

EUROHOLD BULGARIA

INTERIM CONDENSED

CONSOLIDATED REPORT



31 December 2022

INTERIM CONDENSED CONSOLIDATED REPORT

containing information on important events that occurred during the period
1 January - 31 December 2022 pursuant to Article 100o, paragraph 4, item 2 of the POSA

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31 December 2022

INSURANCE

ENERGY

**ASSET
MANAGEMENT**

**AUTOMOTIVE
& LEASING-
until June 30,
2022**

EUROHOLD BULGARIA

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Interim condensed consolidated
financial statements as of
31.12.2022

Interim condensed consolidated statement of profit or loss and other comprehensive income

<i>In thousand BGN</i>	<i>Notes</i>	2022	2021
Revenue from operating activities			
Revenue from energy business	3	3 580 987	1 211 069
Revenue from insurance business	5	2 708 853	2 345 944
Revenue from asset management and brokerage	7	10 604	10 278
Revenue from the activities of the parent company	9	1 303	1 392
		6 301 747	3 568 683
Expenses of operating activities			
Expenses of energy business	4	(3 117 364)	(1 031 279)
Expenses of insurance business	6	(2 586 845)	(2 184 408)
Expenses of asset management and brokerage	8	(8 363)	(7 511)
Expenses of the activities of the parent company	10	(23 177)	(1 084)
		(5 735 749)	(3 224 282)
Gross operating profit		565 998	344 401
Other income, net	11	4 248	3 860
Other operating costs	12	(273 179)	(140 662)
Income from reversal of impairment of financial assets, net	13	(11 095)	(18 828)
EBITDA		285 972	188 771
Finance costs	14	(99 965)	(51 856)
Finance income	15	2 504	595
Foreign exchange losses, net	16.1	(15)	57
EBTDA		188 496	137 567
Goodwill impairment	16.2	-	(645)
Depreciation and amortisation charges	17	(116 726)	(51 570)
EBT		71 770	85 352
Tax expenses	18	(14 410)	(10 097)
Net profit/ (loss) for the period from continuing operations		57 360	75 255
Discontinued operations			
Net profit/(loss) for the period from discontinued operations	45.3.1	10 991	(12 407)
Net profit/ (loss) for the period	43.1	68 351	62 848
Net profit/(loss) , attributable to:			
Equity holders of the parent		62 124	46 874
Non-controlling interest		6 227	15 974

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of profit or loss and other comprehensive income (continued)

<i>In thousand BGN</i>	<i>Notes</i>	2022	2021
Net profit/(loss) for the period		68 351	62 848
Other comprehensive income			
<i>Other comprehensive income to be reclassified subsequently to profit or loss:</i>			
Net profit from change in the fair value of financial assets at fair value through other comprehensive income		2 144	2 942
Exchange differences on translating foreign operations		(4 381)	24 638
		(2 237)	27 580
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>			
Net profit loss from revaluations of defined benefit plans		(804)	(243)
		(804)	(243)
Other comprehensive income for the period, net of tax		(3 041)	27 337
Total comprehensive income for the period, net of tax		65 310	90 185
Total comprehensive income, attributable to:			
Equity holders of the parent		58 015	71 011
Non-controlling interests		7 295	19 174
		65 310	90 185

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of financial position

<i>In thousand BGN</i>	<i>Notes</i>	31.12.2022	31.12.2021
ASSETS			
Cash and cash equivalents	19	390 897	152 132
Time deposits at banks	20	56 804	27 224
Reinsurers' share in technical reserves	21	1 139 691	1 084 982
Insurance receivables	22	154 334	193 998
Trade receivables	23	295 971	413 309
Other receivables	24	232 139	153 318
Financial assets	29.1	387 660	427 671
Other financial investments	32	2 762	1 025
Non-current assets held for sale	45.3.2	-	11 520
Inventory	28	32 348	33 168
Non-current receivables	33	33 244	82 270
Property, plant and equipment	25	874 608	915 472
Investment property	26	1 275	2 014
Investments in associates and other investments	31	2 934	3 358
Intangible assets	27	101 798	116 065
Goodwill	34	169 598	172 723
Deferred tax assets	30	16 346	14 926
TOTAL ASSETS		3 892 409	3 805 175

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of financial position (continued)

<i>In thousand BGN</i>	<i>Notes</i>	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Issued capital	42.1	260 500	260 500
Treasury shares	42.1	(77)	(77)
Share premium	42.2	144 030	144 030
General reserves		7 641	7 641
Revaluation and other reserves		8 461	(16 033)
Accumulated loss from prior periods		(203 377)	(259 844)
Profit for the period	43	62 124	46 874
Equity, attributable to equity holders of the parent		279 302	183 091
Non-controlling interests	44	49 017	187 415
Total equity		328 319	370 506
Subordinated debt	35	48 459	41 638
Insurance reserves	41	1 525 113	1 430 851
LIABILITIES			
Bank and non-bank loans	36	1 116 927	1 018 719
Bond issued	37	228 687	198 776
Trade and other payables	38	558 737	594 038
Payables to reinsurers	39	65 840	119 368
Deferred tax liabilities	40	20 327	22 352
Liabilities directly attributable to assets held for sale	45.3.2	-	8 927
		1 990 518	1 962 180
Total liabilities, subordinated debt and insurance reserves		3 564 090	3 434 669
TOTAL EQUITY AND LIABILITIES		3 892 409	3 805 175

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of cash flows

<i>In thousand BGN</i>	<i>Notes</i>	2022	2021
Operating activities			
Profit/ (loss) for the period before tax from continued operations:		71 770	70 904
Profit/ (loss) for the period before tax from discontinued operations:		10 993	2 604
Adjustments for:			
Depreciation and amortization	17	116 726	63 610
Foreign exchange gain/(loss)		(1 046)	5 244
Dividend income		(299)	(140)
Insurance reserves change, net of reinsurance		(67 891)	(147 128)
Increase in impairment loss		11 787	20 637
Goodwill impairment		(3 125)	20 174
Bargain purchase of investment		-	(2 006)
Loss on sale of investments in subsidiaries		20 467	-
Gain on sale of investments		(11 543)	(11 255)
Net investment income (interest income and expense)		75 066	37 793
Other non-monetary adjustments		19 897	(4 971)
Operating profit before change in working capital		242 802	55 466
Change in trade and other receivables		(156 787)	(909 644)
Change in inventory		820	(6 534)
Change in trade and other payables and other adjustments		223 760	809 706
Cash generated from operating activities		310 595	(51 006)
Interest (paid)/received		4 331	1 081
Income tax paid		(25 759)	(6 258)
Net cash flows from continued operations		289 167	(56 183)
Net cash flows from discontinued operations		(3 731)	(5 604)
Net cash flows from operating activities		285 436	(61 787)
Investing activities			
Purchase of property, plant and equipment		(113 293)	(44 891)
Proceeds from the disposal of property, plant, equipment and intangible assets		1 103	10 170
Loans granted		(23 773)	(162 441)
Repayment of loans, including finance leases		38 143	130 316
Interest received on loans granted		1 118	1 090
Purchase of investments		(115 437)	(297 250)
Sales of investments		189 732	218 846
Dividends received		3 020	2 903
Effect of exchange rate changes		(190)	35
Acquisition of subsidiaries, net of cash acquired		-	(448 231)
Other proceeds from investing activities, net		3 404	2 769
Net cash flows from investing activities		(16 173)	(586 684)

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of cash flows (continued)

<i>In thousand BGN</i>	<i>Notes</i>	2022	2021
Financing activities			
Proceeds from issue of securities		-	157 436
Proceeds from loans		473 597	898 680
Repayment of loans		(366 868)	(184 731)
Transactions with non-controlling interest		(111 462)	(5 095)
Lease repayments		(14 354)	(23 015)
Payment of interest, charges, commissions on investment loans		(44 442)	(227)
Dividends paid		(960)	(122 036)
Other (payments) / proceeds from financing activities, net		33 640	11 142
Net cash flows from financing activities		(30 849)	732 154
Net increase in cash and cash equivalents		238 414	83 683
Cash and cash equivalents at the beginning of the period incl.	<i>19, 45.3.2</i>	152 483	68 800
<i>Cash on assets held for sale</i>		<i>351</i>	-
Cash and cash equivalents at the end of the period	<i>19, 45.3.2</i>	390 897	152 483
Cash on assets held for sale		-	351

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

Interim condensed consolidated statement of change in equity

<i>In thousand BGN</i>	Share capital	Share premium	General reserves	Revaluation and other reserves	Accumulated loss	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of 1 January 2021	197 429	49 568	7 641	(68 559)	(80 303)	105 776	29 167	134 943
Issue of capital	62 974	94 462	-	-	-	157 436	-	157 436
Treasury shares purchased	20	-	-	-	-	20	-	20
Dividends	-	-	-	-	-	-	(931)	(931)
Change in non-controlling interest due to change-of-control transactions	-	-	-	-	-	-	295 081	295 081
Change in non-controlling interest due to non-change-of-control transactions, other changes	-	-	-	28 389	(1 587)	26 802	(144 790)	(117 988)
Transactions with owners	62 994	94 462	-	28 389	(1 587)	184 258	149 360	333 618
Profit/(loss) for the period	-	-	-	-	46 874	46 874	15 974	62 848
Other comprehensive income	-	-	-	24 137	-	24 137	3 200	27 337
Total comprehensive income	-	-	-	24 137	46 874	71 011	19 174	90 185
Balance as of 31 December 2021	260 423	144 030	7 641	(16 033)	(212 970)	183 091	187 415	370 506
Balance as of 1 January 2022	260 423	144 030	7 641	(16 033)	(212 970)	183 091	187 415	370 506
Change in non-controlling interest due to change-of-control transactions	-	-	-	15 186	9 593	24 779	(144 170)	(119 391)
Change in non-controlling interest due to non-change-of-control transactions, other changes	-	-	-	13 417	-	13 417	(1 523)	11 894
Transactions with owners	-	-	-	28 603	9 593	38 196	(145 693)	(107 497)
Profit/(loss) for the period	-	-	-	-	62 124	62 124	6 227	68 351
Other comprehensive income	-	-	-	(4 109)	-	(4 109)	1 068	(3 041)
Total comprehensive income	-	-	-	(4 109)	62 124	58 015	7 295	65 310
Balance as of 31 December 2022	260 423	144 030	7 641	8 461	(141 253)	279 302	49 017	328 319

Prepared by:

Signed on behalf of Management Board:

Procurator:

/Tsvetelina Cheresharova-Doycheva/

/Asen Minchev/

/Milena Guentcheva /

Date:28.02.2023

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

		2022	2022	2022	2022	2022	2022	2022	2022
	Notes	Consolidated	Energy business	Insurance business	Automotive	Leasing business	Asset management and brokerage	Parent company	Eliminations
In thousand BGN									
Revenue from operating activities									
Revenue from energy business	3	3 580 987	3 581 195	-	-	-	-	-	(208)
Revenue from insurance business	5	2 708 853	-	2 716 984	-	-	-	-	(8 131)
Revenue from asset management and brokerage	7	10 604	-	-	-	-	12 087	-	(1 483)
Revenue from the activities of the parent company	9	1 303	-	-	-	-	-	3 914	(2 611)
		6 301 747	3 581 195	2 716 984	-	-	12 087	3 914	(12 433)
Expenses of operating activities									
Expenses of energy business	4	(3 117 364)	(3 117 364)	-	-	-	-	-	-
Expenses of insurance business	6	(2 586 845)	-	(2 596 313)	-	-	-	-	9 468
Expenses of asset management and brokerage	8	(8 363)	-	-	-	-	(8 363)	-	-
Expenses of the activities of the parent company	10	(23 177)	-	-	-	-	-	(23 316)	139
		(5 735 749)	(3 117 364)	(2 596 313)	-	-	(8 363)	(23 316)	9 607
		565 998	463 831	120 671	-	-	3 724	(19 402)	(2 826)
Other income/(expenses), net	11	4 248	4 226	-	-	-	51	-	(29)
Other operating expenses	12	(273 179)	(214 561)	(51 372)	-	-	(2 042)	(6 267)	1 063
(Accrued)/reversal impairment loss on financial assets, net	13	(11 095)	(8 786)	-	-	-	1	(2 310)	-
		285 972	244 710	69 299	-	-	1 734	(27 979)	(1 792)
		188 496	178 403	64 322	-	-	1 690	(55 806)	(113)
Goodwill impairment	16.2	-	-	-	-	-	-	-	-
Depreciation and amortisation charges	17	(116 726)	(108 099)	(8 080)	-	-	(264)	(295)	12
		71 770	70 304	56 242	-	-	1 426	(56 101)	(101)
Tax expenses	18	(14 410)	(13 421)	(869)	-	-	(120)	-	-
		57 360	56 883	55 373	-	-	1 306	(56 101)	(101)
Discontinued operations									
Net profit/(loss) for the period from discontinued operations	45.3.1	10 991	-	119	12 668	362	-	-	(2 158)
		68 351	56 883	55 492	12 668	362	1 306	(56 101)	(2 259)

Consolidated assets and liabilities by business segments as of 31.12.2022

Total assets		3 892 409	2 395 925	2 218 022	-	-	29 017	748 310	(1 498 865)
Total liabilities, subordinated debt and insurance contract liabilities		3 564 090	1 804 542	1 357 225	-	-	5 623	452 660	(55 960)

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

		2021	2021	2021	2021	2021	2021	2021	2021
	Notes	Consolidated	Energy business*	Insurance business	Automotive	Leasing business	Asset management and brokerage	Parent company	Eliminations
In thousand BGN									
Revenue from operating activities									
Revenue from energy business*	3	1 211 069	1 211 213	-	-	-	-	-	(144)
Revenue from insurance business	5	2 345 944	-	2 348 995	-	-	-	-	(3 051)
Revenue from asset management and brokerage	7	10 278	-	-	-	-	12 048	-	(1 770)
Revenue from the activities of the parent company	9	1 392	-	-	-	-	-	1 669	(277)
		3 568 683	1 211 213	2 348 995	-	-	12 048	1 669	(5 242)
Expenses of operating activities									
Expenses of energy business*	4	(1 031 279)	(1 031 279)	-	-	-	-	-	-
Expenses of insurance business	6	(2 184 408)	-	(2 192 730)	-	-	-	-	8 322
Expenses of asset management and brokerage	8	(7 511)	-	-	-	-	(7 444)	-	(67)
Expenses of the activities of the parent company	10	(1 084)	-	-	-	-	-	(86 291)	85 207
		(3 224 282)	(1 031 279)	(2 192 730)	-	-	(7 444)	(86 291)	93 462
Gross profit		344 401	179 934	156 265	-	-	4 604	(84 622)	88 220
Other income/(expenses), net	11	3 860	3 834	-	-	-	71	-	(45)
Other operating expenses	12	(140 662)	(82 483)	(45 732)	-	-	(2 101)	(10 714)	368
(Accrued)/reversal impairment loss on financial assets, net	13	(18 828)	(7 039)	(11 187)	-	-	7	(609)	-
EBITDA		188 771	94 246	99 346	-	-	2 581	(95 945)	88 543
Finance expenses	14	(51 856)	(28 158)	(6 522)	-	-	(44)	(19 821)	2 689
Finance income	15	595	595	-	-	-	-	-	-
Foreign exchange gains/(losses), net	16.1	57	-	-	-	-	-	57	-
EBTDA		137 567	66 683	92 824	-	-	2 537	(115 709)	91 232
Goodwill impairment	16.2	(645)	-	(645)	-	-	-	-	-
Depreciation and amortisation charges	17	(51 570)	(43 044)	(7 623)	-	-	(224)	(679)	-
EBT		85 352	23 639	84 556	-	-	2 313	(116 388)	91 232
Tax expenses	18	(10 097)	(5 833)	(4 053)	-	-	(211)	-	-
Net profit/(loss) for the period from continued operations		75 255	17 806	80 503	-	-	2 102	(116 388)	91 232
Discontinued operations									
Net profit/(loss) for the period from discontinued operations	45.3.1	(12 407)	-	(1 153)	(10 003)	2 132	-	-	(3 383)
Net profit/(loss) for the period		62 848	17 806	79 350	(10 003)	2 132	2 102	(116 388)	87 849

*For the period 1.8.2021-31.12.2021

Consolidated assets and liabilities by business segments as of 31.12.2021

	2021	2021	2021	2021	2021	2021	2021	2021
	Consolidated	Energy business*	Insurance business	Automotive	Leasing business	Asset management and brokerage	Parent company	Eliminations
Total assets	3 805 175	2 072 639	2 256 559	86 471	126 531	30 574	720 332	(1 487 931)
Total liabilities, subordinated debt and insurance contract liabilities	3 434 669	1 715 935	1 231 545	81 933	112 690	6 384	375 583	(89 401)

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Notes to the interim condensed consolidated financial statement as of 30.12.2022

Notes to the interim condensed consolidated financial statements

1. INFORMATION ABOUT THE GROUP

1.1. Scope of activity

The main activity of Eurohold Bulgaria AD (Parent Company) and its subsidiaries (the Group) consists of insurance, financial and investment activities and energy.

