SECOND QUARTER OF

2025

INTERIM CONSOLIDATED ACTIVITY REPORT

CHIMIMPORT
PUBLIC HOLDING COMPANY

INTRODUCTION

The current interim report on the activities of the Group of Chimimport AD is a commentary and analysis of the financial statements and other material information about the financial position and results of the Company for the second quarter of 2025.

The report is prepared in accordance with the requirements of the Accountancy Act, with Art. 100o of the Law on the Public Offering of Securities Act and the provisions of ORDINANCE № 2 of 09 November 2021.

Chimimport AD is one of the most successful Bulgarian enterprises. It started as a foreign trade company specializing in the marketing of chemical products, today “Chimimport” AD is an established holding company, uniting successful businesses. The main area of activity of “Chimimport” AD is the acquisition, sale of shares in Bulgarian and foreign companies, restructuring and management of subsidiaries of the portfolio. Subsidiaries occupy leading positions in various economic sectors, which operate:

• banking and finance

• non-life insurance

• life insurance

• pensions

• air transport and ground activities on servicing and repair of aircraft

• manufacture, production and marketing of petroleum and chemical products and natural gas

• production, processing and trade with cereals and vegetable oils.

Each of every nearly 6 000 employees in the structure of “Chimimport” AD contributes to the successful integration of Bulgarian business to European standards. Recent years have strengthened the company as a leader of the “Bulgarian Stock Exchange - Sofia” AD, included in “Premium” segment share, in the indices SOFIX, BGBX40 and BGTR30, which is the result of proper planning of investments and professional actions and efforts of management. The company’s activities as a public company is the creation and establishment of effectively functioning corporate governance models to ensure equal treatment and protection of the rights of all shareholders. The common practice is the transparent and fair disclosure of information needed by current shareholders, stakeholders and potential investors.

At this stage the main advantages of "Chimimport" AD are:

- Knowledge of economic and political conditions and resources in Bulgaria, needs and specificities of clients conquered good positions in strategic sectors of the economy;

- Approved management team - the group has a highly motivated team of managers with a vision for the growth of the holding company, with proven skills and experience in management, acquisition and restructuring of companies in both favorable and unfavorable market environment.

Miroljub Ivanov
CEO /Chief Executive Officer/

General information for the Group of Chimimport AD

Chimimport AD is a public company with a two-tier management system.

All members of the Management Board and the Supervisory Board shall meet the legal requirements for taking up their position. Management bodies of the Company are: General Meeting of Shareholders, Supervisory Board and Management Board. The Management Board manages in accordance with the established vision, goals and strategy of Chimimport AD. All members and management and supervisory bodies are guided by their generally accepted principles of integrity, managerial and professional competence.

The basic strategy and investment policy of “Chimimport” AD are focused on positioning the group as a significant partner in servicing the traditional for the country and region trade flows. In particular, this motivates the entry of the group in sectors such as transport, agriculture, financial operations and real estate.

The companies of the economic group of Chimimport JSC are 60, in total, in the following leading and key sectors:

- The financial sector, an area where the group strives to offer a full range of services to its clients. The financial group under the “Chimimport” AD now includes a universal commercial bank, which has traditionally good positions in lending, life and non- life insurance companies, pension company, management company (mutual funds).

- Transport is an important sector for the group. Bulgaria is geographically located at the crossroads between Europe and Asia / Middle East, as five of the ten Trans European transport corridors pass through the country. The group of “Chimimport” AD develops air, river and sea transport, and in all three cases seek to cover the entire spectrum of activities, not just transport (incl. the management of airports and ports, repair and maintenance vehicles, cargo handling, agency).

- Both in the transport sector and in agriculture, “Chimimport” AD seeks to spread its activities over the full spectrum of business - in this case, focusing ly on buying, trading, logistics, storage of grain and oilseeds, actively seeking and exploiting interconnections and synergies with other businesses (transport, finance, etc.).

- The sector exploration and production of oil and gas is primarily developed through its subsidiary PDNG AD, which is the only Bulgarian company engaged in the full range of activities in prospecting, exploration, development and exploitation of oil and gas fields and processing crude oil into finished products for the market. And is the successor of the main geological, scientific research and production enterprises and objects of Bulgarian oil industry with over 50 years of history.

Information about shares held by the Managing Bodies

According to a reference from the Central Depository issued as at 30 June 2025, the members of the Managing and Supervisory Board owns the following number of shares:

Members of the Managing Board:

IVO KAMENOV	495 880	0,21%
ALEXANDER KEREZOV	160 000	0,07%
MIROLYUB IVANOV	89 066	0,04%
NIKOLA MISHEV	36 790	0,02%
MARIN MITEV	26 533	0,01%

Members of Supervisory Board*:*

INVEST CAPITAL AD	173 487 247	72.39%
CCB GROUP EAD	1 296 606	0,54%
MARIANA BAZHDAROVA	199	0,00%

Financial indicators

Due to the specific character of the activity of the issuer - holding activity, the main revenues of the company are both income from operating activities and financial, formed by positive differences from operations with financial instruments, interest income and dividends. Operating revenues are mainly related to investment property, services and others.

- As of 30 June 2025, Chimimport AD reports on a consolidated basis gross revenue of BGN 10 720 373 thousand.
- The profit before tax on Chimimport AD on a consolidated basis at 30 June 2025 amounts to BGN 93 689 thousand.
- Consolidated net profit of shareholders of Chimimport AD as at 30 June 2025 amounts to BGN 72 540 thousand.

**Detailed information on financial performance is described in the Consolidated Financial Statement.*

- **Information on important events that occurred in the second quarter of 2025**

  No significant transactions were concluded and executed during the second quarter of 2025.

- **Influence of significant events on the financial results for the current period**

The economic environment in 2025 continued to be shaped by the military conflict in Ukraine.

