technological solutions for the production of metal packaging.

II.1.2 Costs and Profit

In the first half of 2026 the gross profit of the BULMETAL Group amounts to EUR 7 750 thousand compared with EUR 7 873 thousand for the same period of 2025, representing a limited decrease of 2%. The decrease is significantly smaller than the reported decline of 10.49% in net sales revenue.

The cost of sales decreases by 14% to EUR 18 264 thousand compared with EUR 21 189 thousand as at 30.06.2025. The more significant decrease in the cost of sales relative to revenues leads to an improvement in the gross margin from 27.09% to 29.79%, or by 2.70 percentage points. The result reflects a more favourable ratio between revenues and the direct costs of the sales realized during the period.

Administrative expenses (SG&A) amount to EUR 4 045 thousand compared with EUR 3 809 thousand a year earlier, representing an increase of 6%. Under conditions of lower revenues, the growth of these expenses has a negative impact on the operating result and partially limits the positive effect of the improvement in the gross margin.

The net amount of other operating expenses and income is negative and amounts to EUR 43 thousand compared with EUR 84 thousand as at 30.06.2025. The negative effect of this item decreases by 49%. In the current period no income from fundings was reported compared with EUR 7 thousand for the same period of the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) reach EUR 3 662 thousand compared with EUR 3 988 thousand as at 30.06.2025, representing a decrease of 8.16%. Regardless of the decrease in absolute terms, the EBITDA margin improves to 14.08% compared with 13.72% a year earlier, or by 0.36 percentage points. This shows that the Group maintains relatively stable operating profitability despite the lower volume of revenues.

Depreciation expenses increase by 12% to EUR 1 294 thousand compared with EUR 1 152 thousand for the same period of 2025. After deducting them, operating earnings (EBIT) amount to EUR 2 368 thousand, representing a decrease of 16% compared with EUR 2 835 thousand a year earlier. The operating margin decreases to approximately 9% compared with 10% for the comparable period.

Net financial expenses amount to EUR 588 thousand compared with EUR 642 thousand as at 30.06.2025, with their negative effect on the financial result decreasing by 8%.

As a result, the Group reports a profit of EUR 1 780 thousand as at 30.06.2026 compared with EUR 2 194 thousand for the same period of 2025, representing a decrease of 19%. The net margin decreases to 6.84% compared with 7.55% a year earlier, or by 0.71 percentage points. The indicator is calculated before the accrual of taxes.

Overall, in the first half of 2026 the BULMETAL Group reports lower absolute values of EBITDA, operating profit and final profit, mainly under conditions of decreased revenues and increased administrative and depreciation expenses. At the same time, the decrease in the cost of sales and the improvement in the gross and EBITDA margins show a more favourable profitability of sales before administrative expenses and depreciation.

II.2 Assets, liabilities and equity

II.2.1 Assets

Table 13: BULMETAL Group's key balance sheet indicators

Indicator (in thous. EUR)		30/06/2026	31/12/2025		Change vs. 31.12.2025
Total assets		**91,466**	**85,206**		**7%**
Non-current assets		41,201	39,932		3%
Current assets		50,265	45,274		11%
Equity		**41,038**	**37,665**		**9%**
incl. Retained earnings and profit for the year		27,611	26,565		4%
Total liabilities		**50,428**	**47,541**		**6%**
Non-current liabilities		9,926	11,053		-10%
Current liabilities		40,502	36,488		11%
Cash		**1,557**	**3.948**		**-61%**
Total financial debt*		**25,727**	**27,368**		**-6%**
Net financial debt**		**24,170**	**23,420**		**3%**
** Incl. loans and finance lease agreements*					
*** Total financial debt minus cash*					

As at 30.06.2026 the total assets of the BULMETAL Group amount to EUR 91 466 thousand compared with EUR 85 206 thousand as at 31.12.2025, representing an increase of 7%. The growth is supported by both current and non-current assets, with a more significant contribution from the increase in current assets.

Current assets reach EUR 50 265 thousand compared with EUR 45 274 thousand at the end of 2025, growing by

11%. As a result, their share in total assets increases to approximately 55% compared with 53% as at 31.12.2025. This shows an increase in the resources related to the Group's current operating activity.

Non-current assets amount to EUR 41 201 thousand and increase by 3% compared with EUR 39 932 thousand at the end of 2025. The growth is mainly due to a recognized intangible asset — goodwill — in the amount of EUR 2 200 thousand, arising as a result of the acquisition by 'BULMETAL' JSC of the equity interest in BIBRA Biagosch and Brandau Germany GmbH.

The transaction was completed in April 2026, with 'BULMETAL' JSC acquiring from Cevolani Italy Srl the interest in BIBRA. The expert valuation of the acquired shares amounts to EUR 3 700 thousand, while the registered share capital of BIBRA acquired by 'BULMETAL' JSC amounts to EUR 1 500 thousand. The difference between the valuation of the acquired interest and the value of the acquired capital has been recognized as goodwill.

As a result of this operation, the Group's interest in BIBRA has been restructured from an indirect interest through Cevolani to a direct interest of 'BULMETAL' JSC, with the effect reflected in the increase in non-current assets as at 30.06.2026.

Cash as at 30.06.2026 amounts to EUR 1 557 thousand compared with EUR 3 948 thousand as at 31.12.2025, representing a decrease of 61%. At the same time, the total amount of current assets increases, which is a result of an increase in materials.

II.2.2 Liabilities

As at 30.06.2026 the total liabilities of the BULMETAL Group amount to EUR 50 428 thousand compared with EUR 47 541 thousand as at 31.12.2025, representing an increase of 6%. The change is a result of the growth in current liabilities, which exceeds the reported decrease in non-current liabilities.
Non-current liabilities decreased by 10% and reached EUR 9 926 thousand compared with EUR 11 053 thousand at the end of 2025. The decrease shows a reduction in long-term liabilities during the period under review.
Current liabilities amount to EUR 40 502 thousand and increase by 11% compared with EUR 36 488 thousand as at 31.12.2025. As a result, their share in total liabilities increases from approximately 77% to 80%. The increase is related to projects in progress for machines.
Regardless of the increase in current liabilities, current assets also grow by 11% and reach EUR 50 265 thousand. Due to the similar dynamics of the two items, the current liquidity ratio is maintained at 1.24, unchanged compared with 31.12.2025.
The Group's equity as at 30.06.2026 reaches EUR 41 038 thousand compared with EUR 37 665 thousand at the end of 2025, representing an increase of 9%. Retained earnings and profit for the period amount to EUR 27 611 thousand and increase by 4% compared with EUR 26 565 thousand.
The ratio between equity and total assets improves to 0.45 compared with 0.44 as at 31.12.2025. This shows that approximately 45% of the Group's assets are financed by equity. The increase in the indicator, although limited, reflects the maintenance of a relatively balanced capital structure.

II.2.3 Financial debt

The Group's total financial debt as at 30.06.2026 amounts to EUR 25 727 thousand compared with EUR 27 368 thousand as at 31.12.2025, representing a decrease of 6%. The decrease shows a limitation of the total amount of liabilities under loans and finance lease agreements in the first half of the year.

Despite the decrease in total financial debt, net financial debt increases by 3% — to EUR 24 170 thousand compared with EUR 23 420 thousand at the end of 2025. The reason is the decrease in cash from EUR 3 948 thousand to EUR 1 557 thousand, which exceeds the reduction in financial liabilities.

The ratio of financial debt to total assets improves to 0.28 compared with 0.32 as at 31.12.2025. The change reflects both the reduction in financial debt and the increase in the Group's asset base.

The net debt/EBITDA ratio decreases to 3.36 compared with 3.70 at the end of 2025, or by 9%. The improvement in the indicator means a lower level of net indebtedness relative to earnings before interest, taxes, depreciation and amortization. At the same time, the absolute amount of net financial debt remains higher compared with the end of the previous year due to the reduced cash balances.

III TRANSACTIONS WITH RELATED AND INTERESTED PARTIES

At the Group level, there are no transactions with related and/or interested parties within the reporting period under review that have materially affected the financial position or the results of the Company's and/or the Group's operations during the period under review.

There are no changes in the transactions concluded with related parties disclosed in the annual report that have a material impact on the financial position or the results of the Company's and/or the Group's operations during the reporting period under review.

IV EXPLANATORY NOTES UNDER ART. 10001, 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 per cent or more of the revenues or of the net profit.

There are no customers of the Group whose share exceeds 10% of sales revenue as at the end of June 2026.

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 with regard to quality.

There are no suppliers whose share exceeds 10% of the consolidated total costs for services and materials as at 30.06.2026.

IV.1.2 Others

- On 09.01.2026 'Bulmetal' JSC announced the convening of an extraordinary General Meeting of Shareholders on 17.02.2026 at 12:00 EET (Eastern European Time, EET=UTC+2 (Coordinated Universal Time, UTC)). The meeting will be held at the registered office of 'BULMETAL' JSC in the town of Gurkovo, 37 "Prohoda" Street, in the Company's meeting room, with the following agenda and proposed resolutions on its items:

Item one and only: Authorization of the Management Board of 'BULMETAL' JSC, pursuant to Art. 114, para. 1, item 1, letter "b" of the POSA, to conclude a transaction for the direct acquisition by 'BULMETAL' JSC of the equity interest of the subsidiary CEVOLANI ITALIA S.R.L. in BIBRA Biagosch and Brandau Germany GmbH, amounting to 1 500 000 shares, representing 98.36% of the capital.

Proposed resolution: The General Meeting of Shareholders authorizes the Management Board and the Executive Director of 'BULMETAL' JSC, pursuant to Art. 114, para. 1, item 1, letter "b" of the POSA, to conclude a transaction for the direct acquisition by 'BULMETAL' JSC of the entire equity interest of 1 500 000 shares, representing 98.36% of the capital in BIBRA Biagosch and Brandau Germany GmbH, with registered office in Barmstedt, Germany, entered in the German commercial register under No. 319530909, owned by the subsidiary CEVOLANI ITALIA S.R.L., with registered office in San Lazzaro di Savena, 18 Colunga Street, tax number/VAT: 03692160132, at a price of EUR 3 700 000 (three million seven hundred thousand euro), which will be paid by set-off against the dividends for financial year 2024 from CEVOLANI ITALIA S.R.L. to 'BULMETAL' JSC, under the conditions set out in the Reasoned Report of the Management Board of 'BULMETAL' JSC under Art. 114a, para. 1 of the POSA.