The parent company has the following scope of activity: acquisition, management, assessment and sale of shares in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition valuation and sale of patents, assignment of licenses for use of company patents, in which the Parent Company participates, as well as financing of companies in which the Parent Company participates.

Eurohold Bulgaria AD is a public joint stock company established pursuant to the provisions of article 122 of the Law for Public Offering of Securities and article 261 of Bulgarian Commerce Act.

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

The company was registered in Sofia City Court under corporate file 14436/2006 and it was formed through the merger of Eurohold AD registered under corporate file № 13770/1996 as per the registry of Sofia City Court, and Starcom Holding AD, registered under corporate file № 6333/1995 as per the registry of Sofia City Court. In 2021 the name of the company was not changed.

Eurohold Bulgaria AD, EIK 175187337, has its registered office and management address in Bulgaria, the city of Sofia, Iskar district, 43 Christopher Columbus Blvd.

The governing bodies of the parent company are the General meeting of shareholders, the Supervisory Board and the Management Board comprising the following members as of 31.12.2022:

Supervisory Board:

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

Management Board:

Kiril Ivanov Boshov, Bulgaria - Chairman, Executive Member;
Asen Mintchev Mintchev, Bulgaria – Executive Member;
Velislav Milkov Hristov, Bulgaria – Member;
Razvan Stefan Lefter, Romania – Member;

As of 31.12.2022 the company is represented and managed by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Guentcheva - Procurator, only jointly by the two executive directors or by one executive director and the procurator.

With a Decision of the Supervisory Board of 16.8.2022, entered in the Registration Agency on 25.8.2022, the credentials of Assen Emanouilov Assenov, Bulgaria, member of the Management Board, were cancelled.

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

As of 31.12.2022, the Audit Committee of the parent company comprises the following members:
Ivan Georgiev Mankov, Bulgaria– Chairman;
Dimitar Stoyanov Dimitrov, Bulgaria – Member;
Rositsa Mihaylova Pencheva, Bulgaria – Member.

1.2. Structure of the economic group

Eurohold Bulgaria AD is controlled by Starcom Holding AD, the ultimate parent company. The investment portfolio of Eurohold Bulgaria AD comprises the following economic sectors: energy, insurance and financial investment activity.

Companies involved in the consolidation and percentage ownership:

Energy Sector

Company	% participation in the share capital 31.12.2022	% participation in the share capital 31.12.2021
Electrohold Green, Bulgaria*	100.00%	-
Eastern European Electric Company II B.V., The Netherlands *	100.00%	100.00%
<i>Indirect participation through Eastern European Electric Company II B.V., The Netherlands:</i>		
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., The Netherlands	100.00%	100.00%
Electrodistribution Grid West AD and/or Electrorazpredelitelni mreji Zapad AD, or ERZ Zapad AD, Bulgaria (previous name CEZ Distribution Bulgaria AD), owned by EEEEC B.V., The Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Electrohold ICT EAD, Bulgaria (previous name 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 name CEZ Electro Bulgaria AD) owned by: - EEEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Electrohold Bulgaria EOOD, Bulgaria (previous name CEZ Bulgaria EOOD) owned by EEEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Electrohold EPS EOOD, Bulgaria (previous name CEZ Bulgaria EOOD) owned by Electrohold Bulgaria EOOD (est.03.10.2022)	100.00%	-
Electrohold Trade EAD, Bulgaria (previous name CEZ Trade Bulgaria EAD) owned by EEEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Free Energy Project Oreshets EOOD, Bulgaria, owned by EEEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%
Bara Group EOOD, Bulgaria, owned by EEEEC B.V., the Netherlands - Acquisition date: 27.07.2021	100.00%	100.00%

* direct participation

Insurance Sector

Company	% participation in the share capital 31.12.2022	% 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	98.57%	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	92.73%	92.62%
Euroins Ukraine PrAT, Ukraine through European Travel Insurance PrAT, Ukraine	5.74%	5.74%
Eclaim Settlement Services Single Member P.C., Greece, (previous name Euroins Claims M.I.K.E.)	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 (previous name CJSC IC ERGO)	-	93.12%

* direct participation

On December 30, 2022, Euroins Insurance Group (EIG) signed contracts to sell its subsidiary in Belarus and the group's stake in a company in Russia. (Note 31).

Finance Sector

Company	% participation in the share capital 31.12.2022	% participation in the share capital 31.12.2021
Euro-Finance AD, Bulgaria*	99.99%	99.99%

* direct participation

Automotive sector

Company	% participation in the share capital 31.12.2022	% participation in the share capital 31.12.2021
Avto Union AD (AU AD)*	-	99.99%
Indirect participation through AU AD:		
Avto Union Service EOOD, Bulgaria	-	100.00%
Daru Car AD, Bulgaria	-	100.00%
Auto Italy EAD, Bulgaria	-	100.00%
Bulvaria EOOD, Bulgaria (previous name Bulvaria Varna EOOD)	-	100.00%
Bulvaria Sofia EAD, Bulgaria	-	100.00%
Star Motors EOOD, Bulgaria	-	100.00%
Star Motors DOOEL, North Macedonia through Star Motors EOOD	-	100.00%
Star Motors SH.P.K., Kosovo through Star Motors DOOEL	-	100.00%
Motohub EOOD, Bulgaria	-	100.00%
Motobul EAD, Bulgaria	-	100.00%
Benzin Finance EAD, Bulgaria	-	100.00%
Bopar Pro S.R.L., Romania through Motobul EAD	-	99.00%
China Motor Company AD, Bulgaria	-	80.00%

* direct participation

On June 30, 2022, Eurohold Bulgaria AD sold Auto Union AD, with which completely released its investments in the automotive business.

Lease sector

Company	% participation in the share capital 31.12.2022	% participation in the share capital 31.12.2021
Eurolease Group EAD*	-	90.01%
Indirect participation through Eurolease Group EAD:		
Money lease EAD (<i>previous name Eurolease Auto EAD</i>), Bulgaria	-	100.00%
Eurolease Auto Romania AD, Romania	-	77.98%
Eurolease Auto Romania AD through Euroins Romania Asigurare-Reasigurare S.A., Romania	-	20.45%
Eurolease Auto DOOEL, North Macedonia	-	100.00%
Eurolease Rent A Car EOOD, Bulgaria	-	100.00%
Finacity EAD, Bulgaria (<i>previous name Amigo Leasing EAD</i>), Bulgaria	-	100.00%
Autoplaza EAD, Bulgaria	-	100.00%
Sofia Motors EOOD, Bulgaria	-	100.00%
Amigo Finance EOOD, Bulgaria (<i>previous name Mogo Bulgaria EOOD</i>), Acquisition date: 1.12.2021	-	100.00%

* direct participation

On June 30, 2022, Eurohold Bulgaria AD sold Eurolease Group EAD, with which completely released its investments in the lease business.

2. SUMMARY OF GROUP'S ACCOUNTING POLICIES

2.1. Basis for Preparation of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements have been prepared in accordance with IFRS adopted by the EU and in particular 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 latest audited consolidated annual financial statements for 2021.

The interim condensed consolidated financial statements for the period ending 31 December 2022 should be read in conjunction with the audited 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 interim condensed consolidated financial statements have been prepared in Bulgarian leva (BGN), which is the functional currency of the Group. All amounts are presented in thousand Bulgarian leva (BGN '000) (including the comparative information for 2021), unless otherwise stated.

The interim consolidated financial statements have been prepared in accordance with the going concern principle. As of the date of preparation of these interim condensed consolidated financial statements, management has made an assessment of the Group's ability to continue its activity as a going concern based on the available information for the foreseeable future. Following the review of the Group's operations, management expects that the Group has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in the preparation of the consolidated financial statements.

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 Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2022. Subsidiaries are business entities under the control of the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit and loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

If the Group loses control of a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date of loss of control is considered fair value on initial recognition of a financial asset in accordance with IFRS 9 Financial Instruments or, where applicable, at cost on initial recognition of an investment in an associate or jointly controlled entity. In addition, any amounts recognized in other comprehensive income in respect of that subsidiary are reported on the same basis as would be necessary if the Group had directly disposed of the related assets or liabilities (eg reclassified to profit or loss or carried away directly in retained earnings in accordance with the requirements of the relevant IFRS).

The profit or loss on disposal is calculated as the difference between i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and ii) the previous carrying amount of the assets, including goodwill, and liabilities of the subsidiary and any non-controlling interest.

2.4. New standards, interpretations and amendments, effective from 1 January 2022

The Group has not made changes in its accounting policy in connection with the application of new and/or revised IFRS that are effective for the current reporting period beginning on January 1, 2022, because during the period there were no objects or operations that were affected by changes and amendments in IFRS.

2.4.1. New standards, interpretations and amendments, adopted by the EU, effective 1 January 2022

The Company applies the following new standards, amendments and interpretations, which came into force this period and are as follows:

- *Amendments to IAS 16 Property, Plant and Equipment, effective from 1 January 2022*
- *Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective from 1 January 2022 effective from 1 January 2022*
- *Amendments to IFRS 3 Business Combinations, effective from 1 January 2022 adopted by the EU*
- *Annual Improvements 2018-2020, effective from 1 January 2022*

2.4.2. Documents issued by IASB / IFRIC, which are not yet endorsed in the EU

At the date of approval of the interim condensed consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been issued but have not entered into force or have not yet been adopted by the EU for the financial year commencing 1 January 2022 and are not implemented by the Group earlier. They are not expected to have a significant impact on the Group's consolidated financial statements, except for IFRS 17 Insurance contracts. Management expects all standards and amendments to be adopted in the Group's accounting policies during the first period beginning after their effective date. Below is a list of changes to the standards:

- *IFRS 17 "Insurance Contracts" effective from 1 January 2023, adopted by the EU;*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies effective not earlier than 1 January 2024, adopted by the EU;*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates effective from 1 January 2023, adopted by the EU;*
- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective from 1 January 2023 adopted by the EU;*
- *Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information effective from 1 January 2023 adopted by the EU;*
- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective from not earlier than 1 January 2024 not yet adopted by the EU;*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback effective not earlier than 1 January 2024 not yet adopted by the EU;*
- *IFRS 14 "Regulatory deferral accounts" effective from 1 January 2016, not adopted by the EU.*

2.5. Changes to the estimates

In preparation of the interim condensed consolidated financial statements management makes a number of assumptions, estimates and presumptions regarding the recognition and measurement of assets, liabilities, income and expenses.

The actual results could be different from management's assumptions, estimates and presumptions and, in rare cases, entirely correspond to the previously assessed results.

In the preparation of the interim condensed consolidated financial statements, the significant judgments of the management in the application of the Group's accounting policies and the main sources of uncertainty of the accounting estimates do not differ from those disclosed in the annual financial statements of the Group as at 31 December 2021.

For the purpose of presenting these interim condensed consolidated financial statements, reviews have been performed for impairment of trade and other receivables.

2.6. Risk management

The Group is exposed to various types of risks with respect to its financial instruments. The most significant financial risk to which the Company is exposed are market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include the entire information on risk management and disclosures required in the preparation of annual financial statements and should be read together with the Group's annual consolidated financial statements as at 31 December 2021. There were no changes in the risk management policy related to financial instruments during the period.

2.6.1. Risk of an unfavorable long-term development of the Covid-19 (Coronavirus) pandemic after the measures taken by the governments in Bulgaria and in other countries where the Group operates have been withdrawn

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 analysed 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 is in compliance with the requirements of IFRS 7 and IFRS 9, as well as the recommendations of the European Securities and Markets Authority (ESMA).

As of the date of preparation of these interim condensed consolidated financial statements, the economic activity has not yet fully recovered and sufficient statistical information been 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.

Group's management has analysed the expected effect, both on the economic growth and the credit quality of the countries (and, accordingly, of the counterparties) in which 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 (October 2022: <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>) including forecast data after the occurrence of the pandemic situation related to Covid-19 (Coronavirus). The updated report of the International Monetary Fund from 31.01.2023 does not contain an updated forecast for the GDP of the Republic of Bulgaria. <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

	Historical data					Forecast	
	2017	2018	2019	2020	2021	2022	2023
Economic GDP growth	2.8%	2.7%	4.0%	(4.4)%	4.2 %	3.9	3.0%

The table below presents information on the economic growth expectations of the countries of the Eurozone (representing the main external market of the Republic of Bulgaria) according to the data of the International Monetary Fund, including forecast data after the onset of the pandemic situation related to Covid-19 (Coronavirus).

	Historical data					Preliminary assessment	Forecast
	2017	2018	2019	2020	2021	2022	2023
Economic GDP growth of Republic of Bulgaria (Forecast-October 2022)	2.6%	1.9%	1.5%	(6.3)%	5.2%	3.5%	0.7%

The Group's management has also analysed 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 (data from October 2022):

	Historical data					Preliminary assessment	Forecast
	2017	2018	2019	2020	2021	2022	2023
Republic of Romania	7.3%	4.5%	4.2%	(3.7)%	5.9%	4.7%	3.1%
Republic of North Macedonia	1.1%	2.9%	3.9%	(6.1)%	4.0%	2.7%	3.0%
Republic of Ukraine	2.4%	3.5%	3.2%	(3.8)%	3.4%	(35.0)%	...
Republic of Georgia	4.8%	4.8%	5.0%	(6.8)%	10.4%	9.0%	4.0%
Hellenic Republic	1.3%	1.6%	1.9%	(8.2)%	8.3%	5.2%	1.8%
Republic of Poland	4.8%	5.4%	4.7%	(2.2)%	5.9%	3.8%	0.5%
Italy Republic*	1.7%	0.9%	0.3%	(8.9)%	6.7%	3.9%	0.6%
Kingdom of Spain*	3.0%	2.3%	2.1%	(10.8)%	5.1%	5.2%	1.1%
United Kingdom*	1.7%	1.3%	1.4%	(9.8)%	7.4%	4.1%	(0.6)%

* Forecast data update for 2023 available and preliminary assessment of data for 2022 in the report of the International Monetary Fund dated 31.01.2023.

As can be seen from the above data, the Management takes into account the possible short-term risks to the general development of the economy of the main countries in which it operates, as in some of the markets the expected decrease in the Gross Domestic Product would be significant, but also takes into account the general expectations for a rapid recovery in the period 2022-2023 with expectations of a return to average pre-Covid-19 (Coronavirus) forecast growth levels.

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
Republic of Bulgaria	BBB	Positive	BBB	Positive
Eurohold Bulgaria AD	B	Negative	B	Stable

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		After the military actions in Ukraine	
	Rating	Forecast	Rating	Forecast	Rating	Forecast
Republic of Romania	BBB	Stable	BBB	Negative	BBB	Negative
Republic of North Macedonia	BB+	Stable	BB+	Negative	BB+	Negative
Republic of Ukraine	B	Positive	B	Positive	CC	-
Republic of Georgia	BB	Stable	BB	Stable	BB	Positive
Hellenic Republic	BB	Stable	BB	Stable	BB	Stable
Republic of Poland	A-	Stable	A-	Stable	A-	Stable
Italy Republic	BBB	Negative	BBB-	Stable	BBB	Stable
Kingdom of Spain	A-	Stable	A-	Stable	A-	Stable
United Kingdom	AA	Negative	AA-	Stable	AA-	Negative

Management continues to monitor the development of the credit risk for the countries where the Company 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 Company's management has analysed 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 Company is that at the time of issuing these financial statements 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 of Eurohold 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 Company operates, it cannot perform a sufficiently sustainable and reliable assessment of the effect that Covid-19 (Coronavirus).

About the model (including the full and simplified one) for calculating the expected credit losses, the Management considers that it is not necessary to make a change in the general model. However, the Management recognizes the possible short-term risks to the overall economic development of the countries in which the Company (Eurohold group) operates, and that in some markets the expected reduction in Gross Domestic Product could be significant, but also takes into account the general expectations for a rapid recovery in the period 2022-2023 and the expectations of a return to and over

the average projected growth levels before Covid-19 (Coronavirus) and has therefore decided to review its model and update its expectations.

Management considers possible short-term risks to the overall economic development of the main countries in which the Company (Eurohold Group) operates, and in some markets the expected reduction in Gross Domestic Product would be significant, but also takes into account general expectations for rapid recovery in 2021 -2022 with expectations to return to and above average projected growth levels before Covid-19 (Coronavirus), and has therefore decided to review its model and update its expectations as of 31 December 2022.

