EUROHOLD BULGARIA

1 January – 31 March 2022

Interim

Consolidated report

INTERIM CONSOLIDATED REPORT

containing information on important events that occurred during the period

1 January - 31 March 2022 pursuant to Article 100o, paragraph 4, item 2 of the Securities Act

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Eurohold Bulgaria AD
first quarter 2022

INTERIM CONSOLIDATED REPORT

EUROHOLD GROUP

Eurohold Bulgaria AD (EUROHOLD BULGARIA S.A.) is a holding company established on 12 December 2006 in the Republic of Bulgaria through the merger of the public company Eurohold AD (1996) and the holding company Starcom Holding AD (1995).

OVERVIEW OF EUROHOLD BULGARIA

- Eurohold Bulgaria S.A. is the leading independent business group in Central and South-eastern Europe (CEE) and the largest public holding company in Bulgaria by revenue
- Principal activity - financial activity related to the creation, acquisition and management of participations and financing of related companies
- Owner of the largest independent insurance group in SEE by gross premium income - Euroins Insurance Group
- Owner of the largest energy group in Bulgaria - distributor, supplier and trader of electricity
- Public joint stock company within the meaning of the Securities Act. The company's shares are listed for trading on:
  - Main market of the Bulgarian Stock Exchange (BSE) - with exchange code EUBG
  - Warsaw Stock Exchange (WSE) - with stock exchange code EHG

OUR BUSINESS OPERATIONS

- **5 subsidiary companies**
- **2 dedicated energy business development companies**
- **37 operating companies**
- **1 associated company**
- **14 countries across Europe**
- **9 400 shareholder**
- **25 years of history**

Credit ratings assigned

FitchRatings	***EuroHold Issuer Default Rating "B"***
BCRA CREDIT RATING AGENCY	***EuroHold Long-term: BBB- Outlook: stable Short-term: A-3***

Euroins Insurance Group - a major asset in the Eurohold Group

CEE and SEE insurer with leading positions in Romania and Bulgaria.

Active operations in 9 markets in Europe.

Auto Union - investments in the automotive sector

Leading car dealer in Bulgaria and operating in 2 markets in the Balkans.

Eurolease Group - leasing group

Large leasing group operating in 2 Balkan markets.

Euro-Finance - investment intermediation and asset management

Market turnover leader on the Bulgarian Stock Exchange, Member of Deutsche Börse Group.

More than 20 years of experience.

Easter European Electric Company II B.V. - Energy

At the end of July 2021, the energy group acquired the assets of CEZ Group in Bulgaria

ECONOMIC GROUP

Eurohold Bulgaria AD is a holding company and together with its subsidiaries forms an economic group - the Eurohold Group.

ORGANISATIONAL STRUCTURE OF EUROHOLD BULGARIA ECONOMIC GROUP BY 31.03.2022

STARCOM HOLDING AD (Bulgaria)

EUROHOLD BULGARIA AD, (Bulgaria) - 50.65%

Business sectors	*INSURANCE*	*LEASING*	*ENERGETICS **	*FINANCE*	*AUTOMOTIVE*
Subsidiary companies	***Euroins Insurance Group AD,*** *Bulgaria - 90.10%*	***Eurolease Group AD,*** *Bulgaria - 90.01%*	***Eastern European Electric Company II B.V.,*** *The Netherlands – 100%*	***Euro-Finance AD,*** *Bulgaria - 99.99%; IC Euroins AD – 0,01%*	***Auto Union AD,*** *Bulgaria - 99.99%*
Operational companies	***IC Euroins AD,*** *Bulgaria – 98.63%*	***Eurolease Auto EAD,*** *Bulgaria – 100%*	***Eastern European Electric Company III B.V,*** *The Netherlands –100%*		***Auto Italia EAD,*** *Bulgaria – 100%*
	Euroins Romania Asigurare-Reasigurare S.A., *Romania – 98.54%*	***Eurolease Auto DOOEL,*** *North Macedonia – 100%*	***Eastern European Electric Company B.V.,*** *The Netherlands –100%*		***Auto Union Service EOOD,*** *Bulgaria –100%*
	Euroins Insurance AD, *North Macedonia - 93.36%*	***Eurolease Ren a Car EOOD,*** *Bulgaria – 100%*	***Electricity Distribution Networks West AD,*** *Bulgaria – 98.93%*		***Daru Car EAD,*** *Bulgaria – 100%*
	IC EIG RE EAD, *Bulgaria – 100%*	***Amigo Leasing EAD,*** *Bulgaria – 100%*	***CEZ Information and Communication Technology Bulgaria,*** *Bulgaria -100%*		***Bulvaria EOOD,*** *Bulgaria – 100%*
	IC Euroins Life EAD, *Bulgaria – 100%*	***Autoplaza EAD,*** *Bulgaria – 100%*	***Electrohold Sales AD,*** *Bulgaria –96.92%*		***Bulvaria Sofia EAD,*** *Bulgaria – 100%*
	CHAD European Travel Insurance, *Ukraine – 99,99%*	***Sofia Motors EOOD,*** *Bulgaria – 100%*	***Electrohold Bulgaria EOOD,*** *Bulgaria – 100%*		***Star Motors EOOD,*** *Bulgaria – 100%*
	CHAD Euroins, *Ukraine: - 92.62% directly; - 5.74% indirectly (through CHAD European Travel Insurance, Ukraine)*	***Eurolease Auto S.A.,*** *Romania: – 77.98% directly; - 20.45% indirectly (through Euroins Romania)*	***Electrohold Trade EAD,*** *Bulgaria – 100%*		***Star Motors DOOEL,*** *North Macedonia - 100%*
	Euroins Claims I.K.E, *Greece – 100%*		***Free Energy Project Oreshets EAD,*** *Bulgaria – 100%*		***Star Motors SH.P.K.,*** *Kosovo – 100%*
	Euroins Georgia AD, *Georgia – 50.04%*		***Bara Group EOOD,*** *Bulgaria – 100%*		***Motohub EOOD,*** *Bulgaria – 100%*
	CHAD ZK Euroins, *Belarus – 100%*				***Motobul EAD,*** *Bulgaria – 100%*
	*Russian Insurance Company Euroins OOD, Russia - 48.61% (associate participation)***				***Bopar Pro S.R.L.,*** *Romania – 99%*
					Benzin Finance EAD, *Bulgaria – 100%*
					China Motor Company - *Bulgaria - 80%*

As of the date of this report, Eurohold Bulgaria has interests in 45 companies

direct involvement	*indirect involvement*
5 subsidiaries	2 dedicated energy business development companies 37 operating companies 1 associated company

At the same time Eurohold Bulgaria AD is part of the economic group of its majority shareholder Starcom Holding AD. As of the date of this report, Eurohold is the main and most significant investment of Starcom Holding AD.

EUROHOLD GROUP POSITIONING COUNTRIES

MAIN MARKETS OF THE GROUP

Eurohold Bulgaria, through its subsidiaries, is positioned in the region of Central and Southeast Europe.

The main markets in which the Group operates are Bulgaria, Romania, North Macedonia, Ukraine, Georgia, Greece, Belarus and Russia (associate participation).

In the markets of Italy, Greece (through a branch), Spain, Poland, Germany, the Netherlands and the United Kingdom, the insurance group offers insurance services distributed under the - right of freedom of establishment and freedom to provide services.

TYPES OF SERVICES AND PRODUCTS, REGIONAL REPRESENTATION

Eurohold Bulgaria AD as a holding company does not develop independent production and/or trading activities or activities related to the provision of services. The Company's operating income is related to financial operations in the acquisition and management of subsidiaries, therefore, it is classified in the financial sector.

Through its subsidiaries, Eurohold offers a full range of services and products in the insurance, energy, automotive, leasing and financial investment segments.

Summary of the types of core services and activities offered by operating companies in Q1 2022 by economic segment

Insurance	**General Insurance;** **Life Insurance;** **Travel Insurance;** **Motor claims collection and processing services**
Energetics	**Access to and transmission of electricity on the electricity distribution network and connection of new consumers to the electricity distribution network;** **Public supply of electricity;** **Trade in electricity;** **Comprehensive information, communication and technology services;** **Commercial consulting, purchase and sale of equipment and materials**
Automotive	**Sale of new cars;** **Car service;** **Sale of spare parts;** **Import and sale of lubricants for transport vehicles;** **Fuel card operator;** **Showroom management**
Leasing	**Financial leasing;** **Operating leases;** **Rent a car services;** **Used Car Sales**
Investment intermediation and management on activism	**Investment intermediation;** **Investment bankers;** **Management on activitie**

FIRST QUARTER REVIEW 2022

FINANCIAL OVERVIEW

EUROHOLD GROUP

Eurohold Bulgaria reports strong performance of its energy business

The Eurohold Group has delivered significant operating revenue growth of 330% and operating profit growth of 493% for the first quarter of 2022. All businesses were the main reason for the strong growth, with the most significant being the reporting of the results of the energy group, which was not represented in the comparative period.

	Q1 2022	Q1 2021
Income	1 673 billion BGN. ▲ 330%	389 млн. лв. ▼8%
Operating profit	151 million BGN. ▲ 493%	25 million BGN. ▼ 17%
EBITDA	92 million BGN. ▲ 832%	10 million BGN. ▼ 17%
Net result	37 million BGN. ▼2963%	1 million BGN. ▼63%

	Q1 2022	2021
Assets	4 077 billion BGN. ▲ 7%	3 797 billion BGN. ▲ 151%
Financial assets	377 million BGN. ▼ 9.75%	417 million BGN. ▲ 59%
Equity	261 million BGN. ▲ 27%	205 million BGN. ▲106%
Equity and subordinated debt instruments	344 million BGN. ▼ 21%	437 million BGN. ▲ 107%
Liabilities	2 185 billion BGN. ▲ 12%	1 944 million BGN. ▲ 265%
Insurance reserves	1 537 million BGN. ▲ 9%	1 407 million BGN. ▲ 83%

SIGNIFICANT EVENTS

SUMMARY OF MAJOR EVENTS FOR THE EUROHOLD GROUP DURING THE PERIOD

FROM 01 JANUARY 2022 UNTIL THE DATE OF THIS REPORT

Important events for the Eurohold Group, presented in chronological order

January

- ✓ 28.01.2022 - Eurohold Bulgaria AD entered into a loan agreement in the amount of EUR 7 million with the International Investment Bank, Russia and the entire amount was fully drawn down on 31.01.2022 at an interest rate of 5% and maturity on 28.01.2029.
- ✓ 14.01.2022 - The Commission for Protection of Competition has published a decision authorising a concentration in connection with a preliminary agreement for the sale of Star Motors EOOD signed by Auto Union AD in November 2021.

February

- ✓ No material events have occurred

March

- ✓ 08.03.2022 - Eurohold issued a new corporate bond loan under private placement conditions, in the issue amount of € 40 million, distributed in 40 thousand bonds with a nominal and issue value of € 1,000, 3.25% interest, with a single repayment of the principal on the maturity date of the issue - 08.03.2029.
- ✓ 17.03.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a cash contribution of EUR 2 000 000.
- ✓ In March 2022, Eastern European Electric Company B.V., The Netherlands - the holding company directly consolidating the energy business of Eurohold Bulgaria AD, increased its shares in the capital of the electricity distributor - CEZ Distribution Bulgaria AD to 98.93% (by acquiring additional 207 095 shares or 10.74%), and the electricity supplier - CEZ Electro Bulgaria AD to 96.76% (by acquiring additional 1 371 shares or 27.42%).
- ✓ 17.03.2022 - Auto Union AD, as the sole owner of the capital, signed a preliminary agreement for the sale of its subsidiary Daru Car EAD. The company is an official service centre of BMW. The transaction is expected to be finalised within May 2022.
- ✓ 14.03.2022 - Eurolease Group AD, as the sole owner of the capital of Eurolease Rent-a-Car Ltd. signed a preliminary agreement for its sale. The transaction is currently pending regulatory approval.

April

- ✓ 06.04.2022 - The energy subholding of Eurohold - Eastern European Electric Company B.V. (EEEC) submitted for consideration to the FSC tender offers on the basis of Art. 1 of the CPL§C for the purchase of the shares of the minority shareholders in CEZ Distribution and CEZ Electro. As of the date of registration of the tender offers, EEEC owns 98.93% of the capital of CEZ Distribution AD and 96.92% of the capital of CEZ Electro Bulgaria AD. For the 20,581 shares held by the minority shareholders in CEZ Distribution, EEEC is offering a price of BGN 300.29 per share or a total of nearly BGN 6.2 million. The price per share offered to the minority shareholders in CEZ Elektro is BGN 28,158.30 or a total of just over BGN 4.3 million for 154 shares. The offer for all remaining shares in the two companies is approximately BGN 10.5 million (EUR 5.4 million).

- ✓ At the end of April 2022 - A change in the names of some of the energy companies owned by Eastern European Electric Company B.V. (a subsidiary of Eurohold Bulgaria AD) was registered in the Commercial Register at the Registry Agency, namely:

Old designation	New designation	New company logo
ЧЕЗ Разпределение България АД CEZ Distribution Bulgaria AD	Електроразпределителни мрежи Запад АД Electrorazpredelitelni mreji Zapad AD Electrodistribution Grid West AD (EDG West AD)	ERM ZAPAD ЕРМ ЗАПАД EDG WEST
ЧЕЗ Електро България АД CEZ Electro Bulgaria AD	Електрохолд Продажби АД Electrohold Sales AD	ЕЛЕКТРОХОЛД ELECTROHOLD
ЧЕЗ България ЕООД CEZ Bulgaria EOOD	Електрохолд България ЕООД Electrohold Bulgaria EOOD	ЕЛЕКТРОХОЛД ELECTROHOLD
ЧЕЗ Трейд България ЕАД CEZ Trade Bulgaria EAD	Електрохолд Трейд ЕАД Electrohold Trade EAD	ЕЛЕКТРОХОЛД ELECTROHOLD
ЧЕЗ Информационни и комуникационни технологии България ЕАД CEZ Information and Communication Technologies Bulgaria EAD	Електрохолд ИКТ ЕАД Electrohold ICT EAD	ЕЛЕКТРОХОЛД ELECTROHOLD

May

- ✓ 11.05.2022 - AUTO UNION AD has signed a final contract with M TRAX BULGARIA EOOD for the sale of Star Motors EOOD - the official importer of Mazda cars for Bulgaria. At the moment the transaction has been finalized, and under the contract between the parties, M TRAX BULGARIA EOOD acquired all 70 000 shares forming the capital of Star Motors EOOD, including its subsidiaries Star Motors DOOEL (North Macedonia) and Star Motors SH.P.K. (Kosovo). The new owner was registered in the TR at the Registry Agency on 17.05.2022.

- ✓ May 12, 2022 - Eurohold Bulgaria's energy group, Electrohold, unveiled its new visual and corporate identity. The rebranding process of the company's shopping centres and other outlets will be completed in a few months. The new brand identity reflects Electrohold's mission and values.
- ✓ The new visual identity includes new names, logos, websites and a refreshed overall corporate design.

- ✓ More information about the new visual and corporate identity of the energy companies is available on the Eurohold website ***www.eurohold.bg***, News section, as well as on the websites of the respective energy companies.

- ✓ 18 May 2022 - The Financial Supervision Commission (FSC) has approved the adjusted tender offers of Eurohold Bulgaria AD's energy holding company, Eastern European Electric Company B.V. (EEEC), for the remaining shares in Electricity Distribution Networks West AD (EDN West AD, formerly CEZ Distribution AD) and Electrohold Sales AD (formerly CEZ Electro AD). The proposals relate to the shares of the two companies that EEEC does not yet own - 1.07% and 3.08% of the capital, respectively.
- ✓ The tender offers are in accordance with Art. 149a para. 1 of the Public Offering of Securities Act (POSA).
- ✓ EEEC is offering BGN 302.56 per share of ERM West or a total of nearly BGN 6.2 million and BGN 28,433.51 per share of Electrohold Sales or a total of just over BGN 4.3 million. The holding's offer for the remaining shares of the two companies is approximately BGN 10.5 million (EUR 5.4 million).
- ✓ Pursuant to the provisions of the POSA, the tender offer procedure should be completed by the end of June 2022.

- ✓ 27.05.2022 г. - Consultancy and investment activity, construction and maintenance of photovoltaic power plants, trade with solar panels and accessories, real estate transactions, representation, mediation and agency of Bulgarian and foreign legal entities in the country and abroad, as well as any other activity not expressly prohibited by law. The newly established company was registered in the TR on 27.05.2022 with Eurohold Bulgaria AD as the sole owner of the capital.

The Management Board of Eurohold Bulgaria AD is not aware of any other significant or material events that occurred during the reporting period or after the closing date.

STRATEGICALLY FOCUS AND TRENDS

EUROHOLD'S STRATEGIC DIRECTION FOR THE FUTURE DEVELOPMENT OF THE GROUP

Energetics

The energy business development strategy envisages the implementation of the investment programme of the energy companies focused on the following areas: customer service and satisfaction; grid renewal and maintenance; renewables and energy efficiency; innovation and technology.

Eurohold Bulgaria AD's intention is to make Eastern European Electric Company B.V. a regional utility company in the country in terms of sustainability and customer satisfaction. The Issuer is clearly committed to investing in technology and process digitalization to improve the efficiency of utilities while maintaining financial stability and regulatory compliance, and by ensuring continuity in the operational management of the assets being acquired.

With respect to the established operating strategy of the energy companies, Eurohold intends to be guided by and follow their existing business plans, maintaining the focus and investment program approved by the Energy and Water Regulatory Commission (EWRC). The investment programme is aimed at building a more efficient electricity distribution network, which will lead to a reduction in technical losses on the transmission network, better customer service and potentially lower electricity prices for end users.

Energy companies focus on investments in e-services, digitalization, modernization and education

Electrohold's priority is to improve the quality of services and customer service. Currently, over 80% of Electrohold Sales' services and over 90% of EDG West's services have been digitized. Over half a million customers use e-invoicing and more than 200 thousand have registered for sms services. The new corporate websites are also aligned with the need for digital service

The other focus will be on investment in digitalization and modernization of the EDG West network and its services. From the beginning of 2021 to the end of 2023, nearly BGN 300 million will be invested in this area. Electrohold is focused on preparing the grid for a new generation of electricity while working hard to meet its core commitment of maintaining the country's largest grid and continuity of supply. The efforts of more than 3,000 employees are engaged in this work.

Ongoing projects include latest generation technologies for real-time grid monitoring and management, continuous consumption monitoring and optimal team utilization. Drones are being implemented and artificial intelligence is being used, which is an important prerequisite for the development of the future economy.

Electrohold will follow its policy of being a responsible investor in society. A key element in the company's sustainability concept is support for vocational education, nature conservation and the improvement of the urban environment. With the new brand, Electrohold is positioning itself as a modern and attractive employer and will continue to build on its programmes for developing young talent.

Insurance

Regarding the insurance division, Eurohold's strategy envisages organic growth, diversification of the product portfolio, increased profitability and improved returns from operations in Romania and Bulgaria. The focus will be on: product development; distribution with attention to online sales channels; and international expansion with a focus on organically growing business in the current regions and expanding into other markets under the Free Provision of Services Act.

The development of insurance companies is aimed at sustainability and organic growth of the market position of insurers, through the development of new products, both in existing classes of insurance and in the development of new combined insurance to diversify the insurance portfolio, meeting the changed expectations of customers and in line with the changed business environment, strengthening processes of exchange of know-how in management, business and corporate practices between companies, and focusing in digitalization of The activity will also focus on developing new direct distribution channels with a focus on online channels. In addition, the focus will also be on business growth through expanding the operations of insurance services distributed under the right to freedom of establishment and freedom to provide services. Eurohold's insurance business combined in the subsidiary Euroins Insurance Group is well positioned in the European markets and has strong growth potential.

Finance (Investment Brokerage and Asset Management)

The investment intermediary Euro-Finance AD is expected to continue its sustainable development by expanding its market positions and generating revenue growth. The impact of Covid-19 on this segment is negligible.

Euro-finance has fully digitalized its operations, upgraded and modernized its corporate website. Special attention is being paid to expanding Euro-Finance's presence on the Internet and reaching a wider range of potential clients by promoting the investment firm's products and services.

In 2020, Euro-Finance AD expanded the range of services it offers to its individual and institutional clients by entering into a strategic partnership with Europe's leading asset management company - Amundi Asset Management. Through Euro-Finance AD, investors can subscribe to units and savings plans from a wide range of funds managed by Amundi Asset Management. In order to reach as wide a range of potential clients as possible and to maximise sales, the company's management in 2021 initiated negotiations with so-called tied agents to start "piloting" Amundi's funds, and subsequently the other services provided by Euro-Finance plc.

Following the motto "Making capital markets more accessible", Euro-Finance plc continues with the project to develop a mobile application on the EFOCS e-trading platform. In 2021, the app is also offered in an Android version and in 2022 it will be available for iOS. The management team of Euro-Finance plc believes that the combination of competitive trading conditions on the Bulgarian Stock Exchange (BSE) and FWB Xetra and an easy-to-use trading application via a mobile device will help to significantly increase the intermediary's share in servicing individual clients in the field of financial services on the local market.

Automotive and Leasing

Trends for the currently existing businesses in the automotive and leasing segments are dependent on the impact of COVID-19 manifested in 2020, and this impact on their operations is currently becoming weaker. For 2022, it is expected to have a significantly more limited impact on the operations of these businesses.

At the same time, given the entry into a new sector market, namely energy, and the need for significant resources, both human and financial, to integrate it in order to implement the investment programme of the acquired companies, the automotive and leasing divisions of the Group do not represent a targeted priority in the Eurohold Group's development strategy. This circumstance implies that, in the event of a good investor proposal, a transaction for the sale of the business unit(s) of these divisions is possible.

In this regard, the automotive subholding of Eurohold Bulgaria AD, Auto Union AD, sold its subsidiary N Auto Sofia EAD. "N Auto Sofia EAD is the main dealer in Bulgaria of the Nissan brand and controls 51% of the capital of Espas Auto Ltd, the largest distributor in Bulgaria of Renault and Dacia brand vehicles. The company also owns 51% of EA Properties OOD, which owns the land and showroom of Nissan, Renault and Dacia in Sofia. The transaction has been finalized after approval by the Commission for Protection of Competition, and was registered in the TR on 20.08.2021.

At a later stage - mid-November 2021, Auto Union AD signed a preliminary agreement for the sale of its subsidiary Star Motors EOOD - the official importer of Mazda brand vehicles for Bulgaria and the Republic of North Macedonia. As of today, the transaction has been finalized.

In March 2022, the company will open a new Mazda dealership. Auto Union has also negotiated the sale of Daru Car EOOD. The transaction is expected to be finalized within the second quarter of 2022.

Separately, the Leasing Subholding has entered into an agreement to sell its rental car company Eurolease Rent a Car Ltd, the representative of Avis and Budget for Bulgaria, and is in the advanced stages of selling its leasing company Eurolease Auto EAD. Both transactions are expected to be finalised within the second quarter of 2022.

In addition, in a short period of time, it is possible that Eurohold Bulgaria AD will divest other companies in its automotive and leasing businesses or even cease operations in these business segments entirely. This will enable the Holding Company to focus on the strategic development and implementation of the investment plans of the insurance and energy businesses.

There are no known other trends, fluctuations, requirements, commitments or events that are reasonably likely to have a material effect on the operations and financial position of the Eurohold Group for at least 2022 in the segments in which it operates.

REVIEW OF GROUP FINANCIAL RESULTS

31.03.2022

SUMMARY

Eurohold Bulgaria reports its most significant growth in revenues and profits

Eurohold Bulgaria reported operating profit of BGN 151 million and net profit for the period of BGN 37 million.

After a solid performance in 2021, the Eurohold Group continued with an impressive sales growth of 330% overall.

The main reason for this is the reporting performance of the energy business, whose size exceeds the revenue generated by the other businesses combined.

In addition, the other segments in which we operate also recorded a significant increase in their revenues, including insurance up +106%, automotive up +74% and leasing up +8%.

These results reinforce the right direction to achieve sustainable and profitable growth, through the activities undertaken in relation to Eurohold's strategic direction, the hard work on our transformation, the digitalization of processes in all business segments through the development of digital and digital sales channels and customer follow-up services.

! ***Important emphasis***

Eurohold Group's consolidated revenues, expenses and earnings for the first quarter of 2022 differ significantly from the comparable period.

The main reason for this is the consolidation at the end of July 2021 of the companies operating in the energy sector acquired by the energy subholding in the Eastern Europe Electricity Company II B.V. (EEEC II) group.

It is important to note that in the consolidated financial statements of Eurohold for the comparative period 31.03.2021, results from energy businesses have not been reported due to the fact that at that time the energy companies were not part of the Eurohold Group.

The specific financial results of our operations are set out in the following analysis.

CONSOLIDATED FINANCIAL RESULT

Eurohold Group reported a consolidated result from operating activities of BGN 150.8 million for the first quarter of 2022 compared to BGN 25.4 million for the same period of 2021. The operating result achieved was 493% higher than that reported for the comparable period of 2021.

This significant increase in operating performance is due both to the positive results achieved by all of the Group's businesses (excluding the finance and investment business and the parent company) and the consolidation of the newly acquired companies in the Energy segment.

Reported earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to BGN 92.1 million, while its amount to the previous period was BGN 9.9 million. The reported growth in this indicator was 832%.

The net financial result for the first three months of 2022 is a profit of BGN 36.9 million. The profit attributable to the owners of the parent company amounts to BGN 34.6 million and for the non-controlling interest a profit of BGN 2.3 million. In comparison, in the comparative period of 2021, the Group generated a net profit of BGN 1.2 million, of which that attributable to the owners of the parent company amounted to BGN 0.4 million and that of the non-controlling interest BGN 0.8 million.

INCOME AND EXPENDITURE

+330% group revenue growth

+319% expenditure growth

Revenues on a consolidated basis are generated from the activities of the subsidiaries and Eurohold Bulgaria's individual activities related to the acquisition and management of participations and financing of subsidiaries.

Total group revenues for the three months ended 30 June 2022 amounted to BGN 1,673 million, representing an increase of 330% compared to consolidated revenues for the comparable period of 2021, when they amounted to BGN 389 million.

Realised revenue by segment

Operating income by business segment:	change	consolidated operating income	
	%	31.03.2022	31.03.2021
Insurance income, including:	+106%	771 391	374 648
- *gross premiums written from insurance*	*88%*	*469 033*	*249 469*
Revenue from energy activities	n/a	883 177	-
Revenue from automotive activities	+74%	9 121	5 255
Revenue from leasing activities	+8%	6 459	5 999
Income from financial and investment activities	-10%	2 148	2 392
Income from parent company's activities	-29%	435	617
Total consolidated revenue	**+330%**	**1 672 731**	**388 911**

Structure of consolidated revenue

Following the acquisition of the energy companies, there has been a change in the structure of consolidated revenues summarised in the following table:

Operating income by business segment:	**the structure of consolidated operating income**	
	Share to 31.03.2022	**Share to 31.03.2021**
Insurance segment income	46.1%	96.3%
Revenue from energy segment	52.8%	0.0%
Revenue from automotive segment	0.6%	1.4%
Leasing segment income	0.4%	1.5%
Revenue from finance and investment segment	0.1%	0.6%
Income from parent company operations	0.0%	0.2%
Total consolidated revenue	100%	100%

Operating costs

The Group's operating expenses directly reflect changes in the business volumes of the companies reported in Eurohold's consolidated financial statements.

Reported operating expenses of BGN 1,522 million increased by BGN 1,158 million compared to the prior period due to the recognition of costs from energy activities and the growth in the businesses of the companies.

Operating expenses by business segment:	**change**	**consolidated operating expenses**	
	%	**31.03.2022**	**31.03.2021**
Insurance costs	+108%	(735 575)	(353 029)
Energy activity costs	n/a	(773 816)	-
Carrying number of vehicles and spare parts sold	+46%	(7 927)	(5 420)
Expenses for leasing activities, including:	+25%	(1 860)	(2 468)
- *Interest expenses*	*+0.7%*	*(925)*	*(919)*
Expenditure on financial and investment activities	-21%	(1 954)	(2 471)
Parent company operating expenses	+619%	(784)	(109)
Total consolidated expenditure	**+319%**	**(1 521 916)**	**(363 497)**

CONSOLIDATED OPERATING RESULT (GROSS PROFIT) BY SEGMENT

in thousands BGN	**Insurance**	**Energetics**	**Automotive**	**Leasing**	**Investment banking**	**Mother company**	**Gross profit of the Group**
31.03.2022	35 816	109 361	1 194	4 599	194	(349)	**150 815**
31.03.2021	21 619	-	(165)	3 531	(79)	508	**25 414**
Change in thousand BGN	**14 197**	**109 361**	**1 359**	**1 068**	**273**	**(857)**	**125 401**
Change %	**66%**	**n/a**	**(824)%**	**30.25%**	**(346)%**	**(169)%**	**493%**

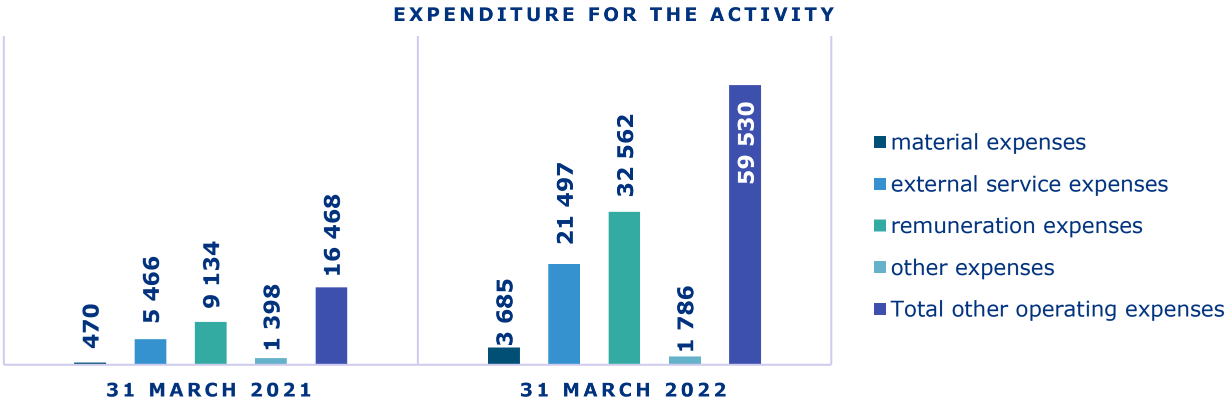
OTHER CONSOLIDATED RESULTS

in thousands BGN	Other income/expenses net	Financial income/expenses net	Depreciation expenses	Tax expenses	Total for the Group
31.03.2022	(58 743)	(21 231)	(29 774)	(4 557)	**(114 305)**
31.03.2021	(15 530)	(5 804)	(3 613)	(3)	**(24 950)**
Change in thousand BGN	**(43 213)**	**(15 427)**	**(26 161)**	**(4 554)**	**(89 355)**
Change %	**278%**	**266%**	**724%**	**151800%**	**358%**

⇒ The Group's **other operating income/expenses (presented net)** include the following items: 'Other income/(expenses), net'; 'Other operating expenses'; '(Accumulated)/reversed impairment loss on financial assets, net'. At the end of the reporting period, net other income/expenses increased by 278% and amounted to BGN (58.7) million, of which:

- BGN (38.1) million is attributable to the energy business acquired at the end of July 2021,
- BGN (14.3) million to the insurance business / BGN (11.5) million for the three months of 2021 /;
- BGN (2.2) million to automotive business / BGN (0.9) million for the three months of 2021 /;
- BGN (2.8) million on leasing business. Of this amount, BGN 43 thousand represents funding received in the first quarter of 2022 in connection with addressing the effects of the Covid-19 pandemic under the government's employment retention programme ("Payment of compensation under Art, (2.1) million for the three months of 2021) /(2.1) million for the three months of 2021);
- BGN (0.4) million of financial and investment activity / BGN (0.4) million for the three months of 2021 /;
- BGN (0.9) million to the parent company / BGN (0.7) million for the three months of 2021 /.

» The heading "Other operating expenses" summarises: material costs, external service costs, remuneration costs, other expenses, the values of each of which are shown in the graph below:



⇒ **Financial income/expenses**, include: financial expenses; financial income and net effect of exchange rate changes. For the first quarter of 2022, their total net amount is BGN (21.2) million, showing an increase of 266% compared to the comparative period.

Finance costs aggregate interest expense, interest expense on right-of-use assets and other finance costs.

Interest expenses account for 92% of all financial expenses. Included in the interest expense amount are the respective expenses of the insurance, energy and automotive sectors as well as the parent company. For the period from 1 January to 31 March 2022, the amount of reported interest expenses amounted to BGN 20.1 million and increased by BGN 14.3 million compared to the comparable period.

The largest interest expense is reported by the energy business with BGN 14.2 million of accrued interest expense, which for the most part represents interest of the three holding companies uniting the energy business in the Group on borrowings in connection with the acquisition of the assets of CEZ in Bulgaria.

The parent company (Eurohold Bulgaria plc) reported BGN 4.7 million of interest expense, up 10.9%. The automotive group uses borrowed capital for working capital and bank guarantees for deferred payment. The amount of these borrowed funds is determined by the growth of the automotive business, transactions with corporate customers, inventories - vehicles and spare parts, etc. For the period under review, the interest expense of the automotive group amounted to BGN 0.4 million compared to BGN 0.3 million in the corresponding period of 2009.

The insurance business does not require borrowing, therefore the interest expense reported by this business line represents a borrowing of the Euroins Insurance Group subholding company. For the period under review, interest expense reported by the insurance subholding amounted to BGN 0.9 million, with a decrease of 35%.

RESULTS BY TYPE OF ACTIVITY BASED ON UNCONSOLIDATED DATA (BEFORE ELIMINATIONS)

The following tables present information on the realized revenues and results of the subsidiary subholdings at December 31, 2021 compared to December 31, 2020 before segment eliminations.