- On 17.02.2026 the extraordinary general meeting of shareholders was held. The General Meeting of Shareholders authorized the Management Board and the Executive Director of 'BULMETAL' JSC, pursuant to Art. 114, para. 1, item 1, letter "b" of the POSA, to conclude a transaction for the direct acquisition by 'BULMETAL' JSC of the entire equity interest of 1 500 000 shares, representing 98.36% of the capital in BIBRA Biagosch and Brandau Germany GmbH, with registered office in Barmstedt, Germany, entered in the German commercial register under No. 319530909, owned by the subsidiary Cevolani Italia S.R.L., with registered office in San Lazzaro di Savena, 18 Colunga Street, tax number/VAT: 03692160132, at a price of EUR 3 700 000 (three million seven hundred thousand euro), which will be paid by set-off against the dividends for financial year 2024 from Cevolani Italia S.R.L. to 'BULMETAL' JSC, under the conditions set out in the Reasoned Report of the Management Board of 'BULMETAL' JSC under Art. 114a, para. 1 of the POSA.
- On 19.02.2026 'Bulmetal' JSC announced that the Company had received approval for the financing of a project proposal under the Operational Programme "Regions in Growth" 2021-2027, Priority: Just Transition.
  Name of the procedure: Support for production investments in large enterprises in the Stara Zagora region.
  Procedure code: BG16FFPR003-4.006-0009.
  Name of the project proposal: "Production investments in BULMETAL JSC in the Stara Zagora region in the process of transition to climate neutrality".
  Total project value: EUR 11 406 504.02
  Grant (BFP) value: EUR 6 253 332.21
  Self-financing: EUR 5 153 171.81
  The project activity includes the construction of multiple new production capacities.

- On 02.03.2026 'BULMETAL' JSC announced that, effective 01.03.2026, Katerina Dimitrova Baeva has been appointed to the position of "Director of Investor Relations".
  The contact details of the Director of Investor Relations are as follows: e-mail: ir@bulmetal.com; tel.: 088 477 2055.

- On 20.04.2026 'Bulmetal' JSC announced that on 16.04.2026 a notarial deed was signed by which CEVOLANI ITALIA S.R.L. transfers its entire equity interest of 1 500 000 shares, representing 98.36% of the capital in BIBRA Biagosch and Brandau Germany GmbH, to 'BULMETAL' JSC. The parties agreed on a total price of EUR 3 700 000 (three million seven hundred thousand euro) on the basis of a valuation report as at 1 December 2025, prepared by an independent appraiser.
- On 20.04.2026 'Bulmetal' JSC announced that, following a convened general meeting of the shareholders of the subsidiary in Italy – CEVOLANI ITALIA S.R.L., a decision was taken to distribute towards 'BULMETAL' JSC a total dividend of EUR 5 250 000, which to be drawn from the reserve for capital contributions and partially from the available extraordinary reserve up to the amount of the dividend in question.
- On 08.05.2026 'Bulmetal' JSC announced that the Company had signed an administrative agreement for the provision of a grant under the Operational Programme "Regional development" 2021-2027, Priority: Just Transition. Name of procedure: Support for production investments in large enterprises in the Stara Zagora region – code: BG16FFPR003-4.006. ISUN procedure number: BG16FFPR003-4.006–0009-C01.
  Title of the project proposal: "Production investments in BULMETAL JSC in the Stara Zagora region in the process of transition to climate neutrality".
  Total project value: EUR 11 406 504.02
  Grant (BFP) value: EUR 6 253 332.21
  Self-financing: EUR 5 153 171.81
  The project activity includes the construction of multiple new production capacities.

- Participation of Cevolani and BIBRA in METPACK 2026
  The subsidiaries Cevolani Italy Srl and BIBRA Biagosch and Brandau Germany GmbH took part in METPACK 2026, the leading international exhibition for the metal packaging industry, held from 5 to 8 May 2026 at Messe Essen, Germany.
  The exhibition brought together more than 7 000 professional visitors and more than 350 exhibitors from 32 countries, consolidating its position as a key international platform for technological innovation, sustainability, digitalization and solutions for the metal packaging industry.

Cevolani and BIBRA presented a joint exhibition concept highlighting the synergy between the two companies, their technological expertise and their role in the machine-building segment of the BULMETAL Group. High-tech solutions were demonstrated at the stand, including a body welding machine for food metal packaging, a combined machine for the production of aerosol packaging and the BIBRA Rapidstar universal forming machine.
Special emphasis in the presentation was placed on the "Box of the Future" zone, in which new developments and the companies' vision for the future of the industry were demonstrated to a limited circle of strategic customers. Among the innovations presented was a high-speed BIBRA press with automatic sheet feeding, reaching up to 300 strokes per minute.
The participation of the two companies attracted significant interest from the international audience, with 442 visitors, representatives of 244 companies from 52 countries, registered at the stand. Numerous requests for quotations were received, and technical and commercial negotiations have already been held on some of them.
Among the specific results of the participation, an agreement was reached for the supply of a new Cevolani line for the production of bodies for metal cans for a customer from Asia, with an official order and an advance payment expected as at the date of preparation of the notification. In addition, Cevolani and BIBRA restored the active partnership dialogue with a leading international industrial group, which has commissioned the preparation of proposals for two strategic projects in Europe – a line for the production of bodies for metal packaging from Cevolani and a line for the production of lids from BIBRA.
The participation of Cevolani and BIBRA in METPACK 2026 confirms the strategic importance of the machine-building segment for the BULMETAL Group and supports the prospects for the development of sales of technological lines, equipment, spare parts and engineering solutions in the coming periods.
As a result of the participation of Cevolani and BIBRA in METPACK 2026, specific commercial results have been achieved, including confirmed deals with a total value of about EUR 3.0 million. Of these, approximately EUR 2.2 million are related to a Cevolani project for a customer from the Philippines, and about EUR 0.8 million to a BIBRA project for a customer from Germany.
In addition, as a result of the meetings and commercial discussions held during the exhibition, potential projects with a total value of about EUR 4.5 million have been identified, on which technical and commercial negotiations have been started. These projects are not included in the confirmed backlog, but represent significant potential for future orders and revenues in the coming periods.

- On 29.06.2026 a General Meeting of the Shareholders of 'BULMETAL' JSC was held, at which it was decided to distribute a dividend to the shareholders holding shares of the Company's capital in the amount of EUR 0.06 per share, or a total gross amount of EUR 429 310.74. The shareholders entered in the register of shareholders kept by 'Central Depository' AD, will have the right to receive a dividend on the 14th day after the date of this annual general meeting, i.e. as at 13.07.2026. The dividend will be paid in accordance with the Commercial Act, the POSA and the Rules of 'Central Depository' AD. The Company will ensure the payment of the voted dividends to the shareholders in accordance with the rules of Art. 115c, para. 7 of the POSA, namely within 60 days of the holding of the general meeting. The payment will be made in one tranche within the above deadline starting on 23.07.2026 as follows: Dividend per share (gross): EUR 0.06; Dividend per share (net): EUR 0.057 (only for individual shareholders). Payments to shareholders who do not have client sub-accounts with Investment Intermediaries will be made through 'UBB' AD.

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 investment programme carried out in recent years, lead to the use of a relatively large amount and share of borrowed capital. Although at present there are no difficulties in securing the financing necessary for the activity and the Group benefits from 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, may have a significant adverse effect on its activity, operating results and financial condition. The opening of new production facilities in various sectors, combined with the worsened demographics and the continuing migration in Bulgaria, has led to a serious shortage of labour, competition between employers and considerable pressure on remuneration levels. These trends are further intensified in the region in which the Company operates, where there is increased demand for labour from companies in the arms manufacturing sector, which over the past year have been heavily loaded as a result of the war in Ukraine. Last but not least, the unattractive and peripheral location and the remoteness of BULMETAL's production site from large cities also affect 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 depends to a large extent on the activity of its senior management and other key and qualified personnel. These persons 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 succession plans for such personnel, may adversely affect the Company's activity 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 system of strict customer monitoring, the use of factoring to manage short-term receivables and the insurance of all trade receivables of the companies in the Group, the long-term solvency of customers is outside 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 work with heavy machinery and equipment, entail various risks and hazards, including industrial accidents, leaks and ruptures, explosions, fires, mechanical damage and environmental hazards such as spills, leaks from storage tanks, and the release of toxic or hazardous substances and gases. Such hazards can cause unplanned work interruptions, occupational accidents and fatalities, serious damage to or destruction of property and equipment, environmental pollution, civil, criminal and administrative sanctions and liabilities, which can have an adverse effect on the Company's business, financial condition and 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 presents the Company, its major shareholders and/or its management in a negative light. The deliberate dissemination of such negative information may damage the business of BULMETAL or of the Group as a whole, lead to a loss of trust

and to a decline 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, on the basis of their size, they may be able 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 lead to a requirement for companies to make significant changes to production processes and the 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 national and supranational level, with general quotas and import duties on steel in the EU introduced to protect the steel sector. The quotas for foreign steel supplies have negatively affected the ability of foreign steel suppliers to deliver raw material in Europe.

V.10 Growth and/or volatility in raw materials prices.

High volatility in metal raw materials prices, driven by macroeconomic factors, geopolitical events and seasonal fluctuations, can create significant uncertainty for the industry. An increase in raw material prices 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 capacities.

V.11 Risk of 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 decrease in demand for packaging from consumers and industry.

V.12 Geopolitical risk

The military conflicts in the Middle East and Ukraine shape a complex and interconnected environment of geopolitical and economic risks. These crises overlap one another, amplifying instability in energy markets, hampering global supply chains and increasing the likelihood of a wider regional escalation that directly affects the security of Europe and Bulgaria.

The fourth year of the war in Ukraine (as of March 2026) continues to pose significant challenges for Bulgaria – from security to the economy and humanitarian issues. Among the main risks are the possibility of an expansion of the fighting, the economic shocks arising from energy dependence, and the potential involvement of NATO countries, including Bulgaria, in the event of a possible spread of the conflict beyond Ukraine's borders.

Bulgaria remains vulnerable due to its significant imports of crude oil, natural gas and nuclear fuel from Russia. The conflict has led to persistently elevated prices of energy carriers and key raw materials. The danger of cyberattacks against critical infrastructure continues, as does the spread of disinformation aimed at undermining

public stability. Economic activity in the region remains under the influence of the conflict.

The events in the Middle East have become the most serious geopolitical shock of recent years. Fears of an expansion of the conflict and the involvement of additional countries intensified after the transition to open war between the USA, Israel and Iran at the beginning of 2026. The military strikes from the end of February led to the blocking of key sea routes and a sharp rise in the price of energy resources, causing global economic shocks.

The US and Israeli operations aimed at toppling the Iranian regime widened the geographical scope of the conflict and deepened the rift between Washington and a large part of the Arab world. The combination of geopolitical tension and active hostilities in multiple regions undermines confidence in the international order and strengthens the sense of uncertainty.

The closure of the Strait of Hormuz led to a sharp jump in oil prices and significant financial volatility. Since about one fifth of the world's oil and liquefied natural gas supplies pass through this strategic route, a prolonged crisis would mean longer trade routes, disrupted supplies and additional inflationary pressure. Iranian warnings of a complete closure of the strait fuel forecasts of oil prices rising to USD 130–200 per barrel in the event of a prolonged escalation.

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 system of taxation will not change in the future in a direction that is negative for businesses. If the tax laws and regulations applicable to the Company are amended, this may have a material adverse effect on the Company's results of operations and its 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. Insofar as Bulgaria is under a currency board system and does not conduct an independent monetary policy, the level of interest rates depends mostly on the monetary and interest rate policy pursued by the European Central Bank (ECB). Within one year the ECB raised the key interest rate ten times, and in July 2023 it reached its highest level in 22 years. Although a gradual reduction of interest rates followed, a policy of raising interest rates may negatively affect the Company's financial condition and results, by making borrowed funds more expensive 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 manufacturing sector pass the cost increases on to their end customers, but there is no guarantee that this pass-through can be automatic and in full. After more than a decade of relatively low inflation of 1-2% on average per year, inflationary processes intensified significantly, including due to disrupted supply chains and especially the war in Ukraine. This led to a significant rise 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 reported, and gradually began to ease. Inflation at the end of June 2025 was already significantly below the peak levels and reached 3.1% on an annual basis. The normalization of supply chains, the sharp increase in key interest rates and the expectations of a potential economic slowdown may have an additional effect on slowing inflationary processes.

