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NEWS RELEASE

2017 cons results for Eurohold: Profit doubled and upsurge in the profitability of the main business lines

- *Revenues exceeded BGN 1.2 billion*
- *Net profit doubled to around BGN 20 million*
- *EBITDA rose 50% to BGN 52 million*
- *Equity increased to BGN 211 million*
- *Positive expectations for 2018*

Eurohold Bulgaria, one of the largest Bulgarian public-listed companies, ended 2017 with a stable growth in revenues and a remarkable improvement in the profitability of its three strategic business lines - insurance, car sales and leasing, the company's 2017 consolidated financial statement showed.

The consolidated revenues of the holding company exceeded BGN 1.2 billion, up 14% year-on-year, while at the same time the consolidated net profit doubled to around BGN 20 million. The operating profit (EBITDA) grew by 50% on an annual basis to approximately BGN 52 million. The equity of the company doubled, reaching BGN 211 million and the total assets surpassed BGN 1.3 billion.

The insurance business of Eurohold, operating in Southeastern Europe under Euroins Insurance Group AD (EIG) brand, contributed significantly for the results achieved in 2017. The revenues from insurance rose 14% compared to previous year up to BGN 970 million while at the same time the recorded net profit increased four times to around BGN 37 million. Just the group's gross written premiums from insurance grew 22% to BGN 645 million. The car and leasing business of Eurohold Bulgaria AD, operating under Avto Union AD and Eurolease Group EAD brands, also recorded remarkable sales and operating profit growth (in the table below).

In 2017 Eurohold issued EUR 70 million notes on the international markets and increased its capital by EUR 41 million in a share issue subscribed by all the major shareholders of the company. The international agency Fitch assigned the holding company and its insurance business their first credit rating. Euro-Finance, Eurohold's subsidiary specialized in asset management and investment banking, acquired a minority stake in the German Varengold Bank AG that is expected to set up a branch in Bulgaria till the end of March 2018. EIG finalized the purchase of ATE Insurance and bought a significant stake in the Russian insurer OOO RSO Euroins.

Assen Christov, chairman of Eurohold Bulgaria's supervisory board, commented: „*The strengthening of our performance is evidenced by the results achieved. Eurohold is grabbing the attention of the investors that are interested in*

Eastern Europe. Our bond issue lured a strong interest from investors located in all the large financial centers in Europe. We strongly believe we will successfully step again on the European capital market. The deal in Russia is in line with EIG's strategy to expand in the CIS region and the company in which we acquired a significant stake is well positioned in important for us product lines like cargo and travel insurance. OOO RSO Euroins insures over 1/3 of the Russian tourists visiting Bulgaria. Our expectations for 2018 are positive. The forecasts for the markets where we operate are favorable and the forecasted economic growth will boost the further penetration of our insurance products."

Consolidated results of Eurohold Bulgaria in 2017

Segments	Revenue			Operating Profit (EBITDA)			Net Profit		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	965 743	844 408	14%	43 019	16 727	157%	36 811	8 944	312%
Automotive business	215 827	177 060	22%	5 814	3 944	47%	534	(842)	-
Leasing services	26 224	22 937	14%	4 270	2 141	99%	139	(481)	-
Asset management and brokerage	9 197	11 351	-19%	282	342	-18%	209	265	-21%
Total subsidiaries	1 216 991	1 055 756	15%	53 385	23 154	131%	37 693	7 886	378%
Parent company	4 267	16 877	-75%	1 435	12 450	-88%	(17 269)	2 309	-848%
Total without eliminations	1 221 258	1 072 633	14%	54 820	35 604	54%	20 424	10 195	100%
<i>Intragroup eliminations</i>	<i>(16 040)</i>	<i>(14 028)</i>	<i>-</i>	<i>(2 968)</i>	<i>(696)</i>	<i>-</i>	<i>(539)</i>	<i>29</i>	<i>-</i>
Total	1 205 218	1 058 605	14%	51 852	34 908	49%	19 885	10 224	94%

Source: Consolidated statement for the period ended December 31th, 2017

Eurohold Bulgaria AD

Eurohold Bulgaria is a leading Bulgarian company, listed on the BSE-Sofia and the WSE. The holding company operates across CEE and SEE, focused on non-banking financial services and asset management. Eurohold Bulgaria is a majority shareholder of Euroins Insurance Group (EIG), one of the largest independent insurance groups operating in the CEE and SEE insurance markets. EIG operates in 8 European countries and owns insurance subsidiaries in four of them – Bulgaria, Romania, FYROM and Ukraine. The insurance group has been operating in Greece since 2014. It has over 2.5 million clients, 1600 employees and annual revenues of EUR 350 million.

www.eurohold.bg www.eig.bg