The group has reviewed the exposure to increased credit risk in relation to business partners operating in the affected territories, including and from the sanctions imposed. The management of the Parent Company analyses all facts and circumstances regarding the current activity and operations with these counterparties. During the period, no additional credit losses related to this risk were recognized, which is due to the conservative approach laid down in the changes in the accounting policy of the Parent Company presented in 2024.

The conflict in the Middle East, which erupted in the last quarter of 2023, also brought some uncertainty. Given the Group's holding structure and its investments in the aviation sector, a preliminary review of the data for the fourth quarter of this segment was made, where the most - a large influence, but the results show that it can be considered insignificant. The management of the Airline, part of the group, is in constant contact with insurers and the civil aviation of Israel in order to follow the real situation in a timely manner, as those suspended on 26 October 2023 were resumed with the summer schedule, but as of the date of this report, they are frozen until 26 December 2024.

Other influences could also be accounted for by the rise, albeit not at such a rapid pace, in prices and the rise in interest rates on loans, although for Bulgaria their rise was weaker compared to the international money market.

According to the EC's regular economic bulletin, inflation in the Eurozone is expected to be 2.1% in 2025, 1.9% in 2026. Economic growth, on the other hand, is forecast to average 1.3% in 2025, 1.6% in 2026, supported by a stable labor market, improving confidence and a recovery in real incomes. Annual inflation in the country, measured by the Harmonized Index of Consumer Prices (HICP), amounted to 2.1% at the end of 2024 (compared to 5.0% at the end of 2023). Annual inflation is expected to accelerate to 3.5% at the end of 2025, and to average 3.3% for the year (compared to 2.6% in 2024).

The Group expects an increase in operating costs, and it is possible that they will lead to an indexation of the services offered by the Group.

- **Information regarding the transactions between the company and its related parties**

  - ***Related party transactions entered into during the reporting period of the current financial year that materially affected the financial position or results of the company's operations in that period***

  - Related parties of the Group include owners, associates and joint ventures and key management personnel. Unless explicitly mentioned, related party transactions are not carried out under special conditions. Estimated amounts are usually settled by bank transfer, in cash or offsetting. During the reporting period no transactions have been concluded which have materially affected the financial position or results of the company's operations during that period.

  - ***Changes in related party transactions disclosed in the interim report that have a material impact on the financial position or results of the company during the respective accounting period of the current financial year.***

    - During the reporting period there was no impact on the financial position or the results of the company's operations as a result of the changes in the related transactions with related parties, disclosed in the annual report. More information for the transactions with related parties is announced in the annexes of the interim financial report.

GENERAL RISKS AND UNCERTAINTIES

Before investing in the share capital of the Group of Chimimport the potential investors should carefully assess the risk factors in this section, in addition to the other information in other official documentation, presented by the Group. If one or more of the stated below risks is carried out, this may significantly impact the activity of the Group of Chimimport, the results of its operations and financial condition. If this leads to a decrease of the shares market price, the investors may lose partially or fully their investments. The risks and uncertainties described below are not the only ones that threaten Group of Chimimport. Additional risks and other uncertain events, which at this moment are unknown or considered insignificant, can influence unfavorably the activity of the Group of Chimimport, the results of its operations, or its financial condition. The potential investors should consider depending on broader information, than the exhibited in this section. The investment in the Company will be exposed to different kind of risks – risks, specific for the Company, as well as common risks, to which all commercial companies are exposed. The revenue and the profit of the Company can be unfavorably affected by a multiple of external factors: business situation; the Company's ability to develop successfully its business; the economic climate in the country and other, the major ones of which are described below.

Risks related to the Group's activity and structure

Chimimport AD is a holding company and any decline in the operating results, financial position and prospects for the operations of its subsidiaries may have a significant adverse effect on the results of the operations and the financial position of the Issuer, including its capability to pay dividends Segments structure of the group:

Segments structure of the group:

- **Production, trade and services**
- **Finance sector**
- **Transport sector**
- **Real estate sector**
- **Construction and engineering sector**

Name of the subsidiary	Country of incorporation	Main activities	30.06.2025 Percentage of consolidation	30.06.2025 Nominal percentage
Central Cooperative Bank AD	Bulgaria	Finance	77,13%	77,13%
Central Cooperative Bank AD – Skopje	Macedonia	Finance	70,83%	91,83%
AO Investment Cooperative Bank	Russia	Finance	86,27%	86,27%
CCB Group EAD	Bulgaria	Finance	100,00%	100,00%
CCB Assets Management EOOD	Bulgaria	Finance	77,13%	100,00%
ZAD Armeec	Bulgaria	Finance	86,52%	86,52%
ZEAD CCB Life	Bulgaria	Finance	100,00%	100,00%
POAD CCB Sila	Bulgaria	Finance	92,25%	92,25%
DPF CCB Sila	Bulgaria	Finance	92,25%	100,00%
UPF CCB Sila	Bulgaria	Finance	92,25%	100,00%
PPF CCB Sila	Bulgaria	Finance	92,25%	100,00%
FIPP CCB Sila	Bulgaria	Finance	92,25%	100,00%
FRP CCB Sila	Bulgaria	Finance	92,25%	100,00%
Zarneni Hrani Bulgaria AD	Bulgaria	Production, Trade and Services	68,01%	68,01%
Oil and Gas Exploration and Production AD	Bulgaria	Production, Trade and Services	49,90%	66,25%
Bulgarska Petrolna Rafinieria EOOD	Bulgaria	Production, Trade and Services	49,90%	100,00%
Slanchevi lachi Provadia EOOD	Bulgaria	Production, Trade and Services	68,01%	100,00%
Asenova Krepost AD	Bulgaria	Production, Trade and Services	49,77%	67,40%
PDNG Service EOOD	Bulgaria	Production, Trade and Services	49,90%	100,00%
Izdatelstvo Geologia i Mineralni Resursi OOD	Bulgaria	Production, Trade and Services	34,93%	70,00%
Bulchimtrade OOD	Bulgaria	Production, Trade and Services	44,89%	66,00%
Rubber Trade OOD	Bulgaria	Production, Trade and Services	40,81%	60,00%
Chimceltex EOOD	Bulgaria	Production, Trade and Services	68,01%	100,00%
Chimoil BG EOOD	Bulgaria	Production, Trade and Services	49,90%	100,00%
Zarneni Hrani Grain EOOD	Bulgaria	Production, Trade and Services	68,01%	100,00%
Techno Capital AD	Bulgaria	Production, Trade and Services	86,40%	90,00%
Dobrich Fair AD	Bulgaria	Production, Trade and Services	40,79%	59,97%
National Stokova Borsa AD	Bulgaria	Production, Trade and Services	75,00%	75,00%
Prime Lega Consult EOOD	Bulgaria	Production, Trade and Services	100,00%	100,00%
AH HGH Consult OOD	Bulgaria	Production, Trade and Services	59,34%	59,34%
Omega Finance OOD	Bulgaria	Production, Trade and Services	96,00%	96,00%
IT Systems Consult EOOD	Bulgaria	Production, Trade and Services	68,01%	100,00%
Winery Assets EOOD	Bulgaria	Production, Trade and Services	77,13%	100,00%
Wine Assets EOOD	Bulgaria	Production, Trade and Services	77,13%	100,00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and River Transport	100,00%	100,00%