Total revenue by sector			
Sectors	*Change %*	31.03.2022 *thousand BGN*	31.03.2021 *thousand BGN*
Insurance including.	*105.6%*	771 815	375 402
- gross premiums written from insurance	*88%*	*469 033*	*249 469*
Energetics	*n/a*	*883 274*	-
Automotive	*65%*	9 879	5 987
Leasing	*7.6%*	6 762	6 286
Financial-investment activity	*-9.2%*	2 494	2 746
Total subsidiary companies	***328.8%***	**1 674 224**	**390 421**
The parent company	*-15.1%*	527	621
Total no eliminations	***328.3%***	**1 674 751**	**391 042**
In-group eliminations	*-4.9%*	*(2 027)*	*(2 131)*
Total income	***330.1%***	**1 672 724**	**388 911**

Earnings before interest, taxes, depreciation and amortisation (EBITDA)			
Sectors	*Change %*	31.03.2022 *thousand BGN*	31.03.2021 *thousand BGN*
Insurance	*132.7%*	20 350	8 747
Energetics	*n/a*	71 155	-
Automotive	*7%*	(352)	(329)
Leasing	*34%*	1 900	1 418
Financial-investment activity	*(263.6)%*	193	(118)
Total subsidiary companies	***859.5%***	**93 246**	**9 718**
The parent company	*532.5%*	(1 208)	(191)
Total no eliminations	***866%***	**92 038**	**9 527**
In-group eliminations	*(90.5)%*	*34*	*357*
Total earnings before interest, tax, depreciation and amortisation	***831.5%***	**92 072**	**9 884**

Финансов резултат			
Sectors	*Change %*	31.03.2022 *thousand BGN*	31.03.2021 *thousand BGN*
Insurance	*-198.4%*	17 303	5 798
Energetics	*n/a*	25 854	-
Automotive	*(134.2)%*	(256)	749
Leasing	*(221.3)%*	228	(188)
Financial-investment activity	*(168.6)%*	118	(172)
Total subsidiary companies	***599%***	**43 247**	**6 187**
The parent company	*28.7%*	(6 431)	(4 997)
Total no eliminations	***2993.8%***	**36 816**	**1 190**
In-group eliminations	*307.1%*	*57*	*14*
Total financial result	***2962.5%***	**36 873**	**1 204**

The revenues from the activities of the Eurohold Group companies recorded a significant growth of 328.8%, with an increase of BGN 1.28 billion before intra-group settlements. The parent company's revenue amounted to BGN 0.5 million. As of 31.03.2022 the amount of eliminated intra-group settlements amounts to BGN 2 million.

Realized earnings before interest, taxes, depreciation and amortization (EBITDA) of subsidiaries increased during the reporting period by BGN 83.5 million representing 859.5% before accounting for the result of the parent company (BGN 1.2 million) and intra-group eliminations BGN 0.03 million.

The total realised financial results of the Group companies before intra-group eliminations amounted to a profit of BGN 43.2 million, with an increase in this indicator of BGN 37 million or 599% before taking into account the result of the parent company of BGN (6.4) million and eliminations of BGN 0.06 million.

FINANCIAL SITUATION

+ 7% Asset growth

+119% growth in cash and cash equivalents

Assets

As of the end of the first quarter of 2022, Eurohold Group companies have achieved a 7% increase in consolidated assets, which at the end of the reporting period amounted to BGN 4.1 billion compared to BGN 3.8 billion as of 31 December 2021.

Consolidated assets can be summarised in the following balance sheet groups: 'Receivables'; 'Financial assets'; 'Cash, cash equivalents and term deposits', 'Non-current tangible and intangible assets'; 'Inventories'; 'Investments in associates and other financial investments'; 'Deferred tax assets' and 'Goodwill'.

⇒ The total amount of receivables, including current and non-current, increased by BGN 106 million for the reporting period compared to the end of 2021, reaching BGN 2 billion.

Current receivables by type :

Current receivables amounted to BGN 1.94 billion (BGN 1.83 billion at the end of 2021) and grew by 5.8% in the first three months of 2022. .

- The largest share of current claims is the share of reinsurers in technical reserves, which amount to BGN 1 194 million and increased by BGN 127 million (+12%).
- Receivables from insurance operations amounted to BGN 218.4 million compared to BGN 188.7 million as of 31 December 2021, recording a growth of 15.7%.
- Trade receivables decreased during the period by 10% from BGN 413.3 million to BGN 372.4 million after impairment charge. Trade receivables represent mainly
  - receivables from customers and suppliers in the amount of BGN 329.8 million (BGN 361.6 million at the end of 2021);
  - finance lease receivables of BGN 31.6 million (BGN 30.7 million at the end of 2021);
  - advances granted amounting to BGN 10.4 million (BGN 21 million at the end of 2021);
  - other trade receivables BGN 0.2 million (BGN 0.05 million at the end of 2021).
- Other current receivables after impairment also decreased as at the end of the reporting period they amounted to BGN 151.9 million compared to BGN 161.8 million at the end of 2021..

Non-current receivables:

The non-current receivables amounted to BGN 81.4 million after impairment, with a slight decrease of BGN 0.8 million. They represent mainly finance lease receivables amounting to BGN 46.3 million (BGN 51.2 million at the end of 2021).

⇒ Financial assets as of 31 March 2022 held by Eurohold Group companies show a decrease of BGN 40.7 million compared to the end of 2021, with their carrying amount at the end of the current period equal to BGN 376.7 million.

Financial assets are mainly held by insurance companies and amount to BGN 330.2 million, of which: BGN 7.2 million are government securities; BGN 90.9 million are corporate bonds; equity investments carried at fair value through profit or loss amounting to BGN 187.9 million; and other financial assets carried at amortised cost amounting to BGN 44.2 million.

⇒ As of March 31, 2022, the Eurohold Group has free cash and deposits in banks in the total amount of BGN 414.4 million, up BGN 225 million compared to the end of 2021. Of this, cash and cash equivalents amounted to BGN 377.1 million compared to BGN 156.3 million at the end of 2021, including cash of BGN 1.9 million (BGN 2.5 million at the end of 2021).

⇒ Investments in associates and other financial investments decreased to BGN 3.2 million, these investments are held by:

- the insurance group: in the amount of BGN 0.9 million at the end of the reporting period after impairment of these assets. The carrying amount of investments in associates at the end of 2021 was BGN 8 million.
- Euro-Finance AD, the investment intermediary: Euro-Finance's investments in other companies amounted to BGN 2.3 million (BGN 2.4 million at the end of 2021).

Eurohold Bulgaria AD, including its subsidiaries, has no assets that are carried off-balance sheet.

Equity and Liabilities

-19% Equity reduction

+12% Growth of Liabilities

+9% growth of insurance reserves

Equity

Eurohold Bulgaria's total consolidated equity is BGN 321.6 million, down BGN 73.8 million compared to 31 March 2021. Including this, the equity belonging to the parent company amounts to BGN 260.9.4 million, while the equity belonging to the non-controlling interest amounts to BGN 60.6 million. In comparison, at the end of 2021, the capital belonging to the parent company amounted to BGN 205.4 million and the capital belonging to the non-controlling interest amounted to BGN 189.9 million.

Eurohold's share capital as of 31 March 2021 is unchanged at BGN 260.5 million.

Subordinated debts

In support of equity, the Group holds subordinated debt instruments in the amount of BGN 22 million, which decrease in amount compared to 31.12.2021 by BGN 19.6 million.

As of 31.03.2022, the total amount of consolidated equity and subordinated debts amounted to BGN 343.6 million, while as of 31.12.2021 their amount was BGN 437 million. The subordinated capital arrangement contributes to maintaining the Group's stable capital position.

Liabilities

Consolidated liabilities (excluding subordinated debts and insurance reserves) of the Eurohold Group amounted to BGN 2.2 billion, showing an increase of 12.4% compared to the comparable period, when their value was BGN 1.9 billion. The significant increase in liabilities is mainly due to the consolidation of the liabilities of the energy business.

Consolidated liabilities are grouped into the following balance sheet items: 'borrowings from banks and non-banks'; 'bonded loans'; 'non-current liabilities'; 'current liabilities'; 'trade and other payables'; 'reinsurance payables' and 'deferred tax liabilities'.

» "The majority of liabilities are loan commitments to banks and non-bank financial institutions and bond borrowings. Total borrowings amount to BGN 1.4 billion compared to BGN 1.2 billion at 31 December 2021.

Borrowings from banks and non-banks and bond issues:	**31.03.2022 BGN thousand**	**Change %**	**31.12.2021 BGN thousand**
To banks and non-bank financial institutions, including:	**1 141 931**	***12.1%***	**1 018 719**
- non-current liabilities	*1 031 237*	*12.4%*	*917 312*
- current liabilities	*110 694*	*9.2%*	*101 407*
On bond loans, including:	**269 042**	***38.9%***	**193 715**
- non-current liabilities	*142 839*	*151.8%*	*56 728*
- current liabilities	*126 203*	*(7.9)%*	*136 987*
Total borrowings including:	**1 410 973**	***16.4%***	**1 212 434**
- total non-current liabilities	*1 174 076*	*20.5%*	*974 040*
- total current liabilities	*236 897*	*(0.6)%*	*238 394*

» Consolidated current liabilities decreased from BGN 172.7 million to BGN 159.5 million. Included in this item are: the Group's payables to personnel and social security companies, tax and other current liabilities, current liabilities under finance leases (shown in the table above), deferred income and provisions.

» Trade and other payables, amounted to 312.4 million BGN compared to 265.6 million BGN at the end of 2021. Part of trade and other payables represents the Group's obligations under lease agreements - usage rights amounting to BGN 44.6 million.

» Liabilities for reinsurance operations amount to BGN 180.5 million, increasing by BGN 67.5 million compared to BGN 113 million at the end of 2021.

Insurance reserves

The amount of allocated insurance reserves as of 31.03.2022 is BGN 1.5 billion and for the current reporting period they increase by BGN 130.4 million compared to the end of 2021.

CASH FLOWS

The Consolidated Statement of Cash Flows is made up of sections and line items in which cash flows are reflected according to the activity from which they arose, grouped into operating, investing and financing activities.

Consolidated cash flows		**31.03.2022**	**31.12.2021**
Net cash flows from operating activities	BGN thousand	195 514	(146)
Net cash flows from investing activities	BGN thousand	(106 482)	(9 943)
Net cash flows from financing activities	BGN thousand	131 706	(8 198)
Net increase/(decrease) in cash and cash equivalents	**BGN thousand**	**220 738**	**(1 599)**
Cash and cash equivalents at the beginning of the year	BGN thousand	156 340	68 800
Cash and cash equivalents at year-end	**BGN thousand**	**377 078**	**70 399**

During the periods under review, the Group companies generated sufficient and positive cash flow to carry on their normal operating activities.

OTHER EVENTS AFTER THE END OF THE REPORTING PERIOD

- The Group continues to monitor and take all necessary measures in order to preserve the health of workers and to minimize the impact of the crisis caused by COVID-19.

  Management is closely monitoring the situation and looking at ways to reduce the impact on the Group of the spread of the coronavirus and the restrictive and other measures imposed at peak times by the governments of the countries in which we operate. At this stage, management's assessment is that, with timely and flexible measures, the Eurohold Group has been able to deal with the consequences of the situation and reduce the impact on it as far as possible

- As a result of the military conflict between Russia and Ukraine, a number of countries around the world, including countries of the European Union, have taken drastic sanctions against Russia, and partly against Belarus, which supports it.

  Eurohold Bulgaria owns, through its subsidiary Euroins Insurance Group AD, investments in insurance companies in Ukraine, Belarus and Russia (associate participation). However, these holdings are insignificant in value compared to the Assets of the Insurance Subholding and the Assets of Eurohold Bulgaria AD.

  Eurohold's management is monitoring with concern the development of the military conflict between Russia and Ukraine and is assessing its impact on the Group's business, analysing the impact on both sides of the conflict.

  The military situation as it currently stands is highly dynamic and management cannot at this stage qualitatively and quantitatively assess its impact on the Company, and will be assessed over time depending on its development and duration, as well as the effects of sanctions imposed on the Russian and Belarusian states and the effects of the reverse sanctions imposed by Russia on states that do not support it.

  As the situation is highly dynamic, the Company's management is unable to fully assess all future indirect effects, but it is possible that the impact could be negative. This in turn could lead to a change in the carrying values of Eurohold's consolidated assets. Management will continue to monitor the potential impact and will take all possible measures to mitigate the potential effects.

The Management Board of Eurohold Bulgaria AD is not aware of any other significant or material events occurring after the closing date of the reporting period and not disclosed in this Report.

OVERVIEW OF KEY RESULTS BY BUSINESS LINE

EUROINS INSURANCE GROUP - INSURANCE

In Q1 2022, Euroins Insurance Group (EIG, the Group) reported consolidated gross written premiums amounting to BGN 469 million compared to BGN 250* million for Q1 2021. EIG reported consolidated profit before taxes amounting to BGN 18 million as at March 31,2022, compared to a profit BGN 6 million reported for the comparative period.

The main contributor to the increase in the consolidated insurance premium income and reported positive financial result is Euroins Romania, where the increase in gross written premiums for Q1 2022 compared to the same period of 2021 is significant, largely due to the significant increase of the prices in Motor Third Party Liability Insurance in the last quarter of 2021.

The subscribed business of IC Euroins AD increased to BGN 86 million for Q1 2022 (Q1 2021 – BGN 74 million), of which the businesses in the Republic of Greece and the Republic of Poland were each respectively 22%. Euroins Northern Macedonia following its sustainable development strategy, also reported gross written premium of BGN 7 million and a positive result – respectively profit before taxes amounting to BGN 176 thousand.

Results by insurance companies

Euroins Bulgaria

In Q1 2022 Euroins Bulgaria reported a total GWP of BGN 86 million compared to BGN 74 million for Q1 2021. The reason for the growth of 16% is the direct insurance business written in non-motor.

Main non-motor lines of business reported growth: Accident and Travel (31%), as a significant role for this increase is the reported income from Travel assistance in the UK, Liability (7%), Guarantees (174%) due to the new business written in Greece, Cargo (10%) and Property (14%).

MTPL decrease by 2% and Motor Hull by 3% compared to Q1 2021. The decrease in motor third party liability insurance is due to the sales in Poland, where in the first quarter of 2022 Euroins Bulgaria reported gross premiums of BGN 17 million (Q1 2021 - BGN 20 million), which is due to the started in October 2021 and continuing in the first quarter of 2022 price competition, in which Euroins Bulgaria did not join and accordingly did not reduce the prices of its MTPL insurance. Assistance riders to motor third party liability insurance in Poland in the amount of BGN 1.9 million for the first quarter of 2022 (the first quarter of 2021 - BGN 1.7 million) continue to be successfully placed.

The branch in Greece reported an increase of 12% in sales of MTPL - BGN 12 million for the first quarter of 2022 against BGN 10 million for the same period in 2021. There, as well as in Poland, Assistance raiders to MTPL in the amount of BGN 2.1 million for the first quarter of 2022 have been successfully placed (Q1 2021 - BGN 1.8 million).

Net earned premiums amounted to BGN 48 million (Q1 2021- BGN 50 million), while net incurred claims reached BGN 27 million (Q1 2021- BGN 23 million).

The main ratios that define the profitability in Q1 2022 are as follows:

Loss ratio: 63% (Q1 2021- 52%)

Combined ratio: 95% (Q1 2021- 93%)

Net acquisition costs decreased by 44% for Q1 2022 compared to the previous year and compared to net earned premiums decreased by 12%. The level of the administrative expenses remained the same.

The result from investment activity is a profit- BGN 221 thousand (Q1 2021- BGN 1.2 million profit).

Euroins Bulgaria reported a profit for Group purposes amounting to BGN 2 million before taxation (Q1 2021 - BGN 4 million before taxation).

The sound financial condition of the Company was also reaffirmed by the updated Long-Term Claims Paying Ability Rating assigned by BCRA, Credit Rating Agency, in February 2021. The assigned rating is "BBB-" with Stable long-term outlook.

Euroins Romania

On the 17th of September CITY INSURANCE stopped policy issuing. Following the bankruptcy of CITY INSURANCE, the market immediately started to reprice MTPL by increasing, significantly, the tariffs.

Starting 24th of September, Euroins Romania implemented new tariffs that were approx. 26% higher than previous tariffs.

Starting 1st of October, the Company implemented new system of commissions for brokers. The expected decrease in the average brokerage commission is 4%.

In the first quarter of 2022 there is a normalization of the levels of the MTPL prices on the Romanian market.

In 2021 the Company changed its accounting policy in connection with the reporting of technical provisions to present in the financial statements reliable and more relevant information about the effect of operations, taking also into account local regulatory requirements. Thus, a restatement was made in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The comparative data presented below have been recalculated as far as they are related to the change.

The effect of this recalculation is basically one-off, although the increased amount of gross technical reserves (mainly IBNR) will have an impact on the future provisions and their greater stability.

MTPL GWP grew by 140% and remained the main line of business of the Company (96%).

Net earned premiums amounted to BGN 163 million (Q1 2021- BGN 82 million) and net claims incurred amounted to BGN 81 million (Q1 2021- BGN 59 million).

The main ratios that define the profitability in 2021 are as follows:

Loss ratio: 58% (Q1 2021- 77%)

Combined ratio: 86% (Q1 2021- 103%)

Net acquisition costs increased by 124% for Q1 2022 compared to the previous year, which is largely due to the growth of the business as a whole and almost entirely focused sales of Motor Third Party Liability through a brokerage network. This is confirmed by the fact that the same compared to net earned premiums increased with only 4%. Administrative expenses increased by 36% but compared to net earned premiums decreased only by 1.5%.

The result from investment activity is a loss – BGN 5 million (Q1 2021- BGN 3 million profit).

In the first quarter of 2022, Euroins Romania reported a profit for group purposes of BGN 14 million before taxes (Q1 2021 - BGN 1 million before taxes).

Euroins North Macedonia

In Q1 2021 the gross premiums written by Euroins Macedonia increased by 15% reaching BGN 7 million. The Agricultural insurance, which has a main share in the portfolio of the Company reached BGN 3 million for Q1 2022 (BGN 2 million for Q1 2022). The level of MTPL gross written premium remained the same and which amounted to BGN 2.5 million and represented 36% of the total GWP for Q1 2022.

There was an increase with 4% in the net claims incurred compared to Q1 2021 and a decrease in the earned premium with 14%.

There was a decrease in the administrative expenses with 14% compared to previous year comparative period. The decrease was mainly driven by decreased costs for external services and salaries.

Net acquisition expenses decreased with 10% due to the different accounting approach for booking the commission.

The result from investment activity is a loss- BGN 55 thousand (Q1 2021- BGN 60 thousand loss).

The profit for Group purposes is amounting to BGN 176 thousand before taxes (Q1 2021- BGN 525 thousand before taxes).

Euroins Life

The gross written premiums of Euroins Life for Q1 2022 amounted to BGN 2 million, which represented no change compared to Q1 2021.

The loss ratio increased from 20% for Q1 2021 to 27% for Q1 2022.

The result from investment activity is a profit- BGN 783 thousand (Q1 2021- 47 thousand profit).

The acquisition ratio decreased from 75% to 72% imposed due to the change in sales strategy from direct sales to the use of distribution channels – non- banking financial institutions and brokers.

In the first quarter of 2022 Euroins Life reported profit for Group purposes in the amount of BGN 528 thousand before taxes (Q1 2021 - BGN 147 thousand losses before taxes).

EIG Re

In Q1 2022 EIG Re reported gross premiums of BGN 5 million or an increase of around 14% compared to Q1 2021- BGN 4.4 million.

The main share of the active reinsurance portfolio of the Company falls on Property (48%), and Cargo (27%). Respectively: Active Reinsurance (73%- BGN 1.9 million) and Fronting (26%- BGN 670 thousand).

The Company reported a profit for Group purposes amounting to BGN 315 thousand before taxation (Q1 2021 – BGN 1 million). The decrease in the result is due to the increase in acquisition costs in connection with the accrual of additional commission under one of the main reinsurance contracts, which as of the same quarter of 2021 was not due.

The strategy of the management of Euroins Insurance Group and EIG Re is for the Company to continue its development as a reinsurer and participating in the optimization of the capital requirements of the Group and its subsidiaries in the context of Solvency II.

Euroins Ukraine

In Q1 2022 the Company reported written gross premiums amounting to BGN 7 million against BGN 10 million for Q1 2021 or a decrease of 27%. Most of the realized premium income is formed in the period before the beginning of the military conflict in Ukraine.

However, the Company reported a profit for Group purposes amounting to BGN 77 thousand before taxation (Q1 2021- BGN 224 thousand loss before taxes).

European Travel Insurance, Ukraine

In Q1 2022 the Company reported written gross premiums amounting to BGN 4.5 million, which represented an increase compared to Q1 2021 (BGN 3.5 million), which is due to the Covid-19 high level travel restrictions during comparative period. However, most of the realized premium income is formed in the period before the beginning of the military conflict in Ukraine

Travel Assistance retained 100% share in the Company's portfolio.

The Company reported a profit for Group purposes amounted to BGN 1 million before taxation (Q1 2021-BGN 168 thousand before taxation).

Euroins Georgia

Insurance Company Euroins Georgia is specialized in Accident and Health. For Q1 2022 this line of business formed app. 52% of the insurance portfolio of the Company followed by Motor Hull with 28%.

Total gross premiums written in Q1 2022 amounted to BGN 4 million, which represented a decrease of 14%.

However, the financial result for Group purposes is a profit amounting to BGN 120 thousand before taxation (Q1 2021- 105 thousand loss before taxation).

EASTERN EUROPEAN ELECTRIC COMPANY II B.V. (EEEC II) - ENERGY

EASTERN EUROPEAN ELECTRIC COMPANY II B.V. (EEEC II) reports on the performance of the energy companies of the Eurohold Bulgaria AD group, taking into account:

- » Regarding the current period - the current operating results, generated profits and financial position of the energy companies for the period from 01 January 2022 to 31 March 2022.
- » Regarding the previous comparative period - the financial position of the energy companies at the end of 31 December 2021.

Financial performance of energy companies

Energy companies (also referred to in this report as the "ELECTOHOLD energy companies") for the period from 01.01.2022 to 31.03.2022 generate an operating profit of BGN 109.5 million and a net profit of BGN 25.8 million.

Electrohold power companies for the three months of 2022 generated total operating income of BGN 883.3 million.

Total revenue from energy activities broken down by nature and type:

	BGN thousand
Customers on the open market	492 044

Household consumers	251 317
Business users	122 549
Revenues from customer connection fees	4 918
Late payment penalties	1 077
Revenues from services for the survey, repair and maintenance of the electricity distribution network, and commercial metering facilities	2 434
Revenues from information, communication, technology (ICT) and other services	1,153
Revenue from the Electricity System Security Fund	282
Other revenue	7 500
Total revenue from energy activities	**883 274**

Operating expenses of the energy companies amounted to BGN 773 816 million

Total costs of energy activity allocated according to their nature and type:

	BGN thousand
Cost of purchased electricity	(400 506)
Technology costs for electricity transmission	(40 741)
Balancing energy	(11 383)
Transmission and access service costs	(676)
Other costs	(320 510)
Total energy activity costs	**(773 816)**

The realized profit of the energy operating companies amounted to BGN 33.3 million.

At the same time, the holding company Eastern European Electric Company II B.V. and the specially created companies Eastern Europe Energy Company III B.V. and Eastern Europe Energy Company B.V. - combining Eurohold's energy operations - realised an operating loss of BGN 7.5 million. The loss was realised in relation to accrued interest expenses on the financing raised for the acquisition of the assets of the CEZ Energy Companies (now Electrohold).

The net profit of the energy holding company Eastern European Electric Company II B.V. before consolidation into Eurohold Bulgaria S.A. was BGN 25.8 million.

The assets of the energy group EEEC amount to BGN 2.3 billion. The companies have cash and cash equivalents of BGN 227.5 million, receivables from customers and suppliers of BGN 315 million after impairment, other receivables of BGN 51 million after impairment. Electrohold owns tangible fixed assets of BGN 841.3 million, of which machinery, plant and equipment of BGN 669 million, land buildings and structures of BGN 122 million, vehicles of BGN 7 million, acquisition costs of BGN 39 million and other fixed assets of BGN 2 million. Intangible assets, including licences and property rights, totalled BGN 107 million.

The liabilities of the EEEC Group amounted to BGN 1.3 billion. Total long-term liabilities amount to BGN 1 billion and represent mainly liabilities on borrowed financing in the total amount of BGN 956 million, of which liabilities to banks amount to BGN 722 million and loans from non-financial institutions amount to BGN 234 million.

Short-term liabilities amount to BGN 316 million, of which short-term liabilities to financial institutions amount to BGN 20 million and trade and other payables amount to BGN 286 million.

AUTO UNION HELL - AUTOMOTIVE

Financial results of automotive companies

The consolidated financial result of the Group for the period from 01.01.2022 to 31.03.2022 is a loss in the amount of BGN 256 thousand (2021 - profit BGN 749 thousand). The consolidated financial result for the owners of the parent company for the same period was a loss of BGN 254 thousand, which compares to a profit of BGN 525 thousand for the same period in 2021.

For the period under review, the consolidated loss of 256 thousand levs was made up of:

Consolidated loss from continuing operations of BGN 1,069 thousand.

Consolidated profit from discontinued operations of the Group companies in the amount of BGN 813 thousand.

Sales

The number of vehicles sold by the Group for the period from January 1, 2022 to March 31, 2022 cumulatively decreased by 66.9% compared to the same period of 2021, representing a decrease of 477 vehicles.

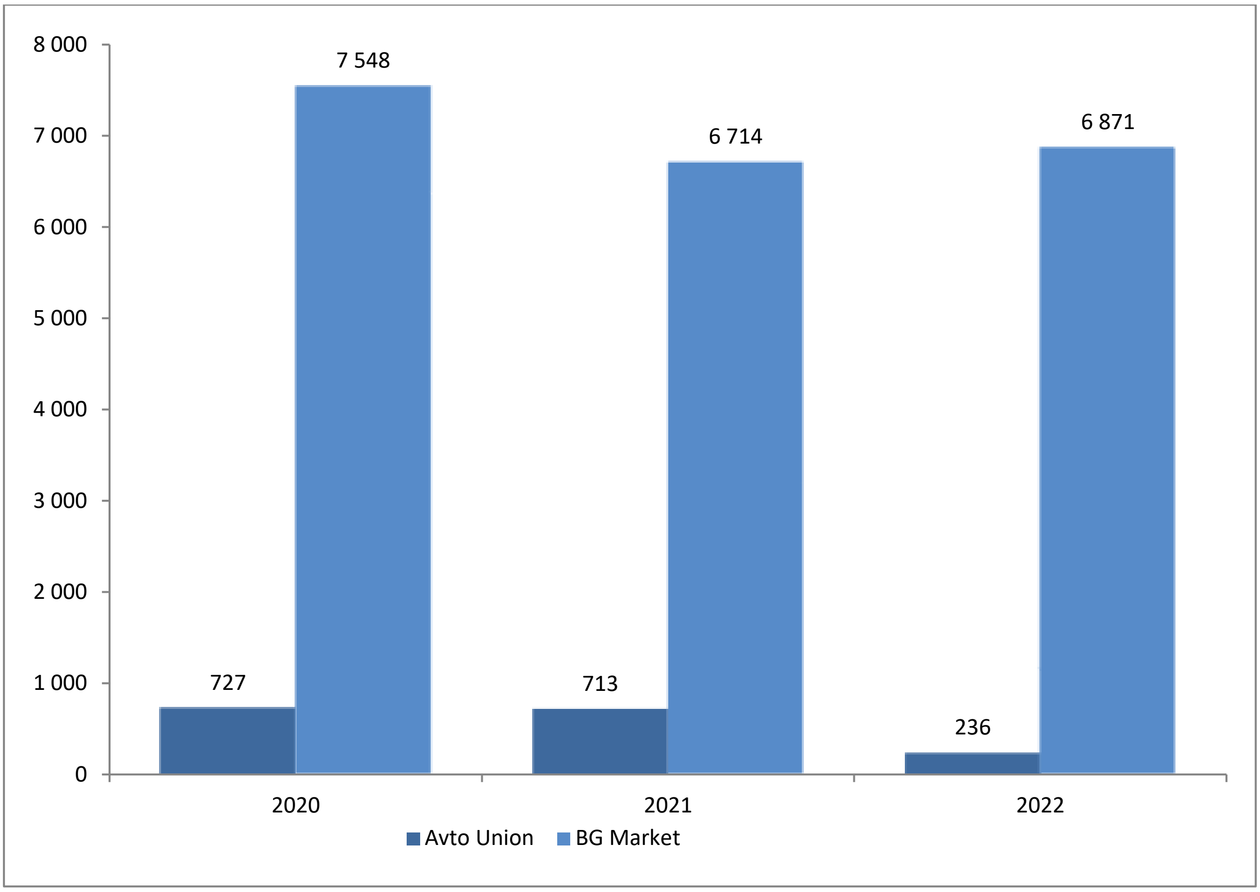
Opel sales marked an increase of 66.67%. Sales of the Maserati luxury car brand from Auto Italia increased by 100.0% year-on-year. The GAZ brand also sold 45 units during the reporting period. Star Motors recorded an increase of 3.29% in its sales of new Mazda vehicles compared to the year-ago period under review.

Group vehicles sold by quarter:

Auto Union Group	Sales		%
	Q1 2022	Q1 2021	Change
January - March (with accumulation)	236	713	- 66.9%
By quarters:			
first quarter (Jan-Mar)	236	713	- 66.9%
second quarter (Apr-Jun)	-	-	-
third quarter (July-September)	-	-	-
fourth quarter (Oct-Dec)	-	-	-

Market share

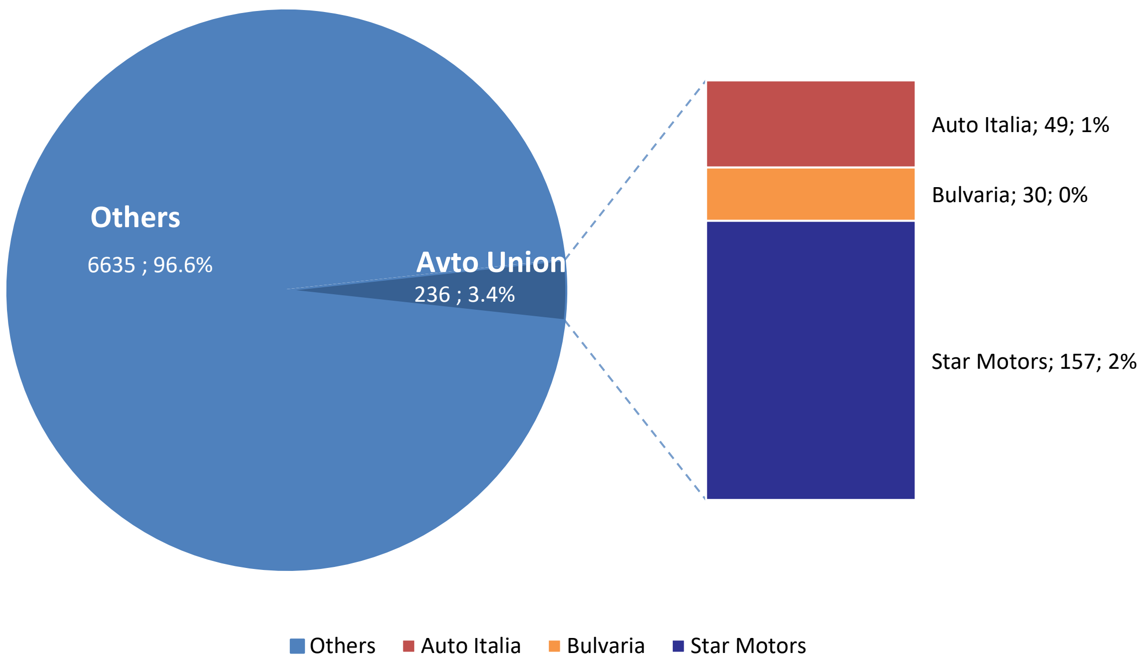
The Group's market share for the period was 3.4% decreasing by 7.2% compared to the same period in 2021.



Auto Union's new car sales for the first 3 months of 2022 compared to the Bulgarian market, pcs. – 03 YTD 2020, 03 YTD 2021 и 03 YTD 2022

Source: *The Association of Automobile Manufacturers and their Authorized Representatives in Bulgaria" (AAR)*

By comparison, according to data from the Union of Automobile Importers in Bulgaria (UIA), the Bulgarian market for new passenger cars and light commercial vehicles for the first quarter of 2022 will grow by 2.3% compared to the same period in 2021.



Number of vehicles sold and market share of automotive companies in the Auto Union group for the first quarter of 2022 - number and percentage

Source: *The Association of Automobile Manufacturers and their Authorized Representatives in Bulgaria" (AAR)*

(The number of vehicles sold for 2020 includes the sales of Espas Auto and N Auto Sofia , and for 2021 only for the first seven months of the year, as the Group's investments in the companies in question were sold on 02.08.2021).

The structural changes /sale of the companies N Auto Sofia EAD, Espas Auto Ltd. and EA Properties Ltd./ carried out in the Auto Union Group in 2021 and continuing in 2022 logically have their impact on the figures for vehicles sold in 2022.

At the end of 2021. Auto Union entered into a preliminary agreement for the sale of Star Motors EOOD, the official importer of Mazda for Bulgaria and Macedonia, through Star Motors DOOEL, and in 2022 for the sale of Daru Car EAD, an authorized BMW service centre.

In this regard and in order to properly assess the financial effects for 2022, the Group discloses in discontinued operations the group of Star Motors Ltd, Star Motors DOOEL and Daru Car EAD which are planned to be sold.

Management presents the analysis of the Group's operations as at 31 March 2022 and comparative figures for the same period in 2021 for continuing operations only, i.e., for the remaining companies only.

The tables below present the status of the Group companies as at 31.03.2022, 31.03.2021 and 31.12.2021, after the structural changes made.

31.3.2022

Companies			
Exempt group	**Exemption group**	**Discontinued activities**	**On-going activities**
			Авто Юнион АД
			Ауто Италия ЕАД
			Авто Юнион Сервиз ЕООД
	Star Motors EOOD	Star Motors EOOD	Бензин Финанс ЕАД
	Star Motors DOOEL, Macedonia	Star Motors DOOEL, Macedonia	Булвария София ЕАД
	Star Motors Sh.P.K., Kosovo	Star Motors Sh.P.K., Kosovo	Булвария ЕООД
	Daru Car EAD	Daru Car EAD	Мотохъб ЕООД
			Мотобул ЕАД
			Чайна Мотор Къмпани АД

31.3.2021

Companies			
Exempt group	**Exemption group**	**Discontinued activities**	**On-going activities**
	N Auto Sofia EAD	N Auto Sofia EAD	Auto Union AD
	Espas Auto OOD	Espas Auto OOD	Auto Italia EAD
	EA Properties OOD	EA Properties OOD	Auto Union Service EOOD
	Star Motors EOOD	Star Motors EOOD	Benzin Finance EAD
	Star Motors DOOEL, Macedonia	Star Motors DOOEL, Macedonia	Bulvaria Sofia EAD
	Star Motors Sh.P.K., Kosovo	Star Motors Sh.P.K., Kosovo	Bulvaria EOOD
	Daru Car EAD	Daru Car EAD	Motohub EOOD
			Motobul EAD
			China Motor Company AD

For the Group's continuing companies alone, the number of new vehicles sold in the first quarter of 2022 marks a 22.8% increase compared to the same period in 2021.