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

- On 20.04.2026 'Bulmetal' JSC announced that on 16.04.2026 a Contract certified by a Notary was signed by which CEVOLANI ITALIA S.R.L. transfers its entire equity interest of 1 500 000 shares, representing 98.36%

of the capital in BIBRA Biagosch and Brandau Germany GmbH, to 'BULMETAL' JSC. The parties agreed on a total price of EUR 3 700 000 (three million seven hundred thousand euro) on the basis of a valuation report as at 1 December 2025, prepared by an independent appraiser.

- On 20.04.2026 'Bulmetal' JSC announced that, following a convened general meeting of the shareholders of the subsidiary in Italy – CEVOLANI ITALIA S.R.L. – a decision was taken to distribute to 'BULMETAL' JSC a total dividend in the amount of EUR 5 250 000, to be drawn from the reserve for capital contributions and partially from the available extraordinary reserve up to the amount of the dividend under discussion.

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

- As of 01.07.2026, Evgenia Boyanova Gardeva has been appointed to the position of "Director of Investor Relations". Contact details for the Director of Investor Relations are as follows: email: ir@bulmetal.com; phone: 0885 088 889.
- On 01.07.2026 'Bulmetal' JSC announced that its subsidiary in Germany – 'BIBRA Biagosch and Brandau Germany' GmbH – had concluded a new commercial contract with a customer from Germany. Contract value: EUR 900 000. Deadline for performance of the contract: 10 months from the signing of the contract. Subject matter of the contract: Production, delivery and installation of a high-tech line for the production of can lids.
- On 27.07.2026 'Bulmetal' JSC announced that its subsidiary in Germany – CEVOLANI ITALIA S.R.L. – had concluded a new commercial contract with a customer from the Philippines. Contract value: EUR 1 950 000. Deadline for performance of the contract: 03.2027. Subject matter of the contract: Design, production, delivery and installation of a line for the production of three-piece cans for food products.
- 'Bulmetal' JSC announces that, in connection with the administrative contract for the provision of a grant under the Operational Programme "Regions in Growth" 2021-2027 signed in May 2026, the Company has received advance funding in the amount of EUR 2 499 492.23. The amount secures the smooth start and implementation of the contract. The parameters of the contract are as follows: Name of the procedure: Support for production investments in large enterprises in the Stara Zagora region - code: BG16FFPR003-4.006. Procedure number from ISUN: BG16FFPR003-4.006–0009-C01. Name of the project proposal: "Production investments in BULMETAL JSC in the Stara Zagora region in the process of transition to climate neutrality". Total project value: EUR 11 406 504.02; Grant (BFP) value: EUR 6 253 332.21; Self-financing: EUR 5 153 171.81.

  The project activity includes the construction of multiple new production capacities.

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 of this Document.

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

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

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 value of at least 10 per cent of the company's equity

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 per cent of the Company's equity, were 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 established pledges of shares in subsidiaries of BULMETAL.

DECLARATIONS BY THE PERSONS RESPONSIBLE UNDER ART. 10001, PARA. 4, ITEM 3 OF POSA

The undersigned,

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

and

Denka Nikolova in my capacity of chief accountant and compiler of the consolidated financial statements as at 30.06.2026 of BULMETAL JSC

HEREBY DECLARE that to the best of our knowledge:

the consolidated financial statements and the activity report of BULMETAL JSC for the reporting period give a true and fair view of the information on the assets and liabilities, the financial position and the financial result of the Company and its subsidiaries.

17.08.2026

Town of Gurkovo

Digitally signed by Ivanka Mihaylova Dimitrova

Ivanka Dimitrova

Chairman of the Board and Executive Director

Digitally signed by Denka Velikova Nikolova

Denka Nikolova

Chief Accountant

BULMETAL JSC

INTERIM CONSOLIDATED FINANCIAL STATEMENT

30 JUNE 2026

BULMETAL JSC

NON-CONSOLIDATED ANNUAL ACTIVITY REPORT
for the year ended 31.12.2010

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BULMETAL JSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the first half of 2026

	Note	30.06.2026 EUR	30.06.2025 EUR
Revenue			
Revenue from main activity	3	23,925	27,584
Other income	4	2,089	1,478
Total revenue		**26,014**	**29,062**
Change in finished goods and work in progress		2,385	(1,995)
Costs of acquisition of non-current assets in-house		-	-
Costs of materials and consumables	5	(13,323)	(12,515)
Carrying amount of assets sold	6	(1,864)	(1,022)
Costs of services rendered	7	(1,654)	(1,727)
Personnel costs	8	(6,171)	(5,964)
Amortization costs	11, 12	(1,294)	(1,152)
Other operating costs	9	(1,725)	(1,852)
Total costs		**(26,031)**	**(26,227)**
Profit/loss from operating activities		**2,368**	**2,835**
Finance income	10.1	29	49
Finance costs	10.2	(617)	(690)
Profit/loss before tax		**1,780**	**2,194**
Current income tax		-	-
Deferred taxes		-	-
Profit/loss after tax		**1,780**	**2,194**
Total comprehensive income for the year		1,780	2,194
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year		**1,780**	**2,194**
Comprehensive income attributable to the group		1,752	2,159
Comprehensive income not attributable to the group		28	35
Earnings per share in BGN		0.24	0.30

The accompanying explanatory notes are an integral part of the financial statements.

Gurkovo, 17.08.2026

Compiler:	Denka Nikolova (digitally signed)	Representative:	Ivanka Dimitrova (digitally signed)

BULMETAL JSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the first half of 2026

	Note	30.06.2026 EUR	31.12.2025 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	11	29,545	29,936
Investment properties	11	273	280
Costs of acquisition of non-current assets	11	7,743	8,433
Intangible assets	12	563	569
Goodwill	12	2,200	0
Receivables on loans granted		449	299
Receivables on loans granted to related parties	25	345	332
Deferred tax assets	26	83	83
Total non-current assets		**41,201**	**39,932**
Current assets			
Inventories	13	36,293	30,016
Trade receivables from third parties	14	10,480	9,379
Receivables from related parties	25	42	384
Other receivables and current assets	15	1,893	1,547
Cash and cash equivalents	16	1,557	3,948
Total current assets		**50,265**	**45,274**
TOTAL ASSETS		**91,466**	**85,206**

Gurkovo, 17.08.2026

Compiler: Denka Nikolova
(digitally signed)

Representative: Ivanka Dimitrova
(digitally signed)

BULMETAL JSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the first half of 2026

Continued

	Note	30.06.2026 EUR	31.12.2025 EUR
LIABILITIES			
Equity			
Share capital	17	3,649	3,658
Other reserves		5,894	3,678
Share issue reserves		3,731	3,731
Retained earnings/accumulated loss		25,859	24,450
Current profit/loss		1,752	2,023
Total equity attributable to owners		**40,885**	**37,540**
Equity not attributable to the group		153	125
Total equity		**41,038**	**37,665**
Non-current liabilities			
Finance lease liabilities	19	199	345
Liabilities to banks and financial institutions	18	6,376	7,993
Retirement obligations	22	537	565
Other non-current liabilities and funding	24	2,040	1,931
Other non-current liabilities to related parties	25	774	219
Total non-current liabilities		**9,926**	**11,053**
Current liabilities			
Liabilities to banks and financial institutions	18	19,152	18,627
Trade payables	20	10,035	9,335
Liabilities to related parties	25	554	726
Contract liabilities to customers	21	7,898	5,372
Finance lease liabilities	19	274	264
Liabilities to personnel	22	1,204	1,057
Liabilities to social security institutions	23	196	133
Tax liabilities	26	361	379
Other current liabilities	24	828	595
Total current liabilities		**40,502**	**36,488**
TOTAL LIABILITIES AND EQUITY		**91,466**	**85,206**

The accompanying explanatory notes are an integral part of the financial statements.

Gurkovo, 17.08.2026

Compiler:	Denka Nikolova (digitally signed)	Representative:	Ivanka Dimitrova (digitally signed)

BULMETAL JSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the first half of 2026

	30.06.2026 EUR	30.06.2025 EUR
Cash flows from operating activities:		
Receipts from customers	26,512	40,971
Payments to suppliers	(18,300)	(28,755)
Payments related to personnel	(6,038)	(8,055)
Other cash flows from operating activities	(67)	160
Net cash flow from operating activities	**2,107**	**4,321**
Cash flows from investing activities:		
Proceeds from sale of non-current assets	-	-
Purchase of property, plant and equipment and intangible assets	(1,573)	(4,012)
Other cash flows from investing activities	350	-
Net cash flow from investing activities	**(1,223)**	**(4,012)**
Cash flows from financing activities:		
Cash flows from issue of securities	-	-
Proceeds from loans received	4,877	9,699
Payments on loans received	(7,472)	(7,791)
Payments of lease liabilities	(137)	(142)
Payments of interest and other finance costs on loans received	(492)	(446)
Other cash flows from financing activities	(51)	(45)
Dividends paid to owners	-	(56)
Net cash flow from financing activities	**(3,275)**	**1,219**
Net cash flow for the period		**1,528**
Change in cash and cash equivalents	**(2,391)**	
Cash and cash equivalents at the beginning of the period	**3,948**	**1,024**
Cash and cash equivalents at the end of the period	**1,557**	**2,552**

The accompanying explanatory notes are an integral part of the financial statements.

Gurkovo, 17.08.2026

Compiler:	Denka Nikolova (digitally signed)	Representative:	Ivanka Dimitrova (digitally signed)

BULMETAL JSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the first half of 2026

	Share capital EUR	Reserves EUR	Share issue reserves EUR	Financial result EUR	Total EUR	Non-controlling interest EUR
Balance as at 01 January 2025	3,658	3,047	3,731	24,948	35,384	93
Profit for the year				2,023	2,023	32
Distribution of profit incl. For dividends		-	-	-	-	
Other changes in equity		631		(498)	133	-
Balance as at 31 December 2025	**3,658**	**3,678**	**3,731**	**26,473**	**37,540**	**125**
Balance as at 01 January 2026	**3,658**	**3,678**	**3,731**	**26,473**	**37,540**	**125**
Profit for the year	-	-		1,752	1,752	28
Distribution of profit incl. For dividends				(429)	(429)	
Other changes in equity	(9)	2,216		(185)	2,022	
Balance as at 30 June 2026	**3,649**	**5,894**	**3,731**	**27,611**	**40,885**	**153**

The accompanying explanatory notes are an integral part of the financial statements.

Gurkovo, 17.08.2026

Compiler:	Denka Nikolova (digitally signed)	Representative:	Ivanka Dimitrova (digitally signed)

1. Corporate information

The 'BULMETAL' GROUP has its registered office and address of management at 37 Prohoda Street, Gurkovo, UIC 202189103.