INFORMATION ACCORDING TO REGULATIONS

Name of the subsidiary	Country of incorporation	Main activities	30.06.2025 Percentage of consolidation	30.06.2025 Nominal percentage
Parahodstvo Bulgarsko Rechno Plavane AD	Bulgaria	Sea and River Transport	80,89%	80,89%
Port Balchik AD	Bulgaria	Sea and River Transport	78,57%	100,00%
Port Lesport AD	Bulgaria	Sea and River Transport	99,00%	99,00%
Lesport Project Management EOOD	Bulgaria	Sea and River Transport	99,00%	100,00%
Mayak - KM AD	Bulgaria	Sea and River Transport	70,03%	86,57%
Bulgarian Logistic Company EOOD	Bulgaria	Sea and River Transport	80,89%	100,00%
Port Pristis OOD	Bulgaria	Sea and River Transport	44,49%	55,00%
Portstroi Invest EOOD	Bulgaria	Sea and River Transport	80,89%	100,00%
Port Invest EOOD	Bulgaria	Sea and River Transport	80,89%	100,00%
Port Bimas EOOD	Bulgaria	Sea and River Transport	80,89%	100,00%
Interlihter Slovakia	Slovakia	Sea and River Transport	80,89%	100,00%
Blue Sea Horizon Corp	Seychelles	Sea and River Transport	80,89%	100,00%
Bulgarian Airways Group EAD	Bulgaria	Aviation Transport	100,00%	100,00%
Bulgaria Air AD	Bulgaria	Aviation Transport	99,99%	99,99%
Bulgaria Air Technique EOOD	Bulgaria	Aviation Transport	99,99%	100,00%
Airport Consult EOOD	Bulgaria	Aviation Transport	100,00%	100,00%
Trans intercar EAD	Bulgaria	Vehicle Transport	100,00%	100,00%
Energoproekt AD	Bulgaria	Real Estate and engineering	98,64%	98,64%
Energoproekt Utilities OOD in liquidation	Bulgaria	Real Estate and engineering	50,31%	51,00%
Bulgaria Air Maintanance EAD	Bulgaria	Real Estate and engineering	100,00%	100,00%
Golf Shabla AD	Bulgaria	Real Estate and engineering	32,44%	65,00%
Sporten Complex Varna AD	Bulgaria	Real Estate and engineering	65,00%	65,00%
Sporten management EOOD	Bulgaria	Real Estate and engineering	65,00%	100,00%
TI AD	Bulgaria	Real Estate and engineering	87,66%	87,66%
Bulchimex GmBH	Bulgaria	Real Estate and engineering	100,00%	100,00%
Invest Capital Consult AD	Bulgaria	Real Estate and engineering	100,00%	100,00%
Sitniakovo Project Estate EOOD	Bulgaria	Real Estate and engineering	49,90%	100,00%
Imoti Activities 1 EOOD	Bulgaria	Real Estate and engineering	68,01%	100,00%
Imoti Bimas EOOD	Bulgaria	Real Estate and engineering	80,89%	100,00%
Imoti BRP EOOD	Bulgaria	Real Estate and engineering	80,89%	100,00%

Chimimport AD is a holding company and any decline in the operating results, financial position and prospects for the operations of its subsidiaries may have a significant adverse effect on the results of the operations and the financial position of the Issuer, including its capability to pay dividends

Since Chimimport conducts business through its subsidiary companies exclusively, its financial position, operating results and prospects are in a direct relation to the position, results and prospects for its subsidiary companies, especially the Principal Subsidiaries. The stock exchange price of the Issuer's Shares reflects the business potential and assets of the Group as a whole. The ability of Chimimport to continue investing its own funds in the growth of the Group and to pay dividends to the holders of ordinary shares, should a decision to this effect be made by the Issuer's general meeting of shareholders, will depend on a number of factors related to its subsidiary companies, including the amount of profit and cash flows from the subsidiary companies and the growth in the stock exchange price of the shares in its subsidiary companies which are public companies and traded on the Bulgarian Stock Exchange Sofia (BSE), and for the last time in 2019 a dividend was paid.

If the Group fails to carry out or integrate successfully future acquisitions, and to implement reorganizations, the results of the Group's operations and its financial position may be damaged

Until now, the Group has developed its operations in Bulgaria primarily through acquisitions of companies and assets and Chimimport expects that these acquisitions will continue in the future as well. The Group intends to pursue a strategy of identifying and acquiring businesses, companies and assets with a view to expanding its activities. There is no certainty, however, whether the Group will succeed in the future to identify appropriate objects for acquisition and investment opportunities or whether the companies and assets acquired in the future will be as profitable as the operations so far. In addition, the acquisitions and investments are subject to a number of risks, including possible adverse effects on the results of the operations of the Group, unexpected events as well as obligations and problems related to the integration of the operations.