Income and expenses

For the period under review from 01.01.2022 to 31.03.2022 the gross profit of the holding company is BGN 1 493 thousand and for the same period of 2021 it is BGN 1 137 thousand.

The Group's income and expenses as at 31.03.2022, as well as the comparative period for 2021, include the income and expenses of the companies with continuing operations only.

Revenue from sales	Turnover as at 31 March 2022, thousand BGN	Share, %	Turnover as at 31 March 2021, thousand BGN	Share, %
Cars and mopeds	6 453	69%	3 937	60%
Spare parts and accessories	1 123	12%	1 057	16%
Lubricants	1 034	11%	658	10%
Fuels	269	3%	299	5%
Services				
Service activity	541	6%	606	9%
Total sales revenue	**9 420**	**100%**	**6 557**	**100%**

Revenues	31 March 2022		31 March 2021	
	BGN thousand	share	BGN thousand	share
Sale of goods	8 879	87%	5 951	79%
Provision of services	541	5%	606	8%
Other revenue and income	461	5%	811	11%
Financial revenue	320	3%	200	3%
Impairment losses recovered on financial assets, net	0	0%	0	0%
Total revenue	**10 201**	**100%**	**7 568**	**100%**
Costs				
Book value of goods sold	7 927	70%	5 420	63%
Cost of materials	317	3%	161	2%
Cost of external services	484	4%	637	7%
Staff costs	1 313	12%	1 340	16%
Other expenses	78	1%	108	1%
Accumulated impairment of financial assets, net	112	1%	32	0%
Financial costs	529	5%	453	5%
Depreciation expense	511	5%	457	5%
Tax expenses	0	0%	0	0%
Total expenses	**11 270**	**100%**	**8 607**	**100%**

EUROLEASE GROUP AD - LEASING

Eurolease Group reports consolidated profit at BGN 196 thousand, compared to BGN 169 thousand loss in 2020.

The positive change is due to the newly acquired company – Amigo Finance EOOD, which generates a profit of BGN 105 thousand, as well as the results of the financial results of Finacity EAD (BGN 101 thousand) and Sofia Motors EOOD (BGN 70 thousand).

Revenues generated from contracts with customers and operating leases decrease by 3% compared to the comparative period (from BGN 1,816 thousand as of 31.03.2021 to BGN 1,761 thousand as of 31.12.2022).

The consolidated revenues of the company are formed by the different business lines of the subholding, namely: revenue from financial and operating leases, rent-a-car services and sale of used cars.

The observed change in the shares of the business lines is due to the following:

- During the reporting period total revenues of the different business lines amount at BGN 5,779 thousand against BGN 4,697 thousand as of 31.03.2021.

- Financial leasing - In absolute terms, the revenues from financial leasing amount to BGN 2,846 thousand compared to BGN 1,841 as of 31.03.2021.

- Operating lease - the amount of revenues from this area reports an increase. As of 31.03.2022 their amount is BGN 1,869 (against BGN 2,048 thousand or the comparable reporting period of 2021).

- Short-term rent - the amount of revenues increase by 65% to BGN 379 thousand compared to BGN 229 thousand as of 31.03.2022. The improved economic activity has a positive effect on the tourism in Bulgaria.

- Sale of used cars - the relative share of revenues from the sale of used cars increases by 26%. In absolute value they are BGN 681 thousand.

An increase is also observed in the operating expenses, which amount to BGN 4,418 thousand at the end of March, 2022 compared to BGN 3,429 thousand for the same period of 2021.

The consolidated assets amount to BGN 121,154 thousand compared to BGN 126,531 thousand as of December 31, 2021.

Consolidated net investment in finance lease declines slightly by 5% to BGN 79,340 thousand from BGN 83,292 thousand in the end of 2021.

At the end of March, 2022 consolidated fixed assets amount at BGN 25,846 thousand compared to BGN 26,891 thousand in the end of 2021.

At the end of March, 2022 the following changes in the relative share of the type of funding used are observed:

- Liabilities to banks as of 31 March 2022 amount at BGN 77,478 thousand compared to BGN 81,101 thousand in the end of 2021;

- Liabilities to other financial institutions stand at BGN 12,634 thousand (decrease by 15% compared to the comparative period). The amount is mainly due by Eurolease Rent a Car and Sofia Motors to lease companies financing company's fleet and Amigo Finance to a non-financial institution financing its activity;

- At the end of March, 2022 debt securities issued decrease by 8% and stand at BGN 6,754 thousand from BGN 7,310 thousand in the end of 2021.

➢ Eurolease Auto Bulgaria

The financial result of Eurolease Auto at the end of March, 2022 is a profit at BGN 158 thousand against BGN 174 thousand a year earlier.

To support businesses directly affected by the pandemic, government programs have been introduced to provide liquidity for grants, preferential lending and investment measures. The activity of Eurolease Auto EAD does not fall within the eligible industries for financing, due to which the Company has not benefited from state aid.

The impairment costs as of 31.03.2022 is in the amount of BGN 70 thousand, compared to BGN 57 thousand as of 31.03.2021.

The interest income amounts to BGN 1,052 thousand as of 31.03.2022, the interest expense amounts to BGN 380 thousand and respectively the net interest income amounts to BGN 672 thousand at the end of March, 2022. The interest margin as of 31.03.2022 is 63.88% against 56.61% a year earlier.

The administrative expenses of the company at the end of the reporting period decrease to BGN 557 thousand, compared to BGN 563 thousand at the end March, 2021.

As of the end of March 2021 company`s assets stand at BGN 75,562 thousand compared to BGN 79,094 thousand in the end of 2021.

The net investment in financial leasing amounts to BGN 56,194 thousand compared to BGN 59,664 thousand at the end of 2021 (decrease by 6%).

As of March 2021, company's equity stands at BGN 22,643 thousand; at year end 2021 equity was BGN 22,485 thousand.

As of the end of the reporting period company's liabilities amount at BGN 52,919 thousand compared to BGN 56,609 thousand in the end of 2021.

Eurolease Auto finances its activities through borrowed funds in the form of bank loans from local financing institutions.

During the reporting period the following changes have occurred in the liabilities structure:

- Bank loans – as of the end of March 2022 they amount at BGN 48,089 thousand;
- Liabilities to other financial institutions amount to BGN 1,134 thousand;

➢ Eurolease Auto North Macedonia

Eurolease Auto Macedonia realized interest income as of 31.03.2022 in the amount of BGN 205 thousand, compared to BGN 200 thousand a year earlier. The interest expense of the company decreases with BGN 53 thousand – from BGN 178 thousand as of 31.03.2021 to BGN 125 thousand as of 31.03.2022. As a result, the net interest income increases do BGN 80 thousand in comparison with BGN 22 thousand a year earlier.

Revenues from fees and commissions as of 31.03.2022 are at the level of BGN 15 thousand, compared to BGN 40 thousand as of 31.03.2021. Revenues from operating leases marked an increase to BGN 78 thousand compared to BGN 44 thousand the previous year.

The administrative expenses of Eurolease Auto Macedonia as of 31.03.2022 amount to BGN 151 thousand.

Eurolease Auto Macedonia realized a profit of BGN 24 thousand as of 31.03.2022 compared to BGN 24 thousand profit during the previous year.

During the reporting period, the net investment in financial leasing amounts to BGN 9,849 thousand compared to BGN 10,227 thousand at the end of 2021.

As of 31.03.2022 the assets of the company amount to BGN 11,932 thousand compared to BGN 12,323 thousand as of December 31, 2021.

The bank liabilities of Eurolease Auto Macedonia amount to BGN 10,061 thousand compared to BGN 10,058 thousand as of 31.12.2021.

➢ Finacity

The main activity of the Company is financial lease of used cars and provision of loans to individuals.

As of April 5, 2022, the company name of Amigo Leasing EAD was changed to Finacity EAD. The change is entered in the Commercial Register. The names of the branches have also been changed.

The financial result of Finacity EAD as of 31.03.2022 is a profit of BGN 101 thousand, compared to a profit of BGN 49 thousand for the comparable period in 2021.

As of 31.03.2022 Finacity realized BGN 488 thousand in interest income, which is a increase of 14% compared to 2021 (BGN 419 thousand for the period 01.01.2021 – 31.03.2021). The interest margin for 2021 reached 79.09%.

As of 31.03.2022 the impairment expense amounts to BGN 157 thousand. As of 31.03.2021 the same expense amounts to BGN 204 thousand.

The net investment in financial leasing as of 31.03.2022 is BGN 8,757 thousand compared to the end of 2021 (BGN 8,454 thousand).

➢ Eurolease Rent a Car

Eurolease Rent a Car is a provider of short-term and long-term rent of vehicles under AVIS and BUDGET brands.

As of 31.03.2022 the revenues generated by Eurolease Rent A Car from operating leases increased by 20% compared to the comparative period for 2021 (from BGN 1,149 thousand as of 31.03.2021 to BGN 1,375 thousand as of 31.03.2022. Revenues from short-term rent show an increase of about 53% (BGN 229 thousand as of 31.03.2021, compared to BGN 351 thousand in the end of March, 2022).

The company operates in one of the sectors most affected by the covid pandemic and the operating lease revenues are relatively stable, but they cannot compensate for the decline in car rental services. Eurolease Rent a Car is a company whose revenues are characterized by seasonality and as such it is highly dependent on the number of flights and the state of the tourism industry in Bulgaria. During the summer season of 2021 better financial results in this area are observed.

As of 31.03.2022, the company's interest expenses decrease to BGN 77 thousand, compared to BGN 80 thousand a year earlier.

The administrative expenses of the Company at the end of March 2021 increase by 5% to BGN 1,400 thousand against BGN 1,335 thousand a year earlier.

The financial result of the company for the period under review is a profit of BGN 22 thousand compared to a loss of BGN 175 as of 31.03.2021.

The total assets of the company amount to BGN 11,491 thousand as of 31.03.2022, compared to BGN 12,236 thousand a year earlier.

Liabilities to financial and non-financial institutions marked a decrease from BGN 6,917 thousand at the end of 2021 up to BGN 6,384 thousand as of 31.03.2022.

Liabilities under bank loans decrease to BGN 2,726 thousand (compared to BGN 2,976 thousand as of 31.12.2021).

- **Sofia Motors**

The main activity of Sofia Motors is related to the rental of vehicles to individuals and small and medium enterprises.

The financial result of Sofia Motors as of 31.03.2022 is a profit of BGN 70 thousand compared to a loss of BGN 7 thousand for the comparative period. In recent months, the interest of customers in the cars offered by the Company with full service included has increased. The company focuses on building good contacts with car dealers, advertising the new service through various communication channels and adding different types of cars in order to increase future revenues.

As of 31.03.2022 The company's assets amount to BGN 12,655 thousand, compared to BGN 12,667 thousand as of 31.12.2021.

Company’s liabilities amount at BGN 11,830 thousand compared to BGN 11,912 thousand as of 31.12.2021.

In accordance with its Trade Receivables Impairment Policy, the Company recognizes expected credit losses in the amount of BGN 34 thousand.

Leasing liabilities as of 31.03.2022 amount to BGN 6,366 thousand. (decrease by 5% compared to 31.12.2021 - BGN 6,697 thousand).

Liabilities under bank loans as of 31.03.2022 amount to BGN 3,533 thousand compared to BGN 3,350 thousand at the end of 2021.

➢ Autoplaza

The main activity of Autoplaza EAD involves sale of vehicles returned from lease, rent-a-car and "buy-back". The company operates in close cooperation with Auto Union, Eurolease Auto Bulgaria and Eurolease Rent Car. Autoplaza experts participate in international tender procedures aiming to be able to offer their clients a larger variety of automobiles as brands and level of equipment. In the last year Autoplaza affirmed its reputation as a preferred client and loyal partner in the tender procedures.

The financial result of Autoplaza as of 31.03.2022 is a loss of BGN 51 thousand compared to a loss of BGN 23 thousand for the same period of 2021.

During the reporting period, Autoplaza realized a gross profit from the sale of goods and services in the amount of BGN 75 thousand, compared to BGN 113 thousand in the comparable period.

➢ Amigo Finance

According to a contract signed on 01.12.2021 and registration in a Commercial Register on 07.12.2021 Eurolease Group became a sole owner of the capital of Mogo Bulgaria EOOD.

The main activity of Mogo Bulgaria is financial lease of used cars in the country. With the acquisition of Mogo Bulgaria EOOD Eurolease AD aims to expand its group on the leasing market in Bulgaria.

On 15.04.2022 a change of the company name of Mogo Bulgaria EOOD to Amigo Finance EOOD was entered in a Commercial Register. The names of the branches have also been changed.

The financial result of Amigo Finance as of 31.03.2022 is a profit of BGN 105 thousand.

Amigo Finance realized BGN 912 thousand in interest income. Interest expense as of 31.03.2022 amount to BGN 171 thousand, net interest income amount to BGN 741 thousand.

The net investment in financial leasing as of 31.03.2022 is BGN 10,161 thousand.

As of 31.03.2022 Amigo Finance has administrative expenses of BGN 767 thousand.

The company finances its activities with its own and loan funds, as bank loans in the end of 31.03.2022 amount to BGN 5,137 thousand. Liabilities to other financial institutions amount to BGN 4,192 thousand.

EURO-FINANCE AD - INVESTMENT MEDIATION AND ASSET MANAGEMENT (financial and investment activities)

Euro-Finance is an investment intermediary member of the Frankfurt Stock Exchange, providing direct access to Xetra® via the EFOCS trading platform. The company also offers trading in currencies, indices, equities and precious metals via contracts for difference on the EF MetaTrader 5 platform.
The company also has the highest equity capital of all investment firms, according to FSC data.

During the reporting period, Euro-Finance plc continued to follow the activities set out in the development programme in the direction of developing online services for individual clients, increasing funds under management and participating in projects related to corporate advisory and restructuring.

The Company realized net income from core business for the first three months of 2022 in the amount of BGN 603 thousand generated by:

Interest income - BGN 134 thousand;

Other operating income - BGN 469 thousand;

Expenses for the period related to the ongoing servicing of the Company amounted to BGN (485) thousand.

EUROHOLD BULGARIA AD - INDIVIDUAL BASIS

The results of Eurohold Bulgaria AD for the first quarter of 2022 are available on the company's website www.eurohold.bg, under "Financial Information".

DESCRIPTION OF THE MAIN RISKS

This section describes the risk factors affecting the core business of the Eurohold Group.

In the event that any of the risks described in this section occur even partially or in combination with other risk factors or circumstances, this may have a significant adverse effect on the company's operations, the results of its operations or its financial condition. If this leads to a reduction in the market price of the shares, investors may lose part or all of their investment. Additional risks and other uncertain events that are not currently known or are considered insignificant as of the date of this report may also have a material adverse effect on the operations of Eurohold Bulgaria AD, the results of operations or its financial condition.

We warn potential investors that the future results of the company's activities may differ significantly from past results as a result of the occurrence of the described risks, or many other risk factors.

The users of this report should keep in mind that Eurohold Bulgaria AD develops its activities through its subsidiaries, in this regard its financial condition, operating results and development prospects are directly dependent on the condition, results and prospects of its subsidiaries. The most significant risks affecting the companies of the Eurohold group are listed below.

A. NON-SYSTEMATIC RISKS

Non-systematic risks are associated with the overall investment risk specific to a company, as well as with the sector (industry) of the economy in which it operates.

⇒ Risks related to the activity and structure of Eurohold

As far as the activity of the Eurohold Bulgaria AD is related to the management of the assets of other companies, it cannot be related to a specific sector from the domestic economy and it is exposed to the sectoral risks of the subsidiaries. The companies from the group of Eurohold Bulgaria AD operate in the following sectors: "Insurance", "leasing", "car sales" and "investment intermediation and asset management".

The impact of the individual risks is proportional to the share of the respective branch in the structure of the long-term investment portfolio of the Company.

The development trends of the Eurohold Group are directly related to the risk factors influencing the activity and business sector of the companies of the economic group, their prospects, growth potential, the ability to generate revenues and profits and maintain a stable financial position.

The presence of companies in the portfolio, whose net sales revenues are also formed from products sold to other subsidiaries (related to the group of persons), puts the efficiency of their activities in direct dependence on the level of profitability of customers (related parties), which may reflect negatively on the profitability of the whole group.

The main risk related to the activity of Eurohold Bulgaria AD is the ability to reduce the sales revenue of the companies in which it participates in the dividends received. In this regard, this may have an impact on the company's revenue growth, as well as on the change in its profitability.

Deteriorated results of one or more subsidiaries could lead to a deterioration of the results on a consolidated basis. This in turn is related to the company's share price, as a result of investors' expectations for the prospects of the company and the Eurohold Group, as the market price of the shares takes into account the business potential and assets of the economic group as a whole.

Due to the factors described above, the risks associated with Eurohold's activities must be considered together with the specific risks for each business sector represented in its economic structure.

➢ Insurance business

The greatest risk is concentrated in the insurance business, united in the subsidiary sub-holding company Euroins Insurance Group AD (EIG), where a significant part of the Group's revenues is generated.

The risk categories inherent in the EIG, such as an insurance holding company, are identified and classified in accordance with the identified risk categories at the level of subsidiaries. In accordance with the lines of business issued in the license for performing insurance activity of the undertakings, subsidiaries identify the following categories of risk:

Underwriting risk

The underwriting risk reflects the risk of loss or of adverse change in the value of insurance liabilities, in respect of the covered insurance risks and the processes, used in the performance of the undertaking activities. Underwriting risk includes the following sub-risks:

- Risk associated with premiums and reserves
- Lapse risks;
- Catastrophic risks.

The identification of the underwriting risk and the risk of formation of technical provisions at the level of the Group applies an individual approach to reporting the results provided by the subsidiaries in view of their activity, scale and nature of the intrinsic risk, taking into account the following factors:

- Share of the company in relation to the total volume of activity in the Group;
- The subsidiary's local legislation and requirements for the application of the Solvency II rules;
- Other factors, approved by the Risk Management Committee.

In calculating the technical provisions, each insurance company, despite its policies, adheres to the following basic principles:

- Technical provisions are calculated in a reasonable, reliable and objective manner;
- The data for calculating the technical provisions are appropriate, complete and accurate and meet the requirements of Art. 19 of Regulation (EC) 2015/35 on completeness and quality;
- The calculation of technical provisions is subject to the principles of market coherence, i.e., the calculation is based on and consistent with the information, received from the financial markets and from the publicly available underwriting risk data.

Market Risk

Market risk is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the levels and volatility of market prices of the assets, liabilities and financial instruments of the subsidiaries.

Market risk includes the following sub-risks:

- Interest rate risk;
- Spread risk;
- Share-related risk
- Property risk;
- Concentration risk;
- Currency risk.

All marketable financial instruments in the Group are exposed to market risk, which represents the risk of increasing or decreasing their market value as a result of future changes in market conditions. Financial instruments are measured at fair value and any changes in market conditions are reflected directly in the financial statements. In order to avoid the risk of concentration, Euroins Insurance Group AD strives to maintain optimal diversification of investments and to make them in financial institutions with a high rating. Companies within the scope of the Group adhere to the "prudent investor".

Credit risk

Credit risk reflects possible losses as a result of unexpected default or deterioration of the credit position of counterparties or debtors of subsidiaries over the next 12 (twelve) months. The Group maintains its established relationships with leading reinsurance companies in the industry with a high credit rating, which minimizes the risk of default of the type 1 counterparty.

Operational risk

Operational risk means the risk of loss as a result of inappropriate or malfunctioning internal processes, people or systems, or external events. The executive directors of the companies within the scope of the Group in connection with the operational risk management:

- have distributed the powers and responsibilities for operational risk management and has an approved list of employees responsible for identifying and reporting operational events;
- carry out operational control over the periodicity and completeness of the reports and assessments of the operational risk, prepared by the risk management function.

The main sources of operational risk at the group level are personnel, processes, systems, internal events. Losses from operating events that arise as a result of different combinations of factors are classified into several main categories:

- internal fraud;
- external fraud;
- customers, product and business practices;
- damage to tangible assets;
- interruption of the activity and / or failure of the information system;
- management of execution, delivery and processing.

The identification of the operational risk is carried out through constant monitoring, reporting and archiving of the operational events. The minimization of the operational risk is carried out through a set of measures aimed at reducing the probability of occurrence of an operational event and / or reducing the amount of potential loss from the operational event.

Insurance risk management

The objective probability of damage to property or non-property goods, the realization of which is uncertain, unknown and regardless of the will of the insured person represents an insurance risk.

An insurance contract is a contract under which the Group assumes significant insurance risk on the other hand (insured person) by agreeing to compensate the insured person or other beneficiary in the event of a specific unexpected future event (the insured event) that adversely affects the insured person or beneficiary.

The property is subject to a number of risks, including theft, fire, business disruption and weather conditions. Compensation for phenomena such as storms, floods, landslides, fires, explosions, and rising crime rates occur on a regional scale, which means that each company manages the distribution of its geographical risk very carefully. In the event of an earthquake, each company expects the real estate portfolio to include high claims for structural real estate claims and large claims due to business disruptions, while transportation links are down and the property is closed due to renovations. Each company accepts the total risk exposure, which is ready to take in certain areas for a number of events such as natural disasters.

The current aggregate position is monitored during the signing of a risk and monthly reports are prepared, which show the key concentrations to which each of the Group companies is exposed. Each of the insurance companies uses different modelling tools to control concentration and simulate catastrophe losses to measure the effectiveness of reinsurance programs and their net risk exposure. During the year, "stress" and "scenario" tests are conducted using these models.

The greatest probability of significant losses for any insurance company arises from catastrophic events such as floods, damage, claims from storms or earthquakes. Each company manages its risk by concluding reinsurance contracts.

The opinion of the management regarding the concentration of risk is that efforts have been made for equal territorial distribution of the insured property. The risk is systematically assessed by the Reinsurance Director of the respective company and the accumulation of insurance amounts by regions is monitored.

The Management does not consider that at the end of the reporting period there are significant concentrations of insurance risk in the portfolio of each insurance company, part of the Group. The opinion of the Management regarding the concentration of the insurance risk is that efforts have been made for a relatively even distribution of the insured property and cars. A systematic risk assessment is performed and the accumulation of insurance amounts is monitored both by groups of clients and by regions.

Reinsurance risk management

Insurance companies, part of the Group, assign their insurance risk to limit their exposure to losses when concluding various insurance contracts that cover individual risk, group risks or certain lines of co-insurance business, which are renewable on an annual basis. These reinsurance contracts distribute the risk and minimize the effect of losses. The amount of each risk retained depends on the assessment of the specific risk of each company, which in certain circumstances reaches limits based on the characteristics of the coverage. Under the terms of the reinsurance contracts, the reinsurer agrees to reimburse the assigned amount in the event that the indemnity is paid. However, each company remains liable to its insured persons in respect of the assigned insurance if the reinsurer fails to meet the obligations it assumes. In non-life insurance, the predominant use of reinsurance aims to manage exposures to time-related events, natural events, multi-victim events, catastrophic fires and responsibilities (General Civil Liability and Motor Third Party Liability). When choosing a reinsurer, each company takes into account relative security. The security of the reinsurer is assessed on the basis of a public rating and conducted internal surveys.

➢ Energy business

Regulatory risk

The regulatory risk is related to the impact of the existing regulatory framework or its change on the Company's activities, as well as to potential fines and sanctions due to violations of this framework.
The energy business is a highly regulated economic sector, as the financial results of the companies operating in the field of energy are directly dependent on a number of normative acts and decisions of the state regulatory body (EWRC). Companies are at risk of not taking into account all the costs associated with their normal activities when setting electricity prices by the regulator.

- Risks related to unpredictability of the changes in the regulations and possible negative impact of these changes on the activities of the Company;
- Risk of revocation of licenses;
- Risk of imposition of a fine by the CPC and EWRC;
- Risk of inability of the Company to cover all its operating costs under the final supplier license, as well as risk of lack of regulatory changes allowing their reduction;
- Risks related to the behaviour of key market participants and their impact on the electricity market;
- Risks related to increased financial requirements for companies such as mandatory guarantees and deposits from key market participants;
- Risks related to the way of organization, model, structure and vision for the development of the free electricity market;
- Risks related to the introduction of additional legal direct and indirect obligations to producers, traders, customers and network companies on the free electricity market, incl. increase and / or

introduction of new fees, taxes, contributions, energy efficiency obligations.

The dynamics of regulatory changes related to the European Union's strategy for liberalization and development of energy markets is directly dependent on the political situation. Frequent changes in the political environment are a prerequisite for a more unstable and difficult to predict regulatory environment.

Market risk

Risk related to the consumption of electricity and the price for the purchase of energy for technological costs on an organized stock market due to economic, political, technological reasons and climate change, as well as the risk of liberalization of the electricity market. These are risks that arise from reasons external to the Company and the Company's ability to effectively influence the factors determining this risk is severely limited. Market risks can be characterized as:

- Risks related to competition and switching suppliers on the free market;
- Risks related to the changes in the prices of electricity on the wholesale market and their impact on the energy position and the expected trade margin of the Company;
- Risks due to the expressed volatility and unpredictability of the wholesale market and the fundamentals influencing (prices of natural gas, fuels, CO2 emissions, RES, EU policy, market mergers, climate change, etc.);
- Risks related to liquidity and adequate supply of long-term energy products on the wholesale market, corresponding to the consumption profile of end customers;
- Risks due to seasonality, climate change, repair programs of producers, transmission capacities, emergency shutdowns of producers, and other unforeseen events that may affect the wholesale electricity market;
- Risks related to incorrect forecasting and / or abrupt change of the wholesale market and inability of the Company to adapt the portfolio of end customers to the changes;
- Risks related to market infrastructure, data exchange systems, security and information protection;
- Risks related to the behaviour of trade participants, experience and code of ethics;
- Risks arising from leaving open positions of other participants in the balancing group of the Company;
- Risk of non-renewal of contracts with end customers due to internal and external factors;
- Risk of changes in the regulatory framework, respectively impossibility to fully or partially transfer the purchase costs on the selling prices to end customers.

Operational risks

The companies are exposed to a number of risks related to its business activities and processes, incl. risks of default by third parties, on which the Company relies for the performance of its activity; risks of direct and indirect losses; risks related to the staff and the organization of the internal processes and others.

Specific operational risk for companies arises after the entry into force of Regulation 2016/679 of 25.05.2018, related to the protection of personal data. As controllers of personal data, they are obliged to maintain information systems that cover all standards of information security, and to apply reliable technical and organizational procedures, rules and measures to ensure the security of processing, including the prevention of unauthorized access to personal data. data of customers and contractors.

Part of the operational risks is the security risk - the risk of losses due to intentional illegal actions by outsiders or employees of the company.

Other operational risks are related to unregulated use of electricity. In order to detect and prevent them, inspections of various facilities on the network are carried out in order to identify points where illegal actions related to electricity consumption are performed. A number of methods are used to identify checkpoints where risk illegal actions are possible.

Other risk specific to the activity and industry of energy companies are:

- Risk that the activity will be adversely affected by a reduction in electricity consumption due to economic, political or technological reasons;
- Businesses are at risk from climate change;
- The activity is exposed to the risk of increase in the price of electricity as a result of rising prices of primary energy resources and stricter standards for CO_2 emissions;
- Liberalization of the electricity market in the Republic of Bulgaria and strengthening of competition;
- Risks related to interruptions in the supply of electricity;
- Litigation or other out-of-court procedures or actions may have an adverse effect on business, financial condition or results of operations;
- Risk of choosing an inappropriate market strategy;
- Risk of impossibility to detain and hire quality staff;
- Strikes or other industrial actions, as well as negotiations with trade unions may disrupt the activity or increase its operating costs;
- Risks related to the obligation of the Company under the Energy Efficiency Act;
- Risk of impossibility or limitations in the provision of attracted resources, including a significant increase in the cost of financing and changes in interest rates.

➢ Automotive business

The automobile sub-holding Avto Union AD operates mainly in the field of sale of new cars, warranty and post-warranty servicing of cars, sale of spare parts and oils, fuel card operator.

Risks related to withdrawal of permits and authorizations

The activity is directly dependent on the availability of permits and authorizations that the respective car manufacturers have provided to the companies in the group of Avto Union AD, the termination or revocation of such rights can dramatically reduce the sales of the car group. This is particularly important in the context of global restructuring of the automotive industry. The business environment in the automotive industry is also influenced by purely internal factors related to the general purchasing power, access to financing, business tendencies, inventory levels, etc.

Risks related to non-compliance by suppliers or other interruptions of different origins

The market sale of cars and spare parts subject to distribution by the subsidiaries of Avto Union AD may be affected by non-performance by suppliers or other interruptions of various origins. Such difficulties can be both of a legal nature and of a technical nature and they could have a serious effect on the sales volume and hence on the group profits of Avto Union AD.

Dependence on norms and standards

The ever-increasing environmental and safety standards for cars in the EU determine the sale of only new cars that comply with changing regulations (technical, environmental and tax). Any incompatibility or contradiction with such regulations could limit the sales of companies in the automotive group.

Other systematic and non-systematic risks of particular importance

The business environment in the automotive industry is significantly influenced by the risk factors related to the purchasing power of the population, access to finance, business sentiment, stocks and others.

➢ Leasing business

Risk of lack of attracted external debt financing at reasonable prices

Access to borrowed capital is essential for the successful development of the business of the Eurolease Group AD. Historically, borrowed capital has been raised by local and international banks and financial institutions or through the issuance of corporate bonds, most of which are publicly traded on the local regulated market.

The long-term successful development of the leasing business is directly dependent on the ability of the Eurolease Group to attract sufficient borrowed resources at an affordable price, the lack of which could have a significant adverse effect on its prospects, results and/or financial condition.

Risk that the leasing group will not be able to fulfil its obligations under the borrowed funds

This is the risk arising from the inability of Eurolease Group AD and/or its subsidiaries to meet their obligations under the borrowed funds. This risk is associated with delayed, partial or complete failure of matured obligations to pay interest and principal on borrowed funds. The credit risk also represents the risk that a counterparty will not pay its obligation to any of the companies in the group. The Group is exposed to this risk in connection with various financial instruments, such as in the event of receivables from customers, the provision of loans, deposits and others.

The policy, adopted by the Group in order to minimize the risk of non-payment, is to assess preliminary the creditworthiness of customers and to require additional collateral on leasing contracts – insurance of leased assets, preservation of original documents for property ownership, registration of leasing contracts in the Central Register of Special Collaterals, third party guarantees or promissory notes. The Group’s policy in this area is aimed at providing leasing services to customers with appropriate credit reputation and securing the claim by preservation of the legal ownership of the leased asset. Concentration of credit risk arises from customers with similar economic characteristics, where it’s possible changes in economic or other conditions to reflect simultaneously on their ability to meet their obligations.

➢ Investment intermediation and asset management

The activity of investment intermediation and asset management in the Group is represented by the investment intermediary Euro-Finance AD. The risk in the sector of financial intermediation and asset management is related to the high volatility of the debt and capital markets, the changes in financial tendencies and the investment culture of the general public.

Market and credit risk

The financial results of Euro-Finance AD depend on market risk and credit risk, respectively, given the fact that a large part of the assets of Euro-Finance AD are invested in publicly traded securities with fixed yield, denominated in several currencies, whose market value changes daily. Euro-Finance AD is definitely a very well-capitalized company, given the current regulatory requirements, but sharp and significant failures in the financial markets, as well as the credit profile of the specific issuers of securities in whose instruments Euro-Finance AD has invested capital, could have a significant adverse effect on the prospects of Euro-Finance AD, its results and/or financial condition.

Risk in settlement and clearing of transactions

As a leading and active local financial broker with a large local business in the management of financial assets and the provision of brokerage services, which serves both institutional and individual investors, Euro-Finance AD daily settles and clears many transactions with many counterparties. contractors. Risk of communication error in the settlement process, which, although currently completely minimized, exists and may limit the company's ability to effectively serve its customers, which could have a significant adverse effect on the prospects of Euro-Finance AD, its results and / or financial condition.

Risk of change in the regulatory framework

Euro-Finance AD operates in a highly regulated environment and is obliged to perform activities in full compliance with the current legislation under the supervision of the relevant regulatory authority in Bulgaria (Financial Supervision Commission). As a supervised entity of the Financial Supervision Commission, Euro-Finance AD is obliged to fully comply with the mandatory rules and regulations, including newly adopted ones, of the local regulator. Any non-compliance or even delay in the implementation of mandatory regulations could have a significant adverse effect on the prospects of Euro-Finance AD, its results and / or financial condition.

Risks in the transmission and processing of information

Euro-Finance AD performs all stock exchange transactions, asset management, currency trading and settlement activities only electronically and is therefore exposed to the risk of loss of information transfer or theft of personal and confidential information. Failure to ensure continuity and the necessary level of protection of the flow of information may jeopardize the company's internal securities trading system, its databases and day-to-day transactions, which in turn may damage the company's image in the eyes of its clients and contractors. Any loss of full control over the information flow could have a significant adverse effect on the prospects of Euro-Finance AD, its results and/or financial condition

⇒ Risks related to Eurohold's development strategy

Eurohold's future profits and economic value depend on the strategy chosen by the company's senior management and its subsidiaries. The choice of inappropriate strategy may lead to significant losses.

Eurohold Bulgaria AD tries to manage the risk of strategic errors through continuous monitoring of the different stages upon implementation of its marketing strategy and the results thereof. This is extremely important, so that they can react in a timely manner, in case a change in the strategic development plan is needed at a certain stage. Untimely or inappropriate changes in the strategy can also have a considerable negative effect on the activity of the Company, its operating results and financial position.

⇒ Risks associated with future acquisitions and their integration in the structure

At present, the economic group of Eurohold Bulgaria AD develops its operations mainly in Bulgaria and other European countries such as Romania, Northern Macedonia, Ukraine, Georgia, Greece, Belarus and Russia through acquisitions of companies and assets. The Issuer expects that such acquisitions will continue in the future. The Group intends to implement a strategy for identifying and acquiring businesses, companies and assets with a view to expanding its operations. The risk for Company is the uncertainty as to whether it will succeed and, in the future, identify the appropriate acquisition and investment opportunities. On the other hand, there is uncertainty as to the evaluation of the profitability of future asset acquisitions and whether they will lead to comparable results with the investments made so far. Also, investments in new acquisitions are subject to a number of risks, including possible adverse effects on the performance of the economic group as a whole, unforeseen events, as well as difficulties in integrating and optimizing operations and complementary businesses.