As at 30.06.2026 the share capital of the Bulmetal Group is distributed as follows:

	Period	No. of shares	Par value	Amount
1	01.01.2026 – 30.06.2026	7,155,179	EUR 0.51 per share	EUR 3,649,141

At the end of the reporting period the shares are ordinary, registered and dematerialized.

As at 30.06.2025 the largest shareholder of the Company is Kolyo Atanasov Kolev, who holds 76.57% of the Company's capital. There are no other legal entities or individuals who hold more than 5.00% of the Company's share capital.

Shareholder structure as at 30.06.2026

	Name	No. of shares held	Percentage of share capital
1	Kolyo Atanasov Kolev	5 479 000	76.57
2	RP Asset Management" JSC	248 850	3.48
3	"Accent 2" EOOD	248 850	3.48
4	Boyko Penev Shoylekov	248 850	3.48
5	Other shareholders – 118	929 629	12.99

The Bulmetal Group is represented and managed by Ivanka Mihaylova Dimitrova.

The scope of activity of the group is the production and sale of metal packaging, foreign trade activity – import, export, re-export, intermediary services, leasing, organization of consignment warehouses, performance of marketing and advertising activities, production, purchase, processing and sale on the domestic and international market of agricultural produce and dairy products, purchase of goods and items for the purpose of sale in their original, processed or treated form, trade in alcohol and cigarettes /after licensing/, information services, investment activity, performance of all kinds of activities and services not prohibited by law, foreign and domestic trade in all kinds of goods not prohibited by law.

Production of and trade in machines for the production of metal packaging.

Going concern

The financial statements have been prepared in compliance with the going concern principle. As at the date of preparation of these financial statements, management has made an assessment of the group's ability to continue as a going concern on the basis of the information available for the foreseeable future.

Comparative information

The Group presents comparative information in its financial statements for one preceding year. Where necessary, the comparative data are reclassified in order to achieve comparability with changes in presentation in the current period.

Basis of measurement

These financial statements have been prepared on the historical cost basis.

2. Accounting policies

2.1 Basis of preparation of the non-consolidated financial statements

These financial statements have been prepared for the period from 1 January 2026 to 30 June 2026 in accordance with the requirements of the Accountancy Act and the International Financial Reporting Standards (IFRS).

Management presents its report and the interim financial statements as at 30 June 2026 in accordance with the International Financial Reporting Standards (IFRS) in force in the Republic of Bulgaria, as adopted by the Commission of the European Union, and the national accounting legislation.

Requirements for the preparation of consolidated financial statements

These financial statements are consolidated financial statements, the preparation of which is required under the accounting and tax legislation of the Republic of Bulgaria.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The International Financial Reporting Standards include the International Financial Reporting Standards and the interpretations of the IFRS Interpretations Committee (IFRIC), approved by the International Accounting Standards Board, and the

International Accounting Standards (IAS) and the interpretations of the Standing Interpretations Committee (SIC), approved by the International Accounting Standards Committee (IASC), as adopted by the Commission of the European Union.

In accordance with the requirements of Bulgarian legislation, the accounting records are prepared in euro, which is the functional currency and the presentation currency.

The financial statements are presented in thousands of euro, and all amounts are rounded to the nearest thousand euro, unless otherwise stated.

2.2 Accounting policy information and other material information

Functional currency and recognition of exchange differences

The functional and reporting currency of the Group is the euro. The functional currency is the currency of the primary economic environment in which an entity operates and in which cash is mainly generated and spent. It reflects the underlying transactions, events and conditions that are relevant to the entity.

On initial recognition, a foreign currency transaction is recorded directly in the reporting currency, by applying to the foreign currency amount the exchange rate at the time of the transaction or operation. Cash, receivables and liabilities denominated in foreign currency (monetary items) are measured as at 30 June by applying the closing exchange rate of the BNB.

The net differences from changes in foreign exchange rates related to cash, trade receivables and liabilities denominated in foreign currency are included in the statement of comprehensive income.

Revenue

Recognition of revenue from contracts with customers

The Group's ordinary revenue is from the sale of own-produced production. Revenue in the Group is recognized when control over the production, goods and/or services promised in the contract with the customer is transferred to the customer. Control is transferred to the customer when the performance obligations under the contract are satisfied by transferring the promised production, goods and/or by providing the promised services.

Assessment of a contract with a customer

A contract with a customer exists only when, upon its entry into force, it:

a) has commercial substance and motive,

b) the parties have approved it (orally, in writing or on the basis of "established and generally recognized business practice") and are committed to perform it,

c) the rights of each party can be identified,

d) the payment terms can be identified, and

e) it is probable that the consideration to which the Group is entitled upon satisfying its performance obligations will be collected. When assessing collectability, all relevant facts and circumstances of the transaction are taken into account, incl. past experience, customary business practices, published policies and statements made by the Group, collateral and possibilities for settlement.

A contract for which any of the above criteria has not yet been met is reassessed in each reporting period. Consideration received under such a contract is recognized as a liability (contract liability) in the statement of financial position until: a) all criteria for recognition of a contract with a customer are met; b) the Group has satisfied its performance obligations and has received all or substantially all of the consideration (which is non-refundable); and/or c) when the contract has been terminated and the consideration received is non-refundable.

On initial assessment of its contracts with customers, the Group performs an additional analysis and judgement as to whether two or more contracts should be considered in combination and accounted for as one, and accordingly whether the promised production, goods and/or services in each individual and/or combined contract should be accounted for as one and/or more performance obligations.

Each promise to transfer goods and/or services that are distinct (in themselves and in the context of the contract) is accounted for as one performance obligation. The Group recognizes revenue for each separate performance obligation at the level of the individual contract with a customer by analyzing the type, term and conditions of each specific contract.

Measurement of revenue from contracts with customers

Revenue is measured on the basis of the transaction price determined for each contract. The transaction price is the amount of consideration to which the Group expects to be entitled, excluding amounts collected on behalf of third parties. When determining the transaction price, the Group takes into account the terms of the contract and its customary business practices, incl. the effect of variable consideration, the existence of a significant financing component, non-cash

consideration and consideration payable to the customer (if any). For contracts with more than one performance obligation, the transaction price is allocated to each performance obligation on the basis of the stand-alone selling prices of each good and/or service. If there is a change in the scope or price (or both) of the contract, it is accounted for as a separate contract and/or as part of the existing contract, depending on whether the change relates to the addition of goods and/or services that are distinct, and on the price determined for them. Depending on this:

a) the modification is accounted for as a separate contract if the scope of the contract is expanded because of the addition of goods and/or services that are distinct and the change in the contract price reflects the stand-alone selling prices of the added goods and/or services;
b) the modification is accounted for as a termination of the existing contract and the creation of a new contract (prospective application) if the remaining goods and/or services are distinct from those transferred before the modification, but the change in the contract price does not reflect the stand-alone selling prices of the added goods and/or services;
c) the modification is accounted for as part of the existing contract (cumulative catch-up adjustment) if the remaining goods and/or services are not distinct from those transferred before the modification and therefore form part of a single performance obligation that is partially satisfied.

Trade receivables and contract assets

A contract asset is the Group's right to consideration in exchange for the production, goods or services that it has transferred to the customer, but which is not unconditional (accrued receivable). If, by transferring the production, goods and/or providing the services, the Group performs its obligation before the customer pays the respective consideration and/or before payment becomes due, a contract asset is recognized for the consideration earned (which is conditional).

Recognized contract assets are reclassified to trade receivables when the right to consideration becomes unconditional. The right to consideration is considered unconditional if the only condition for payment of the consideration to become due is the passage of a certain period of time.

Contract liabilities

The Group presents as a contract liability the payments received from the customer and/or the unconditional right to receive payment before it has satisfied its performance obligations under the contract. Contract liabilities are recognized as revenue when (or as) the performance obligations are satisfied.

Contract assets and liabilities are disclosed separately. They are included in the group of current assets when their maturity is within 12 months or they take part in the Group's normal operating cycle, and the remaining ones – as non-current.

After initial recognition, trade receivables and contract assets are reviewed for impairment in accordance with the rules of IFRS 9 Financial Instruments. Impairment losses arising from contracts with customers are presented separately from other impairment losses.

Costs

Costs in the Group are recognized at the time they are incurred and on the basis of the accrual and matching principles, but only to the extent that the latter does not lead to the recognition of reporting items for assets or liabilities that do not meet the criteria of IFRS and the framework thereto.

Prepaid expenses are deferred for recognition as a current expense for the period during which the contracts to which they relate are performed.

Finance costs are included in the statement of comprehensive income (in profit or loss for the year) when they are incurred and consist of interest expenses related to loans received and lease liabilities, as well as fees and other direct costs on credits.

Property, plant and equipment

Property, plant and equipment (tangible non-current assets) are presented in the financial statements at cost (acquisition cost), less accumulated amortization (excluding land) and impairment losses.

Initial acquisition

On initial acquisition, property, plant and equipment are measured at cost, which includes the purchase price, customs duties and all other direct costs necessary to bring the asset to working condition.

Direct costs are mainly: site preparation costs, initial delivery and handling costs, installation costs, fees of persons related to the project, non-refundable taxes, capitalized interest costs for assets meeting the conditions of IAS 23, etc. Components that are acquired together with or to specific other non-current tangible assets, but have not yet been installed to them, are capitalized to the value of the main item and are amortized over its remaining useful life.

When non-current tangible assets are constructed in-house, the acquisition cost includes all direct costs related to the resources through which the respective items are constructed (salary and social security costs, materials and raw materials, external services, etc.).

The Group has set a value threshold of EUR 358., below which acquired assets, irrespective of the fact that they have the characteristic of a non-current asset, are written off as a current expense at the time of their acquisition.

Subsequent measurement

The approach chosen by the Group for subsequent carrying measurement of property, plant and equipment is the cost model under IAS 16 – cost less accumulated amortization and accumulated impairment losses.

Amortization methods

The Group uses the straight-line method of amortization of property, plant and equipment. Amortization of the assets begins when they are available for use. Land is not amortized. The useful life by groups of assets takes into account: physical wear and tear, the specifics of the equipment, future intentions for use and expected obsolescence.

The useful life determined by groups of assets is as follows:

- buildings – 25 years;
- machinery, facilities and equipment – 2-25 years;
- computers – 2-5 years;
- vehicles – 3-15 years;
- fixtures and fittings – 2-15 years.

The determined useful lives of non-current tangible assets are reviewed at the end of each reporting year and, if significant deviations are found compared with future expectations about the period of use of the assets, the useful life is adjusted from the date of the change.

Subsequent costs

Repair and maintenance costs are recognized as current in the period in which they are incurred. Subsequent costs related to property, plant and equipment that are in the nature of replacement of certain key parts and units, or of conversion and reconstruction, are capitalized to the carrying amount of the respective asset and its remaining useful life is reviewed at the date of capitalization. At the same time, the non-amortized part of the replaced components is written off from the carrying amount of the assets and recognized in the current costs for the period of conversion.

