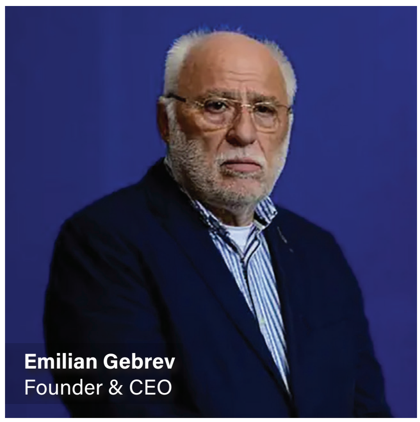
EMCO Ltd.

BULGARIA'S DEFENSE EDGE

Bulgaria entered 2026 with the profile of a country no longer defined only by cost competitiveness, but by resilience, industrial depth and a stronger place in Europe's strategic economy. The World Bank describes Bulgarian real GDP growth as "robust" at 3.1% in 2025, supported by domestic demand, private consumption and investment, while the IMF projects growth of about 2.8% in 2026. In a region where uncertainty has become the default operating environment, Bulgaria's EU access, NATO membership and export-oriented manufacturing give it a sharper investment story.



Emilian Gebrev
Founder & CEO

Few sectors show Bulgaria's changing role more clearly than defense. Across Europe, security spending has moved from a budget debate to an industrial priority: EU member states' defense expenditure reached €343 billion in 2024 and an estimated €381 billion in 2025, equal to about 2.1% of GDP, according to the Council of the European Union. SIPRI's latest data, released in April 2026, shows that military spending in Europe rose by 14% in 2025, the fastest increase of any region. For Bulgaria, this has turned a long-established industrial base into a more visible strategic asset, as the country combines NATO and EU membership with decades of manufacturing experience, skilled technical labor and export-oriented defense companies able to serve both European and international demand.

Part of that story is EMCO Ltd., a Bulgarian defense company built around manufacturing, trade and export of defense-related products. Established in the early 1990s, the company has grown into a major industrial employer, with around 3,500 people engaged in a wide range of operations activities from manufacturing to the commercial realization of the final product. Its production is overwhelmingly export oriented, with 99% of its capacity going abroad, especially to EU markets and former Warsaw Pact countries, while also reaching Africa, the Middle East, Asia and beyond.

EMCO's, as well as the Bulgarian's defense sector's position, is advantageous because it sits at the meeting point of two defense traditions. Bulgaria's industrial history gave it deep familiarity with Eastern standard equipment, while the country's Euro-Atlantic path opened Western markets and standards. For owner Emilian Gebrev, that dual knowledge is one of EMCO's defining advantages. "There are two main standards in the world: Eastern and Western. Until the 1990s, we were strongly linked to the East and manufactured products related to Eastern standards. Since then, we have also developed for the West. Today, we are in a unique position because we have know-how in both systems. There are only a handful of companies in the world able to develop and manufacture both Eastern and Western calibers."

That capability matters in a market where demand is urgent, supply chains are tight and buyers focus on availability. EMCO presents itself not simply as a producer, but as a responsive partner. Gebrev says every request must be answered within 24 hours, and that in an industry where delivery can often take years, EMCO aims to deliver within the shortest possible time frames. "The defense industry is very specific because it is not always the cheapest offer that wins, but often the fastest one. Having the manufacturing capability to respond quickly, produce in the shortest possible time, and still maintain quality and price competitiveness is what matters to our clients and leads to a solid presence in an otherwise currently chaotic market.

The discipline behind that speed is financial as much as operational. EMCO says its priority is not extracting profit, but reinvesting funds back into production, keeping resources in raw materials and production readiness so it can respond when orders arrive, while funds are directed towards enhancing the manufacturing's capacity and machine park. That model gives the company a stronger sales argument for governments, licensed partners and defense-sector customers: it can combine compliance, capacity and speed at a time when all three are scarce.

For Gebrev, EMCO's commercial case is also tied to confidence in Bulgaria's industrial identity. He sees the link between the state and the defense industry as inseparable, and believes the country has the foundations to be seen as a serious manufacturing and technology partner. "We are proud that EMCO is a Bulgarian company. Our factories, our main operations and our people are here, and we believe Bulgaria has the industrial talent and discipline to be recognized internationally for quality and reliability." In addition, Bulgaria's location at the South-Eastern border of the European Union, in the centre of the Balkan peninsula, not only symbolically represents its central role in this region, but enhances its importance as a defense partner.

Emco Ltd.'s present-day philosophy is quite simple: focus on the client without compromise with quality and delivery timelines. Its strengths are not abstract: experience, technical expertise, skilled staff, knowledge of both Eastern and Western systems, independence from debt and a reinvestment-led operating culture. In a European defense market defined by bottlenecks, those are not secondary details; they are the difference between discussing capacity and delivering it.