⇒ Risks related to the management of Eurohold. Operating risk

Operating risk is the risk of direct and indirect losses to the Group arising from various internal factors related to the Group's operations, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk and arising from legal requirements and generally accepted rules for corporate ethics.

The risks related to the management of the Company are the following:

- making wrong decisions for the current investment management and liquidity of the Company and the Group as a whole, both by the senior management and the operative employees of Eurohold;
- the inability of the management to start the implementation of planned projects or lack of suitable employees for the specific projects;
- possible technical errors in the unified management information system;
- possible errors in the internal control system;
- key employees leaving the Company and inability to employ personnel with the necessary qualities;

- risk of excessive increase in the expenses for management and administration, which leads to a decrease in the total profitability of the Company.

The Group defines the operating risk as: the risk of loss or non-realization of profits, which is caused by non-functioning or not implemented internal control systems or by factors external to the Group, such as economic condition, changes in the insurance environment, technical progress and others. Legal risk is part of operational risk and arises as a result of non-compliance or misapplication of legal and contractual commitments that would have an adverse effect on operations. The definition does not include strategic risk and goodwill risk.

The Group's objective is to manage operational risk so as to prevent financial loss and in the most efficient manner, while maintaining its good reputation and at the same time not hindering initiative and creativity in its actions.

⇒ Risks related to the inability of Eurohold to raise capital to finance its strategic objectives

The opportunities of Eurohold Bulgaria AD to grow and implement its strategies depend to a large extent on the ability to attract capital. The instability of financial markets, as well as the possible apparent lack of trust between financial institutions, could make it significantly more difficult to attract long-term capital on reasonable terms.

The management of the Eurohold Bulgaria AD supports the efforts of the subsidiaries in the Group for borrowing bank resources for investment and using the opportunities this type of financing gives for the provision of cash. The volume of these borrowings is maintained at certain levels and they are resolved after proving the economic effectiveness of each Company.

Some of Eurohold's subsidiaries, in particular leasing and automotive companies, due to the nature of their activities, use a significant attracted resource. The lack of resources for their financing can lead to disruption of the rhythm of their activities and to the realization of negative financial results, and this directly affects the group financial condition of Eurohold.

Management's policy is to raise financial resources from the market in the form of mainly equity securities (shares), debt instruments (bonds) and loans from banking and non-banking institutions, which it invests in its subsidiaries to finance their projects, by increasing their capital or lending. Apart from that, Eurohold Bulgaria AD monitors the capital structure of each company and takes actions to maintain the regulatory capital requirements for each business segment by increasing their capital.

⇒ Risks related to recruiting and retaining qualified staff

The business of Eurohold Bulgaria AD is highly dependent on the contribution of a number of persons, members of the management and supervisory bodies, senior and middle management managers of the parent company and the subsidiaries of the main business lines. It is uncertain that these key employees will continue to work for Eurohold in the future. Eurohold's success will also be linked to its ability to retain and motivate these individuals. The inability of the Company to maintain sufficiently experienced and qualified personnel for managerial, operational and technical positions may have an adverse effect on the activities of the economic group as a whole, its operational results and its financial condition.

⇒ Risk of concentration

There is a risk of concentration, which is the possibility that the company may incur a loss due to the concentration of financial resources in the business sector or related parties. This risk is expressed in the possibility that the invested funds will not be fully recovered due to a recession in the business invested.

⇒ Risk of lack of liquidity

The liquidity risk is related to the possibility that Eurohold Bulgaria AD, is not able to repay its liabilities in the amount agreed and/or within the stipulated deadline. The issuer seeks to minimize this risk through optimal cash flow management within the group. The Group applies an approach which should provide the liquid resource needed to cover the liabilities which have occurred from normal or exceptional conditions, without realizing unacceptable losses or damaging the reputation of the separate companies and the business group as a whole.

Subsidiaries make financial planning that seeks to meet the payment of expenses and current liabilities for a period of ninety days, including the servicing of financial liabilities. This financial planning minimizes or excludes completely the potential effect from occurrence of exceptional circumstances.

⇒ Risk of possible transactions between the companies in the group, whose conditions differ from the market ones, as well as risk of dependence on the activity of the subsidiaries

The relationships with related parties result from contracts for temporary financial assistance for the subsidiaries and transactions related to the ordinary commercial activity of the subsidiaries.

The risk of possible realization of transactions between the companies in the Group, under conditions which differ from the market conditions, is the risk of achieving low profitability from the provided inter-group financing. Another risk which may be assumed is not obtaining enough revenue from the inter-group commercial transactions, and subsequently not making good profit for the respective Company. On a consolidated level, this might have a negative impact on the profitability of the whole group.

Within the Eurohold are performed transactions between the Parent Company and the subsidiaries, as well as between the subsidiaries themselves, which originate from the nature of their main activity. All transactions with related parties are made under conditions which do not differ from the usual market prices and in compliance with IAS 24 "Related party disclosures".

Eurohold Bulgaria AD operates through its subsidiaries, which means that its financial results are directly dependent on the financial results, development and prospects of the subsidiaries. Bad results of one or several subsidiaries may lead to aggravation of the financial results on a consolidated basis.

B. SYSTEMATIC RISKS

⇒ Macroeconomic risk

Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, profit making by economic agents, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changes in legislation and regulatory requirements, national government priorities, etc. Trends in the macroeconomic environment affect market performance and the bottom line of all sectors in the economy. Bulgaria has an open economy and its development depends directly on international market conditions.

Trends in the macroeconomic environment affect market performance and the bottom line of all sectors in the economy.

The outcome of the realisation of certain risks related to the international environment will also depend to a large extent on the plans and preventive measures of individual countries and international institutions, as evidenced by the recent global economic crisis and the COVID-19 pandemic. The risk of the impact of the international environment on companies cannot be diversified and affects all players, but on the other hand it can become a driver for the development and implementation of innovation and digitalisation that can dramatically change and increase business efficiency on a global scale.

The macroeconomic situation and economic growth globally are fundamental to the development of Eurohold Bulgaria plc and its subsidiaries, including the government policies of the respective countries in which it operates and, in particular, the regulations and decisions made by the respective Central Banks that affect monetary and interest rate policies, exchange rates, taxes, GDP, inflation, budget deficits and external debt, unemployment rates and income structure.

Macroeconomic trends, such as: the impact of the COVID-19 pandemic declared worldwide in early 2020 and the measures taken by the governments of the affected countries; the global economic crisis; the slowdown in economic growth; the risk of systematic global financial fluctuations; recurrent fiscal imbalances; changes in exchange rates to certain currencies; volatility in energy prices; economic and political uncertainty in some regions of the world; the decline in

The development of Bulgaria's economy faces the risk of external influences and depends directly on international market conditions. The presence of adverse macroeconomic conditions in Bulgaria, including increases in unemployment and inflation, and fiscal instability could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Eurohold Group has operations in Bulgaria, Romania, North Macedonia, Ukraine, Greece, Spain, Italy, Poland, Georgia, Belarus and Russia and other European countries and, accordingly, its overall financial position and the results of its operations are affected by the economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE/SEE region could adversely affect certain products and services offered by the Group and result in lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in any such jurisdiction may result in increased operating costs and capital requirements for the Group. Any future periods of economic slowdown or slow economic growth in any of the markets in which the Group operates could have an adverse effect on the Group's business, financial condition, cash flows, results of operations or prospects.

Risk of occurrence of force majeure circumstances

We are currently witnessing a macroeconomic risk posed by the scale and spread of the coronavirus pandemic (COVID-19), which has affected the entire world and dramatically impacted global macroeconomics and economic growth. Due to the COVID-19 pandemic, at the end of the first quarter and throughout the second quarter of 2020, much of the global economy slowed down and activity in some sectors was almost completely suspended. As a result of the measures imposed by governments, a significant part of international trade was hampered. At the global level, the consequent effects on business of the economic disruption caused by the pandemic were: a worsened economic outlook, a significant increase in expected credit losses and other impairments, and a reduction in revenues driven by lower volumes and reduced customer activity.

The impact of the COVID-19 crisis on the global automotive industry (at the end of the first and beginning of the second quarter of 2020) has been significant, with sharp production curtailments and even shutdowns in some countries. As a result of the pandemic, car manufacturers around the world have made significant losses. This also affected the car sales business of Eurohold's automotive group companies due to supply chain disruption and reduced consumer activity. All of this also had a negative impact on the business of the Group's leasing companies, whose services and products are mainly related to the finance leasing of new and used vehicles, the short-term ("rent a car") and long-term ("operating lease") rental of vehicles, and the sale of used vehicles.

In 2021, the Covid-19 pandemic will continue to impact the health system, the social environment and the economy. Deviations in energy resource prices as well as the dislocation of trade relationships, leading to a global wave of intense inflationary pressures, had a strong impact. Following the start of mass vaccination, a gradual recovery of the global and domestic economy and the expected rebound in global activity also began. In Bulgaria, however, economic activity and unchanged household final consumption will contribute to expected economic growth of around 3.8% in 2021. The labour market also experienced favourable developments, and unemployment continued to decline, following its trend, reaching 4.8% at the end of the year. The banking system remained sound, well capitalised, with high levels of liquidity meeting the requirements of the regulatory authorities.

Currently, uncertainty and risks to the economy remain high. The latest wave of the Omicron coronavirus, which became active in early 2022, has again led to a slowdown in the economic recovery in Europe, accompanied by high inflation, absenteeism and online work, and increasing material, equipment and labour shortages. Record energy prices have further made life more expensive and reduced the purchasing power of Europeans, especially in low-income households. In general, the impact of the pandemic on economic activity has been waning over time, including the delay in recovery caused by Omicron will not last long given the waning of the wave and the start of the removal of containment measures. But possible new waves of infection, correspondingly imposed counter-epidemic measures and continued staff shortages could hamper the recovery of economic activity. They could also delay the functioning of critical supply chains longer than expected. On the other hand, weaker demand growth in the short term could help to overcome supply bottlenecks somewhat earlier than expected.

The hostilities that began have received widespread international condemnation and multiple countries have imposed sanctions on assets and operations owned by the Russian state and certain individuals. The IMF notes that the sanctions imposed by a number of countries against Russia are having an impact on the global economy and financial markets and will have significant spill-over effects in other countries. In many countries, the crisis is causing adverse shocks to both inflation and activity against a backdrop of already elevated price pressures. Central banks are closely monitoring the impact of international price rises on domestic inflation, with a view to monitoring and, if necessary, taking appropriate, carefully judged responses. Fiscal policy will need to support the most vulnerable households to offset rising living costs.

The economic consequences of the military conflict in Ukraine cannot be assessed at this stage of development, but are already indicating extremely serious cost effects on the overall global economy. They could lead to an intensification of the already strong uncertainty caused by Covid-19, further complicating the supply chain due to constraints and logistical problems and exacerbating inflationary pressures. If the conflict continues, the economic damage will be significant and is expected to affect all sectors of the Bulgarian and EU economy, including the sectors and regions in which the Eurohold Group operates.

"Eurohold Bulgaria plc seeks to monitor the likelihood of the macroeconomic risk occurring and is developing group-wide measures to mitigate, to the extent possible, the effects that the existence of this risk may have. However, the Holding Company cannot completely exclude and limit its impact on the business, financial position, earnings and cash flows at a group level. There is also the possibility that the occurrence of this risk could exacerbate other risks or a combination of risks.

⇒ Risk of force majeure events

Force Majeure Circumstances are all natural disasters and other cataclysms such as sudden climatic changes, floods, earthquakes, civil disobedience, clashes, strikes, acts of terrorism and war and the like which are of an unforeseeable nature. Acts of God may also be failures of the physical plant of a mechanical nature due to human or systematic error. The occurrence of such events may disrupt the normal operations of the Company until the damage caused is repaired. They may also result in an unpredictable change in investor attitude and interest in relation to the market for the equity and debt securities issued by the Company.

Force majeure circumstances may also arise which could have a severe impact on the overall macroeconomic and international environment. An example of such a risk is the "Pandemic" declared by the World Health Organization from an outbreak of acute respiratory syndrome associated with a new coronavirus (COVID-19) developing in early 2020.

⇒ Risk associated with COVID-19

The extent of the impact of the coronary crisis on the Eurohold Group depends on a number of factors, the most significant of which are the measures taken by the governments of the countries in which we operate, as well as those of our suppliers (mainly automotive companies). It also depends on the purchasing power of our customers, these are factors over which we have no influence. With the Eurohold Group's development strategy adopted in 2021, namely to reduce the share of or exit the automotive and leasing businesses and focus on the insurance and energy businesses, Eurohold management believes that the future impacts of Covid-19 on the Group would be insignificant.

While the outlook for the group is significantly more certain than it was at the end of 2020, there is still some uncertainty in a number of key areas. Continued volatility in the speed of economic recovery in the regions in which we operate, a possible prolongation of reduced economic activity as a result of the impact of the coronavirus, ongoing stock market volatility, supply chain disruption and movement restrictions across Europe could impact the Group's capital position and liquidity, meaning that the level of uncertainty continues.

The Company's management will continue to assess the impact of the COVID-19 crisis and will review its financial performance, assess risk accordingly and take appropriate flexible business management actions to mitigate the impact.

As at the date of this report, Eurohold Bulgaria plc is a stable business structure with a sustained market position and preserved operating profitability, able to ensure a good outlook for its shareholders and partners in the face of an unprecedented health and economic crisis.

⇒ Political risk

Political risk reflects the impact of the political processes in the country on the business and investment process and, in particular, on the return on investment. The degree of political risk is determined by the likelihood of adverse changes in the direction of the government's long-term economic policy, which may have a negative impact on investment decisions. Other factors related to this risk are possible legislative changes and changes in the tax system affecting the business and investment climate in the country.

The Republic of Bulgaria is a country with political and institutional stability based on modern constitutional principles, such as a multi-party parliamentary system, free elections, ethnic tolerance and a clear system of separation of powers.

Political risks include the successful continuation of Bulgaria's integration into the European Union (EU). After our country's accession to the EU in early 2007, economic reforms were imposed in the name of our country's integration into the European Union. In the future, economic growth will depend on the political will to continue the economic reforms in order to implement the EU's best market practices in economic, political, social, legal and financial terms.

In spite of the stable policy pursued so far, there is no certainty that factors will not emerge in the country that would create social and political tensions, lead to a significant and abrupt change in political and economic conditions, which could have a significant adverse effect on business. At present, the political environment in Bulgaria is not particularly stable. This instability is caused by the regular and two early parliamentary elections held in 2021 to form a government, in the latter of which the party that won the most votes, which is newly formed, managed to form a coalition government, which is not very stable at these stages. In this context, there may be political and public disagreements on possible legislative changes, in particular those concerning the economic and investment climate in the country. There is also no political consensus in the country at this point in time on the complicated geopolitical situation in the region as a result of the development of the Russian-Ukrainian crisis.

A potential political instability in the country and in Europe could have a material adverse effect on the Company's and its Group's business, operating results and financial condition. The Company, through its subsidiaries, operates in the regions affected by the military conflict and is therefore also vulnerable to foreign political risks and their effects on the economy of the country, the regions affected by the conflict and Europe as a whole.

Given the uncertainty of the outcome of the dynamic political and economic environment created, users of this Report should consider the existence of political risk according to their own understanding and expectations.

⇒ Risk of high levels of unemployment

Unemployment risk is characterised by a fall in labour demand, influenced by real aggregate demand in the economy, resulting in a decline in the real purchasing power of some economic agents.

High levels of unemployment may seriously threaten economic growth in the country, which in turn may lead to a contraction in consumption and a reduction in the revenues generated by economic entities in the country, including revenues generated by the Company and its subsidiaries.

According to the National Statistical Institute (NSI) for the fourth quarter of 2021, the following indicators are reported:

- The economic activity rate for the population aged 15-64 is 72%, increasing by 0.6 percentage points compared to the first quarter of 2021..
- The employment rate for the population aged 15-64 is 68.4%.
- The unemployment rate is 4.9%.
- The discouraged persons aged 15-64 were 55.3 thousand, or 4.5% of the economically inactive persons in the same age group.

Source:* *www.nsi.bg

⇒ Country credit risk

Credit risk is the probability of a country's international credit ratings deteriorating. Low credit ratings of a country can lead to higher interest rates, more difficult financing conditions for economic entities, including Eurohold.

On 28.05.2022 Standard & Poor's affirmed Bulgaria's long-term and short-term foreign and local currency credit rating at 'BBB/A-2'. The rating outlook remains stable.

The rating agency expects that the Russia-Ukraine military conflict will cause a shock to the Bulgarian economy and, as a consequence, real GDP growth in 2022 will slow to 1.6% from 4.3% (in their November forecast) and the budget deficit will double to 5% of GDP. S&P notes that Bulgaria's strong external and fiscal balances will help mitigate this shock, while robust EU transfer inflows will support growth in the medium term.

The stable outlook reflects S&P's expectation that the Bulgarian economy will not experience large external or fiscal imbalances. Rather, the shock to the economy from the military conflict will be temporary and economic growth will pick up from 2023, supported by the inflow of EU transfers. S&P expects this to limit the increase in the general government debt, which will remain low internationally.

Source:* *www.minfin.bg

On 22.01.2022 Fitch Ratings affirmed Bulgaria's 'BBB' long-term foreign and local currency sovereign credit rating with a positive outlook.

The positive outlook reflects our country's plans for euro area membership. According to Fitch Ratings, the downside risks in the short term associated with the pandemic have diminished and are offset by the expected significant financial resources from the EU and the commitment to maintaining macroeconomic and fiscal stability (further supported by the inclusion of the Bulgarian lev in the Monetary Mechanism II).

Source:* *www.minfin.bg

The adoption of a consistent and long-term economic policy in Bulgaria would be a good reason for the potential upgrade of the country's credit rating, which in turn would have a favourable impact on Eurohold's economic group in terms of financing opportunities for the Group. In the event of a downgrade of Bulgaria's credit rating as a result of unstable country management, there could also be a negative impact on the Group's cost of funding, unless its borrowing arrangements are not fixed rate.

⇒ Inflation risk

Inflation risk is associated with the likelihood that inflation will affect real investment returns. The main risks associated with the inflation outlook relate to international price dynamics and the pace of economic growth in Bulgaria. International commodity prices could rise more significantly as a result of political crises or increases in demand. The limited international supply of some agricultural commodities, especially cereals, in the context of adverse weather events may further cause higher inflation in the country.

According to preliminary data of the NSI, the consumer price index for April 2022 compared to March 2022 is 102.5%, i.e., the monthly inflation rate is 2.5%. Year-to-date inflation (April 2022 vs. December 2021) is 7.8% and annual inflation for April 2022 vs. April 2021 is 14.4%. Annual average inflation for the period May 2021 to April 2022 compared to the period May 2020 to April 2021 is 7.0%.

Source: www.nsi.bg

Inflation may affect the amount of the Company's expenses as a portion of the Company's liabilities are interest bearing. Their servicing is linked to current interest rates, which also reflect national inflation rates. Therefore, maintaining low inflation rates in the country is seen as a significant factor for Eurohold Group's operations.

At the current time and in general, the currency board mechanism provides assurances that inflation in the country will remain under control and will not have an adverse impact on the country's economy, and in particular on the Company's and its Group's operations and hence its ability to service its debt positions.

In view of this, any investor should carefully consider and take into account both the current levels of inflation risk and the future possibilities of its manifestation.

⇒ Currency risk

This risk is related to the possibility of local currency depreciation. For Bulgaria specifically, this is the risk of premature abandonment of the currency board under a fixed exchange rate. On 10 July 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva, It was assumed that Bulgaria joins the ERM with its existing currency board arrangement, as a unilateral commitment and without additional requirements to the ECB.

Any significant depreciation of the Leva could have a material adverse effect on businesses in the country, including the Company. A risk also exists when a business entity's revenues and expenses are generated in different currencies. The exposure of businesses operating in Bulgaria is particularly pronounced against the US dollar, which is the main currency in a significant part of the world markets for raw materials and products.

The Company's operations do not involve exposure to significant currency risk because the current bond issue is denominated in BGN and almost all of its operations and transactions are denominated in BGN and EUR, the latter being at a fixed rate against the BGN.

Changes in various exchange rates did not materially affect the Company's operations until controlling interests were acquired in the countries of Romania, North Macedonia, Ukraine, Georgia, Belarus. The financial results of these companies are presented in the local currencies, respectively, Romanian Leu (RON), Macedonian Denar (MKD), Ukrainian Hryvnia (UAH) and Georgian Lari (GEL), Belarusian Ruble (BYR), whose exchange rate is almost freely determined in the local currency market. Eurohold Bulgaria AD's consolidated earnings will be exposed to currency risk depending on the movement of these currencies against the euro.

⇒ Interest rate risk

Interest rate risk is related to the possibility of a change in the prevailing interest rates in the country. Its impact is expressed by the possibility that the net income of companies may decrease due to an increase in the interest rates at which the Issuer finances its operations. Interest rate risk is included in the category of macroeconomic risks due to the fact that the main prerequisite for a change in interest rates is the occurrence of instability in the financial system as a whole. This risk can be managed through the balanced use of different sources of financial resources.

An increase in interest rates would, all other things being equal, affect the cost of the financial resources used by the Company in implementing various business projects. It may also affect the Company's cost base as a significant portion of the Company's liabilities are interest bearing and their servicing is linked to current interest rates.

⇒ Risks associated with regulatory changes. Regulatory risk

The Company's results may be impacted by regulatory changes. The Eurohold Group operates in a highly regulated environment in various European countries. The possibility of more radical changes in the regulatory framework, in the interpretation or practice of implementing legislation, and in the divergence of legislation and regulations in Bulgaria and in the countries in which the Company operates, could have an adverse effect on its business as a whole, its operating results, and its financial condition.

⇒ Risk of increased competition

All sectors in which the Eurohold Group subsidiaries operate are characterised by a highly competitive environment. The future success of the Group will depend on the ability of Eurohold and its subsidiaries to remain competitive compared to other companies operating in a given market segment.

C. RISK MANAGEMENT AND MINIMISATION MECHANISMS

The elements outlining the framework for the management of individual risks are directly related to specific procedures for the timely prevention and resolution of potential difficulties in the operations of Eurohold Bulgaria AD. They include ongoing analysis in the following areas:

- market share, pricing policy, market research and market development and market share studies;
- active investment management in different sectors and industries;
- a comprehensive asset and liability management policy for the Company and the Group to optimise the structure, quality and return on assets;
- optimising the structure of funds raised with a view to ensuring liquidity and reducing financial costs across the Group;
- effective cash flow management at group level;
- optimising administration, management and external service costs;
- human resources management

Overall risk management is focused on minimising potential negative effects that could impact the Group's financial performance. Financial risks are identified, measured and monitored on an ongoing basis using various controls to determine appropriate pricing for the services and products offered by Eurohold Group companies and for the borrowed capital raised by them. Adequate assessment is made of market circumstances, the investments made in the Group and the forms in which available liquidity is maintained, without undue concentration of risk.

The occurrence of unforeseen events, incorrect assessment of current trends, as well as a host of other micro- and macroeconomic factors, may affect the judgement of the Company's management team.

Sofia,
27 May 2022

Assen Minchev,

Executive Director

Milena Guencheva,

Prosecutor

Interim condensed consolidated statement of profit or loss and other comprehensive income for the first quarter of 2022

In thousand BGN	*Notes*	31.3.2022	31.3.2021
Continuing operations			
Revenue from operating activities			
Revenue from insurance business	*3*	771 391	374 648
Revenue from energy business	*5*	883 177	-
Revenue from car sales and after sales	*7*	9 121	5 255
Revenue from leasing business	*8*	6 459	5 999
Revenue from asset management and brokerage	*10*	2 148	2 392
Revenue from the activities of the parent company	*12*	435	617
		1 672 731	**388 911**
Expenses of operating activities			
Expenses of insurance business	*4*	(735 575)	(353 029)
Expenses of energy business	*6*	(773 816)	-
Cost of cars and spare parts sold		(7 927)	(5 420)
Expenses of leasing business	*9*	(1 860)	(2 468)
Expenses of asset management and brokerage	*11*	(1 954)	(2 471)
Expenses of the activities of the parent company	*13*	(784)	(109)
		(1 521 916)	**(363 497)**
Gross Operating Profit		**150 815**	**25 414**
Other income/(expenses), net	*14*	912	1 425
Other operating expenses	*15*	(59 530)	(16 468)
(Accrued)/recovered impairment loss on financial assets, net	*16*	(125)	(487)
EBITDA		**92 072**	**9 884**
Financial expenses	*17*	(21 849)	(6 356)
Financial income	*18*	621	195
Foreign exchange gains/(losses), net	*19*	(3)	357
EBTDA		**70 841**	**4 080**
Depreciation and amortization	*20*	(29 774)	(3 613)
EBT		**41 067**	**467**
Tax expenses	*21*	(4 557)	(3)
Net profit for the period from continuing operations		**36 510**	**464**
Discontinued operations			
Net profit for the period from discontinued operations	*50.1*	363	740
Net profit for the period		**36 873**	**1 204**
Net profit, attributable to:			
Equity holders of the parent		34 584	403
Non-controlling interests		2 289	801

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of profit or loss and other comprehensive income for the first quarter of 2022 (continued)

In thousand BGN	*Notes*	31.3.2022	31.3.2021
Net profit for the period	*48*	**36 873**	**1 204**
Other comprehensive income			
Other comprehensive income to be reclassified subsequently to profit or loss:			
Net loss from change in the fair value of financial assets through other comprehensive income		(2 080)	(861)
Exchange differences on translating foreign operations		(1 441)	(11)
Reserve for subsequent revaluations of pension plans		(57)	-
Other comprehensive income for the period, net of tax		**(3 578)**	**(872)**
Total comprehensive income for the period, net of tax		**33 295**	**332**
Total comprehensive income, attributable to:			
Equity holders of the parent		30 755	(401)
Non-controlling interests		2 540	733
		33 295	**332**

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of financial position as of 31.3.2022

In thousand BGN	*Notes*	31.3.2022	31.12.2021*
ASSETS			
Cash and cash equivalents	*22*	377 078	156 340
Time Deposits at banks	*23*	37 340	33 081
Reinsurers' share in technical reserves	*24*	1 194 021	1 066 613
Insurance receivables	*25*	218 425	188 714
Trade receivables	*26*	372 377	413 278
Other receivables	*27*	151 909	161 780
Machinery, plant and equipment	*28, 28.3-8*	752 732	756 534
Intangible assets	*30*	113 164	116 063
Inventory	*31*	33 928	33 308
Financial assets	*32*	376 744	417 453
Deferred tax assets	*33*	13 568	14 699
Land and buildings	*28, 28.1-2*	155 947	159 082
Investment property	*29*	2 031	1 969
Investments in associates and other investments	*34*	3 206	10 355
Other financial investments	*35*	585	1 025
Non-current receivables	*36*	81 435	82 270
Non-current assets held for sale	*50.2*	19 322	11 520
Goodwill	*37*	173 368	173 368
TOTAL ASSETS		**4 077 180**	**3 797 452**

* Unaudited period

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Eurohold Bulgaria AD
Interim condensed consolidated statement of financial position
As of 31.3.2022 (continued)

In thousand BGN	*Notes*	31.3.2022	31.12.2021*
EQUITY AND LIABILITIES			
Equity			
Issued capital	*47.1*	260 500	260 500
Treasury shares	*47.1*	(77)	(77)
Share Premium	*47.2*	144 030	144 030
General reserves		7 641	7 641
Revaluation and other reserves		(50 723)	(77 139)
Retained earnings/(losses)		(135 013)	(200 220)
Profit for the year	*48*	34 584	70 676
Equity attributable to equity holders of the parent		**260 942**	**205 411**
Non-controlling interests	*49*	60 631	189 943
Total Equity		**321 573**	**395 354**
Subordinated debts	*38*	**22 084**	**41 638**
LIABILITIES			
Bank and non-bank loans	*39*	1 141 931	1 018 719
Obligations on bond issues	*40*	269 820	198 776
Non-current liabilities	*41*	53 470	106 405
Current liabilities	*42*	159 538	172 662
Trade and other payables	*43*	356 952	312 539
Payables to reinsurers	*44*	180 458	112 956
Deferred tax liabilities	*45*	22 936	22 352
		2 185 105	**1 944 409**
Insurance reserves	*46*	1 537 487	1 407 124
	50.2	10 931	8 927
Total liabilities and subordinated debts		**3 755 607**	**3 402 098**
TOTAL EQUITY AND LIABILITIES		**4 077 180**	**3 797 452**

Prepared by: /Ivan Hristov/

Signed on behalf of BoD: /Assen Minchev/

Procurator: /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of cash flows for the first quarter of 2022

In thousand BGN	*Notes*	31.3.2022	31.3.2021
Operating activities			
Profit for the period before tax from continued operations:		**41 067**	**467**
Adjustments for:			
Depreciation and amortization	*20*	29 774	3 613
Foreign exchange gain/(loss)		(699)	(2 730)
Increase in impairment loss		116	-
Revaluation of investments		7 149	-
Profit from purchase of investments in subsidiaries		758	-
Net investment income (interest income and expense)		16 652	3 688
Other non-monetary adjustments		(5 937)	(1 771)
Operating profit before change in working capital		**88 880**	**3 267**
Change in trade and other receivables		(105 512)	22 905
Change in inventory		(620)	(1 195)
Change in trade and other payables and other adjustments		213 382	(23 338)
Cash generated from operating activities		**196 130**	**1 639**
Interest (paid)/received		1 123	375
Income tax paid		(659)	(265)
Net cash flows from continued operations		**196 594**	**1 749**
Net cash flows from discontinued operations		**(1 080)**	**(1 895)**
Net cash flows from operating activities		**195 514**	**(146)**
Investing activities			
Purchase of property, plant and equipment		(26 719)	(973)
Proceeds from the disposal of property, plant and equipment		267	132
Loans granted		(30 449)	(12 551)
Repayment of loans, including financial leases		13 484	26 752
Interest received on loans granted		726	627
Purchase of investments		(42 421)	(73 781)
Sales of investments		77 742	67 077
Dividends received		577	678
Effect of exchange rate changes		(44)	26
Acquisition of a subsidiaries in business combination, net of cash acquired		(100 756)	-
Other proceeds/(payments) from investing activities, net		(588)	1 956
Net cash flows from investing activities		**(108 181)**	**9 943**

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of cash flows for the first quarter of 2022 (continued)

In thousand BGN	*Notes*	31.3.2022	31.3.2021
Financing activities			
Proceeds from the issue of securities		1 628	-
Proceeds from loans		299 113	17 740
Repayment of loans		(159 671)	(21 111)
Lease repayments		(3 985)	(2 957)
Payment of interest, charges, commissions on investment loans		(2 145)	(1 961)
Other proceeds/(payments) from financing activities, net		(3 234)	91
Net cash flows from financing activities		**131 706**	**(8 198)**
Net increase / (decrease) in cash and cash equivalents		**220 738**	**1 599**
Cash and cash equivalents at the beginning of the period	*22*	156 340	68 800
Cash and cash equivalents at the end of the period	*22*	**377 078**	**70 399**

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of changes in equity for the first quarter of 2022

In thousand BGN	Share capital	Share premium	General reserves	Revaluation and other reserves	Retained earnings/ (losses)	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance as of 1 January 2021	**197 429**	**49 568**	**7 641**	**(68 559)**	**(80 303)**	**105 776**	**29 167**	**134 943**
Treasury shares repurchased	-	-	-	-	-	**-**	-	**-**
Dividends	-	-	-	-	-	**-**	(930)	**(930)**
Change in non-controlling interest due to transactions without change of control	-	-	-	(252)	(514)	**(766)**	(2 058)	**(2 824)**
Profit for the period	-	-	-	-	403	**403**	801	**1 204**
Other comprehensive income:								
Revaluation reserve from recalculations in the foreign currency presentation	-	-	-	(11)	-	**(11)**	-	**(11)**
Change in the fair value of available-for-sale assets and revaluation of tangible assets	-	-	-	(793)	-	**(793)**	(68)	**(861)**
Total other comprehensive income	**-**	**-**	**-**	**(804)**	**-**	**(804)**	**(68)**	**(872)**
Total comprehensive income	**-**	**-**	**-**	**(804)**	**403**	**(401)**	**733**	**332**
Balance as of 31 March 2021	**197 429**	**49 568**	**7 641**	**(69 615)**	**(80 414)**	**104 609**	**26 912**	**131 521**
Balance as of 1 January 2022	**260 423**	**144 030**	**7 641**	**(77 139)**	**(129 544)**	**205 411**	**189 943**	**395 354**
Change in non-controlling interest due to transactions without change of control, other changes	-	-	-	30 245	(5 469)	**24 776**	(131 852)	**(107 076)**
Profit for the period	-	-	-	-	34 584	**34 584**	2 289	**36 873**
Other comprehensive income:								
Revaluation reserve from recalculations in the foreign currency presentation	-	-	-	(1 874)	-	**(1 874)**	(206)	**(2 080)**
Change in the fair value of available-for-sale assets and revaluation of tangible assets	-	-	-	(1 911)	-	**(1 911)**	470	**(1 441)**
Reserve for subsequent revaluations of pension plans	-	-	-	(44)	-	**(44)**	(13)	**(57)**
Total other comprehensive income	**-**	**-**	**-**	**(3 829)**	**-**	**(3 829)**	**251**	**(3 578)**
Total comprehensive income	**-**	**-**	**-**	**(3 829)**	**34 584**	**30 755**	**2 540**	**33 295**
Balance as of 31 March 2022	**260 423**	**144 030**	**7 641**	**(50 723)**	**(100 429)**	**260 942**	**60 631**	**321 573**

Prepared by: Signed on behalf of BoD: Procurator:

/Ivan Hristov/ /Assen Minchev/ /Milena Guentcheva/

Date: 27.5.2022

Interim condensed consolidated statement of profit or loss by business segments
for the first quarter of 2022