Impairment of assets

The carrying amounts of property, plant and equipment are subject to review for impairment when events or changes in circumstances indicate that the carrying amount could differ permanently from their recoverable amount. If such indicators exist and the approximately determined recoverable amount is lower than their carrying amount, the latter is written down to the recoverable amount of the assets. The recoverable amount of property, plant and equipment is the higher of: fair value less costs of disposal, or value in use. For determining the value in use of the assets, future cash flows are discounted to their present value by applying a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and the risks specific to the respective asset. Impairment losses are reported in the line item “Impairment and write-off of non-current assets” in the statement of comprehensive income (in profit or loss for the year). In cases where, in the course of the impairment review, it is established that an asset has recovered its value, the impairment loss reported in previous periods is recognized in the statement of comprehensive income. The carrying amount of the asset, increased as a result of reversal of an impairment loss, does not exceed the carrying amount that would have been determined (after deducting amortization) had no impairment loss been recognized for the respective asset in previous years.

Gains and losses on disposal

Tangible non-current assets are derecognized from the statement of financial position when they are permanently withdrawn from use and no future economic benefits are expected from them, or when they are sold. Gains or losses on disposal of individual assets from the group of “property, plant and equipment” are determined by comparing the consideration to which the Group expects to be entitled (the proceeds from the sale) with the carrying amount of the asset at the date on which the recipient obtains control of it. They are presented net, in “other income/(losses) from activities” on the face of the statement of comprehensive income (statement of profit or loss).

Intangible assets

Intangible assets are presented in the individual financial statements at cost, less accumulated amortization and impairment losses. They include licences for the use of software products.

The Group applies the straight-line method of amortization of intangible assets with a determined useful life of 2 to 7 years.

The carrying amount of intangible assets is subject to review for impairment when events or changes in circumstances indicate that the carrying amount may exceed their recoverable amount. The impairment is then included as an expense in the statement of comprehensive income (in profit or loss for the year).

Intangible assets are derecognized from the statement of financial position when they are permanently withdrawn from use and no future economic benefits are expected from them, or when they are sold.

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at acquisition cost, including transaction costs. Costs of replacing parts of an investment property are included in its carrying amount when these costs are incurred, provided that they meet the recognition criteria of an investment property. After initial recognition, investment properties are accounted for at historical cost, similarly to the other non-current assets in accordance with IAS 16, and the useful life of investment properties corresponds to that of the other non-current assets.

Inventories

Inventories are measured at the lower of: acquisition cost (cost) and their net realizable value.

The costs incurred in bringing a product to its present condition and location are included in the cost (acquisition cost) as follows:

- raw materials and materials in finished form – all delivery costs, which include purchase price, import duties and fees, transport costs, non-refundable taxes and other costs contributing to bringing the materials to a form ready for their use;
- finished goods and work in progress – direct costs of materials and labour and the corresponding part of production overheads at normal capacity utilization of the production facilities, excluding administrative costs, exchange differences and costs of borrowed financial resources.

The weighted average cost (cost) method is used upon use (sale) of inventories.

Net realizable value is the estimated selling price of an asset in the ordinary course of business, less the estimated costs of completion to a marketable condition of that asset and the estimated costs to sell.

Trade receivables

Trade receivables represent the Group's unconditional right to consideration under contracts with customers and other counterparties (i.e. it is tied only to the passage of time before payment of the consideration).

Initial measurement

Trade receivables are presented and recognized initially at fair value on the basis of the transaction price, which value is usually equal to their invoice value, unless they contain a significant financing component, which is not accrued additionally. In that case they are recognized at their present value, determined at a discount rate equal to an interest rate assessed as inherent to the customer-debtor.

Subsequent measurement

The Group holds trade receivables solely for the purpose of collecting contractual cash flows and subsequently measures them at amortized cost, reduced by the amount of accumulated impairment for credit losses.

Impairment

The Group applies the expected credit loss model over the whole life of all trade receivables, using the simplified approach permitted by IFRS 9 and on the basis of a provision matrix for the loss percentage.

Uncollectible receivables are written off when the legal grounds for this arise.

Impairment (respectively its reversal) of receivables is accrued and recorded through a corresponding adjusting account for each type of receivable to the line item "Reversed/accrued impairment of financial assets, net" on the face of the statement of comprehensive income (in profit or loss for the year).

Cash and cash equivalents

Cash includes cash on hand and balances on current accounts, and cash equivalents – deposits in banks with an original maturity of up to three months and funds on deposits with a longer maturity that are freely available to the Group under the terms of the arrangements with the banks during the deposit.

Subsequent measurement

Cash and equivalents in banks are subsequently presented at amortized cost, reduced by accumulated impairment for expected credit losses.

For the purposes of preparing the statement of cash flows:

- cash receipts from customers and cash payments to suppliers are presented gross, including VAT (20%);
- interest on all loans received is included as payments from financing activities;
- payments related to lease contracts (interest and principal) related to right-of-use assets are presented in financing activities;

Trade and other payables

Trade and other current payables in the statement of financial position are presented at the value of the original invoices (acquisition cost), which is accepted as the fair value of the transaction and will be paid in the future against the assets and services received. In cases of deferred payments beyond the normal credit period, where no additional payment of interest is provided for or the interest differs significantly from the usual market interest rate, the liabilities are measured initially at their fair value on the basis of their present value at a discount rate inherent to the Company, and subsequently – at amortized cost, after deducting the interest incorporated in their nominal value, determined by the effective interest method.

Interest-bearing loans and other borrowed financial resources

In the statement of financial position all loans and other borrowed financial resources are presented at acquisition cost (nominal amount), which is accepted as the fair value of what was received under the transaction, net of the direct costs related to these loans and borrowed resources.

over the term of the financial instrument on the basis of the effective interest rate method. Interest-bearing loans and other borrowed financial resources are classified as current, except for the part of them for which the Company has an unconditional right to settle its obligation within a period of more than 12 months from the end of the reporting period.

Leases

The Group analyzes and assesses whether a contract is or contains a lease at the inception date of the lease, which is the earlier of the date of the lease agreement and the date of the commitment of the parties to the main terms of the lease contract. A contract is or contains a lease if, under it, the right to control the use of an asset for a period of time is transferred in exchange for consideration.

Lessee

The Group applies a single model for recognition and measurement of all lease contracts, except for short-term leases (a lease with a term of 12 months or less from the commencement date of the lease and which does not contain a purchase option) and leases of low-value assets.

-lease liabilities

The Group recognizes lease liabilities at the commencement date of the lease, measured at the present value of the lease payments that have not been paid at that date. They include:

- fixed payments (including in-substance fixed lease payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date of the lease;
- the exercise price of a purchase option, if it is reasonably certain that the lessee company will exercise that option;
- amounts that the Group expects to pay to lessors as residual value guarantees.

Lessor

The Group classifies each of its lease contracts as an operating lease or a finance lease. When a lease contract transfers substantially all the risks and rewards of ownership of the underlying asset, it is classified as a finance lease; all other contracts are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the lease contract and is presented in other income from activities, net in the statement of comprehensive income. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and are recognized as an expense over the term of the lease contract on a straight-line basis.

The underlying asset, subject to the lease contract, remains and is presented in the Company's statement of financial position.

Employee benefits

The labour and social security relations with the workers and employees of the Group are based on the provisions of the Labour Code and the provisions of the social security legislation in force.

Short-term benefits

Short-term employee benefits in the form of remuneration, bonuses and social payments and benefits (due within 12 months after the end of the period in which the personnel have rendered the work for them or have met the necessary conditions) are recognized as an expense in the statement of comprehensive income (in profit or loss for the year) in the period in which the work was rendered for them or the requirements for their receipt were met, and as a current liability (after deducting all amounts already paid and deductions due) at the amount of their undiscounted sum. The social and health insurance contributions due by the Group are recognized as a current expense and liability at an undiscounted amount, together with and in the period of accrual of the respective benefits to which they relate.

Termination benefits

In accordance with the provisions of labour and social security legislation, the Group, in its capacity as employer, has an obligation to pay certain types of compensation upon termination of the employment contract of employees before retirement.

Government grants (donation from public institutions)

Government grants are various forms of provision of grant funds by the state (local and central authorities and institutions) and/or intergovernmental agreements and organizations.

A government grant (donation from public institutions) is recognized initially as deferred income (funding) when there is reasonable assurance that it will be received by the Group and that the latter has complied and complies with the conditions and requirements of the grant.

A government grant (donation from public institutions) related to compensation of costs incurred is recognized in current profit or loss on a systematic basis for the same period in which the costs are recognized, or, if it is regulated by law and received in a subsequent period, in that period.

A government grant (donation from public institutions) related to compensation of investment costs for acquisition of an asset is recognized in current profit or loss.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets

Initial recognition, classification and measurement

On initial recognition, financial assets are classified in three groups, according to which they are subsequently measured at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

The Group initially measures financial assets at fair value, and in the case of financial assets that are not carried at fair value through profit or loss, direct transaction costs are added. An exception are trade receivables that do not contain a significant financing component – they are measured on the basis of the transaction price determined in accordance with IFRS 15.

Purchases or sales of financial assets whose terms require delivery of the assets within a period of time established generally by a regulatory provision or current practice in the respective market (regular way purchases) are recognized on the trade date (the transaction date), i.e. the date on which the Group has committed to purchase or sell the asset.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the respective financial asset and the Group's business model for managing it. In order to be classified and measured at amortized cost or at fair value in other comprehensive income, the terms of a financial asset must give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. For this purpose, an SPPI test is performed at the instrument level.

The Group's business model for managing financial assets reflects the way in which the Group manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will result solely from collecting contractual cash flows, from selling the financial assets, or both.

The Group has determined a business model whose objective is to hold the assets in order to collect the contractual cash flows. This model includes cash and cash equivalents and trade and other receivables.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified as financial assets at amortized cost (debt instruments) and financial assets at fair value through other comprehensive income without recycling of cumulative gains and losses (equity instruments).

The Group measures financial assets at amortized cost when both conditions below are met:

- the financial asset is held and used within a business model whose objective is to hold it in order to collect the contractual cash flows from it, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method. They are subject to impairment. Gains and losses are recognized in the statement of comprehensive income (in profit or loss for the year) when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include: cash and equivalents in banks and trade receivables, incl. from related undertakings.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized from the Group's statement of financial position when:

- the rights to receive cash flows from the asset have expired, or
- the rights to receive cash flows from the asset have been transferred or the Group has assumed an obligation to pay the received cash flows in full, without material delay, to a third party through a pass-through arrangement; whereby: either a) the Group has transferred substantially all the risks and rewards of ownership of the asset; or b) the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control over it.

When the Group has transferred its rights to receive cash flows from the asset or has entered into a pass-through arrangement, it assesses whether and to what extent it has retained the risks and rewards of ownership. When the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, nor has it transferred control over it, it continues to recognize the transferred asset to the extent of its continuing involvement in it. In that case the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: the original carrying amount of the asset and the maximum amount of the consideration that the Group could be required to pay.

Impairment of financial assets

The Group recognizes an allowance (impairment provision) for expected credit losses for all debt instruments that are not carried at fair value through profit or loss. Expected credit losses are calculated as the difference between the contractual cash flows due in accordance with the terms of the contract and all cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows include also the cash flows from the sale of held collateral or other credit enhancements that are an integral part of the terms of the contract.