Chimimport Group is in the process of introducing a number of reorganizations. The Group expects that these reorganizations will result in economies of funds and a more effective management of the businesses. There is no certainty, however, that Chimimport Group will manage to implement the planned reorganizations timely and completely, no that they will generate the expected benefits, including economies of expenses.

Rapid growth of Chimimport Group and the restructuring in the Group can be a challenge for its systems of operational, administrative and financial control

It is expected that the rate of growth and expansion of the activities of Chimimport Group and the restructuring in the Group will continue and there will be a respective increase in the need to ensure greater management and operational resources. Chimimport is trying to optimize its operational structure, its control and financial systems and to recruit and train qualified staff. The management of Chimimport Group believes that it has the necessary resources for the continuing expansion of its operations. There is no certainty, however, that the systems of operational and financial control of Chimimport are appropriate to support and manage its future growth effectively.

The Group "Chimimport" may choose inappropriate market strategy

The future profits and economic value of Chimimport Group depend on the strategy chosen by the management team of the Issuer and its subsidiary companies. Opting for an inappropriate market strategy may lead to losses or earnings foregone. Chimimport Group strives to manage the strategic risk by constantly monitoring the implementation of its strategy and results in order to be able to react as quickly as possible if changes in the strategy are needed. Any inappropriate or delayed changes in the strategy of the Group might have a material adverse effect on its activities, operating results and financial position.

Most of the activities of the Group are carried out in a highly competitive environment

With its accession to the EU on 1 January 2007, Bulgaria has become significantly more attractive to foreign investment and the operation of foreign and mostly European companies has been greatly facilitated. This holds true especially for the sector of financial services which is strategic for the Group due to the possibility for loan, insurance and other financial institutions licensed in other EU Member States to transact business directly in Bulgaria in the conditions of free offering of services.

Fierce competition is especially typical of the financial services market where some of the Principal Subsidiaries operate. There have been significant restructurings in these sectors after the privatization of the state shares in the Bulgarian banks and insurance companies. Foreign strategic investors have acquired shares in most large Bulgarian banks and insurance companies pursuing aggressive growth strategies and introducing modern systems, technologies and practices. Some Bulgarian banks have found themselves in wider international processes of consolidation and this has greatly strengthened their position on the internal market. Certain banks owned by foreign financial conglomerates may continue to have priority access to fresh financial resources at a competitive cost, even during the ongoing financial crisis. The intense competition in the financial sector may lead to an outflow of clients of CCB and Armeec and a decrease in their market share. These and other factors may affect unfavorably the financial position and the results of the financial institutions in the Group.

The mass entry of the so called low-cost air carriers in the Bulgarian aviation market may lead to a decrease in the revenue of the air company of the Group - Bulgaria Air. The entry into force of the open skies agreement pursuant to which all air companies complying with the European flight security norms have an equal access to the Bulgarian aviation market may lead to a decrease in the revenue of the aviation carriers in the Group.

The growing competition may have an adverse effect on other businesses of the Group, too: production of and trading in fertilizers and chemicals.

In brief, the overall business of the Group faces a strong competition from both large multinational companies and larger and smaller local companies. Many of the international competitors of the Group are larger and have financial, technical and marketing resources that are significantly greater than those of the Group. The factors which determine whether consumers choose the products and services of the Group include price, quality of products and service, reputation and customer relations. Chimimport expects a growth in competition in the sectors and markets where its subsidiary companies operate and there is no guarantee that the Group will maintain its strong competitive position in the future.

Force majeure events such as climatic changes, accidents and terrorist attacks may have a significant impact on the business of the Group.

Abrupt climate changes and natural disasters may have a negative impact on the yield of grains which will have an adverse effect on the grain business of the Group, including cargo turnover of Parahodstvo BRP and make it difficult to obtain payments on the loans to agricultural producers given by CCB. A decline in the yield of agricultural activities related to unfavorable climate conditions, pests or other reasons may lead to overdue receivables related to the sale of fertilizers with deferred payments and, as a result, to a decrease in the revenue of the Group from the production of and trading in chemical products. The coming into being of large-scale insurance events may lead to difficulties for ZAD Armeec with the compensation payments, irrespective of the reinsurance strategy of the company. Terrorist attacks on sites of the air, river and maritime transport in the region may bring about a reduction in the flow of travelers and traffic and to losses for the companies of the transport branch of the Group: Air Company Bulgaria Air, and Parahodstvo BRP. The activities of the latter may suffer the negative impact of changes in the navigability of the Danube. Both extremes – a critically low and a critically high BGNel of the river - are exceedingly problematic for shipping, because the impeded or completely interrupted navigation results in an increase in expenses and a drop in income for the company.

Influence of the military conflict in Ukraine

A number of factors and events have an impact on the global economy and may have a significant impact on the economy, including Bulgaria, in the near future. On February 24, 2022, the Russian Federation launched an armed invasion of Ukraine. As a result, economic and financial sanctions have been imposed on Russia in the coming days by the European Union and a number of other countries which, in addition to affecting Russia itself, are expected to have a comprehensive negative impact on the world economy and almost every area of the economy and of everyday life (rising prices, shortages of various goods and products, etc.). In addition, with the extremely unfavorable development of the conflict, it can grow enormously

Rights of the Group on certain sites of national importance may be terminated in the event of non-fulfillment of the obligations under the respective concession agreements

The Bulgarian state has granted the company Oil and Gas Exploration and Production AD, a subsidiary company of Chimimport, concessions to extract crude oil from over 10 fields. The Group is also a party to a concession agreement concerning Lesport Port Terminal which is part of Varna Port, a public transport port of national importance. As well the Group owns a share of 40% in the concessioner of the airports Varna and Bourgas: Fraport Twin Star Airport Management consortium. The concessions held by the Group have different periods (between 7 and 35 years) but, in the event of failure of the Group to fulfill its obligations under the respective agreements (for example, if the use of the objects is suspended for a period, or if there is a significant failure to realize the investment program of the concession-holder, failure to reach certain agreed parameters, on the basis of a judicial decision, etc.), the Bulgarian state may terminate the concessions in advance. There could also be further challenging of the concession agreements in the court by fourth parties on the grounds of their being unlawful. The loss of concession rights of the Group may have a significant negative impact on its activities.