In thousand BGN	*Notes*	31.3.2022 Consolidated	31.3.2022 Insurance business	31.3.2022 * Energy business	31.3.2022 Automotive	31.3.2022 Leasing business	31.3.2022 Asset manage-ment and brokerage	31.3.2022 Parent company	*31.3.2022 Eliminations*
Continued operations									
Revenue from operating activities									
Revenue from insurance business	*3*	771 391	771 815	-	-	-	-	-	*(424)*
Revenue from energy business	*5*	883 177		883 274	-	-	-	-	*(97)*
Revenue from car sales and after sales	*7*	9 121	-	-	9 879	-	-	-	*(758)*
Revenue from leasing business	*8*	6 459	-	-	-	6 762	-	-	*(303)*
Revenue from asset management and brokerage	*10*	2 141	-	-	-	-	2 494	-	*(353)*
Revenue from the activities of the parent company	*12*	435	-	-	-	-	-	527	*(92)*
		1 672 724	**771 815**	**883 274**	**9 879**	**6 762**	**2 494**	**527**	***(2 027)***
Expenses of operating activities									
Expenses of insurance business	*4*	(735 575)	(737 209)	-	-	-	-	-	*1 634*
Expenses of energy business	*6*	(773 816)	-	(773 816)					*-*
Cost of cars and spare parts sold		(7 927)	-	-	(7 927)	-	-	-	*-*
Expenses of leasing business	*9*	(1 860)	-	-	-	(1 878)	-	-	*18*
Expenses of asset management and brokerage	*11*	(1 947)	-	-	-	-	(1 880)	-	*(67)*
Expenses of the activities of the parent company	*13*	(784)	-	-	-	-		(859)	*75*
		(1 521 909)	**(737 209)**	**(773 816)**	**(7 927)**	**(1 878)**	**(1 880)**	**(859)**	***1 660***
Gross profit		**150 815**	**34 606**	**109 458**	**1 952**	**4 884**	**614**	**(332)**	***(367)***
Other income/(expenses), net	*14*	912	-	864	-	43	5	-	*-*
Other operating expenses	*15*	(59 530)	(14 256)	(39 625)	(2 192)	(2 867)	(421)	(570)	*401*
(Accrued)/recovered impairment loss on financial assets, net	*16*	(125)	-	458	(112)	(160)	(5)	(306)	*-*
EBITDA		**92 072**	**20 350**	**71 155**	**(352)**	**1 900**	**193**	**(1 208)**	***34***
Financial expenses	*17*	(21 849)	(1 166)	(15 552)	(527)	(15)	(11)	(5 089)	*511*
Financial income	*18*	621	-	338	320	-	-	-	*(37)*
Foreign exchange gains/(losses), net	*19*	(3)	-		(1)	-	-	(2)	*-*
EBTDA		**70 841**	**19 184**	**55 941**	**(560)**	**1 885**	**182**	**(6 299)**	***508***
Depreciation and amortization	*20*	(29 774)	(1 623)	(25 788)	(510)	(1 657)	(64)	(132)	*-*
EBT		**41 067**	**17 561**	**30 153**	**(1 070)**	**228**	**118**	**(6 431)**	***508***
Tax expenses	*21*	(4 557)	(258)	(4 299)	-	-	-	-	*-*
Net profit for the period from continued operations		**36 510**	**17 303**	**25 854**	**(1 070)**	**228**	**118**	**(6 431)**	***508***
Discontinued operations									
Net profit for the period from discontinued operations		363	-	-	814	-	-	-	*(451)*
Net profit for the period		**36 873**	**17 303**	**25 854**	**(256)**	**228**	**118**	**(6 431)**	***57***

Interim condensed consolidated statement of profit or loss by business segments (continued)
for the first quarter of 2021

In thousand BGN		31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	*31.3.2021*
Continued operations	*Notes*	Consolidated	Insurance business	Energy business*	Automotive	Leasing business	Asset manage-ment and brokerage	Parent company	*Eliminations*
Revenue from operating activities									
Revenue from insurance business	*3*	374 648	375 402	-	-	-	-	-	*(754)*
Revenue from energy business	*5*	-	-	-	-	-	-	-	*-*
Revenue from car sales and after sales	*7*	5 255	-	-	5 987	-	-	-	*(732)*
Revenue from leasing business	*8*	5 999	-	-	-	6 286	-	-	*(287)*
Revenue from asset management and brokerage	*10*	2 392	-	-	-	-	2 746	-	*(354)*
Revenue from the activities of the parent company	*12*	617	-	-	-	-	-	621	*(4)*
		388 911	**375 402**	**-**	**5 987**	**6 286**	**2 746**	**621**	***(2 131)***
Expenses of operating activities				-					
Expenses of insurance business	*4*	(353 029)	(355 189)	-	-	-	-	-	*2 160*
Expenses of energy business	*6*	-	-	-	-	-	-	-	*-*
Cost of cars and spare parts sold		(5 420)	-	-	(5 420)	-	-	-	*-*
Expenses of leasing business	*9*	(2 468)	-	-	-	(2 518)	-	-	*50*
Expenses of asset management and brokerage	*11*	(2 471)	-	-	-	-	(2 471)	-	*-*
Expenses of the activities of the parent company	*13*	(109)	-	-	-	-	-	(111)	*2*
		(363 497)	**(355 189)**	**-**	**(5 420)**	**(2 518)**	**(2 471)**	**(111)**	***2 212***
Gross profit		**25 414**	**20 213**	**-**	**567**	**3 768**	**275**	**510**	***81***
Other income/(expenses), net	*14*	1 425	-	-	1 381	39	5	-	*-*
Other operating expenses	*15*	(16 468)	(11 466)	-	(2 246)	(1 944)	(387)	(701)	*276*
(Accrued)/recovered impairment loss on financial assets, net	*16*	(487)	-	-	(31)	(445)	(11)	-	*-*
EBITDA		**9 884**	**8 747**	**-**	**(329)**	**1 418**	**(118)**	**(191)**	***357***
Financial expenses	*17*	(6 356)	(1 593)	-	(451)	(16)	-	(4 994)	*698*
Financial income	*18*	195	-	-	199	-	-	-	*(4)*
Foreign exchange gains/(losses), net	*19*	357	-	-	(1)	-	-	358	*-*
EBTDA		**4 080**	**7 154**	**-**	**(582)**	**1 402**	**(118)**	**(4 827)**	***1 051***
Depreciation and amortization	*20*	(3 613)	(1 353)	-	(457)	(1 590)	(54)	(170)	*11*
EBT		**467**	**5 801**	**-**	**(1 039)**	**(188)**	**(172)**	**(4 997)**	***1 062***
Tax expenses	*21*	(3)	(3)	-	-	-	-	-	*-*
Net profit for the period from continued operations		**464**	**5 798**	**-**	**(1 039)**	**(188)**	**(172)**	**(4 997)**	***1 062***
Disontinued operations									
Net profit for the period from discontinued operations		740	**-**	**-**	1 788	**-**	**-**	**-**	*(1 048)*
Net profit for the period		**1 204**	**5 798**	**-**	**749**	**(188)**	**(172)**	**(4 997)**	***14***

*Acquisition of the companies from the Energy sector on 27.7.2021.

1. INFORMATION ABOUT THE ECONOMIC GROUP

Eurohold Bulgaria AD (parent company) is a public joint stock company established by virtue of article 122 of the Public Offering of Securities Act and article 261 of the Commerce Act.

Founded in 1996, Eurohold Bulgaria operates in Bulgaria, Romania, Northern Macedonia, Ukraine, Georgia, Greece and Belarus. The company owns a large number of subsidiaries in the insurance, energy, financial services and car sales sectors.

The parent company is registered in Sofia City Court under corporate file 14436/2006 and is established by merger of Eurohold AD registered under corporate file № 13770/1996 as per the inventory of Sofia City Court and Starcom Holding AD registered under corporate file № 6333/1995 as per the inventory of Sofia City Court.

The seat and registered address of Eurohold Bulgaria AD are as follows: city of Sofia, 43 Christopher Columbus Blvd.

The parent company has the following managing bodies: General Meeting of Shareholders, Supervisory Board /two-tier system/ and Management Board, with the following members as of 31.12.2021:

Supervisory board:
Asen Milkov Christov, Country:Bulgaria – Chairman;
Dimitar Stoyanov Dimitrov, Country:Bulgaria – Deputy Chairman;
Radi Georgiev Georgiev, Country:Bulgaria – Member;
Kustaa Lauri Ayma, Country:Finland – Independent Member;
Ivaylo Krasimirov Angarski – Independent Member;
Louis Gabriel Roman, Country:USA – Independent Member.

Mandate until 09.05.2022.
The Supervisory Board performs its functions until the General Meeting of Shareholders.

Management board:
Kiril Ivanov Boshov, Country:Bulgaria - Chairman, Executive Member;
Asen Mintchev Mintchev, Country:Bulgaria – Executive Member;
Velislav Milkov Hristov, Country:Bulgaria – Member;
Assen Emanouilov Assenov, Country:Bulgaria – Member;
Razvan Stefan Lefter, Country:Romania – Member.

Mandate until 14.08.2022.

As of 31.3.2022 the Company is represented and managed by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Gencheva - Procurator, only jointly by the two executive directors or by one executive director and procurator.

The Audit Committee supports the work of the Management board and plays the role of those charged with governance who monitor and supervise the Parent Company's internal control, risk management and financial reporting system.

As of 31.3.2022, the Audit Committee of the Parent Company comprises the following members:
Ivan Georgiev Mankov, Country:Bulgaria – Chairman;
Dimitar Stoyanov Dimitrov, Country:Bulgaria – Member;
Rositsa Mihaylova Pencheva, Country:Bulgaria – Member.

1.1 Scope of Activities

The scope of activities of the parent company is as follows: acquisition, management, assessment and sales of participations in Bulgarian and foreign companies, acquisition, management and sales of bonds, acquisition, assessment and sales of patents, granting patent use licenses to companies in which the parent company participates, funding companies, in which the Parent company participates.

1.2 Structure of the economic group

The investment portfolio of Eurohold Bulgaria AD comprises three economic sectors: insurance, finance and automobile. The insurance sector has the biggest share in the holding's portfolio, and the automobile sector is the newest line.

Companies involved in the consolidation and percentage of participation in equity

Insurance Sector

Company	% of participation in the share capital 31.3.2022	% of participation in the share capital 31.12.2021
Euroins Insurance Group AD (EIG AD) *	**90.10%**	**90.10%**
Indirect participation through EIG AD:		
Insurance Company Euroins AD, Bulgaria	98.63%	98.63%
Euroins Romania Asigurare-Reasigurare S.A., Romania	98.54%	98.54%
Euroins Osiguruvanje AD, North Macedonia	93.36%	93.36%
Insurance Company Euroins Life EAD, Bulgaria	100.00%	100.00%
Insurance Company EIG Re AD, Bulgaria	100.00%	100.00%
Euroins Ukraine PrAT, Ukraine	92.62%	92.62%
Euroins Ukraine PrAT, Ukraine through European Travel Insurance PrAT, Ukraine	5.74%	5.74%
Euroins Claims I.K.E., Greece	100.00%	100.00%
Insurance Company Euroins Georgia JCS, Georgia	50.04%	50.04%
European Travel Insurance PrAT, Ukraine	99.99%	99.99%
CJSC Insurance company Euroins, Belarus *(former CJSC IC ERGO)*	100.00%	100.00%

*direct participation

Automobile Sector

Company	% of participation in the share capital 31.12.2022	% of participation in the share capital 31.12.2021
Avto Union AD (AU AD)*	**99.99%**	**99.99%**
Indirect participation through AU AD:		
Avto Union Service EOOD, Bulgaria	100.00%	100.00%
Daru Car AD, Bulgaria**	100.00%	100.00%
Auto Italy EAD, Bulgaria	100.00%	100.00%
Bulvaria EOOD, Bulgaria *(former Bulvaria Varna EOOD)*	100.00%	100.00%
Bulvaria Sofia EAD, Bulgaria	100.00%	100.00%
Star Motors EOOD, Bulgaria**	100.00%	100.00%
Star Motors DOOEL, North Macedonia through Star Motors EOOD**	100.00%	100.00%
Star Motors SH.P.K., Kosovo through Star Motors DOOEL**	100.00%	100.00%
Motohub EOOD, Bulgaria	100.00%	100.00%
Motobul EAD, Bulgaria	100.00%	100.00%
Benzin Finance EAD, Bulgaria	100.00%	100.00%
Bopar Pro S.R.L., Romania through Motobul EAD	99.00%	99.00%
China Motor Company AD, Bulgaria	80%	80%
N Auto Sofia EAD, Bulgaria – until 2.8.2021	-	-
Espace Auto OOD, Bulgaria through N Auto Sofia EAD – until 2.8.2021	-	-

EA Properties EOOD, Bulgaria through N Auto Sofia EAD – until 2.8.2021	-	-

*direct participation ** Investments classified as non-current assets held for sale.

On 2nd August 2021, Auto Union AD, which consolidates the investments of Eurohold Bulgaria AD in the automotive sector, finalized the sale of N Auto Sofia EAD, a major dealer of Nissan, together with its subsidiaries Espas Auto OOD and EA Properties OOD.
Auto Sofia EAD controlled 51% of the capital of Espas Auto OOD, a distributor of Renault and Dacia cars, and 51% of EA Properties OOD, which owns the terrain and showroom of Nissan, Renault and Dacia in Sofia.

On 16 November 2021, Auto Union AD, in its capacity as sole owner of the capital of Star Motors EOOD, signed a preliminary contract for its sale. Star Motors EOOD is the official importer of Mazda cars for Bulgaria, and through its subsidiary Star Motors DOOEL for the Republic of Northern Macedonia. The deal was finalized on 11 May 2022 with the signing of a final contract. The new owner was entered in the Commercial Register on 17.5.2022.

On 17 March 2022, Auto Union AD, in its capacity as sole owner of the capital, signed a preliminary contract for the sale of its subsidiary Daru Car EAD. The company is an official BMW service. The deal is currently being approved by regulators.

Finance Sector

Company	% of participation in the share capital 31.3.2022	% of participation in the share capital 31.12.2021
Euro-Finance AD, Bulgaria*	**99.99%**	**99.99%**

*direct participation

Company	% of participation in the share capital 31.3.2022	% of participation in the share capital 31.12.2021
Eurolease Group EAD*	**90.01%**	**90.01%**
Indirect participation through Eurolease Group EAD:		
Eurolease Auto EAD, Bulgaria	100.00%	100.00%
Eurolease Auto Romania AD, Romania	77.98%	77.98%
Eurolease Auto Romania AD through Euroins Romania Asigurare-Reasigurare S.A., Romania	20.45%	20.45%
Eurolease Auto DOOEL, North Macedonia	100.00%	100.00%
Eurolease Rent A Car EOOD, Bulgaria	100.00%	100.00%
FINACITY EAD, Bulgaria (previous Amigo Leasing EAD)	100.00%	100.00%
Autoplaza EAD, Bulgaria	100.00%	100.00%
Sofia Motors EOOD, Bulgaria	100.00%	100.00%
Amigo Finance EOOD, Bulgaria (previous Mogo Bulgaria EOOD), Acquisition date: 1.12.2021	100.00%	100.00%

*direct participation

On 14 March 2022, Eurolease Group AD, in its capacity of sole owner of the capital, Eurolease Rent Car EOOD signed a preliminary contract for its sale. The deal is currently being approved by regulators.

Energy sector

Company	% of participation in the share capital 31.3.2022	% of participation in the share capital 31.12.2021
***Eastern European Electric Company II B.V., The Netherlands**	**100.00%**	**100.00**
Indirect participation through Eastern European Electric Company II B.V:		
Eastern European Electric Company III B.V., The Netherlands, owned by Eastern European Electric Company II B.V., The Netherlands	100.00%	100.00%
Eastern European Electric Company B.V. (EEEC B.V.), The Netherlands, owned by Eastern European Electric Company III B.V. III, The Netherlands	100.00%	100.00%
Electrodistribution Grid West AD and/or Electrorazpredelitelni mreji Zapad AD, Bulgaria (previous CEZ Distribution Bulgaria AD), owned by EEEC B.V., the Netherlands - Acquisition date: 27.07.2021	98.93%	88.19%
Electrohold ICT EAD, Bulgaria (previous CEZ Information and Communication Technologies AD) through Electrodistribution Grid West AD - Acquisition date: 27.07.2021	100.00%	100.00%
Electrohold Sales AD, Bulgaria (previous CEZ Electro Bulgaria AD) owned by EEEC B.V., the Netherlands - Acquisition date: 27.07.2021	96.92%	69.34%
Electrohold Bulgaria EOOD, Bulgaria (previous CEZ Bulgaria EOOD) owned by EEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Electrohold Trade EAD, Bulgaria (previous CEZ Trade Bulgaria EAD) owned by EEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Free Energy Project Oreshets EOOD, Bulgaria, owned by EEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Bara Group EOOD, Bulgaria, owned by EEEC B.V., the Netherlands – Acquisition date: 27.07.2021	100.00%	100.00%

*direct participation

On 24.02.2022. The Management Board of Eurohold Bulgaria AD resolves to establish the company Daru Invest EAD with a capital of BGN 11 740 000 distributed in 11 740 000 available, registered, non-privileged voting shares with a nominal and issue value of BGN 1 each.
On March 22, 2022, an agreement was signed for the sale of shares of Daru Invest EAD, which finalized the sale of 100% of the capital of Daru Invest EAD. The partial settlement of the financial relations under the contract was made by acquiring 5,000 own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each. The final settlement of the financial relations under the transaction will be made by transferring the ownership of another 1 000 own bonds with ISIN BG2100002224, with a nominal value of EUR 1 000 each, by 30 June 2022.

2. SUMMARY OF THE GROUP'S ACCOUNTING POLICY

2.1. Basis for Preparation of the Interim Consolidated Financial Statement

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

In preparing these interim consolidated financial statements, the same accounting policies, accounting techniques and calculation methods and basic assumptions have been applied as in the last consolidated annual financial statements for 2021.

The interim condensed consolidated financial statements for the period ending 31 March 2022 should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2021, prepared in accordance with all International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS adopted by the EU). For the purposes of paragraph 1 (8) of the Supplementary Provisions of the Accounting Act applicable in Bulgaria, the term "IFRS adopted by the EU" means International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and the Council.

The consolidated financial statements have been prepared in accordance with the going concern assumption.

Eurohold Bulgaria as a holding company does not carry out regular commercial activity.

ACCOUNTING POLICY

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated financial statements have been prepared in accordance with the principles for measuring the individual types of assets, liabilities, income and expenses, in accordance with IFRS. The measurement bases are disclosed in detail further in the accounting policy to the interim consolidated financial statements.

It should be noted that accounting estimates and assumptions have been used in preparing the consolidated financial statements. Although they are based on information provided to management at the date of preparation of the consolidated financial statements, the actual results may differ from the estimates and assumptions made.

2.2. Comparative data

The interim condensed consolidated financial statements have been presented in accordance with IAS 1 “Presentation of Financial Statements”. The Group agreed to present the consolidated statement of profit or loss and other comprehensive income in a single statement.

The consolidated statement of financial position presents two comparative periods when the Group:
a) apply accounting policies retrospectively;
b) retrospectively recalculates items in the consolidated financial statements; or
c) reclassifies items in the consolidated financial statements.
and this has a material effect on the information in the consolidated statement of financial position at the beginning of the prior period.

2.3. Consolidation

The interim condensed consolidated financial statements include an interim condensed consolidated statement of financial position, an interim condensed consolidated statement of profit or loss and other comprehensive income, an interim condensed consolidated cash flow statement and an interim condensed consolidated statement of changes in equity as of 31.3.2022. These statements include the Parent Company and all subsidiaries. A subsidiary is consolidated by the Parent Company by holding, directly or indirectly, more than 50% of the voting shares of the capital or by the ability to manage its financial and operating policies in order to obtain economic benefits from its activities.

The full consolidation method is applied. Reports are aggregated in order, with items such as assets, liabilities, property, income and expense aggregated. All domestic transactions and balances between the companies in the group are eliminated. There is an elimination of opposing elements: capital, financial, commercial, reputation calculation at the date of acquisition.

The non-controlling interest in the net assets of the subsidiaries is determined by the shareholder structure of the subsidiaries at the date of the consolidated statement of financial position.

For business combinations covering enterprises or businesses under common control, the Group has opted to apply the purchase method in accordance with IFRS 3 Business Combinations. The Group has made an accounting policy choice regarding these transactions as they are currently outside the scope of IFRS 3 and do not contain guidance for them in existing IFRSs. According to IAS 8, in the absence of a standard or explanation that is specifically applicable to an operation, other events or conditions, management uses its own judgment to develop and apply accounting policies.

Principles of consolidation

Business combinations are reported as accounting using the purchase method. This method requires the acquirer to recognise separately from goodwill the acquired identifiable assets, liabilities assumed and participation which does not constitute control in the acquiree. Expenses not directly related to the acquisition relate to profit or loss for the period.

The identifiable assets acquired and the liabilities assumed and contingent liabilities in a business combination are measured at fair value at the acquisition date regardless of the extent of the non-controlling interest. The Group has the ability to measure participations that do not represent control of the acquiree either at fair value or as a pro rata share in the identifiable net assets of the acquiree.

The excess of the acquisition cost over the acquirer's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognized as goodwill. If the cost of acquisition is lower than the investor's interest in the fair values of the net assets of the company, the difference is recognized directly in the consolidated statement of profit or loss and other comprehensive income for the period.

Self-recognized goodwill on the acquisition of subsidiaries is tested for impairment at least annually. Impairment losses on goodwill are not reversed. Gains or losses on disposal (disposal) of a subsidiary of the Group also includes the carrying amount of the goodwill, the deductible for the (released) company.

Each recognized goodwill is identified as belonging to an object generating cash proceeds when a business combination is realized, and this object is applied when carrying out the impairment tests. In determining the cash-generating entities, the entities that were expected to benefit from future business combinations in the business combination and for which the goodwill itself arose.

Transactions with non-controlling interest

Non-controlling operations are treated by the Group as transactions with entities owning the equity instrument of the Group. The effects of the sale of units of the Parent Company without loss of control to non-controlling interests are not treated as components of the Group's current profit or loss but as movements in the components of its equity. Conversely, in the case of purchases by the Parent Company of non-controlling interests of any non-controlling interests, any difference between the amount paid and the corresponding share of the net book value of the subsidiary's net assets is recognized directly in the consolidated statement of changes in equity, usually to the "unallocated profit / (uncovered loss)" line.

When the Group ceases to have control and significant influence, any remaining minority investment as a share in the capital of the company concerned is remeasured at fair value, the difference to carrying amount being recognized in current profit or loss, respectively all amounts previously recognized in other components of comprehensive income are accounted for, as in the case of a direct exemption operation, of all those associated with the initial investment (in the subsidiary or associate).

2.4. Functional and reporting currency

Transactions in foreign currency are reported in the functional currency of the respective company by the Group at the official exchange rate as of the date of the transaction (announced fixing of the Bulgarian National Bank). Foreign exchange gains and losses arising from the settlement of these transactions and the revaluation of foreign currency positions at the end of the reporting period are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions (not revalued). Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate at the date that the fair value was determined.

The functional currency of the individual companies of the Group has not changed during the reporting period.

In the consolidated financial statements, all assets and liabilities are translated into Bulgarian levs at the closing rate as of the date of the consolidated financial statements. Income and expenses are translated into the presentation currency of the Group at the average exchange rate for the reporting period. Foreign exchange differences lead to an increase or decrease in other comprehensive income and are recognized in the allowance for translation into equity. In case of disposal of a net investment in a foreign operation, the accumulated foreign exchange differences from restatements recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on the sale. Goodwill and adjustments related to the determination of fair values at the acquisition date are treated as assets and liabilities of the foreign enterprise and are translated into BGN at the closing rate.

2.5. Accounting assumptions and approximate accounting estimates

The presentation of the interim condensed consolidated financial statements in accordance with International Financial Reporting Standards requires the Group's management to make the best estimates, accruals and reasonable assumptions that affect the reported values of assets and liabilities, income and expenses, and the disclosure of contingent receivables and payables at the reporting date. These estimates, accruals and assumptions are based on information available at the date of the consolidated interim financial statements, so future actual results could differ (as in a financial crisis, the uncertainties are more significant).

Significant judgments

Deferred tax assets
Tax loss
The assessment of the probability of future taxable income for the use of deferred tax assets is based on the last approved estimate, adjusted for significant non-taxable income and expense, and specific restrictions on the transfer of unused tax losses or loans. If a reliable estimate of taxable income implies the probable use of a deferred tax asset, particularly in cases where the asset can be used without a time limit, the deferred tax asset is recognized as a whole. Recognition of deferred tax assets that are subject to certain legal or economic constraints or uncertainties is judged by the management on a case-by-case basis based on the specific facts and circumstances.

Revenue from contracts with customers
When recognizing revenue under contracts with customers, the management makes various judgments, estimates and assumptions that affect the reported revenue, expense, assets and liabilities under contracts.

2.6. Uncertainty of accounting estimates

In preparing the consolidated financial statements, management makes a number of assumptions, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Actual results may differ from management's assumptions, estimates and assumptions and, in rare cases, are consistent with previously estimated results.

Information about the significant assumptions, estimates and assumptions that have the most significant impact on the recognition and measurement of assets, liabilities, income and expenses is presented below.

Evaluation of the pending payment reserve

The Reserve for Outstanding Payments includes RBNS claims as at the date of the consolidated financial statements as well as unrecognized claims (IBNR).

Liabilities on claimed but unpaid claims are individually assessed for each claim based on the best estimate of expected cash outflows for them.

The assessment of the liabilities for the IBNR is based on the assumption that the Group's experience in the development of claims from past years can be used to predict the future development of claims and their ultimate obligations. The development of claims is analyzed by year of the event. Additional qualitative judgment is made to assess the extent to which past trends may not be applicable in the future.

The nature of the business makes it difficult to accurately determine the likely outcome of particular damage and the overall amount of damage sustained. Any damage claimed is individually reviewed due to the circumstances, the information provided by damage experts and the historical data on the amount of such damage. Estimates of damage are reviewed and updated regularly with new information available. Reserves are based on the current available information.

The final amount of liabilities, however, may differ as a result of subsequent events and catastrophic cases. The impact of many circumstances that determine the final cost of settling the damage is difficult to predict. Difficulties in assessing reserves vary from one business class to another, depending on the insurance contracts, the complexity, the volume and the significance of the damage, the date of occurrence of the damage and the delay in making the claim.

The reserve for incurred but unproven damages is calculated based on statistical and actuarial methods. The key method used or a combination of methods depends on the business class and the observed historical level of the loss ratio. The biggest share in this reserve is Motor Third Party Liability (civil liability of a motor vehicle).

The actuarial approach with regards to reserving is in line with commonly accepted actuarial practices and targets a unified approach to assessing the reserve for incurred and not reported claims for Motor Third Party Liability (MTPL) in all companies in the Group. The methodology applies the chain ladder method, which is based on the aggregated amount of paid claims for a period of not less than 3 years. The amount of the provision for claims incurred but not claimed is calculated based on the expected final loss taking into account the expectations for the development of the claims during the respective year of occurrence.

Claims on recourse claims

Claims on recourse claims by insurance companies and other individuals (physically and legally) are recognized as an asset and income when recourse is made to the extent that future economic benefits to the Group are expected. Receivables are reviewed on an individual basis on recognition and subsequently on any impairment indications.
The Group has the practice of settling claims on regressions from insurance companies by offsetting its claims on recourse claims.

Share of reinsurers in technical provisions

The insurance companies of the Group are a party to quota reinsurance contracts that provide for the transfer of a share in the existing technical reserves upon the entry into force of the contract. IFRS does not provide specific reporting requirements for such contracts. Due to the specific nature of this type of contract, the Group has made an analysis of the degree of risk transfer to the reinsurer and the results show that there is such a transfer, contracts meet the objective criteria for reinsurance. For the analysis, a commonly agreed stochastic model was used and the accepted reinsurer risk limit of 1%.

The Group has adopted an accounting policy for accounting for reinsurance contracts that at the date of entry into force of the contract, the Group recognizes the reinsurers share of the technical provisions as an asset and the corresponding change in the reinsurer's share of the technical provisions in the consolidated statement of profit or loss and other comprehensive income; other comprehensive income and the liabilities to reinsurers under these contracts are recorded in the subsequent periods of the contracts.

During the effective time of contracts in the subsequent periods, the Group will cede to the reinsurers the respective percentage of its premiums and claims for Motor third party liability insurance. When the reinsurance contracts expire or are terminated the reinsurers' share in the technical reserves will be released or transferred to other reinsurers. The terms of these contracts are indefinite and, by their nature, the contracts are with an indefinite period of validity. Due to the contingencies related to the future development of contracts and the cash flows the Group's management considers that the adopted accounting policy is appropriate.

Inventories - Impairment
At the end of the reporting period, the management reviews the available inventories - materials, commodities to determine whether there are those with a net realizable value below their carrying amount. In determining net realizable value, management takes into account the most reliable information available at the date of the estimate.

Impairment of property, plant and equipment
In accordance with IAS 36, at the end of the reporting period, an estimate is made as to whether there is any indication that the value of an asset in property, plant and equipment is impaired. In the case of such indications, the recoverable amount of the asset is calculated and the impairment loss is determined.

Actuarial assessments
In determining the present value of long-term employee retirement liabilities, calculations of certified actuaries based on mortality assumptions, staff turnover rates, future salary levels, and discount factors have been used, which assumptions have been judged by management to be reasonable and relevant for the Group.

Impairment of goodwill
The Group performs an impairment test of goodwill at least once a year. The recoverable amounts of the units that generate cash are determined based on the value in use or the fair value, net of the cost of the sale. These calculations require the use of estimates.

Impairment of loans and receivables and net investment in finance leases

- **Net investment in finance leases**

In determining the impairment of finance lease receivables, the Group is based on a three-tier approach that seeks to reflect the deterioration in the credit quality of the financial instrument. At each reporting date after the initial recognition, the Group assesses to what extent the financial asset that is the subject of the impairment test is at which stage. The stage defines the relevant impairment requirements. The Group uses a 5-point credit rating system for each transaction, with the criteria of the system being used to consider both the leased asset, transaction parameters (initial installment, term, residual value) and the financial status of the individual client.

- **Cash and cash equivalents**

The Group categorizes the banks in which it holds cash on the basis of their rating agencies (Moody's, Fitch, S & P, BCRA) and, depending on it, apply a different percentage for the expected credit losses for 12 months.

- **Loans receivables**

The Group has loan receivables that are categorized depending on whether the borrower has a rating, and whether or not the receivables from such loans are overdue.

- **Litigation and claims**

The Group's court and assignment receivables are categorized in Group 3, respectively as such, they are individually reviewed by the management and each such receivable is assigned an individual impairment.

Fair value of financial instruments

The management uses techniques to measure the fair value of financial instruments in the absence of quoted prices in an active market. Details of the assumptions used are presented in the notes on financial assets and liabilities. In applying valuation techniques, management uses the market data and assumptions that market participants would use when evaluating a financial instrument. When no applicable market data is available, management uses its best estimate of the assumptions that market participants would make. These estimates may differ from the actual prices that would have been determined in a fair market transaction between informed and willing parties at the end of the reporting period.

2.7. Revenue

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the client in an amount that reflects the remuneration the Group expects to be entitled to in exchange for those goods or services.

The Group recognizes revenue when (or is) satisfied the obligation to perform, under the terms of the contract, by transferring the promised product or service to the client. An asset (product or service) is transferred when (or as) a customer has control over that asset.

Clients' contracts typically include a single performance obligation:
- Sales of cars (spare parts);
- Car Services.

Sales are made under contracts with clients. Sales contracts with customers meet the criteria set out in IFRS 15. Typically, the Group expects to collect the remuneration for contracts with clients.

The following table provides information on the Group's accounting policy for recognition of revenue and time to satisfy obligations for the execution of contracts with clients under IFRS 15 and IAS 18.

Type of product / service	**Nature and timing of the fulfillment of performance obligations, including essential payment arrangements**	**Recognition of income under IFRS 15**
Car sales	Performance obligations satisfied at a certain point. Customers receive control when: 1 / the client has a legal right of ownership; 2 / The Group has transferred the physical possession of the asset; 3 / the client carries significant risks and benefits from the asset; 4 / The Group has an existing payment entitlement. The asset is derecognised at the time the control is transferred to the sold asset. Invoices are payable within 30-40 days.	Revenue from the sale of vehicles is recognized by the liability method at a specified time, in accordance with IFRS 15, when the control of the vehicle is transferred to the customer. This is usually done by passing the vehicles and the physical knowledge of them to the customer and the buyer has accepted the goods in accordance with the sales contract. The transaction price can be defined as a market price, reduced by discounts (net of taxes), which may include fixed remuneration and variable remuneration. The allocation of the transaction price to the performance obligations is based on unit sales prices (market).

Type of product / service	Nature and timing of the fulfillment of performance obligations, including essential payment arrangements	Recognition of income under IFRS 15
Revenue from sales of short-term assets (spare parts and accessories)	Delivery occurs when the assets have been shipped to the customer, the risks of potential losses have been passed on to the buyer and / or he has taken the assets in accordance with the sales contract. The usual payment term is up to 30 days after delivery.	Revenues from sales of short-term assets are recognized when the control of the assets sold is transferred. Delivery occurs when the assets have been shipped to the client, the risks of potential losses are passed on to the buyer and either he has accepted the assets in accordance with the sale contract.
Revenue from services	The control is transferred when the service is performed. Receipt is due immediately.	Revenue from services is recognized using the liability method over time. If, at the end of the reporting period, the service contract is not fully realized, revenue is recognized on the basis of the actual service provided by the end of the reporting period as a proportion of the total services to be provided as the client receives and consumes the benefits simultaneously. This is determined on the basis of actual time spent or reported time for work, in relation to the total expected time of service.
Extended warranties	Separate obligation to implement. They are deferred if the Group is the principal of the extended guarantees. It is analyzed whether the Group is a principal or an agent.	The Group has found that, when selling extended warranties, the Group companies providing extended guarantees have the role of agent and the way of reporting extended guarantees changed. The Group considers that all sales of extended warranties and repairs should be accounted for at the expense of the manufacturer or the insurance company Car-Guarantee Vesrsiherung AG (whichever is the principal).

IFRS 15 does not have a material effect on the Group's accounting policies with respect to the other types of income it recognizes.

The transaction price is the amount of consideration the Group expects to be entitled to in exchange for the customer's transfer of the promised goods or services, except for amounts collected on behalf of third parties (eg value added tax). The consideration promised in the contract with the client may include fixed amounts, variable amounts, or both.

The Group examines whether there are other promises in client contracts that are separate performance obligations for which part of the transaction price should be allocated.

When determining the transaction price, the account is taken of the impact of variable remuneration, including price discounts, the existence of significant components of funding, non-monetary remuneration and remuneration payable to the client (if any).