Since sufficiently reliable macroeconomic statistics and information on medium-term default probability levels are available as of December 31, 2022, Management has recalculated/changed the model regarding expected credit losses compared to those as of December 31, 2021.

2.7. Cash Flows

The interim condensed consolidated statement of cash flows shows the cash flows for the period in relation to operating, investment and financial activity during the period, the change in cash and cash equivalents for the period, cash and cash equivalents at the beginning and at the end of the period.

Cash flows from operating activities are calculated as a result of the reporting period adjusted for non-cash operating items, changes in net working capital and corporate tax.

Investment activity cash flows include payments for the purchase and sale of fixed assets and cash flows related to the purchase and sale of entities and operations. Purchase and sale of other securities, which are not classified within cash and cash equivalents, are also included in the investment activity.

Financial activity cash flows include changes in the amount or composition of share capital and the related costs, the borrowings and the repayment of interest-bearing loans, purchase, and sale of own shares and payment of dividends.

Cash and cash equivalents include bank overdraft, liquidity cash and securities for term less than three months.

3. Revenue from energy business

	2022 <i>BGN'000</i>	2021* <i>BGN'000.</i>
Open market customers	2 314 392	722 123
Household consumers	780 072	326 361
Business consumers	416 477	137 703
Connections fee revenue	21 727	12 108
Penalties for late payments	5 104	1 879
Revenues from services for research, repair and maintenance of electricity distribution network, and commercial metering devices	10 307	3 225
Revenues from information, communication, technological services (ICT) and others	3 883	1 428
Revenues from the Power System Security Fund	939	719
Other income	28 086	5 523
* For the period 1.8.2021 – 31.12.2021.	3 580 987	1 211 069

4. Expenses of energy business

	2022 <i>BGN'000</i>	2021* <i>BGN'000.</i>
Costs for purchased electricity	(2 839 309)	(963 026)
Technological costs for electricity transmission	(199 492)	(42 041)
Balancing energy	(74 677)	(25 025)
Costs for transmission and access services	(3 765)	(1 140)
Other expenses	(121)	(47)
* For the period 1.8.2021 – 31.12.2021.	(3 117 364)	(1 031 279)

5. Revenue from insurance business

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Gross written premiums from insurance	1 674 187	1 350 599
Received recoveries from reinsurers	511 727	425 285
Positive change in the gross provision for unearned premiums and unexpired risk reserve	-	8 393
Positive change in the provision for unearned premiums reinsurers' share	45 533	270 006
Positive change in the share of reinsurers in other technical reserves	49 534	133 409
Positive change in other technical reserves	36 550	3 909
Recourse income	7 178	9 115
Fees and commissions income	329 517	104 027
Investment income	35 678	28 768
Other operating revenue	18 949	12 433
	2 708 853	2 345 944

6. Insurance segment expenses

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Paid claims, claims handling and prevention expenses	(893 130)	(810 896)
Change in the gross provision for unearned premiums and unexpired risk reserve	(52 879)	(214 608)
Change in the reinsurers' share in UPR	-	(5 502)
Change in other technical reserves	(99 828)	(53 520)
Change in the reinsurers' share in other technical reserves	(34 386)	(293)
Premiums ceded to reinsurers	(898 396)	(662 655)
Acquisition expenses	(398 776)	(321 642)
Investment costs, incl:	(32 907)	(27 135)
<i>Impairment of subsidiaries</i>	-	(8 878)
Loss on sale of subsidiaries	(10 609)	-
Other operating expenses	(165 934)	(88 157)
	(2 586 845)	(2 184 408)

7. Revenue from Asset management and brokerage

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Interest income	572	496
Dividend income	260	101
Gains on sale of financial assets and financial instruments	7 856	7 800
Foreign exchange gains, net	98	-
Other finance income	1 818	1 881
	10 604	10 278

8. Expenses of Asset management and brokerage

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Interest expenses	(84)	(87)
Loss on sales of financial assets and financial instruments	(8 030)	(6 990)
Foreign exchange losses, net	-	(152)
Other finance costs	(249)	(282)
	(8 363)	(7 511)

9. Revenue from the activities of the parent company

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Gains on sale of financial assets and financial instruments	1 105	819
Interest income	4	15
Other revenue	194	558
	1 303	1 392

10. Expenses of the activities of the parent company

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Loss on sales of financial assets and financial instruments	(2 705)	(1 084)
Loss on sale of subsidiaries:	(20 472)	-
<i>Lease business</i>	(5 180)	-
<i>Automotive business</i>	(15 287)	-
<i>Other</i>	(5)	-
	(23 177)	(1 084)

11. Other income/(costs), net

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Other income/(expenses), net	4 248	3 860
	4 248	3 860

11.1. Other income

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	16 953	3 834*
Asset management and brokerage	51	26
	17 004	3 860

* For the period 1.8.2021 – 31.12.2021.

Other revenues from the Energy Business segment represent revenues from surpluses of non-current assets and materials as well as revenues from the sale of goods.

11.2. Other costs

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	(12 756)	-
	(12 756)	-

* For the period 1.8.2021 – 31.12.2021.

12. Other operating costs

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Expenses on materials	(16 899)	(5 852)
Hired services expenses	(77 538)	(58 551)
Employee benefits expenses	(154 191)	(68 450)
Other expenses	(24 551)	(7 809)
	(273 179)	(140 662)

12.1. Expenses on materials by segments

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Energy business	(15 115)	(5 268)*
Insurance business	(1 696)	(548)
Asset management and brokerage	(74)	(32)
Parent company	(14)	(4)
* For the period 1.8.2021 – 31.12.2021.	(16 899)	(5 852)

12.2. Hired services expenses by segments

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Energy business	(55 776)	(33 278)*
Insurance business	(16 820)	(15 609)
Asset management and brokerage	(578)	(615)
Parent company	(4 364)	(9 049)
* For the period 1.8.2021 – 31.12.2021.	(77 538)	(58 551)

12.3. Employee benefits expenses by segments

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Energy business	(124 469)	(42 506)*
Insurance business	(27 588)	(24 059)
Asset management and brokerage	(1 154)	(986)
Parent company	(980)	(899)
* For the period 1.8.2021 – 31.12.2021.	(154 191)	(68 450)

12.4. Other expenses by segments

	2022 <i>BGN'000</i>	2021 <i>BGN'000.</i>
Energy business	(18 305)	(1 146)*
Insurance business	(5 268)	(5 516)
Asset management and brokerage	(220)	(443)
Parent company	(758)	(704)
* For the period 1.8.2021 – 31.12.2021.	(24 551)	(7 809)

13. (Accrued) reversal of impairment loss on financial assets net

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Accrued impairment loss on financial assets	(11 965)	(19 134)
Reversal of impairment loss on financial assets	870	306
	(11 095)	(18 828)

13.1. Accrued impairment loss on financial assets by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	(8 786)	(7 039)*
Insurance business	-	(11 389)
Asset management and brokerage	(68)	(77)
Parent company	(3 111)	(629)
* For the period 1.8.2021 – 31.12.2021.	(11 965)	(19 134)

13.2. Reversal of impairment loss on financial assets by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Insurance business	-	202
Asset management and brokerage	69	84
Parent company	801	20
* For the period 1.8.2021 – 31.12.2021.	870	306

14. Finance costs

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Interest costs	(88 096)	(44 535)
Interest costs on right of use assets	(1 184)	(1 061)
Other finance costs	(10 685)	(6 260)
	(99 965)	(51 856)

14.1. Interest costs by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	(64 059)	(21 947)*
Insurance business	(3 737)	(5 503)
Parent company	(20 300)	(17 085)
* For the period 1.8.2021 – 31.12.2021.	(88 096)	(44 535)

14.2. Interest costs – right of use assets by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	(225)	(160)*
Insurance business	(868)	(793)
Asset management and brokerage	(44)	(44)
Parent company	(47)	(64)
* For the period 1.8.2021 – 31.12.2021.	(1 184)	(1 061)

14.3. Other finance costs by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	(4 526)	(6 051)
Parent company	(6 159)	(209)
* For the period 1.8.2021 – 31.12.2021.	(10 685)	(6 260)

15. Finance income

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Interest revenue	1 307	3
Other finance income	1 197	592
	2 504	595

15.1. Interest revenue by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	1 307	3*
* For the period 1.8.2021 – 31.12.2021.	1 307	3

15.2. Other finance income by segments

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Energy business	1 197	592*
* For the period 1.8.2021 – 31.12.2021.	1 197	592

16.1 Foreign exchange gains/(losses), net

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Parent company	(15)	57
	(15)	57

16.2 Goodwill impairment

	2022	2021
	<i>BGN'000</i>	<i>BGN'000.</i>
Insurance business	-	(645)
	-	(645)

As of December 31, 2021, goodwill in the amount of BGN 645 thousand was written off reported on the occasion of the acquisition of Euroins Georgia.

17. Depreciation and amortisation by segments

	2022 BGN'000	2021 BGN'000.
Energy business incl.	(108 099)	(43 044)*
<i>Right of use assets</i>	(5 420)	(2 325)*
Insurance business incl.	(8 068)	(7 623)
<i>Right of use assets</i>	(4 617)	(4 419)
Asset management and brokerage incl.	(264)	(224)
<i>Right of use assets</i>	(198)	(173)
Parent company incl.	(295)	(679)
<i>Right of use assets</i>	(249)	(611)
* For the period 1.8.2021 – 31.12.2021.	(116 726)	(51 570)

18. Tax expenses

	2022 BGN'000	2021 BGN'000.
Income tax expense	(17 283)	(3 150)
Deferred tax income	2 873	(6 947)
	(14 410)	(10 097)

18.1. Tax expenses by segment

	2022 BGN'000	2021 BGN'000.
Energy business	(13 421)	(5 833)*
Insurance business	(869)	(4 053)
Asset management and brokerage	(120)	(211)
* For the period 1.8.2021 – 31.12.2021.	(14 410)	(10 097)

19. Cash and cash equivalents

	31.12.2022 BGN'000	31.12.2021 BGN'000
Cash on hand	1 133	2 535
Deposits up to 3 months	384 227	148 928
Restricted cash	5 483	113
Cash equivalents	561	863
<i>Impairment ECL – IFRS9</i>	(507)	(307)
	390 897	152 132

19.1 Cash and cash equivalents by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	177 889	76 826
Insurance business	205 336	66 960
Automotive business*	-	303
Leasing business*	-	3 015
Asset management and brokerage	5 434	4 913
Parent company	2 238	115 115
* Discontinued operations. <i>See Note 45.3.</i>	390 897	152 132

20. Time deposits at banks by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Insurance business	57 637	28 057
<i>Impairment</i>	<i>(833)</i>	<i>(833)</i>
	56 804	27 224

21. Reinsurers' share in insurance contract liabilities

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Unearned premium reserve	482 742	438 957
Reserves on unexpired risks	-	-
Claims reserve, incl.:	656 949	646 501
<i>Reserve on incurred but not reported claims (IBNR)</i>	<i>381 113</i>	<i>415 726</i>
<i>Reserve for claims reported but not settled (RBNS)</i>	<i>275 836</i>	<i>230 775</i>
Other insurance contract liabilities	-	(476)
	1 139 691	1 084 982

22. Receivables from insurance business

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Receivables from direct insurance	120 507	162 652
Receivables from reinsurers or cedants	21 582	20 550
Receivables from recourse and subrogation	12 245	10 796
	154 334	193 998

23. Trade receivables

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Trade receivables	357 875	427 375
<i>Impairment</i>	<i>(67 683)</i>	<i>(65 744)</i>
Finance lease receivables*	-	30 670
Advances paid	5 779	20 958
Other receivables	-	50
	295 971	413 309

* Discontinued operations. See Note 45.3.

23.1. Trade receivables by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	357 668	413 219
<i>Impairment</i>	(67 669)	(63 263)
Insurance business	165	36
Automotive business*	-	9 660
<i>Impairment</i>	-	(847)
Leasing business*	-	3 831
<i>Impairment</i>	-	(1 024)
Asset management and brokerage	-	2
<i>Impairment</i>	-	-
Parent company	42	20
<i>Impairment</i>	(14)	(3)
* Discontinued operations. <i>See Note 45.3.</i>	290 192	361 631

23.2. Advances paid by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	5 121	19 649
Insurance business	658	675
Automotive business*	-	95
Leasing business*	-	539
* Discontinued operations. <i>See Note 45.3.</i>	5 779	20 958

23.3. Other receivables by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Automotive business*	-	10
Leasing business*	-	40
* Discontinued operations. <i>See Note 45.3.</i>	-	50

24. Other receivables

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	180 958	106 437
<i>Impairment</i>	<i>(12 366)</i>	<i>(12 223)</i>
Insurance business	49 860	45 073
<i>Impairment</i>	<i>(12 154)</i>	<i>(12 154)</i>
Automotive business*	-	6 704
<i>Impairment</i>	<i>-</i>	<i>(72)</i>
Leasing business*	-	1 150
<i>Impairment</i>	<i>-</i>	<i>(102)</i>
Asset management and brokerage	240	69
Parent company	17 777	930
<i>Impairment</i>	<i>(2 700)</i>	<i>(588)</i>
Prepaid expenses	3 782	5 162
Receivables under court procedures	42 402	42 119
<i>Impairment</i>	<i>(38 767)</i>	<i>(39 075)</i>
Tax receivables	3 107	9 888
* Discontinued operations. <i>See Note 45.3.</i>	232 139	153 318

24.1. Prepaid expenses by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	2 997	4 347
Insurance business	663	43
Automotive business*	-	108
Leasing business*	-	628
Parent company	122	36
* Discontinued operations. <i>See Note 45.3.</i>	3 782	5 162

24.2. Receivables under court procedures by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	42 402	38 846
<i>Impairment</i>	<i>(38 767)</i>	<i>(36 945)</i>
Automotive business*	-	5
Leasing business*	-	3 283
<i>Impairment</i>	<i>-</i>	<i>(2 145)</i>
* Discontinued operations. <i>See Note 45.3.</i>	3 635	3 044

24.3. Tax receivables by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	2 654	9 236
Insurance business	275	71
Automotive business*	-	74
Leasing business*	-	313
Parent company	178	194
	3 107	9 888

* Discontinued operations. *See Note 45.3.*

25. Property, plant and equipment

	Land, plots BGN'000	Land, plots- rights of use BGN'000	Buildings BGN'000	Buildings- rights of use BGN'000	Machinery and equipment BGN'000	Machinery and equipmen- right of use BGN'000	Vehicles BGN'000	Vehicles- rights of use BGN'000	Furniture and fittings BGN'000	Assets under construction BGN'000	Other BGN'000	Total BGN'000
Cost												
At 1 January 2021	4 869	169	14 922	53 031	10 334	-	60 023	51	7 691	747	3 482	155 319
Additions	-	4	1 514	16 355	197	-	15 457	530	880	-	600	35 537
Acquired in purchase of subsidiaries *	37 200	-	162 964	23 500	1 742 153	5 372	51 143	668	3 744	48 084	4 888	2 079 716
Disposals	(12)	-	(57)	(17 318)	(3 574)	(47)	(17 687)	(286)	(245)	(3 090)	-	(42 316)
Disposals in sales of subsidiaries**	(4 357)	-	(3 371)	(4 957)	(3 370)	-	(5 157)	-	-	-	(365)	(21 577)
Transferred to assets classified as and disposal groups and held for sale **	-	-	-	(5 071)	(1 871)	-	(1 332)	-	(2 420)	-	(404)	(11 098)
Other changes	176	-	1 647	4 748	3 553	2 724	4 734	30	1 829	(6 309)	397	13 529
At 31 December 2021	37 876	173	177 619	70 288	1 747 422	8 049	107 181	993	11 479	39 432	8 598	2 209 110
Additions	-	-	1 498	21 156	97 232	8	4 901	680	182	94 580	402	220 639
Disposals	-	(95)	(931)	(20 068)	(4 145)	(2 473)	(13 935)	(998)	(744)	(98 065)	(143)	(141 597)
Disposals in sales of subsidiaries **	(512)	(78)	(8 288)	(15 501)	(4 831)	-	(28 059)	(183)	(3 711)	(102)	(2 343)	(63 608)
At 31 December 2022	37 364	-	169 898	55 875	1 835 678	5 584	70 088	492	7 206	35 845	6 514	2 224 544
Depreciation												
At 1 January 2021	-	82	5 116	14 374	7 348	-	20 834	51	5 170	(130)	2 353	55 198
Depreciation for the year	-	44	2 272	9 409	32 586	584	9 413	245	971	2	359	55 885
Accrued depreciation of assets from discontinued operations**	-	-	-	-	456	-	1 065	-	-	-	49	1 570
Acquired in purchase of subsidiaries*	-	-	90 634	9 482	1 043 034	2 831	44 010	533	3 153	120	3 174	1 196 971
Disposals	-	-	(26)	(1 885)	(504)	(14)	(5 489)	(72)	(149)	-	(178)	(8 317)
Disposals in sales of subsidiaries**	-	-	(528)	(1 016)	(2 506)	-	(1 704)	-	-	-	(336)	(6 090)
Other changes	-	-	-	(4 495)	(1 806)	63	(431)	-	(685)	-	456	(6 898)
At 31 December 2021	-	126	97 468	25 869	1 078 608	3 464	67 698	757	8 460	(8)	5 877	1 288 319
Depreciation for the year	-	23	4 591	10 365	80 503	1 038	7 870	646	442	-	618	106 096
Disposals	-	(85)	(2 798)	(9 086)	(3 478)	-	(1 688)	(481)	(451)	18	(246)	(18 295)
Disposals in sales of subsidiaries**	-	(64)	(2 951)	(4 171)	(3 871)	-	(10 222)	(922)	(2 658)	(10)	(1 315)	(26 184)
At 31 December 2022	-	-	96 310	22 977	1 151 762	4 502	63 658	-	5 793	-	4 934	1 349 936
Net book value:												
At 1 January 2021	4 869	87	9 806	38 657	2 986	-	39 189	-	2 521	877	1 129	100 121
At 31 December 2021	37 876	47	80 151	44 419	668 814	4 585	39 483	236	3 019	39 440	2 721	920 791
Incl. continuous operations	37 876	47	80 151	41 059	666 855	4 585	39 483	236	3 019	39 440	2 721	915 472
Incl. assets held for sale	-	-	-	3 360	1 959	-	-	-	-	-	-	5 319
At 31 December 2022	37 364	-	73 588	32 898	683 916	1 082	6 430	492	1 413	35 845	1 580	874 608

*Energy business ** Automotive and leasing business

In 2022 and 2021, the Group did not recognise impairment loss on machinery, plant and equipment because based on the review of impairment of property, plant and equipment, the Group's management has not identified any indications that the carrying amount of assets exceeds their recoverable amount.