Compliance with the legislation concerning the protection of the environment requires constant expenses and commitments by the Group and any noncompliance with the regulatory obligations may lead to significant sanctions and termination of activities.

The ecological legislation in the Republic of Bulgaria requires of the companies to take a number of measures concerning the prevention, control and reduction of the various types of environmental pollution. The policy of the Group is to comply strictly with all regulatory obligations and restrictions related to the protection of the environment which is related to constant expenses, including expenses for planning, monitoring and reporting, ensuring and maintaining compliance of the equipment with the required standards and norms, re-cultivation of locations, etc. Regardless of the action taken, if Chimimport Group is found guilty of causing ecological damages, it will have to pay compensations and fines in a significant amount, some of its activities may be terminated which could affect greatly its financial position and operating results.

The Group may fail to fund the planned capital expenses and investments.

The businesses of the Group require significant capital expenses, including such for production, exploitation, marketing, environment protection, etc. Chimimport Group expects a great part of these expenses to be funded from the Group's own funds. In case of unfavorable economic situation or the coming into being of other unfavorable events, it may be necessary to fund these expenses primarily from external sources. There is no certainty whether external funding will be found under acceptable conditions. It may be necessary for Chimimport Group to reduce its planned capital expenses and investment which would have an adverse effect on the operating results and the financial position of the Group.

Group"s financial results depend on the prices of several raw materials (such as crude oil, petroleum products, grain, oil seeds, vegetable oils and other) and exchange rates.

The financial position and operating results of the Group are under the influence of the market prices of crude oil, process mixtures and petroleum products which are subject to international demand and supply and various other factors outside the control of Chimimport Group. In the past years these prices have varied widely. A prolonged decline in prices of petroleum products may lead to a reduction in the revenue of Oil and Gas Exploration and Production, a subsidiary company of the Issuer. In addition, a move in consumer demand for other energy sources as a result of a global crisis on the market of petroleum products could have a material adverse effect on the income of Oil and Gas Exploration and Production and, respectively, of the Group. At the same time the fuel expenses are a significant expenditure for the Group's transport companies.

The volatility of international prices of grain, oil seeds, vegetable oils and other have an impact on the revenue and profit of Zarneni Hrani Bulgaria, as it can result in decrease in the turnover and margins, as well as in increasing the risk of operations (in particular, taking into account the influence of the changes in the exchange rates, specifically USD/EUR).

The Group`s operations are subject to risks, related to the conditions in Bulgaria and the region

The Group operates mainly in Bulgaria, which is already a EU member, but so far it has been classified as an emerging market. Emerging markets are associated with higher risks than more developed markets, including, in some cases significant legal, economic and political risks (see below the section Risks related to Bulgaria).

A slowdown in the economy of Bulgaria, as a result from political or economic factors (internal or external to the country) will lead to a decline in the demand for the products and services of the Group. In particular, the development of a negative macroeconomic processes (decrease of income, increased unemployment, a significant decline in the prices of assets, incl. Real estate, deteriorating business climate and expectations, general macroeconomic instability, etc.) in the country could lead to direct or indirect effects on the Group companies, such as:

Deterioration in the creditworthiness of some of Central Cooperative Bank's clients and an increase of the share of problematic loans in its portfolio. Also, a significant decline in real estate prices may be a cause for impairment of collateral accepted by CCB. A number of factors, including regulatory changes may force the Bank to allocate more funds for provisions that would lead to a decline in its net profit.

A reduction in the growth rate of contributions to pension funds (mostly voluntary, but also the obligatory), Decrease in the willingness and opportunity for private and business travels and cargo limiting purchases (including imported goods) and others. have a negative effect on the business of the transport companies in the Group.

The unfavorable political or economic events in other Central and Eastern European countries can have a significant negative impact on, among other things, the gross domestic product of Bulgaria, foreign trade and economy in general. Investors should also be aware that emerging markets are changing rapidly and the information contained in this document may be outdated soon.

The success of the Group depends on key personnel. If the Group fails to attract and keep experienced and qualified personnel, its business may suffer.

The business of the Group depends a lot on the contribution of a number of people taking part in the management and supervisory bodies and the top management of Chimimport Group and the Principal Subsidiaries and, to the greatest extent, on the Executive Directors of Chimimport Group. There is no certainty that the services of these “key” staff will also be available to the Group in the future. The competition for qualified staff among the employers in the financial and other sectors in Bulgaria is very strong. The success of the Group will depend partly on its ability to retain and motivate these people. The inability of the Group to maintain sufficiently experienced and qualified staff in managerial, operational and technical positions could have a significant adverse effect on the activities of Chimimport, its operating results and financial position. At present, the Group does not have “key staff” insurance.

Insurance coverage of the activities and assets of the Group may prove to be insufficient

Chimimport strives to maintain an adequate and economically effective protection of the assets and activities of the Group. There is no certainty, however, that the insurance coverage will be enough to cover any possible losses to a satisfactory degree if insurance events come into being, for example production accidents, suspension of activities, natural disasters and ecological damages.

Chimimport Group operates in a highly regulated environment and changes in the applicable legislation, the interpretation or practice of the application of the legislation, or the Group`s failure to comply with this legislation may have a significant adverse effect on it

The introduction of any regulatory restrictions by the Bulgarian National Bank may limit the growth possibilities of Central Cooperative Bank. The unfavorable changes in the legislation (for example, reduction or elimination of tax reliefs for people paying insurance and social insurance) could lead to an outflow of funds from the pension and social insurance system which will have a negative impact on the pension companies in the Group.