For calculating the expected credit losses on trade receivables and contract assets, the Group has chosen and applies a simplified approach on the basis of a matrix for calculating expected credit losses and does not track subsequent changes in their credit risk. Under this approach an allowance (impairment provision) is recognized on the basis of the lifetime expected credit loss of the receivables at each reporting date. The Group has developed and applies a provisioning matrix which is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and to the economic environment and for which a correlation with the credit loss percentage has been established.

Financial impaired assets are written off when there is no reasonable expectation of recovery of the contractual cash flows.

Financial liabilities

Initial recognition, classification and measurement

The Group's financial liabilities include trade and other payables, loans and other borrowings. On initial recognition, financial liabilities are classified as liabilities at amortized cost. Initially all financial liabilities are recognized at fair value, and in the case of loans and borrowings and trade and other payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification. They are usually classified and measured at amortized cost.

Loans received and other borrowings (incl. payables to suppliers)

After initial recognition, the Group measures interest-bearing loans and borrowings at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income (in profit or loss for the

year) when the respective financial liability is derecognized, as well as through amortization on the basis of the effective interest rate.

Amortized cost is calculated by taking into account any discounts or premiums on acquisition, as well as fees or costs that are an integral part of the effective interest rate. Amortization is included as a "finance cost" in the statement of comprehensive income (in profit or loss for the year).

Derecognition

Financial liabilities are derecognized when the obligation is discharged, or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new one. The difference in the respective carrying amounts is recognized in the statement of comprehensive income (in profit or loss for the year).

3. REVENUE FROM MAIN ACTIVITY

3.1. REVENUE FROM SALE OF FINISHED PRODUCTS.

	30.06.2026	30.06.2025
Revenue from sale of finished products	**22,946**	**26,088**
incl.		
I Cans for the food industry	4,763	5,641
II Chemical industry	8,484	8,024
1 Cans for the chemical industry	2,019	2,334
2 Aerosols for the chemical industry	6,465	5,690
III Lids	1,570	1,874
1 Easy open lids	226	221
2 Components and other	1,344	1,653
IV Machines/lines	8,129	10,548
Metalworking machines/lines	5,760	8,105
Spare parts	2,369	2,443

3.2. REVENUE FROM SALE OF GOODS.

	30.06.2026	30.06.2025
1 Revenue from sale of goods, incl.	12	25
2 Revenue from sale of fuels	7	6
3 Revenue from sale of canned goods	4	4
4 Revenue from sale of other goods	1	15

3.3. REVENUE FROM SALE OF SERVICES.

	30.06.2026	30.06.2025
1 Revenue from sale of transport services	57	56
2 Revenue from sale of services – toll manufacturing	38	55
3 Rental income	35	51
4 Revenue from sale of other services	837	1,309
incl.		
provision of labour	191	364
accounting services	3	1
information services	15	26
Transport services	250	493
other services	378	425
Total revenue from sale of services	**967**	**1,471**

4. OTHER INCOME

	30.06.2026	30.06.2025
1 Revenue from sale of materials	1,825	1,055
2 Revenue from sale of non-current assets	41	6
3 Revenue from sale of technological waste	194	237
4 Other income	342	175
5 Income from funding	-	6
6 Income from surpluses	29	0
Total	**2,089**	**1,479**

5. COSTS OF MATERIALS AND CONSUMABLES

	30.06.2026	30.06.2025
1 Costs of sheet metal and other basic materials	10,501	9,819
2 Costs of chemicals – other	123	114
3 Costs of inks	33	45
4 Costs of varnishes	673	662
5 Costs of other basic materials	835	499
6 Costs of packaging materials	165	255
7 Costs of auxiliary materials	76	45
8 Costs of electricity	486	575
9 Costs of natural gas	161	221
10 Costs of water	1	1
11 Costs of fuels and lubricants	35	36
12 Costs of tyres	1	1
13 Costs of tools	108	94
14 Costs of spare parts	95	51
15 Costs of stationery	5	2
16 Costs of other materials	25	95
TOTAL	**13,323**	**12,515**

6. CARRYING AMOUNT OF ASSETS SOLD

	30.06.2026	30.06.2025
1 Carrying amount of non-current tangible assets sold	18	7
2 Carrying amount of goods sold	10	18
3 Carrying amount of materials sold	1,836	997
Total:	**1,864**	**1,022**

7. COSTS OF SERVICES

	30.06.2026	30.06.2025
1 Costs of industrial services	10	6
2 Costs of repair and maintenance services	200	202
3 Insurance costs	103	100
4 Rental costs	35	27
5 Costs of hired transport	662	647
6 Costs of postal and courier services	47	52
7 Costs of consulting services	245	287
8 Costs of legal services	41	16
9 costs of hired personnel	23	135
10 Costs of other services	140	160

	30.06.2026	30.06.2025
incl. Product fee	26	13
11 commissions	148	95
TOTAL	**1,654**	**1,727**

8. PERSONNEL COSTS

	30.06.2026 EUR	30.06.25 EUR
Costs of current remuneration under employment contracts /incl. social security contributions/	6,171	5,964
Salary costs	4,885	4,738
Social security contribution costs	1,286	1,226
Total	**6,171**	**5,964**

9. OTHER OPERATING COSTS

	30.06.2026	30.06.2025
1 Costs of fines and penalties	7	3
2 Costs of business trips	240	200
3 Documentarily unsubstantiated costs	19	-
4 Representation costs	1	2
5 Technological scrap	9	14
6 Production scrap	0	13
7 Costs of samples	2	2
8 Food products	2	
9 Written-off assets	0	1
10 Other costs	1,356	1,535
11 Taxes – Local Taxes and Fees Act	89	81
TOTAL	**1,725**	**1,851**

10. FINANCE INCOME/COSTS

10. 1 FINANCE INCOME

	30.06.2026 EUR	30.06.2025 EUR
Interest income on loans granted	9	13
Income from foreign exchange operations	20	36
Total	**29**	**49**

10. 2 FINANCE COSTS

	30.06.2026 EUR	30.06.2025 EUR
Negative exchange differences from changes in foreign exchange rates	16	
Interest expenses	530	539
Other finance costs	71	91
Total	**617**	**690**

11. PROPERTY, PLANT AND EQUIPMENT

11.1. NON-CURRENT TANGIBLE ASSETS

2026	Land	Buildings	Machinery and equipment	Vehicles	Fixtures and fittings	Total

2026	Land	Buildings	Machinery and equipment	Vehicles	Fixtures and fittings	Total
Cost as at 01.01.2026	**1,287**	**8,752**	**49,494**	**2,238**	**1,610**	**63,381**
Acquired	-	3	314	23	518	858
Disposed	0		210	28	15	253
As at 30.06.2026	**1,287**	**8,755**	**49,598**	**2,233**	**2,113**	**63,986**
Amortization as at 01.01.2026	**0**	**1,730**	**29,322**	**1,530**	**863**	**33,445**
Amortization for the year	0	149	895	75	94	1,213
Disposed amortization	0		192	25		217
As at 30.06.2026	**0**	**1,879**	**30,025**	**1,580**	**957**	**34,441**
Carrying amount as at 01.01.2026	**1,287**	**7,022**	**20,172**	**708**	**747**	**29,936**
As at 30.06.2026	**1,287**	**6,876**	**19,573**	**653**	**1,156**	**29,545**

11.2. INVESTMENT PROPERTIES.

2026	Investment properties
Cost as at 01.01.2026	**329**
Acquired	
Disposed	
As at 30.06.2026	**329**
Amortization as at 01.01.2026	**49**
Amortization for the year	7
Disposed amortization	
As at 30.06.2026	**56**
Carrying amount as at 01.01.2026	**280**
As at 30.06.2025	**273**

11.3. COSTS OF ACQUISITION OF NON-CURRENT TANGIBLE ASSETS.

2026	Total costs of acquisition of non-current tangible assets
Cost as at 01.01.2026	**6,737**
Acquired	1,490
Disposed	484
As at 30.06.2026	**7,743**
Carrying amount as at 01.01.2026	**6,737**
As at 30.06.2026	**7,743**

12. INTANGIBLE ASSETS

2026	Rights to property and software products	Development products	Other	Goodwill	Total
Cost as at 01.01.2026	**758**	**1,175**	**586**	**0**	**2,519**
Acquired	31	-	5	2,200	2,236
Disposed	0	13	0		13
As at 30.06.2026	**789**	**1,162**	**591**	**2,200**	**4,742**
Amortization as at 01.01.2026	**682**	**1,086**	**137**	**0**	**1,905**
Amortization for the year	37	32	5	0	74
Disposed amortization	0	0	0	0	0

2026	Rights to property and software products	Development products	Other	Goodwill	Total
As at 30.06.2026	**719**	**1,118**	**142**	**0**	**1,979**
Carrying amount as at 01.01.2026	**76**	**89**	**449**	**0**	**614**
As at 30.06.2026	**70**	**44**	**449**	**2,200**	**2,763**

The goodwill reported in the amount of EUR 2,200 thousand is a result of the interests in BIBRA BIAGOSCH BRANDAU – GERMANY acquired by BULMETAL JSC. The expert valuation of the interests is EUR 3,700 thousand. The registered share capital of BIBRA BIAGOSCH BRANDAU – GERMANY, acquired by BULMETAL JSC, is EUR 1,500 thousand.

13. INVENTORIES

13.1. Raw materials and materials

	30.06.2026	31.12.2025
Basic materials and raw materials	13,293	8,573
Basic materials – packaging materials	285	278
Auxiliary materials	12	5
Spare parts	110	103
Fuels and lubricants	4	2
Other materials	85	63
Materials in transit-	0	432
TOTAL:	**13,789**	**9,456**

13.2. Finished goods

	30.06.2026	31.12.2025
Finished goods – metal packaging	1,596	1,554
Finished goods – machines and parts thereof	0	0
TOTAL:	**1,596**	**1,554**

13.3. Goods

	30.06.2026	31.12.2025
Goods – other	5,199	7,063
Goods – fuels	20	8
TOTAL:	**5,219**	**7,071**

13.4. Work in progress

	30.06.2026	31.12.2025
Semi-finished products – metal packaging	5,732	4,696
Work in progress – machines and parts	9,957	7,239
TOTAL:	**15,689**	**11,935**

14. RECEIVABLES FROM CUSTOMERS AND SUPPLIERS

	30.06.2026	31.12.2025
Suppliers – advances, domestic	646	1,170
Suppliers – advances, foreign	743	281
Suppliers – advances, related parties, domestic	0	0
Total suppliers – advances:	**1,389**	**1,451**
Customers – domestic market	366	763
Customers – foreign market	8,725	7,164
Customers – related parties	42	384

	30.06.2026	31.12.2025
Total receivables from customers:	**9,133**	**8,311**
TOTAL:	**10,522**	**9,762**

15. OTHER RECEIVABLES AND CURRENT ASSETS

	30.06.2026	31.12.2025
Accountable persons	20	23
Receivables from shortages and charges	1	1
Receivables from court disputes – suppliers	9	17
VAT refundable	432	392
Corporate tax	60	0
Settlements with customs – VAT	-	7
Other debtors, other settlements with customers, domestic	215	148
Other debtors – re-invoiced costs	0	151
Other debtors	58	58
Other receivables	569	435
Other creditors – VAT	30	9
Prepaid expenses	499	307
TOTAL:	**1,893**	**1,548**

16. CASH AND CASH EQUIVALENTS

	30.06.2026 EUR	31.12.2025 EUR
Cash on hand	79	35
Cash in bank accounts	1,478	3,913
Total	**1,557**	**3,948**

17. SHARE CAPITAL

	30.06.2026 EUR	31.12.2025 EUR
Share capital	3,649	3,658
Total	**3,649**	**3,658**

The Group's share capital is divided into 7 155 179 shares of EUR 0.51 each and as at 30.06.2026 is fully paid.