In the contracts of the Group companies, there are discounts that the client receives at the sale and which are reported as a reduction of the total price. In accordance with the requirement of IFRS 15, all discounts are reported as a reduction in sales revenue, at the same time as recognizing the sale proceeds of the goods for which the respective discounts are due. The policy of recognition of due price discounts applied so far does not differ from the requirements of IFRS 15.

The Group has reviewed its accounting policies and has assessed the areas in which there are changes from the application of IFRS 15.

- **Free goods**

For a large number of contracts, the Group provides free of charge to its customers free of charge (in the form of accessories, tires, alarms, etc.).

The provision of additional goods (in the form of an alarm, tires or accessories) is a separate obligation to perform.

In accordance with IFRS 15, the Group recognizes these free goods as variable remuneration, thereby reducing the fixed price of the products on the price list if they are provided additionally and free of charge.

- **Sales with redemption capability**

Revenue is recognized when the vehicle is sold, but the estimate of the redemption option is deducted from revenue and recognized as deferred income, as well as a liability to the customer for redemption. Similarly, the estimate of the value of the vehicle to be returned is reduced by the cost of the sale and is also deferred.
The Group has determined that there are no contractual obligations during the period in connection with the repurchase option.

Approach for recognizing major types of revenue under customer contracts

Sales revenue is realized by the following:

- car sales;
- car leasing;
- services, repair services;
- sales of spare parts.

Car sales revenue

Revenue from the sale of vehicles is recognized by the method of meeting the obligations at a specific time in accordance with IFRS 15 when the control of the good is transferred to the customer.

This is usually the case with the passing of the cars and the physical knowledge to them by the customer and the buyer has accepted the goods in accordance with the sales contract.

For most contracts, there is a fixed unit price for each contract, taking into account the discounts provided to the client. The group is able to determine the distribution of the total contract price (delivery, order) for each site based on the scope of the goods / services under the contract that forms the performance obligations.

The distribution of the transaction price to the performance obligations is based on unit sales prices (contractual or market).

Services revenue

Services revenue are recognized in the period in which the services are provided. The group transfers control over the service over time and therefore satisfies the obligation to execute and recognizes revenue over time. If by the end of the reporting period, the service contract has not been fully implemented, revenue is recognized using the inputs method based on actual time spent on work, over the total expected service delivery time.

In cases where the services provided by the Group exceed the payment, an asset is recognized under the contract. If payments exceed the services provided, a liability under a contract is recognized.

Revenue from sales of current assets
Revenues from sales of short-term assets and material are recognized when the control of the assets sold is transferred. Delivery occurs when the assets have been shipped to the customer, the risks of potential losses are transferred to the buyer and/or he has accepted the assets in accordance with the sale contract.

Principal or agent
The Group is the principal when controlling the promised product or service before transferring it to the customer. The Group is an agent if the Group's obligation to perform is to arrange the delivery of the goods or services from a third party.

The signs that it is the principal includes:
- The Group has the primary responsibility for implementing the promise to provide a particular good or service;
- There is a risk to the Group's inventory before the specific good or service is transferred to the customer or after the transfer of the client's control;
- The Group has discretion in determining the price of the particular good or service.

The Group is the principal in the following transactions:

- Sales of cars;
- Sales of spare parts;
- Additional Services;
- Sales of oils.

The Group is an agent for the following transactions:

- Sales of extended guarantees;
- Sale of fuel with cards;
- Extended warranty repair services.

The Group has established that it is an agent in the sale of extended warranties and in the sale of fuels through cards. The Group accepts that all repairs carried out should be accounted for at the expense of the manufacturer/insurer party to the contracts for these guarantees.

Extended warranties
In the case of car sales, an extended warranty can be purchased, which can be purchased separately.

The extended guarantees are a separate performance obligation, which should be deferred if the Group is the principal. If the extended guarantees are issued by the manufacturer, the Group is an agent and should account for the revenue from these sales as an agent on a net basis.
The group has found to be an agent and has changed its way of reporting on extended guarantees.

Other revenues/income
Other income includes operations that are incidental to the Group's core activities and are income or income that are recognized under other standards and are outside the scope of IFRS 15.

The following table provides information about the material conditions and related policies for recognizing other earnings.

Income	**IFRS / IAS - Applicable to Recognition of Revenue (Income)**	**Recognition approach**
Net gain on the sale of property, plant and equipment and intangible assets	IAS 16 IAS 38	Gains or losses arising on the disposal of property, plant, equipment or intangible asset as a result of a sale are included in profit or loss when the asset is derecognised. The asset is derecognised at the time the control is transferred to the sold asset.
Rental income	IFRS 16	Lease income from operating leases is recognized as income on a straight-line basis over the lease term unless the Group's management considers that another systematic basis reflects the timing model in which the lessor's benefit is reduced leased asset.
Surplus assets and asset liquidation	Conceptual framework	Revenues from surplus assets are recognized when surpluses are established.
Income from insurance events	Conceptual framework	Revenue is recognized when the Group's right to receive the payment is established.
Income from penalties		Revenue is recognized when the Group's right to receive the payment is established.
Income from write-off of liabilities	IFRS 9	Revenue from write-offs is recognized when the liability expires or the creditor waives its rights.
Government Grants	IAS 20	Grants awarded by the State are recognized when there is reasonable assurance that they will be received and that all applicable conditions are met. Government grants are recognized in profit or loss on a systematic basis during the periods in which the Group recognizes as an expense the related costs that the grant is intended to offset.

Interest income
Interest income is accounted for using the effective interest method, which is the percentage that accurately discounts the expected future cash payments for the expected term of the financial instrument or for a shorter period, where appropriate, to the carrying amount of the financial asset. Interest income is included in the financial income in the consolidated statement of profit or loss and other comprehensive income.

Dividend income shall be recognized when the right to receive them is established. In the consolidated statement of profit or loss and other comprehensive income, the dividends declared for the financial year by the subsidiaries are recognized as internal estimates and eliminated and therefore do not participate in the formation of the financial result.

The financial revenue generated by Eurohold Group generated stems from:
- investment operations;
- positive differences from operations with financial instruments and currency exchange operations;
- fee and commission income;
- dividends;
- interest on loans granted.

2.8. Expenses

Expenses in the Group are recognized at the time they are incurred and based on the principles of accrual and comparability.
Administrative expenses are recognized as expenses incurred during the year that are related to the management and administration of the Group companies, including expenses related to administrative staff, management staff, office and other external services.
Financial costs include: costs arising from investment operations, negative financial operations and currency exchange rate differences, interest expense on bank and commercial loans and debt securities, and charges for fees and commissions.

Prepayments (deferred expenses) are deferred for recognition as current expense over the period in which the contracts to which they relate are met.

Other operating income and expenses include items of a minor nature in respect of the core business of the Group companies.

2.9. Interests

Interest income and expense are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest method. The effective interest rate is the one that accurately discounts the expected future cash payments and proceeds over the life of the financial asset or liability to the carrying amount of the asset or liability. The effective interest rate is determined at the initial recognition of the financial asset or liability and is not subsequently adjusted.

The calculation of the effective interest rate includes all commissions received or paid, transaction costs, as well as discounts or premiums that are an integral part of the effective interest rate.

Transaction costs are intrinsic costs directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the interim consolidated statement of profit or loss and other comprehensive income includes: Interest recognized on an effective interest rate basis on financial assets and liabilities measured at amortized cost.

Unprofitable financial income (interest) represents the difference between the gross and net investment in the lease, the gross investment in the lease being the amount of the minimum lease payments and the unguaranteed residual value accrued to the lessor. Interest income from lease transactions (financial income) is allocated over the term of the lease and is recognized on a constant periodic rate of return on the lessor's net investment.

2.10. Fees and commissions

Fees and commissions income and expense that are an integral part of the effective interest rate for a financial asset or liability are included in the calculation of the effective interest rate.

Other fee and commission income, including fees for logistics services, insurance and other intermediation, are recognized through the performance of the related services.
Other charges for fees and commissions related mainly to banking services are recognized on receipt of the related services.

2.11 Segment reporting

An operating segment is a component of the Group that engages in revenue-generating activities and costs, including income and expense, that relate to transactions with each other of the Group's other components.

For management purposes, the Group is organized into business units based on the products and services they provide and includes the following reportable segments:

Insurance:
- Insurance Services

Energy:
- Sales of electricity;
- Electricity transmission;
- Electricity generation;
- Information, communication, technological and other services.

Financial services:
- Lease services
- Investment intermediation

Car sales:
- Sale of new cars
- Auto services
- Car rental services

2.11.1. Insurance business

Recognition and measurement of insurance contracts

Non-life insurance premiums
Non-life insurance premiums are booked on an annual basis.
Gross gross premiums written for non-life insurance are the premiums under the direct insurance or co-insurance contracts that were concluded during the year, although the premiums may be wholly or partly related to a later accounting period. Premiums are reported gross of commissions paid by intermediaries. The portion of the insurance premiums written, including unexpired insurance contracts, is recognized as income. Subscribed insurance premiums are recognized at the date of the insurance contract. Premiums paid to reinsurers are recognized as an expense in accordance with reinsurance services received.

Health insurance premiums
Subscribed health insurance premiums are recognized as income on the basis of the annual premium payable by insured persons for the premium period beginning in the financial year or the one-time premium payable for the entire coverage period for annual health insurance contracts concluded during the financial year.

Gross written health insurance premiums are not recognized when future cash receipts are not certain. The recorded health insurance premiums are shown gross of commissions due to agents.

Life insurance premiums
Subscribed life insurance premiums are recognized as income on the basis of the annual premium payable by the insured persons for the premium period commencing in the financial year or the one-time premium payable over the entire policy coverage period concluded during the financial year.

Gross written premiums are not recognized when future cash receipts are uncertain. Subscribed premiums are shown gross of commissions due to agents.

Insurance reserves
Insurers maintain different types of insurance reserves with which they serve their obligations to customers and cover the costs associated with the benefits paid. Since premiums are paid in advance and insurance protection covers the entire duration of the insurance, reserves are created. On this way

the insurer has sufficient funds to recover the damages incurred during the insurance.
There are 2 main groups of reserves – general and technical.

The *total reserves* are those that insurers must form within the meaning of the Commercial Act.

The *technical provisions* group shall include:
- unearned premium reserve;
- reserve for upcoming payments – includes a reserve for claims arising but not claimed and a reserve for claims made but outstanding;
- reserve for unexped claims;
- other reserves - including mathematical reserve.

The unearned premium reserve
The unearned premium reserve consists of the portion of gross written insurance / health insurance premiums that is calculated to be earned in the next or further financial periods.

The unearned premium reserve includes accrued and recognized insurance premiums during the reporting period less the premiums written to reinsurers that are to be recognized in the next financial year or subsequent financial periods.

The reserve is calculated separately for each insurance / health insurance contract using a proportional daily basis method. The unearned premium reserve is calculated as net of commission to intermediaries, advertising and other acquisition costs.

Reserve for upcoming payments
The reserve for upcoming payments shall be formed to cover compensation and the related costs of incurred damages which have not been paid on the same date, whether or not they have been announced by the insurer. Includes:
- reserve for claims arising but not claimed;
- reserve for claims made but outstanding.

Their amount shall be determined by a responsible actuary authorised by the Financial Supervision Commission on the basis of statistical methods based on historical data for a sufficiently long period to cover the full cycle of their development. The valuation is individual for each claim based on the expected amount of future payments.

Reserve for unexpired risks
The reserve is formed to cover risks for the time between the end of the reporting period and the expiry date of the relevant insurance / health insurance contract in order to cover the payments and expenses expected to exceed the prepaid reserve.

Other technical reserves - including reserves outside the above groups - such as mathematical reserve - are formed to meet future long-term insurance payments.

Compensations arising from general insurance and health insurance and pending damages
Compensations incurred in respect of non-life insurance and health insurance include benefits and processing costs payable during the financial year together with the amendment to the pending loss reserve.

In the opinion of management, the gross prudential reserve and the relevant share of the reinsurers' reserves are fairly presented on the basis of the information available to them at the date of the consolidated financial statements, the final obligation will change as a result of subsequent information and events and may require material adjustment of the amount initially charged. Corrections to the pending loss reserve established in previous years are recognized in the consolidated financial statements for the period in which the adjustments are made and disclosed separately if they are material. The methods to be used and the estimates to be made when calculating the reserve are reviewed on a regular basis.

Reinsurance
In its normal course of business, the insurance companies in the Group assign a risk to reinsurers in order to reduce their potential net losses through risk diversification.

Reinsurance does not cancel the direct liability of the company concerned to the insured.

Reinsurance assets include the balances due from reinsurance companies for ceded insurance liabilities. Recovery values from reinsurers are valued in a similar way as for outstanding claims reserves or terminated claims related to reinsured policies.

Premiums and losses relating to these reinsurance contracts are treated as income and expense in the same way as would be considered if reinsurance was a direct business, taking into account the classification of reinsurance business products.

Coupled (or accepted) premiums and reimbursed benefits (or paid damages) are reported in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position as gross amounts.
Contracts where substantial insurance risk is transferred are accounted for as insurance contracts. Recoverable amounts are recognized in the same year as the corresponding loss.

Premiums on long-term reinsurance contracts are accounted for in parallel with the period of validity of related insurance policies, using similar assumptions as those for accounting for the relevant policies.

The recoverable amount of receivables under reinsurance contracts is reviewed for impairment at each date of the consolidated statement of financial position. Such assets are valued if objective evidence exists as a result of an event occurring after its initial recognition.

Deferred acquisition costs
Deferred acquisition costs represent the amount of the acquisition cost deducted in the calculation of the carry-over provision reserve. They are defined as the portion of the acquisition cost under the end-of-period contracts as a percentage of the insurance technical plan and relating to the time between the end of the reporting period and the expiry date of the insurance / health insurance contract. Current acquisition costs are recognized as an expense during the reporting period.

Acquisition costs
Costs of commissions include accrued commissions to intermediaries, costs of participating in the result that are charged to the insured / health insured persons at a low loss rate. Indirect acquisition costs include advertising costs and costs arising from the conclusion or renewal of insurance / health insurance contracts.

2.11.2. Leasing activity

Leasing activity – The Group as lessor

The lessor classifies each of its leases as an operating or finance lease. Lessors classify leases according to the extent to which the risks and rewards of ownership of the underlying asset are transferred under the lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the underlying asset, and as an operating lease if it does not substantially transfer all the risks and rewards of ownership of the underlying asset. assets. Risks include potential losses from unused capacity or technological aging, as well as from fluctuations in returns due to changing economic conditions. The benefits can be represented by the expected profitable exploitation over the economic life of the underlying asset and the expected profit from the increase in value or realization of the residual value.

Whether a lease is a finance lease or an operating lease depends on the nature of the transaction, not the form of the lease.

The classification of the lease agreement is made on the date of entry and is revised Changes in valuations or changes in circumstances do not warrant a new classification of the lease for accounting purposes.

2.11.2.1 Financial leasing

Recognition and assessment
At the commencement date, the lessor recognizes the assets held under a finance lease in its statement of financial position and presents them as a claim equal to the net investment in the lease. The net investment in the lease is the sum of the following items, discounted by the interest rate set in the lease:

a) lease payments received from the lessor under a finance lease; and
b) any unsecured residual value accrued to the lessor.

The initial direct costs, other than those incurred by the lessor, are included in the initial estimate of the net investment in the lease and reduce the amount of recognised income over the the entire term of the lease agreement.

The commencement of the lease agreement is the date from which the lessee may exercise the right to use the leased asset. This is also the date on which the Group initially recognises the claim on the lease.

The underlying asset is derecognised and any difference is recognised immediately in the statement of comprehensive income as a gain/loss on the sale of the asset.

Subsequent valuation
The lessor reduces the net investment in the lease for payments received. It deducts lease payments during the reporting period from the gross investment in the lease to reduce both principal and unrealized finance income. Variable lease payments that are not included in the measurement of the net investment in the lease are recognised in the income statement and other comprehensive income when received.

Derecognition and impairment
The lessor applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

Amendments to the lease agreement
The lessor shall report the amendment to a finance lease as a separate lease if:

a) the amendment increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the remuneration under the leasing contract is increased by an amount commensurate with the independent price for the increase in the scope and possible adjustments of this price to reflect the circumstances of the specific contract.

An amendment to a finance lease that is not accounted for as a separate lease is accounted for by the lessor as follows:

a) for a contract that would have been classified as an operating lease if the amendment was effective on the date of introduction, the lessor:
    i) accounts for the amendment to the lease as a new lease from the effective date of the amendment; and
    ii) measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the amendment to the lease;
b) Otherwise, the lessee applies the requirements of IFRS 9.

Receivables on financial lease
The leasing activity of the Group involves rent of vehicles, industrial equipment, real estate and others, mainly on finance lease agreements.

The finance lease agreement is an agreement under which the lessor gives to the lessee the right of use of a particular asset for an agreed term against reward. Lease agreement is recorded as finance when the contract transfers to the lessee all substantial risks and benefits associated with the ownership of the asset.

Typical indicators considered by the Group for determining if all significant risks and benefits have been transferred include: the present value of minimal lease payments compared to the fair value of the leased asset at the beginning of the leasing agreement; the term of the leasing agreement in comparison with the economic life of the leased asset; as well as whether the lessee will acquire the right of ownership over the leased asset at the end of the financial lease agreement. All other leasing agreements, which do not transfer substantially all risks and benefits of ownership of the asset, are classified as operating leases.

Minimum Lease Payments
Minimum lease payments are the payments that the lessee will or may be required to make during the term of the leasing contract. From the Group's point of view, minimum lease payments also include the residual value of the asset guaranteed by a third party, not related to the Group, provided that such party is financially able to fulfill its commitments to the guarantee or to the contract for redemption. In the minimum lease payments, the Group also includes the cost of exercising possible option, which the lessee has for the purchase of the asset, and at the beginning of the lease agreement it is to a large extent certain that the option will be exercised. Minimum lease payments do not include conditional rents, as well as costs of services and taxes to be paid by the Group and subsequently re-invoiced to the lessee.

Beginning of the lease agreement and beginning of the term of the lease agreement
A distinction is made between the beginning of the lease agreement and the beginning of the term of the lease agreement. Beginning of the lease agreement is the earlier of the two dates – of the lease agreement or of the commitment of the parties to the main conditions of the lease agreement.
As at this date: the lease agreement is classified as a financial lease agreement or an operating lease agreement; and in the case of finance lease the amounts to be recognised at the beginning of the term of the lease agreement are determined. The commencement of the lease agreement is the date from which the lessee may exercise the right to use the leased asset. This is also the date on which the Group initially recognises the claim on the lease.

Initial and Subsequent Evaluation
Initially, the Group recognizes a receivable on financial lease equal to its net investment, including present value of minimal lease payments and each residual value of the Group that is not secured. The current value is calculated by discounting minimum lease payments due by the inherent to the lease agreement interest rate. Initial direct costs are included in the calculation of the claim under financial lease. During the term of the lease agreement the Group accrues financial income (income from interest on financial lease) on the net investment. Received lease payments are treated as a reduction of net investment (repayment of principal) and recognition of financial income in a manner to ensure a constant rate of return on the net investment. Consequently, the net investment in finance lease agreements is presented net, after deduction of individual and portfolio provisions for uncollectability.

2.11.2.2. Operating leasing

Recognition and assessment
The lessor recognizes lease payments under operating leases as revenue on a straight-line basis or on a systematic basis. The lessor applies another systematic basis where that basis more accurately reflects the way in which the benefit of using the underlying asset is diminished.
The lessor adds the initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes it as an expense over the lease term on the same basis as the lease income. The underlying asset subject to operating leases is amortized with the lessor's usual amortization policy for such assets. The depreciation of such an asset is recognised as an expense on the lease term on the same basis as the lease income.

Amendments to the lease agreement
The lessor considers the change in an operating lease as a new lease from the effective date of the amendment, taking into account any advance payments or accrued leases related to the original lease as part of the lease payments for the new lease.

Presentation
The lessor presents in its statement of financial position the underlying assets subject to operating leases in accordance with their nature.

Impairment losses on financial leasing receivables
Finance lease receivables presented in the balance sheet as a net investment in finance leases are reviewed for impairment based on the Company's policy. The amounts for impairment losses on lease receivables that the Company allocates for specific exposures are calculated based on the most reliable estimate of the Management for the present value of the expected cash flows. In estimating these cash flows, management makes assumptions about the debtor's financial condition and the net realizable value of available collateral. Each impaired financial asset is considered for its content, after which the Management of the Company approves the assessment of the collection of cash flows from the financial asset.

2.11.3. Financial intermediation activity

Financial Intermediation is related to transactions with financial instruments. They are classified as financial assets as part of an investment portfolio or as part of a trading portfolio.

Financial assets are initially measured at fair value, adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not have a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs that are reported as current expenses.

Financial assets at fair value through profit or loss

Financial assets for which a business model "held for contractual cash flows" or a business model "held for collection and sale" is not applicable, as well as financial assets whose contractual cash flows are not only principal and interest payments are reported at fair value through profit or loss. All derivative financial instruments are reported in this category except for those that are designated and effective as hedging instruments and for which hedge accounting requirements apply.

Changes in the fair value of assets in this category are reflected in profit or loss. The fair value of financial assets in this category is determined using either quoted market prices or using valuation techniques in the absence of an active market.This category classifies the securities from the trading portfolio and the equity instruments of the investment portfolio of the firm.

According to the Risk Management Rules of the investment intermediary, subsequent valuation of financial instruments from the trading book is made on a daily basis, at easily accessible closing prices from an independent source such as stock prices or prices from market information systems, quotes from independent brokers with good reputation. In the market valuation, the more conservative of the Buy and Sell rates is used unless the investment intermediary is significant to the market participant for the respective financial instrument and can close its position at an average market price.

When market valuation is not possible, the company uses a model to evaluate its positions and portfolios.

A subsequent valuation of its assets in the trading book under the following procedures:

/1/ For Bulgarian and foreign shares and rights admitted to trading on a regulated securities market in the Republic of Bulgaria as well as Bulgarian shares and rights admitted for trading on a regulated market in Member States:

a/ at the last price of a transaction concluded with them, announced in the stock exchange bulletin, if the volume of the transactions concluded with them for the day is not less than 0.02 per cent of the volume of the respective issue or reaches the estimated volume.
b/ if a price can not be determined under (a) - the arithmetic mean of the highest bid price or short selling respectively of the orders that are valid at the time of closing the regulated market on the estimated day , and the last price of a transaction concluded with the relevant securities for the same day.
c/ in the event that for the valuation day there are no deals with securities of the respective issue, the average of the highest bid or short selling offer respectively, valid at the moment of closing the regulated market for the assessed day, and the weighted average price of the last prices of the transactions concluded with the relevant securities and the traded volumes within the last 30-day period.
d/ If it is not possible to apply the valuation methods in a-c as well as for the non-traded shares, the post evaluation shall be based on the net book value of the assets.

/2/ For units of collective investment undertakings not traded on a regulated market, including in cases of temporary suspension of redemption:
a/ at the last announced redemption price.
b/ at the last designated and announced issue value per unit, less the amount of the unit-redemption and redemption costs provided for under the fund rules, in cases where the collective investment scheme has not reached the minimum amount of the net asset value.

/3/ for derivative financial instruments - in the order indicated in /1/, and in case of impossibility to apply this method of valuation - by an appropriate model for valuation of derivative financial instruments.

/4/ for Bulgarian and foreign bonds, as well as government securities issued pursuant to BNB Ordinance No. 5 - by the method of discounted future net cash flows with a discount factor consisting of a risk-free rate and a risk premium.

/5/ for foreign securities admitted for trading on internationally recognized and liquid regulated securities markets abroad:
a/ at the last price of a transaction concluded with them on the relevant market on the day of valuation;
b/ if it is not possible to apply the valuation method under "a", the valuation shall be made at the "buy" or "sell" price, upon closing of the market on the day of the valuation announced in the electronic securities price information system;
c/ if it is impossible to apply the assessment method under letter b) the valuation shall be made at the last price of a transaction concluded with them within the last 30-day period;

/6/ In cases where there is no trading on a regulated market in working days for the country, the valuation valid for the day of the last trading session shall be accepted. In the subsequent assessment of bonds under the first sentence, the accrued interest for the respective days shall also be reported.
Price sources are regulated securities markets - the Bulgarian Stock Exchange and foreign regulated markets where the relevant securities are traded.
Quotation sources can be recognized by world news agencies such as REUTERS, BLOOMBERG, and so on.

Derivatives
Derivatives are off-balance sheet financial instruments the value of which is determined on the basis of interest rates, exchange rates or other market prices. Derivatives are an effective tool for managing market risk and limiting exposure to a counterparty.
The most commonly used derivatives are:
- foreign exchange swap;
- interest rate swap;
- forward foreign exchange and interest rate contracts;
- futures;
- options.

All derivative financial instruments used for hedging are initially recognized at fair value and subsequently measured at fair value in the statement of financial position.
For derivatives, the same procedures for controlling market and credit risk apply as for other financial instruments. They aggregate with other exposures to monitor the total exposure to a counterparty and are managed within the limits approved for the counterparty.
Derivatives are held for trading purposes as well as hedging instruments used to manage interest rate and currency risk. Derivatives held for trading are measured at fair value and gains and losses are reported in the consolidated statement of profit or loss and other comprehensive income as a result of trading transactions.

2.12. Taxes

Income tax

Current tax comprises the amount of tax to be paid on the expected taxable profit for the period based on the effective tax rate applicable at the date of preparation of the consolidated statement of financial position and any adjustments to past tax payable.

Current taxes on profits of Bulgarian companies in the Group are determined in accordance with the requirements of Bulgarian tax legislation - the Corporate Income Tax Act. The nominal tax rate for Bulgaria in 2021 is 10% (2020: 10%).

Subsidiaries abroad are taxed according to the requirements of the relevant tax laws by country at the following tax rates:

Country	Tax rate	
	2022	2021
Romania	16%	16%
North Macedonia	10%	10%
Ukraine	18%	18%
Georgia	15%	15%
Greece	22%	22%
Belarus	18%	18%

Deferred tax

Deferred tax is calculated by applying the balance sheet method to all temporary differences between the carrying amount of the financial statements and the amounts for tax purposes.

Deferred tax is calculated on the basis of the tax rate that is expected to be incurred when the asset is realized or the liability is settled. The effect on deferred tax on change in tax rates is recognized in the consolidated statement of profit or loss and other comprehensive income except when it relates to amounts previously accrued or accounted for directly in equity.

A deferred tax asset is recognized only to the extent that it is probable that future profits will be available against which unused tax losses or tax credit can be utilized. Deferred tax assets are reduced in line with the decrease in probability of tax benefits.

The deferred taxes on the profits of the Group companies are assessed at a rate valid for 2022, which for the Bulgarian companies is 10% and for the subsidiaries abroad is as follows:

Country	Tax rate for 2022
Romania	16%
North Macedonia	10%
Ukraine	18%
Georgia	15%
Greece	22%
Belarus	18%

2.13. Non-current assets

2.13.1. Property, plant and equipment, rights of use

2.13.1.1. Property, plant and equipment

Fixed tangible assets are measured at cost less the amount of accrued amortization and any impairment losses.

The Group has set a materiality threshold of BGN 700 below which the assets acquired, despite having a characteristic of a fixed asset, are reported as current expense at the time they are acquired.

Initial acquisition
Initial valuation of tangible fixed assets is carried out:

At acquisition cost, which includes: the purchase price (including customs duties and non-recoverable taxes), all direct costs of bringing an asset into working condition in accordance with its intended purpose - for assets acquired from external sources;

At fair value: for those received as a result of a free transaction;

Under assessment: accepted by the court, and all direct costs of bringing an asset into working condition in accordance with its purpose - for assets received as an in-kind contribution.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the acquisition cost (cost) of that asset. All other borrowing costs are reported as current in profit or loss for the period.

Subsequent assessment
The Group's approach to subsequent balance sheet valuation of property, plant and equipment is the cost model under IAS 16, the historical cost of acquisition, less accumulated depreciation and accumulated impairment losses.

Subsequent costs
Subsequent repair and maintenance costs are recognized in the consolidated statement of profit or loss and other comprehensive income at the time they are performed unless there is clear evidence that their performance will result in increased economic benefits from the use of the asset. Then these costs are capitalized at the asset's carrying amount.

Gains and losses on sale
In the case of a sale of tangible fixed assets, the difference between the carrying amount and the sale price of the asset is recognized as a gain or loss in the consolidated statement of profit or loss and other comprehensive income.Write-off of tangible fixed assets on the balance sheet is at the time of sale or when the asset is definitively disposed of and after the write-off is not expected to have any other economic benefits.

2.13.1.2. Rights of use

The Group presents the right of use assets in a line item with similar own assets, but provides detailed information on own and leased assets in the notes to the financial statements.

2.13.2. Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and recognized separately. For the purposes of the impairment test, goodwill is allocated to each cash-generating unit of the Group (or group of cash-generating units) that is expected to benefit from the business combination, whether or not other assets or liabilities of the acquired company is allocated to these units. Goodwill is measured at cost less accumulated impairment losses.

When a cash-generating unit is written off, the relevant portion of goodwill is included in determining the gain or loss on write-off.

2.13.3. Intangible assets

Intangible assets are stated at cost, including all duties paid, non-refundable taxes and direct costs incurred in preparing the asset for use.

Subsequent measurement is performed at cost less accumulated depreciation and impairment losses.

Subsequent expenditures in respect of other intangible assets after their initial recognition are recognized in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred unless due to them the asset can generate more than originally intended future economic benefits and these expenditures can be reliably measured and assigned to the asset. If these conditions are met, the amount of the expenditures made is added to the cost of the asset.

A materiality threshold of BGN 700 is applied, below which the acquired assets, despite having the characteristics of a fixed asset, are reported as a current expense at the time of their acquisition.

The carrying amount of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not exceed their recoverable amount.

The gain or loss on disposal of the the intangible asset is determined as the difference between the disposal proceeds, and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss and other comprehensive income in line "Other operating income / costs", net.

2.13.4. Depreciation methods

The Group applies a straight-line depreciation method. Depreciation of assets begins in the month following the month of acquisition. The land and assets under construction are not depreciated. Useful life by group of assets is consistent with: physical wear and tear, specifics of the equipment, future intentions for use, and the assumed obsolescence.

The defined useful life by group of assets is as follows:

Asset group	Useful life in years
Buildings	25-50
Machinery and equipment	2-25
Vehicles	2-6
Business inventory	3-25
Computers	2-5
Software	2
Intangible assets	5-7
Rights of use	over the shorter of the asset's life and the lease term on a straight-line basis

2.14. Investment property

The Group accounts for investment property held for rental income and / or for capital increases using the fair value model.

Investment property is initially measured at cost, including the purchase price and any costs that are directly attributable to the investment property, such as legal fees, property transfer taxes and other transaction costs.

Investment properties are revalued on an annual basis and are included in the consolidated statement of financial position at their market values. They are determined by independent appraisers with professional qualifications and significant professional experience depending on the nature and location of the investment properties, based on evidence of market conditions.

Any gain or loss on a change in the fair value or sale of an investment property is recognized immediately in profit or loss and presented in the consolidated statement of profit or loss and other comprehensive income.

2.15. Impairment tests on goodwill, other intangible assets and property, plant and equipment

In calculating the amount of impairment, the Group defines the smallest identifiable group of assets for which separate cash flows (unit generating cash flows) can be determined. As a result, some of the assets are subject to an impairment test on an individual basis and others on a cash-generating unit basis. Goodwill refers to the cash-generating units that are likely to benefit from the business combination and which represent the lowest level in the Group at which management monitors goodwill.

Cash-generating units to which goodwill is attributed are tested for impairment at least annually. All other separate assets or cash-generating units are tested for impairment when events or changes in circumstances indicate that their carrying amount can not be restored.

An impairment loss is the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. To determine the value in use, the Group's management calculates the expected future cash flows for each cash-generating unit and determines the appropriate discount factor in order to calculate the present value of those cash flows. The data used in the impairment testing are based on the last approved budget of the Group, adjusted if necessary to eliminate the effect of future reorganizations and significant asset improvements. The discount factors are determined for each individual cash-generating unit and reflect their respective risk profile, assessed by the Group's management.

Impairment losses on a cash-generating unit are allocated to the reduction of the carrying amount first of the goodwill attributable to that unit and then to the other assets of the unit in proportion to their carrying amount. With the exception of goodwill for all of the Group's assets, management subsequently assesses whether there is any indication that an impairment loss recognized in prior years may no longer exist or be reduced. An impairment loss recognized in a prior period is reversed if the recoverable amount of the cash-generating unit exceeds its carrying amount.

2.16. Pension and other payables to employees and social legislation staff

The employment and social security relations with the employees of the Group are based on the provisions of the Labor Code and the provisions of the current insurance legislation for the companies operating in Bulgaria, the Romanian Code - for the companies in Romania, the labor legislation for the companies in Ukraine , of labor law for companies in Northern Macedonia.

Short-term employee benefits

Liabilities for short-term employee benefits are measured on an undiscounted basis and are recognized as an expense when the related service is provided. Liabilities are recognized for the amount expected to be paid on a short-term cash bonus or profit-sharing plan if the Group has a legal or constructive obligation to pay that amount as a result of past service provided by an employee and the liability may be evaluate reliably.

The Group recognizes as an obligation the undiscounted amount of estimated expense paid annual leave expected to be paid to employees in exchange for their work for the past reporting period.

Defined contribution plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net liability for defined benefit plans is calculated by forecasting the amount of future benefits that employees have earned in return for their services in the current and prior periods, and this income is discounted to determine its present value.

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions to another person and has no legal or constructive obligation to pay additional amounts thereafter. The Government of Bulgaria is responsible for providing pensions under defined contribution plans.

Expenses on the Group's commitment to pay installments under defined contribution plans are recognized in profit or loss on an ongoing basis.

Termination benefits

Termination benefits are recognized as an expense when the Group has committed itself clearly, without any real possibility of withdrawal, with a formal detailed plan either to terminate a business relationship before the normal retirement date or to provide termination benefits as a result of a proposal, made to encourage voluntary departure.

Termination benefits for voluntary departure are recognized as an expense if the Group has made a formal offer for voluntary termination, and it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are due more than 12 months after the end of the reporting period, they are discounted to their present value.

2.17. Financial assets and liabilities

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards are transferred.
Financial liabilities are derecognized when the obligation specified in the contract is fulfilled is derecognized or expires.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value, adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not have a significant financial component.
The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs that are reported as current expenses.
The initial measurement of trade receivables that do not have a significant financial component represents the transaction price under IFRS 15.