25.1. Land and buildings by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	107 482	110 435
Insurance business	3 470	6 235
Automotive business*	-	1 357
	110 952	118 027

* Discontinued operations. *See Note 45.3.*

25.2. Land and buildings by segments – rights of use assets

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	10 473	13 220
Insurance business	20 358	20 888
Automotive business*	-	3 193
Leasing business*	-	1 498
Asset management and brokerage	940	931
Parent company	1 127	1 376
	32 898	41 106

* Discontinued operations. *See Note 45.3.*

25.3. Machinery and equipment by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	681 788	666 191
Insurance business	2 128	2 047
Automotive business*	-	377
Leasing business*	-	38
	683 916	668 653

* Discontinued operations. *See Note 45.3.*

25.4. Machinery and equipment by segments – Rights of use

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	1 082	4 585
	1 082	4 585

25.5. Vehicles by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	5 179	8 559
Insurance business	1 179	2 300
Automotive business*	-	3 604
Leasing business*	-	23 870
Asset management and brokerage	-	206
Parent company	72	73
* Discontinued operations. <i>See Note 45.3.</i>	6 430	38 612

25.6. Vehicles by segments – rights of use

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	21	232
Insurance business	267	-
Leasing business*	-	4
Asset management and brokerage	204	-
* Discontinued operations. <i>See Note 45.3.</i>	492	236

25.7. Furniture and fittings and other assets by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	2 022	2 351
Insurance business	933	1 400
Automotive business*	-	876
Leasing business*	-	140
Asset management and brokerage	37	43
Parent company	1	3
* Discontinued operations. <i>See Note 45.3.</i>	2 993	4 813

25.8. Assets under construction by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	35 829	39 333
Insurance business	16	25
Automotive business*	-	82
* Discontinued operations. <i>See Note 45.3.</i>	35 845	39 440

26. Investment property

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Net book value as of 1 January	2 014	9 652
Disposal	(1 238)	(7 724)
Revaluation	499	41
Other changes	-	45
Net book value as of end of the period	1 275	2 014

27. Intangible assets by segments

	Software	Licenses	Other	Total
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
Cost				
At 1 January 2021	10 902	128	1 697	12 727
Additions	3 486	1 310	4 627	9 423
Acquired in purchase of subsidiaries - Energy business	18 524	28 773	95 311	142 608
Disposals	-	-	(1 894)	(1 894)
Disposals in sales of subsidiaries*	(480)	-	-	(480)
At 31 December 2021	32 432	30 211	99 741	162 384
Additions	2 670	6 694	2 612	11 976
Disposals	(1 523)	(6 073)	(3 056)	(10 652)
Disposals in sales of subsidiaries*	(1 788)	(98)	(2 445)	(4 331)
Reclasification	(1 128)	43 270	(42 142)	-
At 31 December 2022	30 663	74 004	54 710	159 377
Depreciation				
At 1 January 2021	7 251	114	1 004	8 369
Depreciation for the year	1 909	2 087	2 159	6 155
Acquired during the purchase of subsidiaries - Energy business	8 598	17 499	5 530	31 627
Disposals	(67)	-	-	(67)
Disposals in sales of subsidiaries*	(151)	-	-	(151)
At 31 December 2021	17 540	19 700	8 693	45 933
Depreciation for the year	4 410	6 923	3 847	15 180
Disposals	(1 184)	-	-	(1 184)
Disposals in sales of subsidiaries*	(1 458)	(98)	(794)	(2 350)
At 31 December 2022	19 308	26 525	11 746	57 579
Net book value:				
At 1 January 2021	3 651	14	693	4 358
At 31 December 2021	14 892	10 511	91 048	116 451
Incl. continuous operations	14 870	10 511	90 684	116 065
Incl. assets held for sale	22	-	364	386
At 31 December 2022	11 355	47 479	42 964	101 798

* Automotive and leasing business and company from insurance business.

The Group performs an impairment review of intangible assets once a year. The latest one was made as of 31 December 2021. No indicators have been established that the book value of the assets exceeds their recoverable amount, as a result of which no impairment loss was recognized in the consolidated financial statements.

28. Inventories by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	32 168	24 117
Insurance business	180	281
Automotive business*	-	6 871
Leasing business*	-	1 899
* Discontinued operations. <i>See Note 45.3.</i>	32 348	33 168

Towards the end of the reporting period, the management reviews the available material stocks - material goods to determine if there are any whose net realizable value is lower than their book value. At the last such review as of 31.12.2021, the Group did not recognize an impairment of its inventories.

29. Financial assets and liabilities by segments

29.1 Financial assets by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Government bonds measured at FVTPL, incl.:	1 366	67 396
<i>Insurance business</i>	586	66 437
<i>Asset management and brokerage</i>	780	959
Government bonds measured at amortised cost, incl.:	2 935	9 553
<i>Insurance business</i>	2 935	9 553
Total government bonds:	4 301	76 949
Corporate bonds measured at FVTPL, incl.:	55 046	88 358
<i>Energy business</i>	1 995	5 984
<i>Insurance business</i>	52 292	81 690
<i>Asset management and brokerage</i>	752	677
<i>Parent company</i>	7	7
Total corporate bonds:	55 046	88 358
Capital investments measured at FVTPL, incl.:	254 432	194 341
<i>Energy business</i>	17 375	16 751
<i>Insurance business</i>	232 670	174 604
<i>Asset management and brokerage</i>	4 387	2 986
Total capital investments:	254 432	194 341
Other financial assets measured at amortised cost, incl.:	71 532	68 023
<i>Insurance business</i>	65 802	57 982
<i>Asset management and brokerage</i>	8 914	10 887
<i>Impairment</i>	(835)	(846)
Total other financial assets:	73 881	68 023
	387 660	427 671

All other financial assets of the Group (other than those disclosed in *Note 29.1*) are carried at amortised cost.

29.2. Financial liabilities reported at amortised costs

		31.12.2022	31.12.2021
	Note	BGN'000	BGN'000
Subordinated debt	35	48 459	41 638
LIABILITIES			
Bank and non-bank loans	36	1 116 927	1 018 719
Bonds issued	37	228 687	198 776
Trade and other payables	38	558 737	594 038
		1 952 810	1 853 171

30. Deferred tax assets by segments

		31.12.2022	31.12.2021
		BGN'000	BGN'000
Energy business		7 601	5 286
Insurance business		8 745	8 940
Automotive business*		-	372
Leasing business*		-	328
		16 346	14 926

* Discontinued operations. See Note 45.3.

31. Investments in associates and other investments

		31.12.2022	31.12.2021
		BGN'000	BGN'000
Insurance business*		-	988
Asset management and brokerage		2 934	2 370
		2 934	3 358

* Investments in Associates

32. Other financial investments by segments

		31.12.2022	31.12.2021
		BGN'000	BGN'000
Energy business		75	75
Insurance business		1 438	669
Asset management and brokerage		1 249	281
Parent company		9	9
Impairment		(9)	(9)
		2 762	1 025

33. Non-current receivables

		31.12.2022	31.12.2021
		BGN'000	BGN'000
Finance lease receivables*		-	51 876
Impairment		-	(654)
Trade receivables		33 244	31 048
		33 244	82 270

* Discontinued operations. See Note 45.3.

33.1. Non-current receivables

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	-	7
Insurance business	33 228	6 944
Automotive business*	-	24 061
Leasing business *	-	36
Asset management and brokerage	16	-
	33 244	31 048

* Discontinued operations. *See Note 45.3.*

34. Goodwill

	31.12.2022 BGN'000	31.12.2021 BGN'000
Euroins Insurance Group AD	164 478	164 478
Euro-Finance AD	2 620	2 620
Electrohold Trade EAD	2 500	2 500
Eurolease Group EAD*	-	1 803
Eurolease Rent-a-Car EOOD*	-	1 312
Sofia Motors EOOD*	-	10
	169 598	172 723

* Discontinued operations. *See Note 45.3.*

35. Subordinated debt

	31.12.2022 BGN'000	31.12.2021 BGN'000
Subordinated debt, issued – Insurance business	-	19 558
Subordinated debt, not issued	48 459	22 080
<i>Insurance business</i>	<i>39 879</i>	<i>14 879</i>
<i>Parent company</i>	<i>8 580</i>	<i>7 201</i>
	48 459	41 638

35.1. 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 bond loan is repaid in full on 05 January 2022 together with the last interest payment.

Subordinated debts, not issued, of Insurance business include subordinated debt to Starcom Holding AD in the amount of BGN 14 879 thousand and to Starcom Finance EAD in the amount of BGN 25 000 thousand. The debt to Starcom Holding AD has a limit of EUR 12.6 million, an interest rate of 6% and a repayment term of no earlier than 5 years from the date of crediting of the last tranche of the loan. In June 2022, an agreement was concluded to obtain a cash loan in the form of subordinated term debt in the amount of BGN 25 million from Starcom Finance AD, a wholly owned subsidiary of Starcom Holding AD, with an annual interest rate of 6% and a maturity date 28.6.2032. The funds were provided at the end of September 2022.

35.2. Parent company

The subordinated debt has no fixed maturity and Starcom Holding AD could not demand its repayment, regardless of whether there is a case of non-performance under the agreement. Eurohold Bulgaria AD has the right (but is not obliged) to repay amounts from the loan principal, corresponding to each consecutive tranche received after the expiration of 5 (five) years from the date of receipt of the respective tranche. Early collection

of the principal of the subordinated debt is not allowed, except in cases of liquidation or insolvency, after payment of the amounts due to all privileged creditors, as well as to all other chirographic creditors. The interest due is 5% (five percent) on an annual basis on the attracted amounts for the period of their actual use.

36. Bank and non-bank loans by segments

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business	992 353	859 791
Insurance business	306	142
Automotive business*	-	30 348
Leasing business *	-	86 657
Parent company	124 268	41 781
* Discontinued operations. See Note 45.3.	1 116 927	1 018 719

36.1. Bank and non-bank loans by segments – long term

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business incl.	980 615	851 035
<i>Bank loans</i>	722 022	638 391
<i>Loans from non-bank financial institutions</i>	258 593	212 644
Automotive business incl.*	-	1 442
<i>Bank loans</i>	-	1 442
Leasing business incl.*	-	54 077
<i>Bank loans</i>	-	51 060
<i>Loans from non-bank financial institutions</i>	-	3 017
Parent company incl.	16 555	9 006
<i>Bank loans</i>	16 555	9 006
* Discontinued operations. See Note 45.3.	997 170	915 560

36.2. Bank and non-bank loans by segments – short term

	31.12.2022 <i>BGN'000</i>	31.12.2021 <i>BGN'000</i>
Energy business incl.	11 738	8 756
<i>Bank loans</i>	11 738	8 756
<i>Loans from non-bank financial institutions</i>	-	-
Insurance business incl.	306	142
<i>Bank loans</i>	306	93
<i>Loans from non-bank financial institutions</i>	-	49
Automotive business incl.*	-	28 906
<i>Bank loans</i>	-	28 906
Leasing business incl.*	-	32 580
<i>Bank loans</i>	-	30 041
<i>Loans from non-bank financial institutions</i>	-	2 539
Parent company incl.	107 713	32 775
<i>Bank loans</i>	107 713	32 775
* Discontinued operations. See Note 45.3.	119 757	103 159

37. Bond liabilities by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Automotive business*	-	13 699
Non-current	-	4 899
Current	-	8 800
Leasing business*	-	5 373
Non-current	-	162
Current	-	5 211
Parent company	228 687	179 704
Non-current	1 485	136 987
Current	227 202	42 717
	228 687	198 776

* Discontinued operations. See Note 45.3.

37.1. Bond issues information

	Coupon	Original currency	Maturity	31.12.2022 Book value** BGN'000	31.12.2022 Nominal, in original currency, in '000	31.12.2021 Book value* BGN'000	31.12.2021 Nominal, in original currency, in '000
Automotive business*							
Corporate bonds ISIN: BG2100025126	4.50%	BGN	12.2022	-	-	4 882	5 058
Corporate bonds ISIN: BG2100006183	3.85%	BGN	06.2028	-	-	8 817	8 800
Leasing business*							
Corporate bonds ISIN BG2100004188	4.75%	BGN	03.2022	-	-	-	1 500
Corporate bonds ISIN BG2100001200	4.00%	BGN	05.2025	-	-	5 173	6 000
Corporate bonds ISIN BG2100012173	3.75%	EUR	07.2023	-	-	200	1 250
Parent company							
EMTN Programme ISIN XS1731768302	6.50%	EUR	12.2022	76 346	70 000	129 710	70 000
EMTN Programme ISIN: XS1542984288	8.00%	EUR	12.2026	19 567	10 000	-	10 000
Corporate bonds ISIN:BG2100013205	3.25%	EUR	11.2027	58 852	30 000	49 994	30 000
Corporate bonds ISIN:BG2100002224	3.25%	EUR	3.2029	73 922	40 000	-	-
			TOTAL	228 687	150 000	198 776	132 608

* Discontinued operations. See Note 45.3.

**Represented net of own bonds held in the Group.

Parent company

Information about the terms of the EMTN programs is publicly available on the Irish Stock Exchange Bonds page.

As of 31.12.2022, the EMTN program with ISIN XS1731768302 is an extended EMTN program with a maturity date of 07.06.2026, a fixed interest rate of 6.5% (six and a half percent) per annum and an interest payment frequency of once a year in arrears. At the end of 2022, the Company received consent to extend by 42 months the final repayment period of European medium-term notes issued under the European Medium-Term Notes Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange.

The EMTN program with ISIN: XS1542984288 has a maturity date of 29.12.2026, a fixed interest rate of 8.0% (eight percent) per annum and an interest payment frequency of once a year in arrears.

The bond with ISIN: BG2100013205 in the amount of EUR 30 000 000 was registered by Central Depository AD on November 26, 2020. The issue is the second in a row of ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, freely transferable bonds under the terms of primary private placement within the meaning of Art. 205, para. 2 of the CA. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is November 26, 2027, and the principal is repaid once at maturity. The interest payments are every six months, starting from the date of registration of the issue (November 26, 2020), at a fixed nominal interest rate - 3.25% on an annual basis. The debenture loan is secured by an insurance contract "Debenture loan" concluded between the issuer Eurohold Bulgaria AD, as an insurer and ZD Euroins AD as an insurer. The trustee of the bondholders in the issue is Ever Financial House AD.

The bond with ISIN: BG2100002224 in the amount of EUR 40 000 000 was registered by Central Depository AD on March 8, 2022. The issue is the third in a row of ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, freely transferable bonds under the terms of primary private placement within the meaning of Art. 205, para. 2 of the CA. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is March 8, 2029, and the principal is repaid once at maturity. The interest payments are every six months, starting from the date of registration of the issue (November 26, 2020), at a fixed nominal interest rate - 3.25% on an annual basis. The debenture loan is secured by an insurance contract "Debenture loan" concluded between the issuer Eurohold Bulgaria AD, as an insurer and ZD Euroins AD as an insurer. The trustee of the bondholders in the issue is TBI Bank EAD.