A change in government policy concerning the awarded concessions on oil and gas extraction could have a negative impact on the activities of the company Oil and Gas Exploration and Production.

Changes in the State policy regarding the mixing of biofuels with petroleum-based fuels, and associated time limits endorsed in the normative acts, would have a negative impact on the income of Zarneni Hrani Bulgaria" in the future.

The legislation application system of Chimimport Group could prove not sufficiently effective

The ability of Chimimport Group to comply with the requirements of all applicable laws and rules depends, to a large extent, on the creation and maintenance of systems and procedures for compliance with the laws, such as accounting, control, audit and reporting systems (provision of information), as well as of the Issuer`s ability to retain qualified staff with respect to the application of the regulatory requirements and risk management. The management of Chimimport Group cannot guarantee to the potential investors that these systems and procedures are completely effective. Chimimport is subject to intense supervision on the part of the regulatory bodies, including regular inspections. In the event of a real or suspected incompliance with the rules, Chimimport Group may be subject to investigation under administrative and judicial proceedings which may result in the imposition of significant sanctions or the filing of judicial cases with a significant interest, including by clients of Chimimport, for compensation. Any of these circumstances could have a significant adverse impact on the activities of Chimimport, the company image, its operating results and financial position.

General risks

Emerging markets

Investors in emerging markets such as Bulgaria should be aware that these markets are subject to greater risks than those inherent to more developed markets, including in some cases significant legal, economic and political risks. In addition, adverse political or economic developments in other countries could have a significant negative impact on, among other things, Bulgaria's GDP, foreign trade and economy in general. Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, an investment in the Shares is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved. Investors should also note that a feature of emerging markets is that they are subject to rapid change and the information contained in this document may become outdated relatively quickly.

Risks associated with the Bulgarian securities market

There may be less information available in the Bulgarian securities market than is available on companies in other securities markets. There is a difference in the regulation and monitoring of the Bulgarian securities markets, and the activities of investors, brokers and other participants, compared with markets in Western Europe and the United States.

The Financial Supervision Commission monitors for the disclosure and the compliance with the other regulatory standards for the Bulgarian securities markets, for the compliance with laws, and issues regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Bulgarian companies than is regularly made available to the investors by public companies in other securities markets, which could affect the price of the Shares.

The Bulgarian Stock Exchange is substantially smaller and less liquid than securities markets in certain other countries

The Bulgarian Stock Exchange is substantially smaller and less liquid than securities markets in certain other countries, such as those in the United States and Western Europe.

At the end of the fourth quarter of 2024, shares of 80 companies were registered for trading on the Main Market of the BSE, 10 of which were registered for trading in the Premium segment, 53 in the Standard segment and 17 in the special investment purpose segment. Separately, shares of 155 companies are registered for trading on the Alternative Market, of which 123 per segment for shares, and 32 are registered per segment for special investment purpose companies.

At the end of the fourth quarter of 2024 the market capitalization of the companies traded on the Main Market of the BSE amounted to BGN 2 575 billion (Premium shares segment), BGN 8 864 billion (Standard shares segment) and BGN 1 284 billion (segment). for special purpose vehicles). Separately, the companies traded on the Segment for shares on the Alternative Market have a capitalization of BGN 2 923 billion, and those traded on the Segment for special purpose vehicles on the same market - BGN 0,405 billion.

At the same time, a very small number of companies represent a large portion of the market capitalization and a significant part of the trading volumes of the Bulgarian Stock Exchange. This low liquidity also leads to other complications, such as excessive volatility, with the market arguably also vulnerable to speculative activity because liquidity is occasionally so low that prices can be manipulated by relatively small trades. Consequently, there is no guarantee that the Shares will be actively traded, and if they are not, this is likely to increase price volatility.

Risks associated with Bulgaria

Political risks

Under continued international financial and economic crisis conditions, the usual political risks have an additional burden, related to timely and adequate response of political structures, legislative and executive authorities to the economic situation.

A political risk is also the successful carry on of Bulgaria's integration to the EU. Bulgaria's accession to the EU legitimates the economic reforms have been undertaken in the name of the country's integration to the Union. In the future the economic growth will depend on the political will to carry on with the economic reforms and to apply the best market practices of the EU, as well as on the impact on the Bulgarian economy of the financial crisis. The government's ability to carry out reforms in turn depends on the extent to which members of the government can continue their efforts to promote the current reform, especially in conditions of economic uncertainty At the moment, Bulgaria is in a situation of holding another early parliamentary election in 2024 with a highly fragmented parliament, which nevertheless managed to produce a regular pro-European government. It is supported by the two largest parliamentary forces and provides for a rotation of the prime minister every nine months.

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The relatively unstable political situation in the short term poses risks that have not yet manifested themselves. Despite the lack of expectations for serious shocks and significant policy changes, uncertainty about the future governance of the country is a significant risk that could affect the economic development of the country. In view of all this, the political risk in the country remains increased.

The current Bulgarian political system is vulnerable to fragmentation of political forces (often caused by the pursuit of personal interests or external), economic hardship, widespread dissatisfaction with reform and EU membership due to unrealistic expectations and social instability and changes in government policies, organized crime and corruption, all of which could have a material adverse effect on the Group of Chimimport, its operating results and financial condition.

Economic risks

This is the risk of macro economical concussion, which could be reflected on economic growth, incomes, demand and supply, profits and etc. Bulgaria has an open-ended economy and its development depends directly on the international market conditions. Thus raging since mid-2008 global economic crisis is negatively affected the economic situation in the country, mainly through the reduction in exports and a decline in inflows of foreign capital, which reflects the investment activity, unemployment, income and domestic consumption. This led to a negative real economic growth through 2009.

