PORT OF VARNA EAD

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SUBJECT: UPDATE OF THE TARIFFS FOR THE SERVICES PROVIDED BY PORT OF VARNA EAD, EFFECTIVE AS OF 1 JANUARY 2027

DEAR CLIENTS,

In view of the forthcoming year 2027 and the need to revise our pricing terms in line with the evolving economic environment and the rising costs associated with our operations, Port of Varna EAD has conducted an in-depth analysis of the key factors affecting the cost base of the services it provides.

The analysis takes into account significant changes in major cost components, as well as their anticipated impact on the Company's operations over the coming calendar year. The principal factors necessitating the revision of our tariffs are as follows:

- **Labour Costs**

In 2027, the minimum wage in Bulgaria is expected to increase by 9.6%. At the same time, the Company's expenditure on employee remuneration and social security contributions has already recorded an increase of 11% during the first nine months of 2026 alone. This trend has a direct impact on the Company's overall cost base and on the need to maintain competitive employment conditions in order to attract and retain qualified personnel.

- **Fuel and Transport Costs**

Fuel price fluctuations continue to have a significant impact on transport, logistics and operational costs. During the first nine months of 2026, the average price of diesel fuel increased by 51%, while the Company's expenditure on fuels and lubricants rose by 35% over the same period. These developments represent a significant factor in determining the cost of the services provided.

- **Electricity Costs**

Changes in electricity prices and the associated costs of operating equipment also have a considerable impact on the Company's activities. During the first half of 2026, the average price of electricity increased by 13.6%, while Port of Varna EAD's electricity costs, net of applicable compensation payments, rose by 28.6%.

- **Inflation**

The change in the Consumer Price Index (CPI) and the Harmonised Index of Consumer Prices (HICP), which reflect the overall movement in the prices of goods and services, is approximately 5%. Inflationary pressures are placing additional strain on the costs of materials, supplies and services required to ensure the Company's efficient and effective operation in the market.

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○ **Local Taxes and Charges**

A substantial increase of up to 50% is expected in local tax liabilities relating to the properties used by Port of Varna EAD. This additional financial burden is among the factors that must be taken into consideration when determining the pricing terms for the coming calendar year.

The combined impact of the above factors has resulted in a significant increase in the Company's cost base compared with the corresponding period. In the context of continued economic pressures and rising operating costs, maintaining financial sustainability is essential to ensuring reliable service delivery, operational efficiency and long-term predictability for our clients and business partners.

Throughout 2026, despite the increases recorded in energy, fuel and other major cost components, Port of Varna EAD maintained its existing tariffs unchanged. This decision was driven by the Company's commitment to mitigating the impact of adverse economic and geopolitical developments on its clients and preserving the stability of its business relationships.

Effective as of 1 January 2027, Port of Varna EAD will revise the tariffs for all services provided by the Company, applying a 15% increase. The proposed adjustment is based on a careful assessment of prevailing economic conditions and represents a balanced approach between the rising costs of operations and our commitment to maintaining the competitiveness of our services.

It should be noted that the analysis of cost drivers indicates that a tariff increase of more than 22% would be required to fully offset the pressure on the Company's cost base. Nevertheless, the Company has opted for a more moderate adjustment of 15%, thereby absorbing part of the additional financial burden itself and reaffirming its commitment to its clients.

In the interest of transparency and predictability in our relations with business partners, the final version of the Terms and Tariffs for the Services Provided by Port of Varna EAD for 2027 will be made available one month prior to their entry into force.

We would like to thank you for your trust, constructive business relationships and continued cooperation. Port of Varna EAD remains committed to delivering high-quality, reliable and competitive services and to developing long-term partnerships founded on transparency, professionalism and mutual trust.

Should you require any further information or clarification regarding the forthcoming tariff revision, please do not hesitate to contact us.

Yours faithfully, **30.10.2026**

PORT VARNA JSC