38. Trade and other liabilities

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Non-current trade liabilities (<i>Note 38.1</i>)	65 189	106 562
Current trade liabilities (<i>Note 38.2</i>)	177 042	169 463
Other liabilities (<i>Note 38.3</i>)	316 506	318 013
	558 737	594 038

38.1 Non-current trade liabilities

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Other non-current liabilities	50 614	94 212
Lease liabilities	217	7 175
Deferred income	14 358	5 175
	65 189	106 562

38.1.1. Other liabilities -non-current by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	19 649	16 397
Insurance business	17 133	16 768
Automotive business*	-	608
Leasing business*	-	936
Parent company	13 832	59 503
	50 614	94 212

* Discontinued operations. *See Note 45.3.*

38.1.2. Lease liabilities – non-current by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Automotive business*	-	2 595
Leasing business*	-	4 441
Asset management and brokerage	155	139
Parent company	62	-
* Discontinued operations. <i>See Note 45.3.</i>	217	7 175

38.1.3. Deferred income – non-current by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	14 358	5 175
	14 358	5 175

38.2. Current liabilities

	31.12.2022 BGN'000	31.12.2021 BGN'000
Provisions	45 402	33 152
Tax liabilities	16 567	21 316
Payables to employees	32 266	24 595
Deferred income	15 803	18 569
Social-security liabilities	8 305	7 183
Lease liabilities	64	3 942
Other current liabilities	58 635	60 706
	177 042	169 463

38.2.1. Provisions by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	37 239	29 810
Insurance business	8 158	2 813
Automotive business*	-	90
Asset management and brokerage	5	439
* Discontinued operations. <i>See Note 45.3.</i>	45 402	33 152

38.2.2. Tax liabilities by segments

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	6 501	8 855
Insurance business	9 727	10 294
Automotive business*	-	1 261
Leasing business*	-	278
Asset management and brokerage	128	99
Parent company	211	529
* Discontinued operations. <i>See Note 45.3.</i>	16 567	21 316

38.2.3. Payables to employees by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	27 610	19 262
Insurance business	4 478	4 271
Automotive business*	-	451
Leasing business*	-	536
Parent company	178	75
* Discontinued operations. <i>See Note 45.3.</i>	32 266	24 595

38.2.4. Current deferred income by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	15 803	18 483
Insurance business	-	-
Automotive business*	-	18
Leasing business*	-	68
* Discontinued operations. <i>See Note 45.3.</i>	15 803	18 569

38.2.5. Social-security liabilities by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	4 636	4 247
Insurance business	3 643	2 652
Automotive business*	-	149
Leasing business*	-	123
Parent company	26	12
* Discontinued operations. <i>See Note 45.3.</i>	8 305	7 183

38.2.6. Current lease liabilities by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Automotive business*	-	654
Leasing business*	-	3 264
Asset management and brokerage	30	24
Parent company	34	-
* Discontinued operations. <i>See Note 45.3.</i>	64	3 942

38.2.7. Other current liabilities by segment

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	30 170	32 712
Insurance business	26 623	25 318
Automotive business*	-	384
Leasing business*	-	1 870
Asset management and brokerage	1 078	44
Parent company	764	378
* Discontinued operations. <i>See Note 45.3.</i>	58 635	60 706

38.3. Other liabilities

38.3.1. Other liabilities by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	185 824	214 039
<i>Incl. lease liabilities</i>	<i>12 466</i>	<i>18 102</i>
Insurance business	76 195	51 660
<i>Incl. lease liabilities</i>	<i>20 858</i>	<i>21 580</i>
Automotive business*	-	20 409
<i>Incl. lease liabilities</i>	<i>-</i>	<i>3 365</i>
Leasing business*	-	6 228
<i>Incl. lease liabilities</i>	<i>-</i>	<i>1 585</i>
Asset management and brokerage	1 038	1 021
<i>Incl. lease liabilities</i>	<i>995</i>	<i>975</i>
Parent company	53 449	24 656
<i>Incl. lease liabilities</i>	<i>1 208</i>	<i>1 550</i>
* Discontinued operations. <i>See Note 45.3.</i>	316 506	318 013

38.3.2. Leasing liabilities – rights of use, by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business incl.	12 466	18 102
<i>Short-term</i>	<i>5 035</i>	<i>5 256</i>
<i>Long-term</i>	<i>7 431</i>	<i>12 846</i>
Insurance business incl.	20 858	21 580
<i>Short-term</i>	<i>4 220</i>	<i>2 780</i>
<i>Long-term</i>	<i>16 638</i>	<i>18 800</i>
Automotive business incl.*	-	3 365
<i>Short-term</i>	<i>-</i>	<i>608</i>
<i>Long-term</i>	<i>-</i>	<i>2 757</i>
Leasing business incl.*	-	1 585
<i>Short-term</i>	<i>-</i>	<i>482</i>
<i>Long-term</i>	<i>-</i>	<i>1 103</i>
Asset management and brokerage incl.	995	975
<i>Short-term</i>	<i>139</i>	<i>115</i>
<i>Long-term</i>	<i>856</i>	<i>860</i>
Parent company incl.	1 208	1 550
<i>Short-term</i>	<i>168</i>	<i>342</i>
<i>Long-term</i>	<i>1 040</i>	<i>1 208</i>
* Discontinued operations. <i>See Note 45.3.</i>	35 527	47 157

39. Payables to reinsurers

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance business	65 840	119 368
	65 840	119 368

40. Deferred tax liabilities by segment

	31.12.2022 BGN'000	31.12.2021 BGN'000
Energy business	20 325	22 242
Insurance business	2	2
Automotive business*	-	66
Leasing business*	-	42
* Discontinued operations. <i>See Note 45.3.</i>	20 327	22 352

41. Insurance contract liabilities

	31.12.2022 BGN'000	31.12.2021 BGN'000
Unearned premium reserve, gross amount	534 885	498 812
<i>Reinsurers' share in unearned premium reserve</i>	<i>(482 742)</i>	<i>(438 957)</i>
Reserves on unexpired risks, gross amount	1 896	120
<i>Reinsurers' share in unexpired risks reserve</i>	<i>-</i>	<i>-</i>
Reserve on incurred but not reported claims, gross amount	529 686	554 558
<i>Reinsurers' share in reserve on incurred but not reported claims</i>	<i>(381 113)</i>	<i>(415 726)</i>
Reserve for claims reported but not settled, gross amount	453 382	357 762
<i>Reinsurers' share in reserve for claims reported but not settled</i>	<i>(275 836)</i>	<i>(230 775)</i>
Other technical reserve, gross amount	134	14 629
<i>Reinsurers' share in other technical reserves</i>	<i>-</i>	<i>476</i>
Mathematical reserves	5 130	4 970
	1 525 113	1 430 851

42. Share capital and reserves

42.1. Share capital

	31.12.2022 BGN'000	31.12.2021 BGN'000
Issued shares	260 500	260 500
Shares repurchased	(77)	(77)
Share capital	260 423	260 423
Number of shares	260 500 000	260 500 000

As of 31.12.2022, 77 227 pcs. shares with voting rights of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2021 – 77 227 shares with voting rights).

The share capital as of 31.12.2022 is distributed as follows:

Shareholders	% participation in the share capital	Number of shares /Voting rights/	Par value BGN
Starcom Holding AD	50.08%	130 454 157	130 454 157
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 him: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	8.88%	23 136 758	23 136 758
SLS Holding AD	6.34%	16 508 349	16 508 349
Other legal entities	22.19%	57 814 428	57 814 428
Other individuals	1.72%	4 469 435	4 469 435
Total	100.00%	260 500 000	260 500 000

42.2 Share premium

	31.12.2022 BGN'000	31.12.2021 BGN'000
Share premium	144 030	144 030
	144 030	144 030

43. Net profit/(loss) for the period

	2022 BGN'000	2021 BGN'000
Current result attributable to the shareholders	62 124	46 874
Current result attributable to the non-controlling interest	6 227	15 974
	68 351	62 848

43.1. Net profit (loss) for the year by segments

	2022 BGN'000	2021 BGN'000
Energy business	56 883	17 806
Insurance business	55 373	80 503
Asset management and brokerage	1 306	2 102
Parent company	(56 101)	(116 388)
Discontinued Operations	13 149	(9 024)
Profit/(Loss) attributable to the non-controlling interest	(6 227)	(15 974)
Intra-group eliminations of dividends and other adjustments	(2 259)	87 849
	62 124	46 874

* Discontinued operations. See Note 45.3.

Results by sectors for 2022 and 2021, could be found in the Consolidated statement of profit or loss by business segment.

44. Non-controlling interest

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Non-controlling interest - attributable to the profit	6 227	15 974
Non-controlling interest - attributable to the capital	42 790	171 441
	49 017	187 415

44.1. Non-controlling interest - attributable to the profit by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	-	5 342
Insurance business	787	1 189
Automotive business*	-	1 494
Leasing business*	-	212
<i>Eliminations</i>	<i>5 440</i>	<i>7 737</i>
	6 227	15 974

* Discontinued operations. *See Note 45.3.*

44.2. Non-controlling interest attributable to the capital by segments

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	-	145 329
Insurance business	49 017	40 673
Leasing business*	-	1 413
	49 017	187 415

* Discontinued operations. *See Note 45.3.*

45. Acquisition and disposal of companies

45.1. Acquisition in 2022

45.1.1. Energy business

(1) In March 2022, the parent company increased its share in the capital accordingly:

- Up to 98.93% through the acquisition of an additional 207 107 shares or 10.74% of the capital of ERM Zapad AD (CHEZ Razpradelenie Bulgaria AD) worth BGN 62.1 million/EUR 31.8 million and
- Up to 96.92% through the acquisition of additional 1 379 shares or 27.58% of the capital of Electrohold Sales AD (CHEZ Electro Bulgaria AD) worth BGN 38.6 million/EUR 19.7 million.

(2) In June 2022, the parent company increased its share in the capital accordingly:

- Up to 99.25% through the acquisition of an additional 6 165 shares or 0.32% of the capital of ERM Zapad AD (CHEZ Distribution Bulgaria AD) worth BGN 1.9 million/EUR 0.9 million and
- Up to 97.66% through the acquisition of an additional 37 shares or 0.74% of the capital of Electrohold Sales AD (CHEZ Electro Bulgaria AD) worth BGN 1.1 million/EUR 0.5 million.

Already in the second quarter of 2022, ZK Euroins Bulgaria AD acquired a 0.48% stake in Electrohold Sales AD, bringing the share to 98.14%.

(3) On 25.08.2022, the FCS made a decision not to issue a ban on the publication of a proposal by Eastern European Electric Company B.V., the Netherlands, for the purchase through investment intermediary Euro-Finance AD, Sofia of the remaining shares in Electricity Distribution Networks Zapad EAD (ERM Zapad EAD) and Electrohold Sales EAD.

On September 8, 2022, the Energy Holding through Eastern European Electric Company B.V. (EEEC) increased its participation in the two subsidiaries of the energy group to 100% of the capital by buying out all the remaining shares of minority owners as follows:

- 14 416 shares (0.75%) of the capital of Electrodistribution Networks Zapad EAD, Sofia, from the remaining shareholders of the company for nearly BGN 4,376 million (EUR 2,237 million) or BGN 303.55 (EUR 155.2) on action;

- 117 shares (2.34%) of the capital of Electrohold Sales EAD, Sofia, from the remaining shareholders of the company for BGN 3,412 million (EUR 1,744 million) or BGN 29,161.02 (EUR 14,909.79) per share .

On 20.9.2022, the Financial Supervision Commission (FSC) decided to deregister Electric Distribution Networks Zapad AD (ERM Zapad EAD) and Electrohold Sales EAD as public companies from the register under Art. 30, para. 1, item 3 of the ZKFN, managed by the FCS.

Acquisition in 2021

45.2.1. Energy business

(1) On July 13, 2021, the 100% subsidiary of Eurohold Bulgaria AD, Eastern European Electric Company II BV, the Netherlands, established Eastern European Electric Company III BV, the Netherlands. The capital of the company amounts to EUR 1 000 and is divided into 1 000 shares of EUR 1 each. The contribution has been paid and is completely non-monetary - 100% share in the capital of Eastern European Electric Company BV, the Netherlands, fixed capital EUR 1000.

(1) On 27.07.2021 the acquisition of seven subsidiaries of the Czech energy company CEZ Group in Bulgaria was officially finalized.

As a result of the transaction are acquired a:

- o 67% interest in ERM Zapad AD (previous name CEZ Razpredelenie Bulgaria AD) – electricity distribution company;
- o 67% interest in Electrohold Sales AD (previous name CEZ Electro Bulgaria AD) – electricity supplier;
- o 100% interest in Electrohold Trade EAD (previous name CEZ Trade Bulgaria EAD) – licensed electricity trader;
- o Electrohold IKT EAD (previous name CEZ Information and Communication Technologies Bulgaria EAD) – IT services provider – 100% subsidiary of CEZ Razpredelenie Bulgaria AD;
- o 100% interest in Free Energy Project Oreshets EOOD – solar park;
- o 100% interest in BARA Group EOOD - biomass-fired power plant;
- o 100% interest in Electrohold Bulgaria EOOD (previous name CEZ Bulgaria EOOD) – management and coordination of all CEZ Group's entities activities.

Purchase remuneration – cash outflow at the acquisition date

	EUR'000	BGN'000
Remuneration paid – 27 July 2021	335 000	655 203
IFRS 3 adjustments		
-Entering into debt of previous owner/loan granted	14 453	28 267
-Other corrections - Bonuses paid to the previous owner	(246)	(481)
Adjusted purchase price	349 207	682 989
Share of Eurohold in the net assets at fair value		680 489
Goodwill		2 500

Purchase remuneration, acquired net assets and goodwill at the acquisition date by subsidiaries::

Entity	100% Net Assets at Fair Value*	Share of Eurohold in the Net Assets at Fair Value	Adjustments	Adjusted Purchase Price	Goodwill	Purchase Price Allocation	Carrying Amount at Acquisition date
ERZ Zapad AD (Group)	736 182**	493 242	-	493 242	-	493 242	252 191
Electrohold Sales AD	170 365	114 144	(19)	114 125	-	114 125	58 351
Electrohold Trade EAD	51 135	51 135	-	51 135	2 500	53 635	27 423
Electrohold Bulgaria EOOD	5 764	5 764	-	5 764	-	5 764	2 947
Free Energy Project Oreshets EOOD	15 877	15 877	-	15 877	-	15 877	8 118
BARA Group EOOD	(27 921)	(27 921)	28 267	346	-	346	177
Total amount	951 402	652 241	28 248	680 489	2 500	682 989	349 207

*Detailed information in the table below.

**Consolidated amount; Eliminated investment in Electrohold IKT EAD EAD at the amount of BGN 6 000 thousand.

Goodwill of BGN 2 500 thousand goodwill is attributable to the expected synergies as a result from acquired intangible assets and clients relationships.

The total amount of the goodwill is allocated only to Electrohold Trade EAD due to the negligible part attributable to ERM Zapad AD and Electrohold Sales EAD.

Cash outflows/inflows generated from acquisition of controlling interest are as follows:

Entity	Adjusted Purchase Price, paid by cash in bank accounts	Cash in bank accounts and cash equivalents in acquired entities at acquisition date	Net cash flow from acquisition of controlling interest from business combination
ERZ Zapad AD (Group)	(493 242)	87 815	(405 427)
Electrohold Sales AD	(114 125)	139 567	25 442
Electrohold Trade EAD	(53 635)	3 376	(50 259)
Electrohold Bulgaria EOOD	(5 764)	2 535	(3 229)
Free Energy Project Oreshets EOOD	(15 877)	1 071	(14 806)
BARA Group EOOD	(346)	408	62
Total amount	(682 989)	234 772	(448 217)

Non-controlling interest

The Group has elected to assess the non-controlling interest at fair value at the acquisition date:

Entity	% NCI at acquisition date	100% Net Assets at Fair Value*	Share of Eurohold in the Net Assets at Fair Value	Non-controlling interest
ERZ Zapad AD (Group)	33%	736 182	493 242	242 940
Electrohold Sales AD	33%	170 365	114 144	56 221
Electrohold Trade EAD	-	51 135	51 135	-
Electrohold Bulgaria EOOD	-	5 764	5 764	-
Free Energy Project Oreshets EOOD	-	15 877	15 877	-
BARA Group EOOD	-	(27 921)	(27 921)	-
Total amount		951 402	652 241	299 161

Following the acquisition of shares in November 2021 in ERM Zapad AD and Electrohold Sales AD, the share of NCI has changed and as of 31.12.2021 is as follows:

Entity	At the acquisition date when control is gained	As at 31 December 2021	Change as a result of additional acquisition
ERZ Zapad AD (Group)	33%	11.81%	(21.19%)
Electrohold Sales AD	33%	30.66%	(2.34%)

Other disclosures

(1) Acquisition expenses

The acquisition expenses are equal to BGN 10 294 thousand.