Depending on the method of subsequent reporting, financial assets are classified into one of the following categories:

- debt instruments at amortized cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income, with or without reclassification in profit or loss, whether they are debt or equity instruments.

The classification of financial assets is determined on the basis of the following two conditions:

- the business model of the Financial Assets Management Group;
- the characteristics of the contractual cash flows of the financial asset.

All income and expenses relating to financial assets recognized in profit or loss are included in financial expenses, financial income or other financial items, except for impairment of trade receivables, which is presented in line with other expenses in the consolidated statement of profit or loss and other comprehensive income.

Subsequent valuation of financial assets

Debt instruments at amortized cost

Financial assets are measured at amortized cost if the assets meet the following criteria and are not designated for fair value through profit or loss:

- The Group manages the assets within a business model that aims to hold the financial assets and to collect their contractual cash flows;
- According to the contractual terms of the financial asset at specific dates, cash flows arise, which are only principal payments and interest on the outstanding amount of the principal.

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortized cost using the effective interest method. Discarding is not done when its effect is insignificant. The Group classifies in this category the cash and cash equivalents / cash, trade and other receivables as well as listed bonds.

Financial assets at fair value through profit or loss

Financial assets for which a business model "held for contractual cash flows" or a business model "held for collection and sale" is not applicable, as well as financial assets whose contractual cash flows are not only principal and interest payments are reported at fair value through profit or loss. All derivative financial instruments are reported in this category except for those that are designated and effective as hedging instruments and for which hedge accounting requirements apply (see below).

Changes in the fair value of assets in this category are reflected in profit or loss. The fair value of financial assets in this category is determined by quoted prices in an active market or by using valuation techniques in the absence of an active market.

Financial assets at fair value through other comprehensive income

The Group recognizes financial assets at fair value in other comprehensive income if the assets meet the following conditions:

- The Group manages assets within a business model that aims to hold the financial assets to collect contractual cash flows and sell them; and
- According to the contractual terms of the financial asset at specific dates, cash flows arise, which are only principal payments and interest on the outstanding amount of the principal.

Financial assets at fair value through other comprehensive income include:
- Equity securities that are not held for trading and which the Group irrevocably has chosen at initial recognition to recognize in this category.
- Debt securities where the contractual cash flows are only principal and interest and the Group's business model is aimed at both the collection of contractual cash flows and the sale of financial assets.

In case of disposal of equity instruments in this category, any value reported in the revaluation reserve of the instruments is reclassified to retained earnings.

In case of release from debt instruments in this category, any amount reported in the revaluation reserve of the instruments is reclassified to profit or loss for the period.

Classification and measurement of financial liabilities

The financial liabilities of the Group include borrowings, liabilities under finance leases, trade and other financial liabilities.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group has designated a financial liability as measured at fair value through profit or loss.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for derivatives and financial liabilities that are designated for measurement at fair value through profit or loss (except for derivative financial instruments that are designated and effective as hedging tool).
All interest-related expenses and, if applicable, changes in the fair value of the instrument that are recognized in profit or loss are included in financial expenses or financial income.

Derivative financial instruments and hedge accounting

Derivative financial instruments are measured at fair value through profit or loss except for derivatives designated as hedging instruments for cash flow hedges that require specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic link between the hedged item and the hedging instrument;
- the effect of credit risk is not an essential part of the changes in value that result from this economic relationship;
- the hedging relationship's hedge ratio is the same as the one resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge this amount of hedged items.

All derivative financial instruments used for hedge accounting are initially recognized at fair value and are reported at fair value in the consolidated statement of financial position.

To the extent that hedging is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognized in other comprehensive income and included in the hedge of the cash flow in equity. Any inefficiency in the hedging relationship is recognized immediately in profit or loss.

At the moment when the hedged item affects profit or loss, the gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as a reclassification adjustment to other comprehensive income. However, if a non-financial asset or liability is recognized as a result of the hedged transaction, gains or losses previously recognized in other comprehensive income are included in the initial measurement of the hedged item.

If the forecast transaction is no longer expected to occur, any related gain or loss recognized in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to be effective, hedge accounting is discontinued and the related gain or loss is recognized as a reserve in equity until the estimated transaction.

Impairment of financial assets

IFRS 9 requires the Company to recognize a provision for expected credit losses for all debt instruments that are not carried at fair value through profit or loss and for contract assets.

Instruments under the new requirements include loans and other financial assets measured at amortized cost / fair value through other comprehensive income, trade receivables, contract assets recognized and measured under IFRS 15, and credit commitments and some financia guarantee contracts (with the issuer) that are not reported at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the occurrence of a credit loss event. Instead, the Company considers a wider range of information in assessing credit risk and assessing expected credit losses, including past events, current conditions, reasonable and supportive forecasts that affect the expected future cash flow of the instrument.

In implementing this forward-looking approach, a distinction is made between:

- financial instruments whose credit quality has not significantly deteriorated since the initial recognition or have low credit risk (Phase 1);
- financial instruments whose credit quality has deteriorated significantly since the time of initial recognition or where the credit risk is not low (Phase 2);
- "Phase 3" covers financial assets that have objective evidence of impairment at the reporting date. None of the Company's financial assets fall into this category.

12-month expected credit losses are recognized for the first category, while the expected losses over the life of the financial instruments are recognized for the second category. Expected credit losses are determined as the difference between all contractual cash flows attributable to the Company and the cash flows it is actually expected to receive ("cash deficit"). This difference is discounted at the original effective interest rate (or the effective interest rate corrected to the credit).

The calculation of expected credit losses is determined on the basis of the probability-weighted estimate of credit losses over the expected period of the financial instruments.

- **Net investment in financial leasing**

In determining the impairment of financial lease receivables, the Group is based on a three-step approach, which aims to reflect the deterioration of the credit quality of the financial instrument. At each reporting date after initial recognition, the Group assesses at which stage the financial asset that is subject to impairment testing relates. The stage determines the relevant impairment requirements. The Group uses a 5-point system to determine the credit rating of each transaction, and the criteria of the system used consider both the leasing asset, transaction parameters (down payment, term, residual value) and the financial condition of the individual client.

- **Cash**

The Group categorizes the banks in which it holds cash on the basis of a rating assigned to them by rating agencies (Moody’s, Fitch, S&P, BACR) and, depending on it, applies a different percentage to the expected credit losses for 12 months.

- **Receivables on loans**

The Group has receivables from loans granted, which are categorized according to whether the borrower has a rating and depending on whether the receivables from such loans are overdue.

- **Trade and other receivables, contracted assets**

The Company uses a simplified approach to accounting for trade and other receivables as well as contract assets and recognizes impairment losses as expected credit losses over the entire period. They represent the expected shortfall in contractual cash flows, given the possibility of default at any time during the term of the financial instrument. The Company uses its accumulated experience, external indicators and long-term information to calculate the expected credit losses through customer allocation by industry and time structure of receivables and using a maturity of provisions.

- **Judicial and adjudicated receivables**

The Group's judicial and adjudicated receivables are categorized in Group 3, respectively as such they are individually considered by the management and each such receivable is assigned an individual impairment percentage.

2.18. Inventory

Materials and goods are valued at shipping cost. Their value is the sum of all purchase costs and other costs incurred in delivering them to their current location and status.

The write-off of materials and commodities upon their consumption is based on a specific or weighted average value depending on the segments.
The net realizable value of the inventories is stated at the sale price, less the completion costs and costs incurred to realize the sale and is determined with respect to marketing, obsolescence and development at expected sales prices.

When the inventory value of inventories is higher than the net realizable value, it is reduced to the net realizable value. The decrease is recorded as other current expenses.

2.19. Provisions, contingent liabilities and contingent assets

Provisions are recognized when it is probable that current liabilities resulting from a past event will result in an outflow of resources from the Group and a reliable estimate of the amount of the liability can be made. The timing or amount of cash outflow may be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a result of past events, such as guarantees, legal disputes or burdensome contracts. Restructuring provisions are recognized only if a detailed formal restructuring plan has been developed and implemented or management has announced the main points of the restructuring plan to those who would be affected. Provisions for future operating losses are not recognized.

The amount recognized as a provision is calculated on the basis of the most reliable estimate of the costs required to settle a current liability at the end of the reporting period, taking into account the risks and uncertainties associated with the current liability. Where there are a number of similar obligations, the probable need for an outflow to settle the obligation is determined taking into account the group of liabilities as a whole. Provisions are discounted when the effect of time differences in the value of money is significant.

Third party benefits in respect of a liability that the Group is certain to receive are recognized as a separate asset. This asset may not exceed the value of the provision in question.

Provisions are revised at the end of each reporting period and adjusted to reflect the best estimate.

In cases where it is considered that an outflow of economic resources is unlikely to occur as a result of a current liability, a liability is not recognized unless it is a business combination (see Note 2.5). In a business combination, contingent liabilities are recognized when the cost of acquisition is allocated to the assets and liabilities acquired in the business combination. Contingent liabilities should be subsequently measured at the higher of the comparable provision described above and the amount initially recognized less accumulated depreciation.

Possible inflows of economic benefits that do not yet meet the criteria for recognition of an asset are considered contingent assets.

2.20. Equity and earnings per share

2.20.1. Equity

The share capital of the Parent Company is presented at its nominal value according to the court decisions for its registration.

Equity that does not belong to the economic group (non-controlling interest) is part of the net assets, including the net result for the year of the subsidiaries, attributable to interests not directly or indirectly held by the Parent Company.

2.20.2. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to shareholders, holders of ordinary shares by the weighted average number of ordinary shares outstanding for the period.

The weighted average number of shares is the number of ordinary shares outstanding at beginning of period, adjusted by the number of repurchased ordinary shares issued during the period multiplied by the average time factor. This factor expresses the number of days the specific shares were held in relation to the total number of days during the period.

In capitalization, bonus issue or split, the number of ordinary shares that are outstanding at the date of this event is adjusted to reflect the proportional change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the submitted the earliest period. Reduced earnings per share are not calculated as there are no dilutive potential issued shares.

2.21. Liabilities

Financial liabilities are recognized over the period of the loan by the amount of receipts received, the principal, less the transaction costs. In subsequent periods, financial liabilities are measured at amortized cost equal to the capitalized value when applying the effective interest method. In the consolidated statement of profit or loss and other comprehensive income, loan costs are recognized over the period of the loan.

Current liabilities, such as payables to suppliers, group and associates and other payables, are measured at amortized cost, which usually corresponds to the nominal value.

Deferred income is recognized as liabilities includes payments received in respect of earnings for subsequent years.

2.22. Financial Risk Management

Factors that determine the financial risk

In carrying out its activities, the Group companies are exposed to a variety of financial risks: market risk (including currency risk, changes in the fair value of financial instruments under the influence of market interest rates and price risk), credit risk, liquidity risk and risk of change of future cash flows as a result of changes in market interest rates.

The overall risk management program focuses on the unpredictability of financial markets and aims to reduce any adverse effects on the Group's financial performance.

2.22.1. Currency risk

The Group is exposed to currency risk through payments in foreign currency and through its assets and liabilities denominated in foreign currency. Foreign currency exposures result in gains or losses that are recognized in the consolidated statement of profit or loss and other comprehensive income. These exposures comprise the Group's monetary assets that are not denominated in the currency used in the financial statements of local companies.

With the exception of the Insurance Business, the Group operates mainly in Bulgarian levs and in euro. Management believes that with the Bulgarian Currency Board operating in Bulgaria and the fixed exchange rate of the Bulgarian lev to the euro, the Group is not exposed to significant adverse effects of changes in the exchange rate.

The Group has no significant investments in countries other than the countries in which it operates - Bulgaria, Romania, Macedonia, Ukraine and Georgia. In cases where the local currency is exposed to significant currency risk, its management is achieved by investing in assets denominated in Euro.

2.22.2. Interest rate risk

The Group is exposed to the risk of changes in market interest rates, mainly with respect to its short-term and long-term financial liabilities with variable (floating) interest rates. The Group's policy is to manage interest expenses by using financial instruments with both fixed and floating interest rates. The interest rates on the majority of the Group's loans to banking institutions are based on one-month and / or quarterly and / or six-month EURIBOR, which at the time of preparing this report has stable levels - 0%. The companies in the Group pay a fixed margin to it between 2% and 6.0%. Therefore, the risk of interest rate changes is negligible.

The Group's exposure to interest rate risk is concentrated mainly in its investment portfolio. The Group controls this exposure through periodic review of its active positions. Cash flow assumptions as well as the impact of interest rate fluctuations on the investment portfolio are reviewed every six months.
The purpose of these strategies is to limit large changes in assets related to changes in interest rates. The Group is also exposed to the risk of changes in future cash flows from fixed income securities resulting from changes in market interest rates.

2.22.3. Credit risk

The Group's credit risk is mainly related to trade and financial receivables.

The amounts presented in the consolidated statement of financial position are on a net basis, excluding provisions for uncollectible receivables, assessed as such by management, based on previous experience and current economic conditions.

The Group holds assets in a trading portfolio in order to manage credit risk. Credit risk is the risk that one party to a financial instrument will incur a financial loss for the other party to it by failing to meet an obligation. The Group has implemented policies and procedures to mitigate the exposure of the credit risk group.

The Group's investment policy requires strict application of the diversification rules on exposure limits for each type of instrument and for an individual counterparty, set out in the insurance legislation of each country. The Group does not conduct derivative transactions.

The Group invests its own funds mainly in bank deposits, securities issued by Member States of the European Union, bonds issued by financial institutions or other companies. In order to implement its investment policy, the Group uses professional services of investment intermediaries that have received permission to conduct transactions in the country and abroad.

2.22.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they become due. The policy in this area is aimed at ensuring that sufficient liquidity is available to service the obligations when they become due, including in extraordinary and unforeseen situations. The objective of the management is to maintain a constant balance between the continuity and flexibility of financial resources through the use of adequate forms of funding.

Liquidity risk management is the responsibility of the Group's management and includes maintaining sufficient cash, negotiating adequate credit lines, preparing analysis and updating cash flow projections.

2.22.5 Other risks Covid-19 (Coronavirus)

Due to the pandemic wave of Covid-19 (Coronavirus), which became global in late February and early March 2020 and led to a significant reduction in financial activity worldwide, the Group analyzed on the basis of currently available data the potential effect on its financial position and in particular on the models used, according to IFRS 9.

This disclosure complies with the requirements of IFRS 7 and IFRS 9, as well as the recommendations of the European Securities and Markets Authority (ESMA).

As at the date of preparation of these Consolidated Annual Financial Statements, the economic activity has not yet fully recovered and sufficient statistical information is not yet available, both for the real effect on the Bulgarian and world economy and on available significant forecast data for their recovery in the coming months.

Development of Covid-19 Pandemic (Coronavirus)
The National Assembly of the Republic of Bulgaria declared a state of emergency dated March 13, 2020, which expired on May 13, 2020. Similar measures were taken by all Member States of the European Union, as well as by the main trading partners (outside the European Union) of the Republic of Bulgaria.

Similar measures have been introduced in other countries where the Group operates, such as Greece (March 11, 2020), Romania (March 21, 2020), Ukraine (March 14, 2020) and North Macedonia (March 18, 2020). As a result of the measures imposed by the governments, a significant part of the economic activity in the countries was suspended, also a significant part of the international trade was slow down.

Despite the subsequent drop of the measures, international financial institutions and international credit agencies expect a significant economic effect in short term, and the overall levels of economic growth are expected to recover in period 2021-2022.

The Group's management has analyzed the expected effect on both the economic growth and the credit quality of the countries (and respectively the counterparties) where it operates, and the analysis is presented below.

Effect on economic growth
The table below presents information on the expectations for economic growth of the Republic of Bulgaria, according to the data of the International Monetary Fund (April 2021)" https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021), including forecast data after the occurrence of the pandemic situation related to Covid-19 (Coronavirus).

	Historical data			Forecast	Actual	Forecast		
	2017	2018	2019	2020 (before Covid-19)	2020 (Covid-19)	2021	2022	2026
Economic GDP growth	3.5%	3.1%	3.7%	3.2%	(4.2)%	4.5%	4.4%	2.8%

The table below provides information on the economic growth expectations of the euro area countries (representing the main foreign market of the Republic of Bulgaria), according to the International Monetary Fund, including forecast data after the Covid-19 pandemic (Coronavirus).

	Historical data			Forecast	Actual	Forecast		
	2017	2018	2019	2020 (before Covid-19)	2020 (Covid-19)	2021	2022	2026
Economic GDP growth	2.6%	1.9%	1.5%	1.4%	(6.3)%	5.0%	4.3%	1.4%

The Group's Management has also analyzed the expected economic development of the countries where it operates, as the historical and forecast data from the International Monetary Fund are presented in the table below:

	Historical data			Forecast	Actual	Forecast	
	2017	2018	2019	2020 (before Covid-19)	2020 (Covid-19)	2021	2022
Romania	7.3%	4.5%	4.1%	3.5%	(3.9)%	7.0%	4.8%
North Macedonia	1.1%	2.9%	3.2%	3.4%	(4.5)%	4.0%	4.2%
Ukraine	2.4%	3.5%	3.2%	3.0%	(4.0)%	3.5%	3.6%
Georgia	4.8%	4.8%	5.0%	4.8%	(6.2)%	7.7%	5.8%
Belarus	2.5%	3.1%	1.4%		(0.9)%	2.1%	0.5%
Russian Federation	1.8%	2.8%	2.0%	1.9%	(3.0)%	4.7%	2.9%
Greece	1.3%	1.6%	1.9%	2.2%	(8.2)%	6.5%	4.6%
Poland	4.8%	5.4%	4.7%	3.1%	(2.7)%	5.1%	5.1%
Italy	1.7%	0.9%	0.3%	0.5%	(8.9)%	5.8%	4.2%
Spain	3.0%	2.4%	2.1%	1.8%	(10.8)%	5.7%	6.4%
United Kingdom	1.7%	1.3%	1.4%	1.4%	(9.8)%	6.8%	5.0%

As can be seen from the above data, the Management takes into account the possible short-term risks to the overall economic development of the main markets where it operates. The expected reduction of the Gross Domestic Product could be significant, but there are also general expectations for rapid recovery during the period 2021-2022 and a return to the average predicted growth levels before Covid-19 (Coronavirus).

Effect on credit ratings

As a result of the expected economic effects of the slowdown in overall activity, some rating agencies worsened their forecast on long-term debt positions, both in terms of government debt and in terms of corporate debt positions. The table below provides information on the change in the credit rating (including forecast) assigned by Fitch to the Republic of Bulgaria and to the Parent company of the Group.

	Before Covid-19		**After Covid-19**	
	Rating	Forecast	Rating	Forecast
Bulgaria	BBB	Positive	BBB	Stable
Eurohold Bulgaria AD	B	Negative	B	Negative

The following is information on the change in the credit rating (including forecast) assigned by Fitch to the countries where the Group operates:

	Before Covid-19		**After Covid-19**	
	Rating	Forecast	Rating	Forecast
Romania	BBB	Stable	BBB	Negative
North Macedonia	BB+	Stable	BB+	Negative
Ukraine	B	Positive	B	Positive
Georgia	BB	Stable	BB	Stable
Belarus	B	Stable	B	Negative
Russian Federation	BBB	Stable	BBB	Stable
Greece	BB	Stable	BB	Stable
Poland	A-	Stable	A-	Stable
Italy	BBB	Negative	BBB-	Stable
Spain	A-	Stable	A-	Stable
United Kingdom	AA	Negative	AA-	Stable

Management continues to monitor the development of the credit risk in relation to the countries where the Group operates, as well as the main investments (subject to both markets and credit risk) of the Group companies.

At present, despite the overall decrease of forecasts and limited cases of credit rating deterioration, the Management believes that before a significant period of time passes during which symptoms of deterioration in the overall credit quality of both investments and the general environment where the Group operates, it cannot perform a sufficiently sustainable and reliable assessment of the effect that Covid-19 (Coronavirus).

Analysis of the expected effect on the IFRS model 9

The Group (as a part of the Eurohold Bulgaria Group) applies IFRS 9 from January 01, 2018, although The Insurance business had the right to postpone its application until January 1, 2023 (joint application with IFRS 17).

The Group's management has analyzed the expected effect on the overall model of IFRS 9, the results of which are presented in detail below. The focus of the analysis includes:

- The assessment of the deterioration of the credit quality of the counterparties;
- The assessment of the potential effect on the expected credit losses from the exposures to the counterparties.

The general conclusion of the Management of the Group is that at the time of issuing this consolidated financial statement in short term, no significant deterioration of the credit quality of the counterparties is expected due to:

- The measures taken by the Government of the Republic of Bulgaria, the governments of the countries where the Group operates, including the applied private and public moratoriums, which currently do not lead to additional indications of significantly deteriorated credit quality of the counterparties. Management strictly monitors the existence of long-term indications of deterioration, as the general temporary potential liquidity problems of counterparties caused directly by Covid-19 (Coronavirus) are not considered indications of credit deterioration;

- At present, despite the overall decrease and the limited cases of credit rating deterioration, the Management believes that before a significant period of time passes during which symptoms of deterioration in the overall credit quality of both investments and the general environment in which the Group operates, it cannot perform a sufficiently sustainable and reliable assessment of the effect that Covid-19 (Coronavirus).

With regard to the model (including the complete and simplified one) for calculating the expected credit losses, the Management considers that it is possible to make a change in the general model. Management recognizes the possible short-term risks to the overall economic development of the main countries in which the Group operates, and in some markets, the expected reduction in Gross Domestic Product would be significant, but also takes into account the general expectations for rapid recovery in 2021-2022. to return to the average predicted growth levels before Covid-19 (Coronavirus). For these reasons, the Group's management has decided to review its model for calculating expected credit losses under IFRS 9 and to update some of its expectations, namely because the Management believes that some of the Group's counterparties may be affected from the deteriorating economic situation and in this regard has taken action to update some of the parameters in its calculation model.

As of 31 December 2021 sufficiently reliable both macroeconomic statistics and information on the medium-term levels of probability of default are not available, the management has not changed the expected credit loss of financial assets compared to that as of December 31, 2020, incl. of net investment in financial leasing, receivables from loans, trade and other receivables, deposits and cash in banking institutions.

2.23. Determination of fair values

Fair value is the price that would have been obtained on the sale of an asset or paid on the transfer of an obligation in a typical transaction between market participants at the valuation date.

Fair value measurement implies that the transaction for the sale of the asset or the transfer of the liability is carried out:
- the underlying market for that asset or liability;
  or
- in the absence of a major market - the most profitable market for that asset or liability.

The main or most advantageous market should be available to the Group.

In measuring the fair value of a non-financial asset, the ability of a market participant to generate economic benefits by using the asset to maximize its value or by selling it to another market participant that will use it in such a way is taken into account. The Group uses cost-appropriate valuation methods, for which there is sufficient available fair value measurement data, using as much as possible the relevant observable hypotheses and minimizing the use of non-observable ones.

All assets or liabilities that are measured at fair value or disclosed in the consolidated financial statements are categorized according to a fair value hierarchy described as follows and based on the lowest rank of observable assumptions that are significant for the fair value measurement as a whole:

- Level 1 - Adjusted (unadjusted) active market prices for identical assets or liabilities to which the Group may have access at the measurement date;
- Level 2 - Valuation techniques for which observable lower rank hypotheses that are relevant for fair value measurement are directly or indirectly observable;
- Level 3 - Valuation techniques for which observable lower case scenarios that are relevant for fair value measurement are unobservable.

External valuers have been used to measure the fair value of significant assets such as goodwill and investment property.

2.24. Cash flows

The consolidated cash flow statement shows the Group's cash flows for operating, investing and financing activities during the year, changes in cash and cash equivalents for the year, cash and cash equivalents at beginning and end of the year.

Operating cash flows are calculated as a result for the year, adjusted for non-monetary operating positions, changes in net working capital and corporate tax.

Cash flows from investing activities include payments in connection with the purchase and sale of fixed assets and cash flows associated with the purchase and sale of businesses and activities. Purchase and sale of other securities that are not cash and cash equivalents are also included in investing activities.

Cash flows from financing activities include changes in the size or composition of share capital and related costs, borrowing and repayment of interest-bearing loans, purchase and sale of own shares and payment of dividends.

2.25. Leasing

The Group as a lessee

The Group assesses whether the contract represents or contains elements of a Lease if, under this agreement, the right to control the use of an asset for a specified period of time is transferred for consideration. If it is established that the lease agreement recognizes the Group as an asset with a right of use and a corresponding obligation at the date on which the leasing asset is available for use.

A reassessment of whether a contract represents or contains elements of a lease is made only if the terms and conditions of the contract change.
Leasing assets and liabilities are initially measured at present value.

Leasing liabilities include the net present value of the following lease payments:

- fixed payments (including substantially fixed payments) minus any lease incentive receivables;
- variable lease based on an index or interest initially measured by the index or rate at the commencement date;
- amounts expected to be paid by the Group under guarantees of residual value;
- the cost of exercising a purchase option if the Group has reason to exercise that option, and
- payments of penalties for termination of the lease if the lease term reflects the fact that the Group exercises this option.

Lease payments that are made under reasonably defined extension options are also included in the liability measurement. The valuation of a lease contract with an option to extend the lease term should be taken plus 1 year to the fixed period. The Group acknowledges that this is the minimum for which there is assurance that an option contract may be extended.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The Group applies a three-step approach in determining the incremental borrowing rate based on:

- Yield of 10-years Government Bonds calculated as an average for the the last 3 years;
- financing spread adjustment - loans to new enterprises, non-financial corporations in local currency, to determine the initial initial interest rate for a period of 3 years (for real estate) or the average interest rate on financial leasing to unrelated persons for the last 3 years (for vehicles);
- specific lease adjustment related to the specific asset (at the discretion of each individual asset).

Applicable Rates at Eurohold Bulgaria AD:

	Buildings - Bulgaria	Buildings - Romania	Buildings - UK	Buildings - Greece	Buildings - Georgia	Buildings – North Macedonia	Vehicles - Bulgaria	Vehicles – North Macedonia
Incremental borrowing rate	4,05 %	4,54 %	1,31 %	4,54 %	7,03 %	5,81%	5,34 %	6,17 %

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group adopts the threshold for recognition right-of-use assets of BGN 10,000.00, taking the price of the asset as new.

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease contract.

The Group has decided not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and *Interpretation 4 Determining whether an Arrangement contains a Lease*.

The Group as a lessor

Lessors continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance. (*Note 2.11.2. Leasing activity*).

3. Revenue from insurance business	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Gross premiums written from insurance	469 033	249 469
Received recoveries from reinsurers	117 063	57 933
Positive change in the gross provision for unearned premiums and unexpired risk reserve	-	6 278
Positive change in reinsurers' share in unearned premium reserve	100 859	7 961
Change in the reinsurers' share in other reserves	23 508	17 392
Recourse income	1 624	
Fees and commissions income	1 981	4 497
Investment income	48 536	21 290
Income from purchase of investments in subsidiaries	6 551	8 671
Other revenue	2 236	1 157
	771 391	**374 648**

4. Expenses of insurance business	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Paid claims, claims handling and prevention expenses	(216 878)	(138 888)
Change in the gross provision for unearned premiums and unexpired risk reserve	(83 492)	(5 337)
Share of the reinsurer in the change of the unearned premium reserve	-	(4 326)
Change in other technical reserves	(46 142)	(31 157)
Premiums ceded to reinsurers	(249 452)	(99 673)
Acquisition expenses	(98 091)	(56 980)
Investment expenses	(9 145)	(3 802)
Other expenses	(32 375)	(12 866)
	(735 575)	**(353 029)**

5. Revenue from energy business	31.3.2022	31.3.2021*
	BGN'000	*BGN'000*
Open market customers	492 044	-
Household consumers	251 317	-
Business consumers	122 452	-
Connections fee revenue	4 918	-
Penalties for late payments	1 077	-
Revenues from services for research, repair and maintenance of electricity distribution network, and commercial metering devices	2 434	-
Revenues from information, communication, technological services (ICT) and others	1 153	-
Revenues from the Power System Security Fund	282	-
Other income	7 500	-
*Acquisition of the companies from the Energy sector on 27.7.2021.	**883 177**	**-**

6. Expenses of energy business

	31.3.2022	31.3.2021*
	BGN'000	*BGN'000*
Costs for purchased electricity	(400 506)	-
Technological costs for electricity transmission	(40 741)	-
Balancing energy	(11 383)	-
Costs for transmission and access services	(676)	-
Other expenses	(320 510)	-
* Acquisition of the companies from the Energy sector on 27.7.2021.	**(773 816)**	**-**

7. Revenue from car sales and after sales

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Revenue from sale of cars and spare parts	8 855	5 024
Revenue from after sales and rent-a-car services	266	231
Profit from sale of investments	-	-
	9 121	**5 255**

8. Revenue from leasing business

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Revenue from services and sale of goods	4 050	4 458
Interest income	2 355	1 524
Gains from changes in exchange rates	3	-
Other financial revenue	51	17
	6 459	**5 999**

9. Expenses of leasing business

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Interest expenses	(925)	(919)
Book value of goods sold	(738)	(1 472)
Foreign exchange losses	(17)	(26)
Other expenses	(180)	(51)
	(1 860)	**(2 468)**

10. Revenue from asset management and brokerage

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Interest income	148	122
Gains from sale of financial assets and financial instruments	1 604	1 832
Foreign exchange gains, net	59	-
Other revenue	337	438
	2 148	**2 392**

11. Expenses of asset management and brokerage

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Interest expenses	(19)	(27)
Losses from sales of financial assets and financial instruments	(1 896)	(2 347)
Foreign exchange losses,net	-	(22)
Other expenses	(39)	(75)
	(1 954)	**(2 471)**

12. Revenue from the activities of the parent company

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Gains from sale of financial assets and financial instruments	241	448
Interest income	-	-
Other revenue	194	169
	435	**617**

13. Expenses of the activities of the parent company

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Losses from sales of financial assets and financial instruments	(784)	(109)
	(784)	**(109)**

14. Other income/(expenses), net

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Other income/(expenses), net	912	1 425
	912	**1 425**

14.1. Other income

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Energy business	864	-
Automotive business*	-	1 381
Leasing business*	43	39
Asset management and brokerage	5	5
	912	**1 425**

*Government grants received in the first quarter of 2022 in the amount of BGN 43 thousand for the Leasing business in connection with overcoming the consequences of the Covid-19 pandemic under the government's employment retention program "Payment of compensation by the order of art. 1, para 3 of CMD №55 / 30.03.2020 of an employer, who has established part-time work by the order of art. 138a, para 2 of the Labor Code, more popular as Measure "60/40".