18. LIABILITIES ON LOANS RECEIVED FROM BANKS

As at 30.06.2026 the liabilities on these loans are as follows:

	30.06.2026 EUR	31.12.2025 EUR
Liabilities on loans received from banks and financial institutions	25,528	26,620
incl.		
- non-current portion	6,376	7,993
- current portion	19,152	18,627
Total	**25,528**	**26,620**

18.1. BANK LOANS.

Information on the loan agreements concluded by the issuer and by its subsidiary, in their capacity as borrowers, indicating the terms thereof, including the final repayment dates, as well as information on guarantees provided and obligations assumed.

Description of the bank loan agreements concluded between BULMETAL – JSC and the following banks:

I. UBB – JSC

1. Overdraft credit agreement – 14F – 000172/30.11.2015

- Authorized limit – EUR 4,300,000
- Final repayment date – 30.11.2027
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 4,263,859.87
- Collateral
  - Machinery and equipment
  - Land and buildings
  - Pledge of receivables and bank accounts

2. Overdraft credit agreement N18F-001048/13.12.2018

- Authorized limit – EUR 1,350,000
- Final repayment date – 20.11.2029
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 EUR 1,350,000
- Collateral
  - Machinery and equipment
  - Pledge of future receivables
  - Pledge of receivables and bank accounts

3. Short-term credit line 19F-002640/10.12.2019

- Authorized limit – EUR 1,500,000
- Final repayment date – 10.6.2027
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 EUR 1,097,071.68
- Collateral
  - Pledge of cash receivables
  - Pledge of inventories (SMZ)
  - Machinery and equipment
  - Pledge of bank accounts

4. Investment credit agreement 22F-000766/20.11.2024

- Authorized amount – BGN 3,780,000
- Final repayment date – 15.11.2030
- Interest terms – fixed interest rate + margin
- Regular principal as at 31.12.2026 – EUR 1,707,203.59
- Collateral:
  - Pledge of receivables and bank accounts
  - Pledge of future receivables

5. Framework agreement for the issue and use of contactless international credit cards.

- Authorized limit – EUR 2,000.00

6. Short-term credit line agreement with the option of opening letters of credit and issuing bank guarantees 1295/20.11.2015

- Authorized limit EUR 2,300,000
- Final repayment date – 21.03.2027
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 79,652.30
- Collateral:
  - Machinery and equipment
  - Co-debtorship

7. Investment credit agreement 22F-000574/27.05.2022

- Authorized amount – EUR 1,546,146
- Final repayment date – 27.05.2029
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 678,064.49
- Collateral:
  - Machinery and equipment
  - Pledge of receivables on bank accounts
  - Pledge of future receivables

8. Investment credit agreement 22F-001321/07.12.2022

- Authorized amount – EUR 574,000
- Final repayment date – 07.02.2029
- Interest terms – fixed interest rate + margin
- Regular principal as at 30.06.2026 – EUR 255,120.00
- Collateral:
  - Pledge of receivables
  - Machinery and equipment

9. Investment credit agreement 25F-11480594-155866 /19.12.2025

- Authorized amount – EUR 2,760,976.16
- Final repayment date – 20.5.2031
- Interest terms – fixed interest rate + margin
- Regular principal as at 30.06.2026 – EUR 2,714,959.89
- Collateral:
  - Pledge of receivables
  - Machinery and equipment

II. Allianz Bank Bulgaria – JSC

1. Framework agreement for the provision of a revolving credit limit 47737/14.01.2020

- Authorized limit – EUR 1,150,000
- Final repayment date – 14.01.2030
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 512,593.13
- Collateral:
  - Pledge of machinery and equipment
  - Pledge of receivables

2. Investment credit 50109/07.04.2023

- Authorized limit – EUR 2,454,000.00
- Final repayment date – 07.04.2029
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 1,489,960
- Collateral:
  - Pledge of machinery and equipment
  - Pledge of receivables

3. Investment credit 48662/25.03.2021

- Authorized limit – EUR 1,250,000
- Final repayment date - 25.3.2028
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 331,340
- Collateral:
  - Pledge of machinery and equipment
  - Pledge of receivables

4. Working capital credit – overdraft 51082/30.09.2024

- Authorized limit – EUR 2,300,000
- Final repayment date - 30.9.2034
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 2,294,015.36
- Collateral:
  - Pledge of receivables

III. UniCredit Bulbank" JSC

1. Revolving multi-purpose line – conditional bank credit agreement

- Authorized limit – EUR 1,650,000
- Final repayment date – 5.6.2026
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 600,546.87
- Collateral:
  - Pledge of machinery and equipment
  - Pledge of receivables

IV. EUROBANK BULGARIA – JSC

1. Credit agreement – overdraft 070/0/2019/24.09.2019

- Authorized limit – EUR 1,200,000
- Final repayment date – 30.10.2026
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 1,189,809.03
- Collateral:
  - Pledge of inventories (SMZ)
  - Pledge of machinery

2. Bank credit agreement for the issue of guarantees and letters of credit 100-4622/23.11.2022

- Authorized limit – EUR 1,850,000
- Final repayment date – 30.10.2026
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 1,174,932.39
- Collateral:
  - Pledge of inventories (SMZ)
  - Pledge of machinery

Description of the bank loan agreements concluded between CEVOLANI ITALY SRL and the following banks:

I. Banca Intesa

1. Targeted COVID working capital loan

- Authorized amount - EUR 500,000
- Final repayment date – 30.07.2026
- Interest terms – floating interest rate + margin
- Regular principal as at 30,06,2026 – EUR 10,641
- Collateral:
- No collateral

II.. Banca Popolare dell'Emilia Romagna S.C (BPER Bank)

1. Targeted COVID working capital loan

- Authorized amount – EUR 500,000
- Final repayment date – 30.08.2026
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 21,295
- Collateral:

- No collateral

III. UniCredit S.p.A

1. Targeted COVID working capital loan

- Authorized amount – EUR 700,000
- Final repayment date – 30.03.2027
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 133,926
- Collateral:
- No collateral

IV. KBC BANK NV ITALIA

1. Investment credit for purchase of an industrial property

- Authorized amount – EUR 2,574,000
- Final repayment date – 30.06.2031
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 1,166,460
- Collateral:
- First-ranking mortgage on the acquired industrial property

2. Short-term working capital credit – overdraft

- Authorized amount – EUR 1,300,000
- Final repayment date – 30.06.2031
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 1,300,000

Description of the bank loan agreements concluded between BIBRA Biagosch and Brandau Germany GmbH and the following banks:

VI. KBC Bank

1. Credit line

- Authorized amount – EUR 3,000,000
- Final repayment date – 31.05.2031
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2026 – EUR 2,963,620

2. Investment credit

- Authorized amount - EUR 245,435.35
- Final repayment date – 31.05.2031
- Interest terms – floating interest rate + margin
- Regular principal as at 30.06.2025 – EUR 186,468

18.2. LIABILITIES TO BANKS – OFF-BALANCE SHEET.

Information on off-balance sheet transactions – nature and business purpose, indication of the financial effect of the transactions on the activity, if the risk and benefits of these transactions are material to the issuer and if the disclosure of this information is material for the assessment of the issuer's financial position.

As at 30.06.2026 BULMETAL – JSC has assumed the following off-balance sheet commitments in the form of bank guarantees:

1. UBB – JSC

1.1 Guarantee.

- Beneficiary - KBC BANK
- Amount of the guarantee – EUR 650,000.00
- Validity – 16.01.2027

2. Allianz Bank Bulgaria – JSC

2.1. Payment guarantee

* Beneficiary - "Elektrorazpredelenie Yug" EAD
* Amount of the guarantee – EUR 14,725.21
* Validity – 30.10.2028

2.2. Payment guarantee

* Beneficiary - Ministry of Energy
* Amount of the guarantee – EUR 6,250.54
* Validity – 30.9.2026

2.3 Payment guarantee

* Beneficiary - Ministry of Energy
* Amount of the guarantee – EUR 9,062.65
* Validity – 30.9.2026

2.4 Payment guarantee

* Beneficiary - Ministry of Energy
* Amount of the guarantee – EUR 9,062.65
* Validity – 30.9.2026

7. Information on the issuer's equity interests, its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its group of undertakings within the meaning of the Accountancy Act and the sources/ways of financing

There are no such circumstances

19. LIABILITIES UNDER CONCLUDED LEASE CONTRACTS

As at 30.06.2026 the company's liabilities under concluded finance lease contracts are as follows:

	30.06.2026 EUR	31.12.2025 EUR
Finance lease liabilities	473	609
incl.		
- non-current portion	199	345
- current portion	274	264
Total	**473**	**609**

20. LIABILITIES TO SUPPLIERS

	30.06.2026 EUR	31.12.2025 EUR
Liabilities to suppliers	13,798	10,061
incl.		
- Liabilities to related undertakings	554	726
- Liabilities to suppliers	10,035	9,335
Total	**10,589**	**10,061**

21. CONTRACT LIABILITIES TO CUSTOMERS

	31.12.2026 EUR	31.12.2025 EUR
Liabilities under contracts with customers	7,898	5,372
incl.		
- Liabilities under contracts with customers – foreign	7,842	5,260
- Liabilities under contracts with customers – domestic	56	112
- Liabilities under contracts with customers – related parties	0	0

	31.12.2026 EUR	31.12.2025 EUR
Total	**7,898**	**5,372**

22. LIABILITIES TO PERSONNEL

	30.06.2026 EUR	31.12.2025 EUR
Liabilities for current remuneration	843	696
Retirement obligations	319	319
Provisions under IAS 19	361	361
Total	**1,523**	**1,376**

The liabilities to personnel for current remuneration represent the accrued remuneration under employment contracts and management contracts for the month of June 2026 and the provisions accrued for unused paid annual leave as at 31.12.2025.

23. LIABILITIES TO SOCIAL SECURITY INSTITUTIONS

	30.06.2026 EUR	31.12.2025 EUR
Liabilities to social security institutions for current remuneration	196	132
Total	**196**	**132**

The liabilities to social security institutions for current remuneration represent the accrued social security contributions on the remuneration under employment contracts and management contracts for the month of June 2026.