(2) Acquired receivables

Fair value of trade receivables is BGN 160 907 thousand. Gross amount of trade receivables is BGN 203 092 thousand and it is expected that the full amounts under the contract will be collected.

(2) Right of use assets

The Group has assessed the acquired lease liabilities using the present value of lease liabilities remained at the acquisition date. Right of use assets are measured at the amount of lease liabilities adjusted in order to reflect lease's favorable conditions in comparison to the market conditions. As at the acquisition date right of use assets are equal to BGN 20 389 thousand. Lease liabilities are equal to BGN 19 643 thousand, of which long term BGN 16 762 thousand and BGN 2 881 thousand short-term.

(4) Revenue and contribution in result

For the period from the date of acquisition to the end of the reporting period, revenues of acquired entities are BGN 1 213 467 thousand.

The net profit for the holding period ending on 31 December 2021 is BGN 50 436 thousand.

(5) Additional acquisition

In November 2021 as a result from realized mandatory tender offers and after the completion of transactions with shareholders who accept the offers, the ownership is increased respectively:

- Up to 88.19% by acquiring additional 408 552 shares or 21.19% of ERM Zapad AD's capital for the amount of BGN 119 mln and
- Up to 69.34% by acquiring 117 shares or 2.34% of Electrohold Sales AD's capital for the amount of BGN 3 mln.

Fair values of identifiable assets and liabilities of acquired entities at acquisition date are:

	ERM Zapad AD	Electrohold IKT EOOD	Electrohold Sales AD	Electrohold Trade EAD	Electrohold Bulgaria EOOD	Free Energy Project Oreshets EOOD	Bara group EOOD
ASSETS							
Non-current assets							
Property, plant and equipment	796 299	8 762	66	314	1 212	8 920	-
Intangible assets	32 435	21 860	26 402	26 118	1	6 200	-
Right-of-use assets	11 549	846	3 460	1 340	5 279	-	-
Investment in subsidiaries	6 000	-	-	-	-	-	-
Investment in associate	-	-	-	-	75	-	-
Differed tax assets	-	-	3 918	722	42	246	-
	846 283	31 468	33 846	28 494	6 609	15 366	-
Current assets							
Inventories	25 697	-	-	-	57	10	-
Trade and other receivables	25 050	3 737	72 370	87 718	896	315	54
Receivables from related parties	31 240	5 123	751	503	10 264	107	-
VAT receivables	-	-	3 467	507	-	-	-
Contract assets	6 086	-	35 265	1 194	-	-	-
Cash and cash equivalents	83 949	3 866	139 568	3 376	2 535	1 071	408
	172 022	12 726	251 421	93 298	13 752	1 503	462
TOTAL ASSETS	1 018 305	44 194	285 267	121 792	20 361	16 869	462

	ERM Zapad AD	Electrohold IKT EOOD	Electrohold Sales AD	Electrohold Trade EAD	Electrohold Bulgaria EOOD	Free Energy Project Oreshets EOOD	Bara group EOOD
LIABILITIES							
Non-current liabilities							
Employee benefit liabilities	12 672	306	1 376	19	2 012	-	-
Contract liabilities	8 038	-	-	-	-	-	-
Deferred tax liabilities	11 134	67	-	-	-	-	-
Deferred tax liabilities IFRS3	3 101	1 888	2 267	2 620	27	736	-
Long-term bank loans	71 333	-	-	-	-	-	-
Lease liabilities	10 373	743	2 564	1 232	4 624	-	-
Other non-current liabilities	227	-	-	-	-	-	-
	116 878	3 612	6 207	3 871	6 663	736	-

	ERM Zapad AD	Electrohold IKT EOOD	Electrohold Sales AD	Electrohold Trade EAD	Electrohold Bulgaria EOOD	Free Energy Project Oreshets EOOD	Bara group EOOD
Current liabilities							
Trade and other payables	43 872	2 216	51 802	29 294	501	66	71
Payables to related parties*	14 016	445	29 279	2 944	1 157	90	45
Short-term loans from EEEC BV, NL	92 629	-	-	7 509	-	-	28 266
Retirement benefit obligations-long-term	13 089	528	1 711	774	4 414	1	1
Lease liabilities	1 322	103	896	108	661	-	-
Payables to CEZ a.s. under derivative financial instruments	-	-	-	998	-	-	-
Short-term bank loans	7 188	-	2 843	24 665	-	-	-
Tax payables	1 868	268	831	631	928	80	-
Provisions	8 961	-	21 244	11	-	-	-
Retirement benefit obligations – short-term	831	16	-	1	151	-	-
Contract liabilities	7 846	-	-	-	-	-	-
	191 622	3 576	108 606	66 935	7 812	237	28 383
TOTAL LIABILITIES	308 500	7 188	114 813	70 806	14 475	973	28 383
	CEZ Razpredelenie Bulgaria AD	CEZ ICT Bulgaria EOOD	CEZ Electro Bulgaria AD	CEZ Trade Bulgaria EAD	CEZ Bulgaria EOOD	Free Energy Project Oreshets EOOD	Bara group EOOD
NET ASSETS	705 175	37 007	170 365	51 135	5 764	15 877	(27 291)
Share capital	1 928	6 000	50	500	200	160	5
Statutory reserves	3 533	600	65 383	50	36	16	-
Reserve from adjustment to fair value	28 042	17 000	20 401	23 576	243	6 622	-
Retained earnings (Loss not covered)	671 672	13 407	84 531	27 009	5 285	9 079	(27 296)

For opening balance purposes in Receivables and Payables from/to related parties are presented transactions between:

- ERM Zapad AD (previous name CEZ Razpredelenie Bulgaria AD);
- Electrohold Sales AD (previous name CEZ Electro Bulgaria AD);
- Electrohold Trade EAD (previous name CEZ Trade Bulgaria EAD);
- Electrohold Bulgaria EOOD (previous name CEZ Bulgaria EOOD);
- Electrohold IKT EAD (previous name CEZ Information and Communication Technologies Bulgaria EAD);
- Free Energy Project Oreshets EOOD;
- BARA Group EOOD.

45.2.2. Leasing business

At the end of October 2021, the Commission for Protection of Competition allowed Eurolease Group AD - a company combining the leasing operations of Eurohold Bulgaria AD, to acquire 100% of the capital of Mogo Bulgaria EOOD - a company operating in the country related to leasing of motor vehicles.

With the acquisition of Amigo Finance EOOD (previous name Mogo Bulgaria EOOD), Eurolease Group AD aims to expand its presence on the leasing services market in Bulgaria. The transaction was finalized on December 1, 2021 with entry in the Commercial Register.

The total acquisition price amounts to BGN 143 thousand and represents the purchase price, the payment of which is settled by non-cash means. The value of each group of acquired assets, liabilities and contingent liabilities recognized at the acquisition date is presented as follows:

Assets	Fair value 000 BGN	Book value 000 BGN
Properties, machines and equipment	170	170
Intangible assets	10	10
Inventory	139	139
Lease receivables	11 165	11 165
Trade and other receivables	952	952
Deferred tax assets	340	340
Cash and cash equivalents	2 171	2 171
Tota assets	14 947	14 947

Liabilities	Fair value BGN'000	Book value BGN '000
Loans	6 234	6 234
Payables to related parties	5 991	5 991
Trade and other liabilities	573	573
Total liabilities	12 798	12 798
Net identifiable assets and liabilities	2 149	2 149
Profit from a bargain purchase	2 006	2 006

The total cost of the investment in the acquisition of the subsidiary and the resulting profit from a profitable purchase as of the date of acquisition of control over them by the parent company are the following:

Acquisition price

	Amigo Finance EOOD (previous name Mogo Bulgaria EOOD) BGN '000
Remuneration paid	(143)
Fair value of acquired net assets	2 149
Profit from a bargain purchase	2 006

Cash outflows/inflows generated from acquisition of controlling interest are as follows:

	Amigo Finance EOOD (previous name Mogo Bulgaria EOOD) BGN '000
Adjusted Purchase Price, paid by cash in bank accounts	(143)
Cash in bank accounts and cash equivalents in acquired entities at acquisition date	2 171
Net cash flow from acquisition of controlling interest from business combination	2 028

45.3. Disposals and discontinued operations

Insurance business

On 30.12.2022, Euroins Insurance Group (EIG) signed contracts for the sale of 100% of the capital of its subsidiary in Belarus and the owned share (48.61%) in a company in Russia.

Automotive business

- On August 2, 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 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 cars with the Mazda brand 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 May 17, 2022.
- On 30.06.2022, Eurohold Bulgaria AD concluded a contract for the sale of Auto Union AD, which combined the company's investments in the automotive business. See [Note 10](#).

Leasing business

- On 30.06.2022, Eurohold Bulgaria AD concluded a contract for the sale of Eurolease Group AD, which combined the company's investments in the leasing business. See [Note 10](#).

In accordance with the requirements of IFRS 15, 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:

45.3.1. Profit/(loss) for the period from discontinued operations

	2022	2021
	<i>BGN'000</i>	<i>BGN'000</i>
Revenue		
Revenue from insurance business	27 263	18 810
Revenue from car sales and after sales	50 183	156 707
Revenue from leasing business	11 866	26 653
	89 312	202 170
Expenses		
Expenses of insurance business	(25 217)	(17 503)
Cost of cars and spare parts sold	(29 441)	(122 536)
Expenses of leasing business	(3 313)	(8 965)
	(57 971)	(149 004)
Gross Profit	31 341	53 166
	(1 604)	2 456
Other income/(expenses), net	(12 755)	(31 571)
Other operating expenses	(692)	(1 809)
(Accrued)/recovered impairment loss on financial assets, net	16 290	22 242
EBITDA	(1 268)	(3 326)
Financial expenses	532	849
Financial income	(11)	(40)
Foreign exchange gains/(losses), net	15 543	19 725
EBTDA	-	(19 529)
Depreciation and amortization	(4 550)	(12 040)
EBT	10 993	(11 844)
Tax expenses	(2)	(563)
Net profit/(loss) for the period from discontinuing operations, attributable to:	10 991	(12 407)
Equity holders of the parent	10 836	(14 113)
Non-controlling interests	155	1 706

45.3.2. Non-current assets held for sale and liabilities directly attributable to them

The companies whose assets/liabilities are classified as assets held for sale as of 31.12.2021 are from the automotive business as follows: Daru Car AD, Star Motors EOOD and its subsidiaries Star Motors DOOEL, Macedonia and Star Motors SH P.K. – Kosovo. In 2022, they were sold.

	31.12.2021
	<i>BGN'000</i>
ASSETS	
Cash and cash equivalents	351
Trade and other receivables	2 114
Machinery, plant and equipment	1 959
Intangible assets	386
Inventory	3 323
Deferred tax assets	27
Land and buildings	3 360
TOTAL ASSETS	11 520
LIABILITIES	
Non-current liabilities	244
Current liabilities	1 189
Trade and other payables	7 488
Deferred tax liabilities	6
TOTAL LIABILITIES	8 927

45.3.3. Cash flows generated by discontinued operations and disposal groups

	2022	2021
	BGN'000	BGN'000
Operating activity	(3 731)	16 789
Investment activity	28 670	(9 629)
Financial activity	20 505	699
TOTAL CASH FLOWS FROM DISCONTINUED ACTIVITIES	45 444	7 859

46. Contingent liabilities and commitments, provisions for court cases

46.1. Litigation

As of 31.12.2022 no significant lawsuits have been filed against the Parent-company Eurohold Bulgaria AD.

46.2. Guarantees and guarantees provided

Eurohold Bulgaria AD: is a co-debtor/guarantor for loans received from banking/financial institutions as follows:

Business direction		Amount EUR '000 as of 31.12. 2022	Amount BGN '000 as of 31.12. 2022	Maturity (EUR'000)					after 2027
				2023	2024	2025	2026	2027	
Energy subholding*									
Corporate payment guarantee	Third party	3 500	6 845	-	3 500	-	-	-	-
Loans for working capital	Third party	19 238	37 626	19 238	-	-	-	-	-
Corporate guarantee in connection with an acquisition	Third party	220 000	430 283	-	-	-	-	220 000	-
Parent-Company Starcom Holding AD									
Bank loans for working capital	Related party	6 360	12 439	6 360	-	-	-	-	-
Bank loans for investment purposes	Related party	5 000	9 779	-	5 000	-	-	-	-
TOTAL:		254 098	496 972	25 598	8 500	-	-	220 000	-

46.3. Guarantees and guarantees received

Established guarantees in favor of the Company:

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2022 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03/2023

* Automatic renewal until the Procurator is released from liability.

46.4. Pledge of shares

In connection with a loan to a company from Automotive Subholding, which as of 31.12.2022 is not a related party, Eurohold Bulgaria AD has an established pledge of shares.

In connection with financing under a package deal, Eurohold Bulgaria AD has established a pledge of shares of a subsidiary.

In connection with the financing of the business combination Eurohold Bulgaria AD, a pledge of shares of subsidiaries in the energy segment has been established.

In connection with a financing agreement concluded by a credit institution, a pledge of shares of a subsidiary company and a pledge of bonds was established in 12.2022.

47. Related parties

The related parties of the Group are as follows:

- Starcom Holding AD, Bulgaria – main shareholder in Eurohold Bulgaria AD.

Subsidiaries of Starcom Holding AD:

- First Investment Bank AD, Russia;
- Starcom Finance EAD, Bulgaria;
- Quintar Capital Limited, Hong Kong, China.
- Hanson Asset Management Ltd, UK.
- Swiss Global Asset Management AG, Switzerland.

Related party balances

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Receivables on loans from Starcom Holding AD	4 632	39 830
Receivables from repo transactions from Starcom Holding AD	2 412	4 935
Other receivables from Starcom Holding AD	-	1 234
Other receivables from Hanson Asset Management Ltd UK	-	81
Right of use assets – office from Hanson Asset Management Ltd UK	1 006	-
Right of use liabilities - Hanson Asset Management Ltd UK	1 056	-
Loan liabilities to Starcom Holding AD	52 987	99 003
Subordinated debt payables to Starcom Holding AD	23 459	22 080
Subordinated debt payables to Starcom Finance EAD	25 000	-
Other liabilities to Starcom Holding AD	3 772	5 895
Other liabilities to Starcom Finance EAD	383	-
Other liabilities to First Investment Bank, Russia	-	606
Purchase of investments in debt instruments from Starcom Holding AD	-	1 536
Dividend liabilities to Starcom Holding AD	101	101

Related party transactions

	2022	2021
	<i>BGN'000</i>	<i>BGN'000</i>
Commission fee income from Starcom Holding AD	394	429
Commission fee income from First Investment Bank Russia	1	1
Commission fee income from Russian Insurance Company	-	-
Rental income from Hanson Asset Management Ltd UK	60	410
Interest income Starcom Holding AD	2 712	1 784
Income from services provided to Starcom Holding AD	87	30
Interest expenses on loans received from Starcom Holding AD	2 767	3 816
Interest expenses on loans received from Starcom Finance EAD	383	-
Interest expense on leases (rights of use) from Hanson Asset Management Ltd UK	6	-
Depreciation expense on right-of-use assets – Hanson Asset Management Ltd UK	196	-
Other expenses from Hanson Asset Management Ltd UK	28	1

48. Events after the end of the reporting period

Euroins Romania signed a quota reinsurance contract with EIG Re EAD, which ensures the transfer of a significant part of the risk assumed by Euroins Romania outside the company and is an additional guarantee of stability. The agreement with EIG Re was concluded according to European regulations and covers the amount of damage to Euroins Romania.

The Management Board of Eurohold Bulgaria AD is not aware of any other important or significant events that occurred after the end of the reporting period.