In next few years, the growth rate of GDP again remained positive, but quite low.
It was not until the half of 2014 that GDP began to grow solidly and the economy entered a phase of recovery. According to NSI data, in 2018 GDP growth is 2.74%, and for 2019 is 4%. In 2020, in view of the consequences of the Covid-19 pandemic, the GDP growth rate is already negative and amounts to -4%. In 2021, the GDP growth rate recovered and amounted to 7.7%. In 2022, real GDP, according to preliminary data, grows by 3.4%, and in the first, and fourth quarters of 2023, the growth with 2.2%, 1.9% and 1.5%, respectively. In its latest economic forecast, the EC expects Bulgaria's GDP to grow by 2.4% and 3% in 2024 and 2025, respectively.

Thus, for 2011, according to NSI data, the unemployment rate increased to 11.3%, at the end of 2012 the unemployment rate increased again to 12.3%, and for the whole of 2013 there was another increase in the unemployment rate to 12.9%. This trend began to reverse clearly only in 2014 (11.4%), and on a monthly basis there is a tendency to reduce the unemployment rate. In 2015, 2016, 2017 and 2018, it continued to decline, amounting to 9.1%, 7.6%, 6.2% and 5.2% respectively. For 2019, the odds are even better and amount to 4.2%. In 2020, the unemployment rate increased and reached 5.1%, influenced by the consequences of the COVID-19 pandemic. In 2021, the unemployment rate increased slightly again to 5.3%. In 2022, according to NSI data, the unemployment rate decreased to 3.8 and remained at this level until the end of 2023, with a decrease reported by the fourth quarter of 2024. GDP in Bulgaria for March 2025 has not been specifically determined, but changes are observed in some of its components.

At the same time, in recent years there has been a steady increase in the average monthly salary. Thus, in 2010 it amounted to BGN 648, in 2011 – BGN 686, in 2012 – BGN 731, in 2013 – BGN 775, in 2014 – BGN 822, in 2015. BGN 878, in 2016 BGN 948, in 2017 BGN 1,037, in 2018 BGN 1,146, in 2019 BGN 1,267, in 2020 BGN 1,391, in 2021 BGN 1,561, in 2022 it was BGN 1,761, for 2023 BGN 2,012. , and by the end of the fourth quarter of 2024 it has reached levels of BGN 2,275, and for the first quarter of 2025 it is in the amount of 2,443 BGN.

According to NSI data, the average annual inflation (the average annual change in the CPI) for 2012 and 2013 was 3.4% and 0.9% respectively. In 2014, deflation of 1.4% was recorded in the country. In 2015 and 2016, the country reported a lower, but still again deflation, of 0.1% and 0.8%, respectively. The downward trend in inflation since 2012 has been partly due to the decline in international fuel prices (especially in 2014 and 2015). In 2017, for the first time in three years, an average annual inflation of 2.1% was recorded again. At the end of December 2018, the average annual CPI for the last 12 months reported an increase to 2.8%. In 2019, the average annual CPI, compared to the corresponding period of the previous year, was even higher and amounted to 3.1%. In 2020, the CPI change was 1.7%, and in 2021 it was 3.3%. In 2022, as in most countries around the world, inflation is already a very serious value of 15.3%.

At the end of 2023, a serious decrease in the rate of price growth to 4.7% was reported, and at the end of the fourth quarter of 2024, the levels reached 2.1% and by March 2025 4%

In 2021, according to preliminary data from the BNB, Bulgaria has a current account deficit amounting to BGN 577.7 million. (-0.7% of GDP), which is an improvement compared to a deficit of EUR 1,315.8 million. in 2021 (about 1.9% of GDP). The contraction of the deficit is mainly due to the increase in the surplus in services. The balance on the capital and financial account from positive in the amount of BGN 3,481.6 million. in 2021 (4.9% of GDP), increased to positive in the amount of EUR 5,474.2 million. in 2022 (6.5% of GDP). Bulgaria's trade balance for March 2025 is negative at EUR 819.2 million, compared to a deficit of EUR 257.9 million for March 2024, the Bulgarian National Bank (BNB) reports.

In 2011, the strict fiscal discipline led to a decrease in the budget deficit below the Maastricht threshold of 3% of GDP (1.7% according to Eurostat), while in the previous year a deficit of 3.7% was reported. In 2012 the budget deficit was even lower and amounted to 0.8%, in 2013 and 2014 the deficit was already higher and reached 0.7%

and 5.4% of GDP respectively (the increase in the last year was mainly due to the inclusion of the deficit in the Bank Deposit Insurance Fund). In the next few years after 2015, according to Eurostat, the country's budget ended up with a surplus (until 2020, when a deficit of 3.8% was reported again). The budget balance under the consolidated fiscal program at the end of 2021 is negative (deficit) in the amount of BGN 3.794 billion. As a result mainly of increased public expenditures caused by the pandemic (deficit of 3.9% according to Eurostat).In 2022, the situation is slightly improving, with the budget balance again negative, but in a lower amount of BGN 1,347.3 billion. Lv. (deficit of 2.8% according to Eurostat). The revenues received under the consolidated fiscal program in 2022 amounted to BGN 64,765.4 million. Lv. (compared to BGN 52,458.9 million in the previous year). The budget balance under the consolidated fiscal program as of May 2023 is negative in the amount of BGN 1,178.5 million. Lv. and is formed by a deficit of the national budget in the amount of BGN 1,316.1 million. Lv. and a surplus of EU funds amounting to BGN 1379.7 million. Lv.

The fiscal reserve at the end of 2022 was BGN 13.4 billion. BGN against BGN 10.7 billion. Lv. a year earlier. At the end of May 2023, the fiscal reserve was BGN 11.7 billion. BGN, including BGN 10.8 billion. Lv. deposits of the fiscal reserve in the BNB and banks and 0.9 billion. Lv. receivables from the European Union funds for certified expenditures, advances, etc. As of 31.12.2024, the fiscal reserve amounted to BGN 11.87 billion. Of which BGN 9,977.9 million are deposits of the fiscal reserve in the BNB and banks, and BGN 1,900.0 million are other assets.