24. OTHER LIABILITIES

24.1 OTHER LIABILITIES - CURRENT

	30.06.2026	31.12.2025
Liabilities to insurers	21	22
Liabilities to owners/Dividend/	413	1
Distraints	1	1
Other liabilities to suppliers	98	15
Other liabilities to related undertakings	9	0
Other liabilities	286	556
Other current liabilities – total	**828**	**595**

24.2. OTHER LIABILITIES – NON-CURRENT

	30.06.2026	31.12.2025
Liabilities on loans received from related parties	265	219
Other non-current liabilities -	58	0
Other liabilities on non-bank loans	451	265
Total other liabilities	**774**	**484**

24.3 OTHER LIABILITIES - FUNDING

	30.06.2026 EUR	31.12.2025 EUR
Funding for non-current assets	2,040	1,666
	2,040	1,666

25. RELATED PARTIES

Data on the related parties and the type of relationship are presented below:

Related parties	Type of relationship	Period of relationship
VANHESTBUL EUROPE PRODUCTION OOD	Company related through the main shareholder of BULMETAL JSC	2025 and 2026
INVEST DEVELOPMENT OOD	Company related through the main shareholder of BULMETAL JSC	2025 and 2026
MATRA-ATK-KOLEVI AND CO SD	Company related through the main shareholder of BULMETAL JSC	2025 and 2026
SMART PRODUCTIONS OOD	Company related through key management personnel	2025 and 2026.
BULENERGY COOPERATION OOD	Company related through key management personnel	2025 and 2026
METALNA OPAKOVKA EOOD	Company related through key management personnel	2025 and 2026
M.B.D. FINANS OOD	Company related through key management personnel	2025 and 2026.
BLYASAK-RUSE OOD	Company related through key management personnel	2025 and 2026
"HOLSIM BULGARIA" JSC	Company related through key management personnel	2025 and 2026.
HOLSIM KARIERNI MATERIALI RUDINATA JSC	Company related through key management personnel	2025 and 2026
MDZ - BALSHA JSC	Company related through key management personnel	2025 and 2026
TRANSPORT STROY EAD	Company related through key management personnel	2025 and 2026
HOLSIM AZERBAIJAN	Company related through key management personnel	2025 and 2026

The key management personnel includes:

Name	Position
Kolyo Atanasov Kolev	Chairman of the SB
Atanas Kolev Atanasov	Member of the SB
Rosen Stefanov Papazov	Member of the SB
Ivanka Mihaylova Dimitrova	Chairperson of the MB and Executive Director
Genka Stancheva Koleva	Member of the MB
Boyko Penev Shoylekov	Member of the MB
Stanimir Diyanov Denev	Member of the MB
Stanimir Stanev Georgiev	Member of the MB

As at 30.06.2026 the receivables and payables to related parties are as follows:

The settlement amounts were paid by bank transfer or by mutual set-off of receivables and payables.

25.1. RECEIVABLES FROM RELATED PARTIES ON LOANS GRANTED

	30.06.2026		31.12.2025	
Customer	**principal**	**interest**	**principal**	**interest**
SMART PRODUCTIONS OOD	254	21	229	17
INVEST DEVELOPMENT EOOD	43	27	61	25
Total	**297**	**48**	**290**	**42**

	30.06.2026		31.12.2025	
Customer	**principal**	**interest**	**principal**	**interest**
Total	**345**		**332**	

25.2. LIABILITIES TO RELATED PARTIES ON LOANS RECEIVED

	30.06.2026		31.12.2025	
	principal	**interest**	**principal**	**interest**
Kolyo Atanasov Kolev	236	2	192	1
Atanas Kolev Atanasov	21	6	21	5
Total	**257**	**8**	**213**	**6**
Total	**265**		**219**	

25.3. RECEIVABLES FROM RELATED PARTIES

Receivables	**30.06.2026**	**31.12.2025**
Smart Productions OOD	42	36
Invest Development OOD	0	348
Total receivables	**42**	**384**

25.4. LIABILITIES TO RELATED PARTIES

Liabilities	**30.06.2026**	**31.12.2025**
Smart Productions OOD	0	0
Invest Development OOD	0	0
Metalna Opakovka EOOD	554	726
Total liabilities	**554**	**726**

25.5. COMMERCIAL RELATIONSHIPS.

25.5.1. REVENUE FROM SALES TO RELATED PARTIES.

	30.06.2026	**31.12.2025**
INVEST DEVELOPMENT EOOD		
Rent of real estate	5	13
Materials, finished goods, goods	3	5
Other services	0	52
Non-current assets	0	231
Total:	**8**	**301**
METALNA OPAKOVKA EOOD		
Rent of real estate	0	10
Materials and finished goods	0	0
Total:	**0**	**10**
SMART PRODUCTIONS OOD		
Rent of real estate	5	9
Services	2	3
Sale of materials	0	0
Total:	**7**	**12**
Total sales to related parties:	**15**	**323**

25.5.2. PURCHASES FROM RELATED PARTIES.

	30.06.2026	**31.12.2025**
INVEST DEVELOPMENT EOOD		
Services	53	134
Total:	**53**	**134**

	30.06.2026	31.12.2025
METALNA OPAKOVKA EOOD		
Materials	0	152
Total:	**0**	**152**
SMART PRODUCTIONS OOD		
Services	23	154
Materials	4	
Total:	**27**	**154**
Total purchases from related parties:	**80**	**440**

26. SETTLEMENTS WITH THE BUDGET

As at 30.06.2026 the group has liabilities to the budget, incl. for income taxes, as follows:

	30.06.2026 EUR	31.12.2025 EUR
Other taxes	1	3
Tax on total income – dividend	18	0
Personal income tax	70	33
Corporate tax and one-off taxes under the Corporate Income Tax Act	255	343
Value added tax	17	0
Total	**361**	**379**

As at 30.06.2026 the group has receivables from the budget as follows:

	30.06.2026	31.12.2025
Customs Agency	0	7
Value added tax	432	393
Corporate tax	60	0
Total:	**492**	**400**

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The GROUP is exposed to risks arising from the use of financial instruments. This note describes the objectives, policies and processes for managing these risks and the methods used to measure them.

There have been no material changes in the group's exposure to risks from financial instruments, its objectives, policies and processes for managing these risks or the methods used to measure them from previous periods, unless otherwise stated in this note.

Through its activities the group is exposed to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Currency risk
- Other market price risk
- Liquidity risk

Main financial instruments

The main financial instruments used by the group, from which the risk from financial instruments arises, are as follows:

- Trade and other receivables
- Loans granted
- Cash and cash equivalents
- Trade and other payables
- Loans received

The structure of the financial assets and liabilities as at 30.06.2026 is as follows:

Financial assets

	30.06.2026 EUR	31.12.2025 EUR
Cash and cash equivalents	1,557	3,948
Loans granted	794	631
Trade and other receivables	11,916	11,003
Total	**14,267**	**16,074**

Financial liabilities

	30.06.2026 EUR	31.12.2025 EUR
Liabilities on loans received	25,528	26,620
Finance lease liabilities	473	609
Trade and other payables	21,850	18,080
Total	**47,851**	**45,309**

The structure of the financial instruments as at 30.06.2026, held by category, is as follows:

Financial assets

	Loans and receivables		Available for sale	
	30.06 2026 EUR	31.12. 2025 EUR	30.06 2026 EUR	31.12. 2025 EUR
Cash and cash equivalents	-	-	1,557	3,948
Loans granted	794	631	-	-
Trade and other receivables	11,916	11,003	-	-
Total	**12,710**	**11,634**	**1,557**	**3,948**

Financial liabilities

	Financial liabilities at amortized cost	
	30.06.2026 EUR	31.12.2025 EUR
Liabilities on loans received	25,528	26,620
Finance lease liabilities	473	609
Trade and other payables	21,850	18,080
Total	**47,851**	**45,309**

The main purpose of the financial instruments with which the group operates is financing of current activity.

Management bears overall responsibility for determining the group's risk management objectives and policies and, while retaining ultimate responsibility for them, delegates the authority for designing and operating the processes that ensure the effective implementation of the objectives and policies to the group's finance function. Management receives monthly reports, reviewing the effectiveness of the processes in place and the appropriateness of the objectives and policies it sets. In this respect, the risk management policies and processes are reviewed periodically.

Management's overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Additional detailed information on these policies is set out below:

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty fails to meet its contractual obligations. The group is mainly exposed to credit risk from sales on credit.

Management has established a credit policy under which each new customer is analyzed for creditworthiness before the group's standard payment and delivery terms are offered. The group's review includes external rating, where available, and in some cases bank references.

The quantitative disclosure of the exposure to credit risk with respect to financial assets is set out below.

Financial assets	**30.06.2026 EUR**		**31.12.2025 EUR**	
	Carrying amount	**Maximum risk**	**Carrying amount**	**Maximum risk**
Cash and cash equivalents	1,557	-	3,948	-
Trade and other receivables	11,916	-	11,003	-
Total financial assets	**13,473**	**-**	**14,951**	**-**

Market risk

Market risk arises from interest-bearing, tradable and foreign currency instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Fair value and cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from borrowings at a variable rate.

Liquidity risk

Liquidity risk arises from the management of working capital, finance costs and the repayment of principal of debt instruments. It is the risk that management will encounter difficulty in meeting its obligations as they fall due.

Management's policy is to ensure that it will always have sufficient cash to meet its obligations when they fall due. To achieve this objective, it seeks to maintain cash balances (or agreed funding) to meet the expected requirements. Management also seeks to reduce liquidity risk by fixing the interest rates (and hence the cash flows) of its borrowings.

The information on the financial instruments used by the 'BULMETAL' GROUP is set out in the appendices to the interim financial statements – "Financial instruments".

FINANCIAL INSTRUMENTS USED (ART. 39, ITEM 8 OF THE ACCOUNTANCY ACT

- Key indicators for financial and accounting analysis

No.	**Indicators**	**30.06.2026 EUR thousand**	**31.12.2025 EUR thousand**
1	Inventories	36,293	30,016
2	Short-term receivables	11,916	11,003
3	Cash	1,557	3,948
4	Available current assets /1+2+3/	49,766	44,967
5	Short-term liabilities	37,553	33,523
6	Total assets	91,466	85,206
7	Cash/Current assets as a percentage (3/4)	3.13	8.78
8	Cash/Total assets as a percentage (3/6)	1.70	4.63
9	General liquidity 4/5	1.33	1.34
10	Absolute liquidity-%	0.04	0.12

-Financial instruments

The financial instruments used by the Group, when material for the assessment of assets, liabilities, financial position and financial result, are disclosed:

1 The objectives and policy of the enterprise for managing financial risk, including its hedging policy for each type of hedged position for which hedge accounting is applied.

2. Servicing banks: The Group is served mainly by:

* UBB-JSC
* UNICREDIT BULBANK – JSC
* EUROBANK BULGARIA – JSC
* Allianz Bank Bulgaria – JSC

* DSK Bank - JSC

-. Financial risk management objectives and policy

* The Group's activity is exposed to commercial financial risks, which can be defined mainly as:
  - Deferred payments from customers – The risk exists when credit limits and payment terms of over 90 days are granted. On the other hand, 95% of the Group's receivables are secured and are covered under "Financial risk" policies or the collection risk has been transferred to factoring companies.

28. CAPITAL MANAGEMENT

The main objective of the Group's capital management is to ensure that it maintains a stable credit rating and appropriate capital ratios in order to support its business and maximize its value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Group monitors its capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes in net debt interest-bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

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