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INTERIM CONDENSED
CONSOLIDATED REPORT

UNTIL 31 DECEMBER 2022

OPERATIONAL AND FINANCIAL REVIEW

EUROHOLD GROUP UNTIL 31 DECEMBER 2022

- Eurohold is a leading independent business group in Southeastern Europe (SEE) with leading positions in the insurance and energy business
- The main activity of the parent company - financial activities related to the establishment, acquisition and management of participations and financing of related companies
- Owner of the largest independent insurance group in SEE in gross premium revenue - Euroins Insurance Group
- Owner of the largest energy group in Bulgaria - Electrohold
- Experienced management team and management
- High level of corporate governance in line with best practices
- The parent company is a public joint stock company within the meaning of Bulgarian Public Offering of Securities Act. The company's shares are registered for trading on:
 - » Bulgarian Stock Exchange (BSE) - code EUBG
 - » Warsaw Stock Exchange (WSE) - code EHG

BUSINESS HIGHLIGHTS

- ✓ 3 business segments
- ✓ 4 subsidiaries
- ✓ 2 specially created companies for the development of the energy business
- ✓ 17 operating companies
- ✓ 12 countries in Europe
- ✓ 9 400 shareholders
- ✓ 26 years of history

STRATEGIC ASSETS:

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.

Eastern Electric Company II B.V. - Energy

The largest energy holding in Bulgaria

Euro-Finance - investment intermediation and asset management

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

KEY FINANCIAL INFORMATION

Eurohold Bulgaria reports strong results of its energy business

The Eurohold Group realized for the fourth quarter of 2022 a significant growth of its operating income from continuing activities amounting to 188% and a growth of its operating profit of 278%. The main reason for the strong growth is for all businesses, the most important being the reporting of the results of the energy group, which was not represented in the comparative period - partially (for the period 01.08.2021-30.09.2021).

Highlights of group results

	Q4 ' 2022	Q4 ' 2021
Revenues	BGN 6 302 million ▲ 77%	BGN 3 568 million
Operational profit	BGN 566 million ▲ 64%	BGN 344 million
Net result	BGN 57 million ▼ 24%	BGN 75 million
	Q4 ' 2022	2021
Assets	BGN 3.89 billion ▲ 2%	BGN 3.81 billion
Financial assets	BGN 388 million ▼ 9%	BGN 428 million
Equity	BGN 328 million ▼ 11%	BGN 371 million
Equity and subordinated debt instruments	BGN 377 million ▼ 9%	BGN 412 million
Liabilities	BGN 1.99 billion ▲ 1%	BGN 1.96 million
Insurance reserves	BGN 1.53 billion ▲ 7%	BGN 1.43 billion

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

- ✓ On 05.01.2022, Euroins Insurance Group AD fully repaid the bond loan issued on 18 December 2014 in the form of 100 available subordinated unsecured bonds at the date of issue with a face value of 100 thousand euros each in the amount of 10,000 thousand euros (BGN 19,558 thousand) and due on December 18, 2021 together with the last interest payment.
- ✓ 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 the Protection of Competition has published a decision authorizing a concentration in connection with a preliminary agreement signed by Auto Union AD in November 2021 for the sale of "Star Motors" EOOD.
- ✓ On January 28, 2022, a meeting of the Board of Directors of EIG AD was held, at which a decision was made for the Company to participate in the capital increase of ZD Euroins Georgia AD by purchasing 329,939 shares with a total value of 1,501,222.45 Georgian lari out of the unsubscribed 1,261 716 shares of ZD Euroins Georgia AD. Based on this, EIG AD will become the owner of 1,950,291 shares.
- ✓ On January 28, 2022, a Debt Substitution Agreement was concluded between Auto Union AD in its capacity as creditor, Eurohold Bulgaria AD in its capacity as underwriter and EIG AD in its capacity as original debtor. Eurohold AD replaces EIG AD as a debtor and thus becomes a creditor of EIG AD.

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 to a premium reserve in the amount 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 - Electrodistribution Grid West AD (EDG West AD) - previous name CEZ Distribution Bulgaria AD to 98.93% (by acquiring additional 207 107 shares or 10.74%), and the

electricity supplier - Electrohold Sales AD - previous name CEZ Electro Bulgaria AD to 96.76% (by acquiring additional 1 379 shares or 27.58%).

✓ 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.

✓ 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.

April

✓ 01.04.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 150,000 euros.







✓ 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 POSA for the purchase of the shares of the minority shareholders in Electrodistribution Grid West AD (EDG West AD) and Electrohold Sales AD.

✓ As of the date of registration of the tender offers, EEEC owns 98.93% of the capital of Electrodistribution Grid West AD and 96.92% of the capital of Electrohold Sales AD.

✓ On 05.04.2022, under Amigo Leasing EAD's account in the Commercial Register and Register of Non-Profit Legal Entities, a change of its name was entered, as from that date the name under which it will carry out its activities is now Finasiti EAD.

✓ Change in the name of Amigo Finance EOOD (previous name Mogo Bulgaria EOOD) - On 15.04.2022, on the account of Mogo Bulgaria EOOD, in the Commercial Register and the Register of Non-Profit Legal Entities, a change of its name was entered as of as of this date, the name under which it operates is now Amigo Finance EOOD.

✓ 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), namely:

Old designation	New designation	New company logo
ЧЕЗ Разпределение България АД CEZ Distribution Bulgaria AD	Електроразпределителни мрежи Запад АД Electrodistribution Grid West AD (EDG West AD)	 
ЧЕЗ Електро България АД CEZ Electro Bulgaria AD	Електрохолд Продажби АД Electrohold Sales AD	 
ЧЕЗ България ЕООД CEZ Bulgaria EOOD	Електрохолд България ЕООД Electrohold Bulgaria EOOD	 

ЧЕЗ Трейд България ЕАД	Електрохолд Трейд ЕАД	
CEZ Trade Bulgaria EAD	Electrohold Trade EAD	
ЧЕЗ Информационни и комуникационни технологии България ЕАД	Електрохолд ИКТ ЕАД	
CEZ Information and Communication Technologies Bulgaria EAD	Electrohold ICT EAD	

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 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.

✓ 18.05.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 80,000 euros.

- ✓ 27.05.2022 г. - Eurohold Bulgaria AD established a new subsidiary called "ELECTROHOLD GREEN" EOOD (ELECTROHOLD GREEN) with a capital of BGN 20,000 and subject of activity: Consulting and investment activity, construction and maintenance of photovoltaic power plants, trade in solar panels and accessories, transactions with real estate properties, 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 entered in the TR on 27.05.2022 with the sole owner of the capital Eurohold Bulgaria AD.
- ✓ On 27.05.2022, the shareholders of the Eurohold Bulgaria AD subsidiary Euro Finance AD decided to distribute BGN 2,101,702.83 in profit for 2021 in the form of a dividend. As a result, a dividend of BGN 2,102,000 was distributed to Eurohold Bulgaria AD.

June

- ✓ On 17.06.2022, the tender offers from the energy holding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. ended. (EEEC) for the purchase of the shares of the minority shareholders in the two public subsidiary companies of the energy group - Electrodistribution Grid West AD (EDG West AD), with the previous name CEZ Razpradelenie Bulgaria AD) and Elektrohold Sales AD (with the previous name CEZ Electro Bulgaria AD) are with the following results:

Regarding Electricity Distribution Networks Zapad AD (previously named "CEZ Distribution Bulgaria" AD):

Number of persons who accepted the tender offer:
 Number of individuals who accepted the offer – 36;
 Number of legal entities that accepted the proposal – 7;
 Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANIES" B.V. – 6,165 pieces.
 Offered price per share: BGN 302.56 (three hundred and two BGN and fifty-six cents).
 Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive
 The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 99.25 %.

Regarding Electrohold Sales" AD (previously known as "CEZ Electro Bulgaria" AD):

Number of persons who accepted the tender offer:
 Number of individuals who accepted the offer – 5;
 Number of legal entities that accepted the offer – 2.
 Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANY" B.V. – 37 pieces.
 Offered price per share: 28,433.51 (twenty-eight thousand four hundred thirty-three BGN and fifty-one cents).
 Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive.
 The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 97.66 %.

In connection with the completed tender offers, the Commercial Offeror has reached a share in the capital of Electrodistribution Grid West AD (EDG West AD) and "Electrohold Sales" AD of 99.25% and 97.66%, respectively, which is why the grounds for application of Art. 157a of the POSA, namely: the tender offeror has the right within three months from the deadline of the tender offer (ie until 17.09.2022, inclusive) to buy out the voting shares of the remaining shareholders - with or without their consent, at a price determined in accordance with the provisions of art. 157a, para. 3 of the POSA, in accordance with the procedure and under the conditions provided for in Art. 157a of the POSA and Section I "Repurchase of shares under Art. 157a of the POSA from Chapter two "a" of Ordinance No. 13.

In the statutory terms, the trade offeror will deposit with the Commission for Financial Supervision, on the basis of Art. 157a, para. 4, a proposal to purchase the voting shares of the remaining shareholders at a price determined in accordance with the provisions of Art. 157a, para. 3 of the POSA.

- ✓ On 22.06.2022, Eurohold Bulgaria AD received a stable outlook on its long-term credit rating from I Ratings. In its announcement on June 22, the agency confirmed the rating it assigned to the holding - changing the outlook from "negative" to "stable". The stable outlook reflects the agency's assessment Eurohold's new structure, as well as the company's changed business and financial profile following

acquisition of Czech energy group CEZ's assets in Bulgaria. As a result of the acquisition, Eurohold's business line changes from insurance to utilities, and the company's energy business is expected to form the majority of the holding's operating profit, Fitch notes.

The agency's new assessment also reflects Eurohold's intention to divest from car sales and leasing, which should be completed by the end of this year. In its outlook for the holding company, Fitch expects strong operating cash flow and moderate capital expenditures, which will lead to a reduction in the company's indebtedness in the medium term.

✓ 27.06.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 680,000 euros.

✓ On 30.06.2022, Eurohold Bulgaria AD concluded an agreement for the sale of the remaining part of its automotive and leasing business by selling its subsidiary sub-holding companies Auto Union AD and Eurolease Group AD together with the operating companies owned by them.

The new owner of Auto Union AD and Eurolease Group AD is Asterion Bulgaria AD - a holding company whose business includes trade in cars, service activities and supply of spare parts.

Following the acquisition of CEZ Group's energy companies in Bulgaria in mid-2021, Eurohold declared the automotive and leasing businesses non-core and its intention to exit these activities. Eurohold's objective is to focus on its strategic insurance and energy businesses, supported by asset management. As a result, Eurohold was able, through its subsidiaries Auto Union and Eurolease Group, to negotiate and implement in several transactions the sale of part of its main operating automotive companies - Star Motors (Mazda), Daru Car (BMW), N Auto (Nissan), Espas Auto (Renault) and EA Properties (management of investment properties - showroom and service).

As of 30.06.2022, Auto Union AD owns Auto Italia EOOD and several other smaller subsidiaries (offering limited brands of cars, scooters and motorcycles, as well as oils, lubricants and branded solutions for fuels).

Eurolease Group AD unites the leasing business of Eurohold, which is organically related to the automotive business and includes six subsidiaries offering financial leasing, short-term and long-term rental (operating lease) of new and used cars in Bulgaria and North Macedonia.

As of 30.06.2022, the leasing business, represented primarily by the main companies Eurolease Auto EAD (financial leasing) and Eurolease Rent a Car EOOD (operating leasing), has a gradually decreasing portfolio as a result of the sold car companies described above. The synergy created in the Eurohold group had a negative impact on the leasing business after the sale of the main car brands to Auto Union, as the most important leasing company Eurolease Auto practically lost its most important channel for generating a portfolio of new leasing business, and from there any further growth potential. This is confirmed by the reduction of the company's leasing portfolio within one year, from BGN 66 million by the half-year of 2021 to BGN 52 million by 30.06.2022, and expectations are at the end of the reporting year to drop to BGN 30 million.

The deal for the sale of the leasing and automotive business will significantly reduce the indebtedness of the Eurohold group, as leasing companies traditionally operate with a high proportion of borrowed capital, and automotive companies with working capital.

As a result of the sales, as of 30.06.2022, the following debts are eliminated from Eurohold's group indebtedness:

- > of the leasing business - 39 million euros of secured liabilities (financing of leasing activities with a pledge of receivables/cars) and 5.4 million euros of unsecured liabilities (bonds issued by the leasing companies);
- > of the automobile business - 6 million euros in secured liabilities (working capital with a pledge of inventories and receivables), 7 million euros (issued bonds) as of the first half of 2022, as well as 3 million euros in secured bank guarantees.

This will improve the overall capital position of Eurohold, as well as enable the Holding to focus on the strategic development and implementation of the investment plans of the insurance and energy businesses.

July

- ✓ On 21.7.2022, the bank loan to International Bank for Economic Cooperation - IBEC in the amount of 15 million euros was renegotiated, with the principal subject to return in 2 tranches - 3 million euros is due by 31.7.2022, and the remaining 12 million euros by 28.1. 2023
- ✓ 29.07.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 70,000 euros.

August

- ✓ On 3 August 2022, a change was registered in one of the managing directors of Eastern European Electric Company BV, namely Rense Box (director B) was replaced by Ioan Ivanov as director B.

- ✓ On 18 August 2022, Eurohold signed a partnership agreement with the European Athletics Association until the end of 2025. Eurohold will have the status of an official partner of European Athletics in the insurance category. The European Athletics events covered by the agreement are:

- 2022-2025 SPAR European Cross Country Championships;
- European Athletics Championships 2024 (Rome, Italy);
- European Indoor Athletics Championships for 2023 and 2025;
- 2023 and 2025 European Athletics Team Championships 1st Division.

As an official partner of European Athletics, Eurohold will benefit from the main marketing rights, which include external advertising boards at the above events, on-air broadcasting during the live broadcasts of the competitions of the European Athletics calendar, company representation through European Athletics communication channels and etc.

- ✓ On 18 August 2022, Eurohold Bulgaria AD signed a loan agreement from a banking institution in the amount of EUR 4.2 million for a period of five years for the purpose of financing the subsidiary Eastern European Electric Company B.V., The Netherlands, in connection with the squeeze-out of the minority shareholders in Electrodistribution Grid West AD (EDG West AD) and Electrohold Sales. The loan interest is 6.00% per year + reference interest rate, the loan will be repaid in quarterly instalments, starting from the expiration of a one-year grace period.

- ✓ 18.08.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 4,200,000 euros.

- ✓ With the entry in the Commercial Register and the Register of the National Commercial Register at the Registration Agency, on 25.08.2022, Mr. Asen Emanuilov Asenov was removed as a member of the public company's management body.

- ✓ On 25 August 2022, the FSC made a decision not to issue a ban on the publication of a proposal based on Art. 157a, para. 1 of the POSA, from "Eastern European Electric Company" B.V., Kingdom of the Netherlands, for the purchase of the shares of the remaining shareholders of the two public companies through the investment intermediary "Euro-Finance" JSC, Sofia, as follows

- to 14,416 shares (0.75%) of the capital of Electrodistribution Grid West AD (EDG West AD), Sofia, from the remaining shareholders of the company. The offered price of one share is BGN 303.55;
- 117 shares (2.34%) of the capital of "Electrohold Sales" AD, Sofia, from the remaining shareholders of the company. The offered price of one share is BGN 29,161.02.

The proposals for the purchase of the shares of the remaining shareholders of Electrodistribution Grid West AD (EDG West AD) and Electrohold Sales AD are available on the website www.x3news.com in the section of the respective companies.

September

- ✓ 01.09.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 75,000 euros.
- ✓ 08.09.2022 - The energy holding Eastern European Electric Company B.V. (EEEC) increased its participation in the two subsidiary companies of the energy group - Electrodistribution Grid West AD (EDG West AD) and Electrohold Sales AD to 100% of the capital by buying out all the remaining shares of minority owners. EEEEC acquired an additional 14,416 shares of Electrodistribution Grid West AD (EDG West AD) for nearly BGN 4,376 million (EUR 2,237 million) or BGN 303.55 (EUR 155.2) per share, as well as 117 shares of Electrohold Sales for BGN 3,412 million (1,744 EUR million) or BGN 29,161.02 (EUR 14,909.79) per share.
- ✓ 20.09.2022 - The Financial Supervision Commission decided to deregister "Electricity Distribution Networks West" AD (ERM West AD) and "Electrohold Sales" AD as public companies from the register under Art. 30, para. 1, item 3 of the Law on the Financial Supervision Commission, managed by the Financial Supervision Commission.

October

- ✓ On 03.10.2022, the company Electrohold IPS EOOD was established, 100% owned by Electrohold Bulgaria EOOD. The company was established with a capital of BGN 5,000 and main activity: Preparation of investment projects, construction and installation works, delivery, purchase and sale of materials/goods, consultations and assistance in preparing documentation for conducting procedures and tenders, as well as any other activity not prohibited by law.
- ✓ On 13.10.2022, a change of the seat and management address of Starcom Holding AD was entered in the Commercial Register, the new address is in the city of Sofia, Hristofor Kolumb Blvd. 43
By decision of the Board of Directors dated 24.10.2022, an extraordinary general meeting of shareholders has been convened, the same will be held on 28.11.2022. Information about it can be found on the Company's website (www.eurohold.bg) and specialized financial media "X3 news" (www.x3news.com), as well as in the Commercial Register at the Registration Agency (www.portal.registryagency.bg).