At the end of 2022, according to Eurostat, the level of indebtedness of the country (government and government-guaranteed debt) was 22.9% of GDP, compared to 23.9% in 2022, 24.5% in 2020, 20% of GDP in 2019, 22.1% in 2018, 25.1% at the end of 2017, 29.1% at the end of 2016, 25.9% at the end of 2015, 27% at the end of 2014 and 17% in 2013.

According to this indicator, the country has the fourth lowest ratio among all EU countries (only Estonia has better data). It is alarming that in 2014 the public debt almost doubled, but after 2017 the situation is already a little more optimistic (it should be noted, however, that our country has again been a leader in rapid debt growth in recent years, especially after the Covid-19 pandemic).

For 2022, according to the Ministry of Finance, the nominal amount of the government debt is EUR 18,965.5 million. However, by the end of May 2024, according to the Ministry of Finance, the nominal amount of the government debt increased and amounted to BGN 37,796.7.9 million (EUR 19,325.1.9 million), of which 11,102 BGN .6 million internal and BGN 26,694 million external. At the end of May, the public debt/GDP ratio was 205%. The ratios of internal and external government debt to GDP are 6% and 14.5%, respectively. In the structure of the debt, the relative share of the internal state debt is 28.4%, and of the external - 71.6%. At the end of May, the share of debt denominated in euros reached 71.6%, in levs - 28.2%, in US dollars - 0.1%, and in other currencies - 0.1%. In the structure of debt by creditors, the largest relative share is Eurobonds issued on international capital markets - 53.9%, followed by domestic debt - 28.4%, and loans from various international institutions. In the interest rate structure of the debt at the end of May, certain, minimal changes were also observed - the share of the debt with fixed interest rates slightly increased to 98.5%, and that with floating interest rates was 1.5%. Long-term debt prevails in the residual maturity of debt in circulation (up to 1 year - 1.87%, from 1 to 5 years - 38.33%, from 5 to 10 years - 33.7% and over 10 years - 26.11%).

Bulgaria's credit rating is BBB long-term on the Standard & Poor's scale. Most recently, on 29.11.2019, the rating itself was raised from BBB - to BBB with a positive outlook (currently, the outlook, according to the agency, is stable, and the rating was confirmed by the agency in November 2022). The rating agency Moody's last raised on 9.10.2020. the credit rating of the Republic of Bulgaria from Baa2 to Baa1 for long-term bank deposits, with a stable outlook (the rating was confirmed by the agency in February 2024). According to the Fitch scale, Bulgaria's foreign currency credit rating is BBB with a positive outlook (last upgraded on 01.12.2017, and in February 2021 the outlook was changed from stable to positive and confirmed in May 2023). As of the date of this report, the international rating agency Fitch has affirmed Bulgaria's long-term credit rating - BBB - with a positive outlook.

Bulgaria's rating is supported by the reliable political framework of membership in the European Union and the long-standing operation of the currency board regime.

Of key importance for the Bulgarian macroeconomic and financial stability is the stability and predictability of the currency regime and trust in it. So far, there is a consensus in society as a whole regarding the need to maintain the Currency Board and the current fixed exchange rate of the leva to the euro until Bulgaria enters the Eurozone (in mid-2018, the country submitted an application to join the single currency mechanism ERM II, at the same time by submitting an application for close cooperation with the ECB in terms of banking supervision and in 2020, membership is already a fact, and the announced goal of entering the Eurozone is from the beginning of 2025). Also, the 2016 asset review and stress tests of commercial banks in the country (and then insurance and pension companies) should also have a positive effect on the stability of the financial sector.

In addition to the political risks discussed above in terms of dealing with the crisis, it should be noted that business in Bulgaria has a relatively limited history of operating in free market conditions. Compared to companies operating in countries with a developed market economy, Bulgarian companies are to a greater extent characterized by a lack of management experience in market conditions and limited capital resources with which to develop their operations, as well as low labor efficiency.

The activity of the Chimimport Group, the results of the activity and its financial condition depend to a significant extent on the state of the Bulgarian economy, which in turn affects the growth of loans, interest costs and the ability of customers to fulfill their obligations on time. Any negative change in one or more macroeconomic factors, such as interest rates, which are influenced by interest rates in the Eurozone under the rules of the currency board operating in Bulgaria, inflation, wage levels, unemployment, foreign investment and international trade, may have significant adverse effect on the issuer's activity, operational results and financial condition.

Taxation

Taxes payable by Bulgarian companies include withholding taxes, local (municipal) taxes and fees, corporate tax, value-added tax, excise duties, export and import duties and property taxes. In recent years, under conditions of international and domestic economic growth, several governments have taken measures to optimize and reduce the tax burden on businesses and on citizens. During economic crisis opportunities for further reducing the tax burden are very limited. It is possible to reverse the process (by increasing the tax burden or by reducing the amount of services, investments and etc., provided by government).

Bulgaria`s accession in EU led to increased competition and additional and more burdensome regulations

Since the accession of Bulgaria on 1 January 2007 in the European Union the issuer faces a competitive pressure from companies in the same branch on the single market. Accession to the European Union led to increased competition for the issuer as the elimination and reduction of barriers led to new competitors from other Member-States entering the Bulgarian market. This leads to reduced revenues and profits of the Group. On the other hand, the harmonization of Bulgarian legislation with the legal acts of European Union on competition is essential. Each change in legislation leads to the need for the Issuer to comply with additional and more onerous rules..

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All current shareholders, interested persons/stakeholders and potential investors may receive the necessary information related to the activitis of the company and its financial results at the following address:

2 "Stefan Karadja" Str., Sofia 1000, every Friday from 13.00 till 17.00.

FOR ADDITIONAL INFORMATION

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