15. Other operating expenses

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Expenses on materials	(3 685)	(470)
Expenses on hired services	(21 497)	(5 466)
Employee benefits expenses	(32 562)	(9 134)
Other expenses	(1 786)	(1 398)
	(59 530)	**(16 468)**

15.1. Expenses on materials by segments

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Insurance business	(339)	(222)
Energy business	(2 874)	-
Automotive business	(317)	(160)
Leasing business	(144)	(81)
Asset management and brokerage	(9)	(6)
Parent company	(2)	(1)
	(3 685)	**(470)**

15.2. Expenses on hired services by segments

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Insurance business	(6 297)	(3 558)
Energy business	(12 913)	-
Automotive business	(431)	(607)
Leasing business	(1 448)	(814)
Asset management and brokerage	(110)	(114)
Parent company	(298)	(373)
	(21 497)	**(5 466)**

15.3. Employee benefits expenses by segments

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Insurance business	(6 652)	(6 590)
Energy business	(23 061)	-
Automotive business	(1 313)	(1 341)
Leasing business	(1 074)	(781)
Asset management and brokerage	(257)	(221)
Parent company	(205)	(201)
	(32 562)	**(9 134)**

15.4. Other expenses by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business	(968)	(1 096)
Energy business	(589)	-
Automotive business	(78)	(108)
Leasing business	(67)	(40)
Asset management and brokerage	(40)	(43)
Parent company	(44)	(111)
	(1 786)	**(1 398)**

16. (Accrued) / recovered impairment loss on financial assets, net

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
(Accrued) impairment loss on financial assets	(1 443)	(683)
Recoverable impairment loss on financial assets	1 318	196
	(125)	**(487)**

16.1 (Accrued) impairment loss on financial assets by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business	-	-
Energy business	(565)	-
Automotive business	(176)	(74)
Leasing business	(375)	(593)
Asset management and brokerage	(6)	(16)
Parent company	(321)	-
	(1 443)	**(683)**

16.2 Recovered impairment loss on financial assets by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business	-	-
Energy business	1 023	-
Automotive business	64	43
Leasing business	215	148
Asset management and brokerage	1	5
Parent company	15	-
	1 318	**196**

17. Financial expenses

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Interest expenses	(20 149)	(5 883)
Interest expenses – Right of use assets	(282)	(324)
Other financial expenses	(1 418)	(149)
	(21 849)	**(6 356)**

17.1 Interest expenses by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business	(873)	(1 341)
Energy business	(14 177)	-
Automotive business	(384)	(291)
Parent company	(4 715)	(4 251)
	(20 149)	**(5 883)**

17.2 Interest expenses – right of use assets by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business	(170)	(243)
Energy business	(46)	-
Automotive business	(33)	(48)
Leasing business	(15)	(16)
Asset management and brokerage	(10)	-
Parent company	(8)	(17)
	(282)	**(324)**

17.3 Other financial expenses by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Energy business	(1 329)	-
Automotive business	(85)	(85)
Parent company	(4)	(64)
	(1 418)	**(149)**

18. Financial income

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Interest revenue	313	195
Other financial income	308	-
	621	**195**

18.1 Financial income by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Energy business	30	-
Automotive business	283	195
	313	**195**

18.2 Other financial income by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Energy business	308	-
	308	**-**

19. Foreign exchange gains/(losses), net

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Automotive business	(1)	(1)
Parent company	(2)	358
	(3)	**357**

20. Depreciation and amortization by segments

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Insurance business incl.	(1 623)	(1 342)
Right of use assets	*(729)*	*(594)*
Energy business incl.	(25 788)	-
Right of use assets	*(1,328)*	*-*
Automotive business incl.	(510)	(457)
Right of use assets	*(168)*	*(182)*
Leasing business incl.	(1 657)	(1 590)
Right of use assets	*(758)*	*(70)*
Asset management and brokerage incl.	(64)	(54)
Right of use assets	*(44)*	*(44)*
Parent company incl.	(132)	(170)
Right of use assets	*(117)*	*(153)*
	(29 774)	**(3 613)**

21. Tax expenses

	31.3.2022	31.3.2021
	BGN'000	*BGN'000*
Income tax expense	(4 525)	(40)
Deferred tax	(32)	37
	(4 557)	**(3)**

21.1 Tax expenses by segments

	31.3.2022 *BGN'000*	31.3.2021 *BGN'000*
Insurance business	(258)	(3)
Energy business	(4 299)	-
Automotive business	-	-
Leasing business	-	-
Asset management and brokerage	-	-
	(4 557)	**(3)**

22. Cash and cash equivalents

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Cash on hand	1 926	2 536
Deposits up to 3 months	374 316	153 042
Restricted cash	220	216
Cash equivalents	936	866
Impairment	*(320)*	*(320)*
	377 078	**156 340**

23. Time deposits at banks by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	37 479	33 220
Impairment	*(139)*	*(139)*
	37 340	**33 081**

24. Reinsurers' share in technical reserves

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Unearned premium reserve	541 877	439 203
Reserve for unexplored claims	-	212
Claims reserve, incl.:	652 144	627 198
Reserves for incurred, but not reported claims	*421 266*	*396 357*
Reserves for reported, but not settled claims	*230 878*	*230 841*
Other technical reserves	-	-
	1 194 021	**1 066 613**

25. Receivables from insurance business

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Receivables from direct insurance	189 676	159 213
Receivables from reinsurers or sedants	17 697	18 543
Receivables from recourse/subrogation	11 052	10 958
	218 425	**188 714**

26. Trade receivables

	31.3.2022 BGN'000	31.12.2021 BGN'000
Trade receivables	395 584	427 345
Impairment	*(65 744)*	*(65 744)*
Financial lease receivables	39 370	38 132
Impairment	*(7 464)*	*(7 462)*
Advances paid	10 398	20 957
Other	233	50
	372 377	**413 278**

26.1. Trade receivables by segments

	31.3.2022 BGN'000	31.12.2021 BGN'000
Insurance business	1 206	6
Energy business	378 602	413 219
Impairment	*(63 263)*	*(63 263)*
Automotive business	11 306	9,660
Impairment	*(847)*	*(847)*
Leasing business	3 856	3 831
Impairment	*(1 024)*	*(1 024)*
Asset management and brokerage	-	2
Parent company	7	20
Impairment	*(3)*	*(3)*
	329 840	**361 601**

27. Other receivables

	31.3.2022 BGN'000	31.12.2021 BGN'000
Insurance business	54 912	42 256
Impairment	*(2 014)*	*(2 014)*
Energy business	51 986	106 437
Impairment	*(12 223)*	*(12 223)*
Automotive business	20 932	6 704
Impairment	*(72)*	*(72)*
Leasing business	926	1 150
Impairment	*(102)*	*(102)*
Asset management and brokerage	90	69
Parent company	23 342	930
Impairment	*(588)*	*(588)*
Prepaid expenses	8 064	6 301
Receivables under court procedures	42 462	42 119
Impairment	*(39 075)*	*(39 075)*
Tax receivables	3 269	9 888
	151 909	**161 780**

27.1. Tax receivables by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	194	71
Energy business	2 737	9 236
Automotive business	17	74
Leasing business	180	313
Parent company	141	194
	3 269	**9 888**

28. Tangible assets

28.1. Land and buildings by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	5 798	6 089
Energy business	109 621	110 435
Automotive business	1 339	1 357
	116 758	**117 881**

28.2. Land and buildings by segments – Rights of use

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	20 104	20 983
Energy business	12 526	13 220
Automotive business	3 025	3 193
Leasing business	1 376	1 498
Asset management and brokerage	899	931
Parent company	1 259	1 376
	39 189	**41 201**

28.3 Machinery and equipment by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	2 059	2 055
Energy business	665 056	666 191
Automotive business	358	377
Leasing business	37	38
	667 510	**668 661**

28.4 Machinery and equipment by segments – Rights of use

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Energy business	4 355	4 585
	4 355	**4 585**

28.5. Vehicles by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	2 018	2 308
Energy business	7 458	8 559
Automotive business	3 260	3 604
Leasing business	13 020	23 870
Asset management and brokerage	-	206
Parent company	60	73
	25 816	**38 620**

28.6. Vehicles by segments – rights of use

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	-	98
Energy business	181	232
Leasing business	9 985	-
Asset management and brokerage	192	4
	10 358	**334**

28.7. Furniture and fittings and other assets by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	1 347	1 378
Energy business	2 225	2 351
Automotive business	855	876
Leasing business	123	140
Asset management and brokerage	40	43
Parent company	3	3
	4 593	**4 791**

28.8. Assets under construction by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	113	128
Energy business	39 897	39 333
Automotive business	90	82
Leasing business	-	-
	40 100	**39 543**

29. Investment property

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Net book value as of 1 January	**1 969**	**9 652**
Disposals	-	(7 683)
Revaluation	62	-
Net book value as of 31 December	**2 031**	**1 969**

*Insurance business

30. Intangible assets by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	4 699	4 980
Energy business	106 671	109 176
Automotive business	407	478
Leasing business	1 305	1 341
Asset management and brokerage	79	85
Parent company	3	3
	113 164	**116 063**

31. Inventories by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	252	421
Energy business	24 275	24 117
Automotive business	7 548	6 871
Leasing business	1 853	1 899
	33 928	**33 308**

32. Financial assets by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Government bonds measured at FVTPL, incl.:	8 064	77 021
Insurance business	*7 178*	*76 062*
Asset management and brokerage	*886*	*959*
Government bonds measured at OCI, incl.:	6 827	6 895
Insurance business	*6 827*	*6 895*
Total government bonds	**14 891**	**83 916**
Corporate bonds measured at FVTPL, incl.:	97 575	88 359
Insurance business	*90 856*	*81 691*
Energy business	*6 035*	*5 984*
Asset management and brokerage	*677*	*677*
Parent company	*7*	*7*
Total corporate bonds	**97 575**	**88 359**
Capital investments measured at FVTPL, incl.:	206 431	192 392
Insurance business	*187 949*	*175 641*
Energy business	*16 720*	*16 751*
Asset management and brokerage	*1 762*	*-*
Total capital investments	**206 431**	**192 392**
Other financial assets measured at amortised cost, incl.:	58 138	53 077
Insurance business	*44 197*	*39 204*
Leasing business	*28*	*-*
Asset management and brokerage	*13 913*	*13 873*
Impairment	*(291)*	*(291)*
Total other financial assets	**57 847**	**52 786**
	376 744	**417 453**

33. Deferred tax assets

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	8 786	8 713
Energy business	4 105	5 286
Automotive business	349	372
Leasing business	328	328
	13 568	**14 699**

34. Investments associates and other investments

	31.3.2022	31.12.2020
	BGN'000	*BGN'000*
Insurance business	901	7 985
Asset management and brokerage	2 305	2 370
	3 206	**10 355**

35. Other financial investments by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	510	669
Energy business	75	75
Asset management and brokerage	-	281
Parent company	9	9
Impairment	*(9)*	*(9)*
	585	**1 025**

36. Non-current receivables

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Finance lease receivables	46 908	51 876
Impairment	*(654)*	*(654)*
Subsidiaries	35 181	31 048
Impairment	-	-
	81 435	**82 270**

37. Goodwill

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Euroins Insurance Group AD	165 123	165 123
Euro-Finance AD	2 620	2 620
Energy business	2 500	2 500
Eurolease Group EAD	1 803	1 803
Eurolease Rent-a-Car EOOD	1 312	1 312
Sofia Motors EOOD	10	10
	173 368	**173 368**

38. Subordinated debts

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Subordinated debts, issued – Insurance business	-	19 558
Subordinated debts, not issued, Teir 1 capital	22 084	22 080
Insurance business	*14 879*	*14 879*
Parent company	*`7 205*	*7 201*
	22 804	**41 638**

Insurance business
The issued subordinated debt instruments are in the form of a debenture loan, which was issued on December 18, 2014 in the form of 100 available, subordinated, unsecured bonds with a face value of EUR 100 thousand each. The agreed amount is EUR 10,000 thousand (BGN 19,558 thousand) and matures on December 18, 2021. The initial interest rate is 13% plus 3-month Euribor, which was subsequently reduced to 9.75% plus Euribor and is due at the end every six months.
The debt is paid in full at the beginning of 2022.

Tier 1 capital is in the form of subordinated term debt with Starcom Holding AD with a limit of EUR 12.6 million (incurred in 2020) and EUR 10 million (incurred in 2021), as at 31.12.2021 4.9 million were disbursed EUR from the latter, at an interest rate of 6% and a repayment period not earlier than 5 years from the date of crediting the last tranche of the loan.

Parent company
After reviewing the indebtedness and in order to strengthen the capital of the group, the Parent Company has agreed and converted part of the loan liabilities as of 31.12.2020 in the form of subordinated debts (unissued) with Stracom Holding AD, representing tier 1 capital, according to the applicable provisions of the current Bulgarian and Community law.

As of 31.3.2022 the tier 1 capital has a total value of BGN 7 205 thousand and has an indefinite repayment period, but not earlier than 5 years, and an interest rate of 6%, due at the end of each quarter.

39. Bank and non-bank loans by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	418	142
Energy business	976 063	859 791
Automotive business	30 042	30 349
Leasing business	81 491	86 739
Parent company	53 917	41 781
	1 141 931	**1 018 802**

39.1. Bank and non-bank loans by segments – long term

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business, incl.	404	-
Bank loans	*272*	*-*
Loans from non-bank financial institutions	*132*	*-*
Energy business, incl.:	956 485	851 035
Bank loans	*722 748*	*638 391*
Loans from non-bank financial institutions	*233 737*	*212 644*
Automotive business, incl.:	2 225	1 442
Bank loans	*2 225*	*1 442*
Leasing business, incl.:	52 614	55 829
Bank loans	*50 308*	*52 812*
Loans from non-bank financial institutions	*2 306*	*3 017*
Parent company, incl.:	19 509	9 006
Bank loans	*19 509*	*9 006*
	1 031 237	**917 312**

39.2. Bank and non-bank loans by segments – short term

	/ *BGN'000*	31.12.2021 *BGN'000*
Insurance business, incl.:	14	142
Bank loans	*14*	*93*
Loans from non-bank financial institutions	*-*	*49*
Energy business, incl.:	19 578	8 756
Bank loans	*19 578*	*8 756*
Loans from non-bank financial institutions	*-*	*-*
Automotive business, incl.:	27 817	28 906
Bank loans	*27 817*	*28 906*
Loans from non-bank financial institutions	*-*	*-*
Leasing business, incl.:	28 877	30 828
Bank loans	*27 170*	*28 289*
Loans from non-bank financial institutions	*1 707*	*2 539*
Parent company, incl.:	34 408	32 775
Bank loans	*34 408*	*32 775*
	110 694	**101 407**

40. Bond obligations by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Automotive business	13 832	13 699
Leasing business	5 270	5 373
Parent company	250 718	179 704
	269 820	**198 776**

40.1 Bond obligations – long-term, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Automotive business	13 163	8 800
Leasing business	5 161	5 211
Parent company	124 515	42 717
	142 839	**56 728**

40.2 Bond obligations – short-term, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Automotive business	669	4 899
Leasing business	109	162
Parent company	126 203	136 987
	126 981	**142 048**

41. Non-current liabilities

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Other non-current liabilities	38 058	94 055
Finance lease liabilities	7 246	7 175
Deffered income	8 166	5 175
	53 470	**106 405**

41.1. Other non-current liabilities by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	20 075	16 611
Energy business	16 485	16 397
Automotive business	555	608
Leasing business	901	936
Parent company	42	59 503
	38 058	**94 055**

41.2. Finance lease liabilities – non-current, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Automotive business	3 200	2 595
Leasing business	3 913	4 441
Asset management and brokerage	133	139
	7 246	**7 175**

41.3. Deffered income – non-current, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Energy business	8 166	5 175
	8 166	**5 175**

42. Current liabilities

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Payables to employees	23,169	24 688
Social-security liabilities	5 894	7 225
Tax liabilities	29 534	24 973
Other current liabilities	58 202	59 997
Finance lease liabilities	1 042	3 942
Deferred income	11 182	18 569
Provisions	30 515	33 268
	159 538	**172 662**

42.1. Payables to employees by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	4 321	4 364
Energy business	17 931	19 262
Automotive business	374	451
Leasing business	453	536
Parent company	90	75
	23 169	**24 688**

42.2. Social-security liabilities by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	1 054	2 694
Energy business	4 591	4 247
Automotive business	122	149
Leasing business	114	123
Parent company	13	12
	5 894	**7 225**

42.3. Tax liabilities by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	13 586	13 951
Energy business	13 931	8 855
Automotive business	995	1 261
Leasing business	692	278
Asset management and brokerage	99	99
Parent company	231	529
	29 534	**24 973**

42.4. Other current liabilities by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	22 656	24 608
Energy business	29 749	32 712
Automotive business	51	384
Leasing business	5 188	1 870
Asset management and brokerage	273	44
Parent company	285	379
	58 202	**59 997**

42.5. Finance lease liabilities – current, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Automotive business	594	654
Leasing business	424	3 264
Asset management and brokerage	24	24
	1 042	**3 942**

42.6. Deferred income – current, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	1 933	-
Energy business	9 177	18 483
Automotive business	17	18
Leasing business	55	68
	11 182	**18 588**

42.7. Provisions - by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	809	2 929
Energy business	29 303	29 810
Automotive business	90	90
Asset management and brokerage	313	439
	30 515	**33 268**

43. Trade and other payables

43.1. Trade and other payables by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	22 079	24 850
Energy business	185 453	195 937
Automotive business	17 122	17 044
Leasing business	4 550	4 643
Asset management and brokerage	8	46
Parent company	83 160	23 106
	312 372	**265 626**

43.2. Leasing liabilities – rights of use, by segments

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Insurance business	20 246	21 336
Short-term	*4 639*	*4 292*
Long-term	*15 607*	*17 044*
Energy business	17 232	18 102
Short-term	*4 103*	*5 256*
Long-term	*13 129*	*12 846*
Automotive business	3 200	3 365
Short-term	*588*	*608*
Long-term	*2 612*	*2 757*
Leasing business	1 626	1 585
Short-term	*611*	*482*
Long-term	*1 015*	*1 103*
Asset management and brokerage	946	975
Short-term	*116*	*115*
Long-term	*830*	*860*
Parent company	1 330	1 550
Short-term	*174*	*342*
Long-term	*1 156*	*1 208*
	44 580	**46 913**

44. Payables to reinsurers

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	180 458	112 956
	180 458	**112 956**

45. Deferred tax liabilities by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	2	2
Energy business	22 850	22 242
Automotive business	42	66
Leasing business	42	42
	22 936	**22 352**

46. Insurance reserves

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Unearned premium reserve, gross amount	583 005	497 487
Reinsurers' share in unearned premium reserve	*(541 877)*	*(439 203)*
Unexpired risks reserve, gross amount	-	402
Reinsurers' share in Unexpired risks reserve	*-*	*(212)*
Reserve for incurred but not reported claims, gross amount	588 595	542 969
Reinsurers' share in reserve for incurred but not reported claims	*(421 266)*	*(396 357)*
Reserve for reported but not settled claims, gross amount	359 521	361 031
Reinsurers' share in reserve for reported but unsettled claims	*(230 878)*	*(230 841)*
Other technical reserve, gross amount	1 350	265
Reinsurers' share in other technical reserves	*-*	-
Mathematical reserves	5 016	4 970
	1 537 487	**1 407 124**

47. Share capital and share premium

47.1 Share capital

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Issued shares	260 500	260 500
Treasury shares	(77)	(77)
Share capital	**260 423**	**260 423**
Number of shares with voting rights	**260 500 000**	**260 500 000**

As of 31.3.2022, 77 227 numbers of voting shares of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2021 – 77 227 voting shares).

The share capital as of 31.3.2022 is distributed as follows:

Share holders	%	Voting rights	Par value
Starcom Holding AD	50.65%	131 933 415	131 933 415
KJK Fund II SICAV-SIF - Balkan Discovery	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by it, namely: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	9.02%	23 492 667	23 492 667
Other legal entities	27.90%	72 675 515	72 675 515
Other individuals	1.64%	4 281 530	4 281 530
Total	**100.00%**	**260 500 000**	**260 500 000**

47.2 Share premium

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Share premium	144 030	144 030
	144 030	**144 030**

48. Net profit for the year

	31.3.2022	31.12.2021
	BGN'000	*BGN'000*
Current result attributable to the shareholders	34 584	84 417
Current result attributable to the non-controlling interest	2 289	28 539
	36 873	**112 956**

48.1. Net profit for the year by segments

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Insurance business	17 303	106 005
Energy business	25 854	17 806
Automotive business	(1 070)	(15 796)
Leasing business	228	2 132
Asset management and brokerage	118	2 102
Parent company	(6 431)	(116 388)
Discontinued Operations (Automotive business)	814	5 793
Profit/(Loss) attributable to the non-controlling interest	(2 289)	(18 757)
Intercompany eliminations of dividends and other	57	87 779
	34 584	**70 676**

49. Non-controlling interests

	31.3.2022 *BGN'000*	31.12.2021 *BGN'000*
Non-controlling interest attributable to profit	2 289	18 757
Non-controlling interest attributable to equity	58 342	171 186
	60 631	**189 943**

50. Disposals and Discontinued Operations – Automotive business

o On 2nd August 2021, Auto Union AD, which consolidates the investments of Eurohold Bulgaria AD in the automotive sector, finalized the sale of N Auto Sofia EAD, a major dealer of Nissan, together with its subsidiaries Espas Auto OOD and EA Properties OOD. Auto Sofia EAD controlled 51% of the capital of Espas Auto OOD, a distributor of Renault and Dacia cars, and 51% of EA Properties OOD, which owns the terrain and showroom of Nissan, Renault and Dacia in Sofia.

o On 27.10.2021 Auto Union AD, in its capacity as sole owner of the capital of Star Motors EOOD signed a preliminary contract for the sale of the company in question, which is the official importer of Mazda cars for Bulgaria, and through its subsidiary Star Motors DOOEL and for the Republic of Northern Macedonia. The buyer is M Trux Bulgaria EOOD. The documents for the forthcoming concentration have been submitted to the Commission for Protection of Competition, as the approval of the CPC is with Decision of 09.12.2021, the same was published on 14.01.2022. The final contract for sale of the company is dated 11.05.2022. At the date of preparation of the interim consolidated report, the contract has not yet been registered. The new owner was registered in the Trade Register at the Registry Agency on 17.05.2022.

o On 17 March 2022, Auto Union AD signed a preliminary contract for the sale of Daru Car EAD. As of the date of preparation of these consolidated financial statements, the transaction is in the process of fulfilling the conditions set out in the contract for concluding a final contract and transferring the company's shares. As of 31.03.2022 the final contracts for transfer of the shares and stocks have not been signed.

In accordance with the requirements of IFRS 5, the items of income and expenses for the respective companies are presented as a result of discontinued operations and during the comparable period. Income and expenses, gains and losses relating to this group are eliminated from profit or loss from continuing activities of the Group and are presented separately in the Interim condensed consolidated statement of profit or loss and other comprehensive income - "Net profit for the year from discontinued operations ”.

The operating profit of the disposal group up to the date of sale and the result of the revaluation and sale of assets and liabilities classified as held for sale may be presented as follows:

50.1. Profit fot he period from discontinued Operations

BGN'000	31.3.2022	31.3.2021
Revenues from operating activities		
Revenues from sales of cars and spare parts	11 463	28 530
Revenues from repair services and car rental	611	3 161
	12 074	**31 691**
Operating expenses		
Book value of sold cars and spare parts	(9 409)	(26 084)
Profit from operating activities	**2 665**	**5 607**
Other operating expenses, including:	(1 622)	(3 209)
Material costs	*(105)*	*(265)*
Service costs	*(562)*	*(794)*
Payroll costs	*(922)*	*(1 955)*
Other costs	*(33)*	*(195)*
Foreign exchange gains/(losses), net	9	(105)
EBITDA	**1 052**	**2 293**
Financial expenses	(255)	(368)
Financial income	2	9
Profit before depreciation and taxes	**799**	**1 934**
Depreciation and amortization	(436)	(1 194)
EBT	**363**	**740**
Tax expenses	-	-
Net profit for the period from discontinuing operations, *attributable to:*	**363**	**740**
Equity holders of the parent	363	215
Non-controlling interests	-	525

50.2. Non-current assets held for sale and liabilities directly attributable to them

BGN'000	31.3.2022	31.12.2021
ASSETS		
Cash	264	351
Trade and other receivables	2 431	2 114
Machinery, equipment and facilities	2 072	1 959
Intangible assets	363	386
Inventory	6 308	3 323
Deffered tax assets	27	27
Lands and buildings	3 106	3 360
Non-current receivables	4 751	-
TOTAL ASSETS	**19 322**	**11 520**
LIABILITIES		
Non-current liabilities	465	244
Current liabilities	1 231	1 189
Trade and other liabilities	9 229	7 488
Deffered tax libilities	6	6
TOTAL LIABILITIES	**10 931**	**8 927**

50.3. Cash flows generated by discontinued operations and disposal group

BGN'000	31.3.2022	31.3.2021
Operating activity	(1 000)	359
Investment activity	(4)	169
Financial activity	(76)	(2 423)
TOTAL CASH FLOWS FROM DISCONTINUED OPERATIONS	**(1 080)**	**(1 895)**

51. Events after the end of the reporting period

51.1. COVID-19 (Coronavirus)

At the end of 2019, news from China about COVID-19 (Coronavirus) first appeared, when a limited number of unknown virus cases were reported to the World Health Organization. During the first few months of 2020, the virus spread worldwide and its negative effects gained momentum. On 11.03.2020, after cases of new coronavirus strains were reported in 114 countries, the World Health Organization (WHO) announced the COVID-19 epidemic for a pandemic. On 13.03.2020, at the request of the government, the National Assembly declared a state of emergency in Bulgaria due to the coronavirus, which lasted until 13.5.2020 and was replaced by an emergency epidemic situation untill 31.8.2021, and is currently being extended until 31.03.2022.

The Group takes all necessary measures in order to preserve the health of workers and to minimize the impact of the crisis at this stage of its occurrence. The actions are in accordance with the instructions of the National Operational Headquarters and strictly comply with the instructions of all national institutions.

The Management is closely monitoring the situation and looking for ways to reduce its impact on the Group, but a fall in the prices of shares on the global stock exchanges could affect the fair value of the Group's investments if the negative trend continues.

51.2. Parent company

(1) The third interest payment on the issue of corporate bonds with the issuer Eurohold Bulgaria AD and ISIN code BG2100013205 was made on 26 May 26 2022.

(2) With a decision of 23.5.2022 Eurohold Bulgaria AD establishes ELECTROHOLD GREEN EOOD, UIC 206955898. The capital amounts to BGN 20,000 and is fully paid. It is divided into 20 shares of BGN 1,000 each. The entry in the Commercial Register is on May 27, 2022.
The main activity of the company is consulting and investment activities, construction and maintenance of photovoltaic power plants, trade in solar panels and accessories, real estate transactions, representation, mediation and agency of Bulgarian and foreign legal entities in the country and abroad, and any other activity , not expressly prohibited by law.

51.3. Avto Union AD

On 16 November 2021, Auto Union AD, in its capacity as sole owner of the capital of Star Motors EOOD, signed a preliminary contract for its sale. Star Motors EOOD is the official importer of Mazda cars for Bulgaria, and through its subsidiary Star Motors DOOEL for the Republic of Northern Macedonia. The deal was finalized on 11 May 2022 with the signing of a final contract. The new owner was entered in the Commercial Register on 17 May 2022.

51.4. Eastern European Electric Company B.V.

On 18 May 2022, the Financial Supervision Commission approved the adjusted tender offers of the energy holding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. for the remaining shares in Electrodistribution Grid West AD (ERM Zapad AD, formerly CEZ Distribution AD) and Electrohold Sales AD (formerly CEZ Electro AD). The proposals relate to the shares of the two companies, which the EEEC does not yet own - 1.07% and 3.08% of the capital, respectively.

51.5. Euroins Insurance Group AD

Force majeure circumstances are available due to the military action taken by Russia and its invasion of Ukraine. That may affect business activities in all areas worldwide.

As a result of the war, a lot of countries around the world, including the European Union, have imposed significant sanctions on Russia, and in part on Belarus, which supports it.

Eurohold Bulgaria owns, through its subsidiary Euroins Insurance Group AD, investments in insurance companies in Ukraine, Russia and Belarus.

Eurohold's management is concerned about the development of the military conflict between Russia and Ukraine and assesses its impact on the Group's business by analyzing the impact on both sides of the conflict.

Currently, the current military situation is a non-adjusting event, at the same time it is extremely dynamic and the management at this stage could not make a qualitative and quantitative assessment of the impact of the war on the Group, and will be assessed over time depending on its development , as well as from: the effects of the imposed sanctions on the Russian and Belarusian states and the effects of the reverse sanctions that Russia will impose on the states that do not support it.

Management will continue to monitor the potential impact and will take all possible steps to mitigate the potential effects.

The Management Board of Eurohold Bulgaria AD is not aware of other significant events occurring after the reporting period.

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Internal information
31 March 2022

INTERNAL INFORMATION

under Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse

Eurohold Bulgaria AD publicly discloses inside information pursuant to Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council to the Financial Supervision Authority, the Bulgarian Stock Exchange and the public through the financial media Extra News at the following internet address: www.x3news.com, where the inside information is available at the following link: **http://www.x3news.com/?page=News&uniqid=626a088679483**

The publicly disclosed inside information can also be found on the website of Eurohold Bulgaria AD. **www.eurohold.bg**, where it is available in the "Internal Information" section at the following link: **https://www.eurohold.bg/internal-information-645.html**.

The management of Eurohold Bulgaria AD believes that there is no other information that has not been publicly disclosed by it and that would be important to shareholders and investors in making an investment decision.

March 31, 2022
Eurohold Bulgaria AD publishes Annual Financial Statements for the activity - ESEF format as of 31.12.2021:
1. Annual activity report in ESEF format
2. Forms of financial statements approved by the Deputy. The Chairman, Head of the Investment Supervision Department of the Financial Supervision Commission;

March 23, 2022
Eurohold already owns 99% of CEZ Distribution and 97% of CEZ Electro;

March 15, 2022
Notice on Regulation (EU) №596 / 2014 of the European Parliament and of the Council of 16 April 2014;

March 15, 2022
Notice on Regulation (EU) №596 / 2014 of the European Parliament and of the Council of 16 April 2014;

March 10, 2022
ELECTROHOLD WILL BE CEZ'S NEW NAME IN BULGARIA;

March 2, 2022
Announcement of the results of Eurohold Bulgaria for 2021;

March 1, 2022
Eurohold Bulgaria AD-Sofia presented a quarterly report for the period 01-01-2021 - 31-12-2021 for compliance with the issuer's obligations to the bondholders for issue BG2100013205;

March 1, 2022
Interim consolidated financial statements for the fourth quarter of 2021:
1. Interim Consolidated Financial Statements as of December 31, 2021, prepared in accordance with IFRS;
2. Accounting policy and explanatory notes;
3. Interim consolidated activity report;
4. Interim consolidated financial statements by FSC forms;
5. Inside information;
6. Additional information;

7. Information under Appendix №4 of Ordinance №2 of the FSC;
8. Declarations by the responsible persons;

March 1, 2022
Change of the Investor Relations Director;

February 3, 2022
Notice on Regulation (EU) №596 / 2014 of the European Parliament and of the Council of 16 April 2014;

February 1, 2022
Interim financial report for the fourth quarter of 2021:
1. Interim Financial Statements as of December 31, 2021, prepared in accordance with IFRS;
2. Accounting policy and explanatory notes;
3. Interim activity report;
4. Interim financial report by FSC forms;
5. Inside information;
6. Additional information;
7. Information under Appendix №4 of Ordinance №2 of the FSC;
8. Declarations by the responsible persons;

January 31, 2022
Interim financial report for the fourth quarter of 2021:
1. Interim Financial Statements as of December 31, 2021, prepared in accordance with IFRS;
2. Accounting policy and explanatory notes;
3. Interim activity report;
4. Interim financial report by FSC forms;
5. Inside information;
6. Additional information;
7. Information under Appendix №4 of Ordinance №2 of the FSC;
8. Declarations by the responsible persons;

January 5, 2022
Notice concerning Regulation (EU) №596 / 2014 of the European Parliament and of the Council of 16 April 2014.

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Additional information as at 31 March 2022

ADDITIONAL INFORMATION

to the interim condensed individual activity report
for the period 1 January - 31 March 2022

pursuant to REGULATION No. 2 of 9 November 2021 on initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market

1. Information about changes in accounting policies during the reporting period, the reasons for them and how they affect the issuer's financial result and equity

There were no changes in the accounting policies of Eurohold Bulgaria AD during the reporting period.

2. Information about changes in the issuer's group of companies within the meaning of the Accounting Act, if it participates in such a group

For the period of the first quarter of 2021, the following changes occurred in the group of companies of Eurohold Bulgaria AD:

2.1. On 17.03.2022 Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a cash contribution of EUR 2 000 000.

2.2. 2.2. In the second half of March 2022 - The energy subholding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. (EEEC), increased its stake in CEZ Razпределenie Bulgaria AD with a new name Elektrodistributive Net Zapad AD (ERN Zapad AD) to 98.93% (by acquiring additional 207,095 shares or 10.74%) and in CEZ Elektro Bulgaria AD with a new name Elektrohold Prodazhbi AD to 96.76% (by acquiring additional 1,371 shares or 27.42%).

3. Information on the results of organizational changes within the issuer, such as reorganization, sale of a group of companies within the meaning of the Accounting Act, in-kind contributions by the company, lease of property, long-term investments, discontinuation of operations

No organizational changes were made within the issuer during the reporting period.

4. 4. An opinion of the governing body on the feasibility of the published forecasts for the current financial year, taking into account the results of the current quarter, as well as information on the factors and circumstances that will affect the achievement of the forecast results at least until the end of the current year

There are no published projections for 2021.

5. 5Data on the persons directly and indirectly holding at least 5 per cent of the votes in the general meeting at the end of the relevant quarter and the changes in the votes held by the persons for the period from the beginning of the current financial year to the end of the reporting period

	Name	Shares	% of equity
1.	Starcom Holding AD	131 933 415	50.65%
2.	KJK Fund II Sicav-Sif Balkan Discovery	28 116 873	10.79%
3.	Boston Management and Research, through the following funds managed by it: - Global Opportunities Portfolio, - Global Macro Portfolio, - Global Macro Absolute Return Advantage Portfolio, - Global Macro Capital Opportunities Portfolio.	23 492 667	9.02%

6. Data on the shares held by the issuer's management and control bodies as of the end of the relevant quarter, as well as the changes that occurred for the period from the beginning of the current financial year to the end of the reporting period for each person separately

	Name	Shares	% of equity
1.	Dimitar Stoyanov Dimitrov	200	-
2.	Assen Emanuilov Asenov	33 930	0,01%
3.	Veleslav Hristov	200	-

7. Information on pending judicial, administrative or arbitration proceedings concerning debts or claims amounting to at least 10 per cent of the issuer's equity capital; if the total value of the issuer's debts or claims in all proceedings exceeds 10 per cent of its equity capital, information shall be provided for each proceeding separately

There is no pending litigation or arbitration relating to the Company or any of its subsidiaries, with a value of the claim of at least 10 per cent of the equity of the Company.

8. Information on loans, guarantees or commitments granted by the issuer or its subsidiary to a person or its subsidiary, including related persons, indicating the nature of the relationship between the issuer and the person, the amount of principal outstanding, the interest rate, the final repayment date, the amount of the commitment, the terms and period of

Related party transactions for the period are disclosed in the Notes to the Interim Condensed Separate Financial Statements for the first quarter of 2022. The terms on which the transactions were carried out do not deviate from market terms for this type of transaction.

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prokurist of Eurohold Bulgaria AD

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Appendix 4
31 March 2022

APPENDIX 4

to Art. 12, para. 1, point 1, Article 14 and Article 21, point 3, letter "a" and point 4, letter "a" of the REGULATION No. 2 of 9.11.2021 on initial and subsequent disclosure of information in the case of public offer of securities and admission of securities to trading on a regulated market

for the period 1 January - 31 March 2022.

1. **No change in the persons exercising control over the company**

2. **Opening of insolvency proceedings for the company or its subsidiary and all material stages related to the proceedings**

No insolvency proceedings have been opened for the company or its subsidiary

3. **Conclusion or execution of material transactions**

All completed transactions, including material transactions, are disclosed in the Notes to the Interim Condensed Individual Financial Statements for the first quarter of 2022 and in the Interim Condensed Individual MD&A as of March 31, 2022.

4. **No decision to enter into, terminate or cancel a joint venture agreement**

5. **No change in the company's auditors and reasons for the change**

6. **There has been no commencement or termination of any legal or arbitration proceedings relating to the debts or claims of the company or its subsidiary, with a cost of the claim of at least 10 per cent of the equity of the company**

7. **Purchase, sale or pledge of shares in commercial companies by the issuer or its subsidiary**

7.1. Acquisition of shares in the capital of Euroins Insurance Group AD through capital increase and purchase of shares as follows:

- In the second half of March 2022 - The energy subholding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. (EEEC), increased its stake in CEZ Distribution Bulgaria AD with a new name Elektrodistributitelni meshitsii Zapad AD (EPM Zapad AD) to 98.93% (by acquiring additional 207,095 shares or 10.74%) and in CEZ Elektro Bulgaria AD with a new name Elektrohold Prodazhbi AD to 96.76% (by acquiring additional 1,371 shares or 27.42%).

8. Other circumstances that the company believes may be relevant to investors in deciding whether to acquire, sell or continue to hold the publicly offered securities

All significant events for Eurohold Bulgaria AD occurring in the period of the first quarter of 2022 and up to the date of this document are disclosed in detail in the Interim condensed individual management report as at 31 March 2022.

25.05.2022

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

7
Declaration of responsible persons

DECLARATION

Article 100n, paragraph 4, item 4 of POSA

The undersigned,

1. Assen Minchev - Executive Director of Eurohold Bulgaria AD
2. Milena Guencheva - Attorney of Eurohold Bulgaria AD
3. Ivan Hristov – Group financial controller of Eurohold Bulgaria AD (complier of the financial statements)

WE DECLARE that to the best of our knowledge:

1. The set of consolidated financial statements for the first quarter of 2022, prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of Eurohold Bulgaria AD.;

2. The consolidated management report as at 31.03.2022 contains a reliable overview of the development and performance of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

Declarators:

1. Assen Minchev

2. Milena Guencheva

3. Ivan Hristov