November

- ✓ On November 16, 2022 - The leading rating agency Fitch Ratings raised to "stable" the outlook for Euroins Insurance Group (EIG), the insurance division of the largest public holding in Bulgaria - Eurohold. In a November 14 announcement, Fitch affirmed EIG's insurance solvency rating of B+, raising the outlook to "stable." The change reflects the stabilization of reserves and expectations for improvement in the assessment of the group's specific business model, Fitch explained.

December

- ✓ On December 1, 2022, "Eurohold Bulgaria" AD received consent to extend by 42 months the deadline for the payment of European medium-term bonds issued under the European Medium-Term Bond Program (EMTN Program) and admitted to trading on the Irish Stock Exchange, with ISIN XS1731768302 in the total amount of the issue of EUR 70 million, interest coupon in the amount of 6.5%. The essential conditions and parameters under which the issue was issued, including the total amount of the issue, remain unchanged for the extended maturity period - June 7, 2026.
 - ✓ On December 30, 2022, Euroins Insurance Group (EIG), part of Eurohold Bulgaria, signed an agreement for the sale of its subsidiary in Belarus and the group's share in a company in Russia. The new owner of both companies is a Russian company.
From next year, EIG will no longer consolidate their results in its report. EIG owned 100% of the company's capital in Belarus and 48.61% of that in Russia. EIG's business in the two countries forms less than 1% of the insurance group's revenues for 2022.
-

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD DATE

On February 10, Eurohold Bulgaria informed the public about illegal actions of employees of the Romanian insurance supervision against the Romanian insurance company "Euroins Romania Asigurare-Reasigurare" S.A. part of the group. Eurohold has informed the FSC and a number of competent state and international bodies and institutions about these actions.

On the website of Eurohold Bulgaria AD, in the news section (www.eurohold.bg), the information published by the company can be followed, as well as the subsequent actions and measures taken.

In this regard, on February 17, 2023, the management of Eurohold Bulgaria AD informed the public that despite its disagreement with the actions of insurance supervisory officials in Romania against the local division of Euroins in order to protect the company from further regulatory overpressure, Euroins Romania concluded a new reinsurance contract with the reinsurer of the group - EIG Re AD. This contract guarantees the payment of all claims of the Romanian insurer and ensures the transfer of a significant part (87%) of the risk in its portfolio outside the company, thereby retroceded to leading European reinsurers.

In addition, the shareholders of "Euroins Romania Asigurare-Reasigurare" S.A. as early as the third quarter of 2022, they took actions to increase the company's share capital in two consecutive procedures with a total value of 99,700,000 Romanian lei. At this moment, the increase has been submitted and is awaiting approval from the Financial Supervisory Authority of Romania (Autoritatea de Supraveghere Financiară, ASF), after which it will be entered in the Commercial Register of the Republic of Romania. As a result, after recording the increase, the share capital will increase by 9,970,000 new shares (with an issue value of 10 Romanian lei each and a nominal value of 1 Romanian lei) and will amount to 567,457,674 Romanian lei, distributed in 567 457,674 registered shares with a nominal value of 1 /one/ lei each. The participation of "Euroins Insurance Group" AD in the capital of the Romanian insurer will increase to 559,489,450 shares, corresponding to about 98.5958% of the capital.

Also, Euroins Romania, according to its development strategy, continues to diversify its portfolio in order to reduce risk, - over a period of one year, the insurer's market share in the "Civil Liability" segment decreased by 15% to nearly 28%, measured by the number of issued policies and registered cars in the country, and compared to active policies at the end of the year, this share is even smaller - 27.68%. At the same time, the company's insurance revenues, which are not related to the "Civil Liability" policy, have doubled. Euroins Romania ends 2022 with BGN 62.2 million profit before taxes.

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.

CORPORATE INFORMATION

EUROHOLD BULGARIA AD

Company data

<i>Country of incorporation</i>	Republic of Bulgaria
<i>Country of incorporation</i>	UIC 175187337
<i>Identification number of the legal entity</i>	LEI code 74780000J0W85Y204X80
<i>Legislation</i>	Bulgarian
<i>Headquarters address and correspondence</i>	Sofia, 1592, Iskar district, 43 Christopher Columbus Blvd
<i>Phone number</i>	+359 2 9651 651; + 359 651 653
<i>Fax</i>	+359 2 9651 652;
<i>Email address</i>	investors@eurohold.bg ; office@eurohold.bg
<i>Website</i>	www.eurohold.bg

Eurohold Bulgaria AD is registered in the Republic of Bulgaria with subject of activity: acquisition, management, valuation and sale of participations in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, valuation and sale of patents, assignment of licenses for use of patents of companies in which the company participates, financing of the companies in which the company participates.

The main activity of the holding company is performing financial and investment activities related to the acquisition, sale and management of participations and financing of related companies.

Eurohold Bulgaria AD is a public joint stock company within the meaning of the Public Offering of Securities Act. The shares of the company are registered for trading on the main market of the Bulgarian Stock Exchange AD with stock exchange code EUBG and of Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

Eurohold Bulgaria AD is an issuer of bonds with ISIN code: BG2100013205, amounting to EUR 30,000,000, and admitted to trading on a regulated market organized by Bulgarian Stock Exchange, Bonds segment, on 31.08.2021 with stock exchange code: EUBB.

Eurohold Bulgaria AD is an issuer of bonds with ISIN code: BG2100002224, amounting to EUR 40,000,000, which is to be admitted to trading on a regulated market organized by the Bulgarian Stock Exchange, Bonds segment.

Eurohold Bulgaria AD is located in Sofia, the capital of Bulgaria, and does not have branches and representative offices in other settlements.

BUSINESS OPERATIONS

Main activity

Eurohold Bulgaria AD is a holding company primarily engaged in financial activities related to the acquisition, sale and management of interests and financing of related companies.

Eurohold does not engage in activities subject to any special permit regime requiring patents, licenses or other authorisation from regulatory authorities. Such activities dependent on licenses and other permits and/or contracts are carried out by subsidiaries of the Issuer, information on which is available in the review of the activities of the relevant business groups.

In order to optimize management, business processes and fixed costs, Eurohold has established five subsidiaries - sub-holding structures by business sector (business lines). The business lines are organised by business type and market segment, namely: insurance, car sales, leasing and financial services (investment intermediation and asset management) and the newest business line, energy. The operating companies in the Eurohold Group are grouped into their respective sub-holding depending on the market in which they operate.

Eurohold Bulgaria AD together with its subsidiaries and their operating companies form an economic group - the Eurohold Group.

Eurohold manages and supports the business of its economic group through its strategy, risk, financing of related companies, control, communication, legal advice, human resources, information systems and technology and other functions.

Economic group

Eurohold's organizational structure is three levels: parent company, subsidiaries and operating companies. Each of the three levels has its specific functions, business activities and goals.

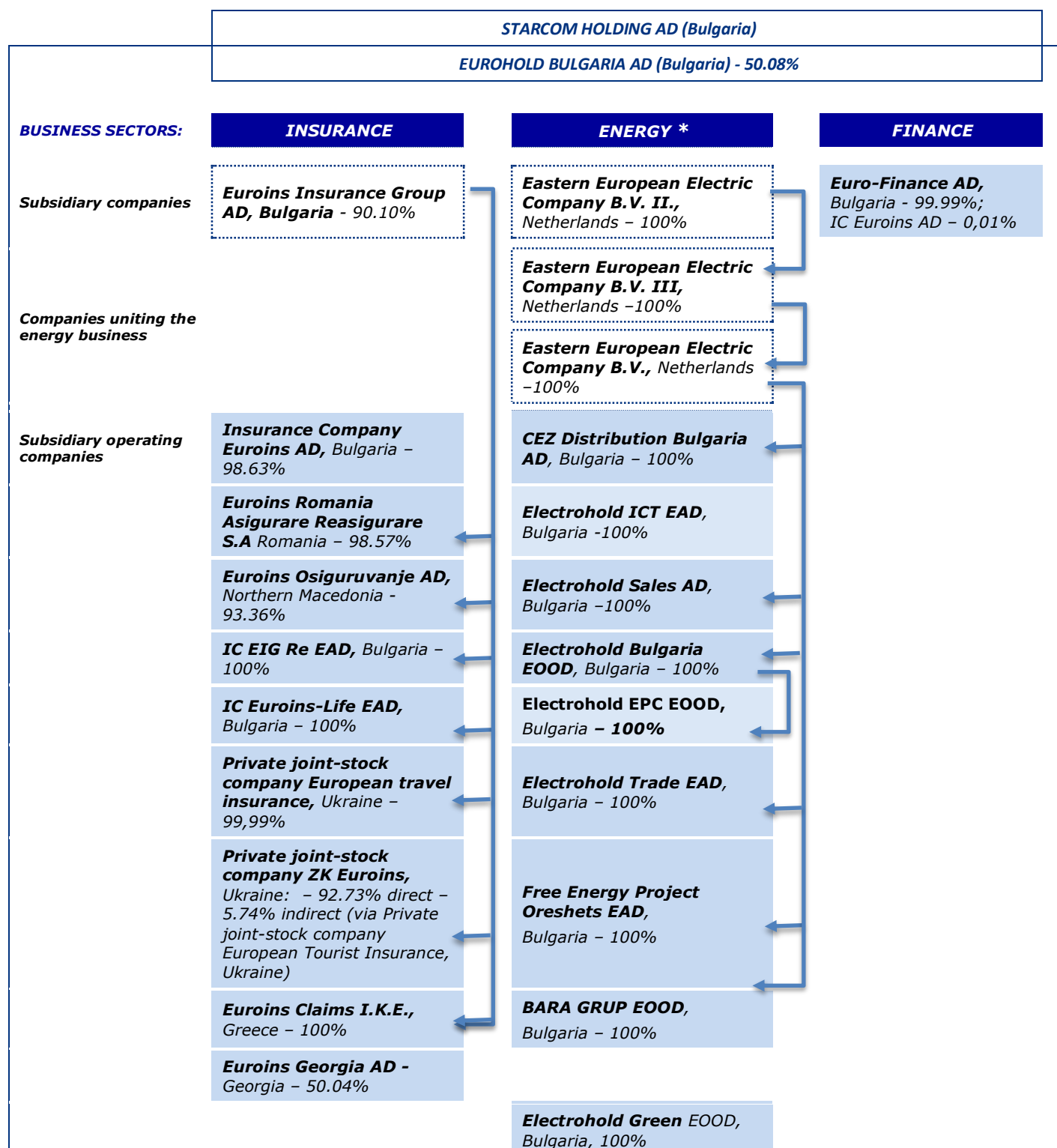
The subsidiary companies represent holding structures, uniting the investments of Eurohold Bulgaria in the sectors - Insurance, Energy (operating from the end of July 2021), Investment mediation and asset management.

Until 30.06.2022, Eurohold also operated in the automotive sector (sale of new cars and servicing) and Leasing (financial and operational leasing).

As of 31.12.2022, Eurohold Bulgaria AD has participations in 23 companies

<i>direct participation</i>	<i>indirect participation</i>
» 4 subsidiaries, including	» 2 specially created companies for energy business development
» two sub-holding structures (energy and insurance)	» 17 operating companies (9 insurance and 8 energy)
» two operating companies (investment brokerage and energy)	

**ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 31.12.2022
AND AS OF THE DATE OF THIS REPORT**



* Activity from 27.07.2021 after the acquisition of CEZ Group's energy companies in Bulgaria

Notes:

Holding structure

Operating company

TYPES OF SERVICES AND PRODUCTS OFFERED BY THE EUROHOLD GROUP, REGIONAL REPRESENTATION

Eurohold Bulgaria AD as a holding company does not develop an independent production and/or commercial activity or activity related to the provision of services. The Company's operating income is related to financial operations for the acquisition and management of subsidiary companies, which is why it is classified under the financial sector.

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

Types of services and activities by business sectors and main markets - regional presentation

Through its subsidiary companies, Eurohold is positioned in the markets of the Central and South-Eastern Europe region.



- Subsidiary companies
- Insurance services distributed under the right to: freedom of establishment and freedom to provide services

Regional performance by service/product type until 31.12.2022

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

The main markets in which the Group operates are Bulgaria, Romania, North Macedonia, Ukraine, Georgia, Greece, Belarus.

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

ENERGY

Services and products provided

	Country
» Access to and transmission of electrical energy through the power distribution network and connection of new users to the power distribution network	Bulgaria
» Public supply of electrical energy	Bulgaria
» Trade in electrical energy	Bulgaria
» Complex information, communication and technological services	Bulgaria
» Commercial consulting, purchase and sale of equipment and materials	Bulgaria
» Production and trading of energy from renewable sources	Bulgaria

INSURANCE

Services and products provided

	Country
» General insurance	Bulgaria; Romania; North Macedonia; Ukraine; Georgia;
» Life insurance	Bulgaria
» Travel insurance	Ukraine
» Claims settlement - motor claims	Greece
» Insurance services distributed under the right to freedom of establishment and freedom to provide services	Italy, Greece (branch), Spain, Poland, Germany, the Netherlands and Great Britain (ZD Euroins AD operates in these markets)

INVESTMENT BROKERAGE AND ASSET MANAGEMENT

Services and products provided

	Държава
» Investment brokerage	Bulgaria, Germany (as a member of the Frankfurt Stock Exchange – Deutsche Börse Xetra)
» Investment banking	Bulgaria
» Asset management	Bulgaria

In terms of regional representation, Bulgaria has the largest share and covers all types of services/products offered by operating companies from all business segments in which the group operates.

In Bulgaria, leading business operations are energy companies (acquired at the end of July 2021), followed by insurance companies, with the largest share being the insurers Euroins Romania Asigurare-Reasigurare S.A., Romania and ZD Euroins AD, Bulgaria.

The insurance group has the widest regional presence, which operates in 12 markets in Europe, while the energy companies operate only in the Bulgarian energy market.

Credit ratings awarded

"Eurohold Bulgaria" JSC has been awarded a credit rating by the rating agencies - FITCH RATINGS (Fitch) and "BAKR - CREDIT RATING AGENCY" AD (BAKR).

Credit ratings awarded

 <p>EuroHold Issuer Default Rating "B" Outlook: stable</p>	 <p>EuroHold Long-term: BBB- Outlook: stable Short-term: A-3</p> <p>bonds issues Long-term: BBB- Outlook: stable Short-term: A-3</p>
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Awarded credit ratings to the Issuer's subsidiaries

Some of the subsidiary companies of Eurohold Bulgaria AD have also been awarded credit ratings, and the following ratings were issued at the last review:

 <p>Euroins Romania Insurer Financial Strength Rating B+", Outlook: stable</p>	
 <p>Euroins Bulgaria Insurer Financial Strength Rating B+", Outlook: stable</p>	 <p>Euroins Bulgaria Long-term: BBB- Outlook: stable</p>
 <p>EIG Re Insurer Financial Strength Rating B+", Outlook: stable</p>	 <p>EIG Re Long-term: BB+ Outlook: stable</p>

More detailed information about the awarded credit ratings of Eurohold Bulgaria AD and its subsidiaries can be found on the websites of the respective rating agencies, namely: www.fitchratings.com and www.bcra-bg.com.

REVIEW OF GROUP FINANCIAL RESULTS

31.12.2022

This section presents the results of the Eurohold group's activity by main key indicators for the first the twelve months of 2022 compared to the corresponding comparative period

The data are based on the interim abridged consolidated financial statements of Eurohold Bulgaria AD as of 31.12.2022 prepared in accordance with the applicable International Financial Reporting Standards (IFRS) adopted by the EU.

SUMMARY

In a period of deteriorating global economic prospects, record inflation and the ongoing war in Ukraine, Eurohold Group generated record results for the first the twelve months of 2022 and registered the strongest half-year in its history.

↻ The realized group revenues from continuing activities are in the amount of BGN 6.3 billion with a growth of 77%.

↻ At the same time, the operating profit reached BGN 566 million with a growth of 78%.

↻ The electricity business operating under the Electrohold brand (which is new for the group - from August 2021) for the first nine months of 2022 contributes most significantly to the performance of the Eurohold group, realizing BGN 3.58 billion in revenues from its activities.

↻ The insurance business once again reported significant growth, realizing BGN 2 billion in revenue, of which BGN 1.67 billion in premium income from insurance, with growth of 24%.

↻ 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

↻ *The consolidated revenues, expenses and profits of the Eurohold group for the reporting first twelve months of 2022 reflect the acquired at the end of July 2021 from the energy subholding in the Eastern European Electric Company II B.V. group. (EEEC II) companies operating in the field of energy.*

For the comparable period 31.12.2021, results of energy business are reported for the period August 1 – December 31, 2021.

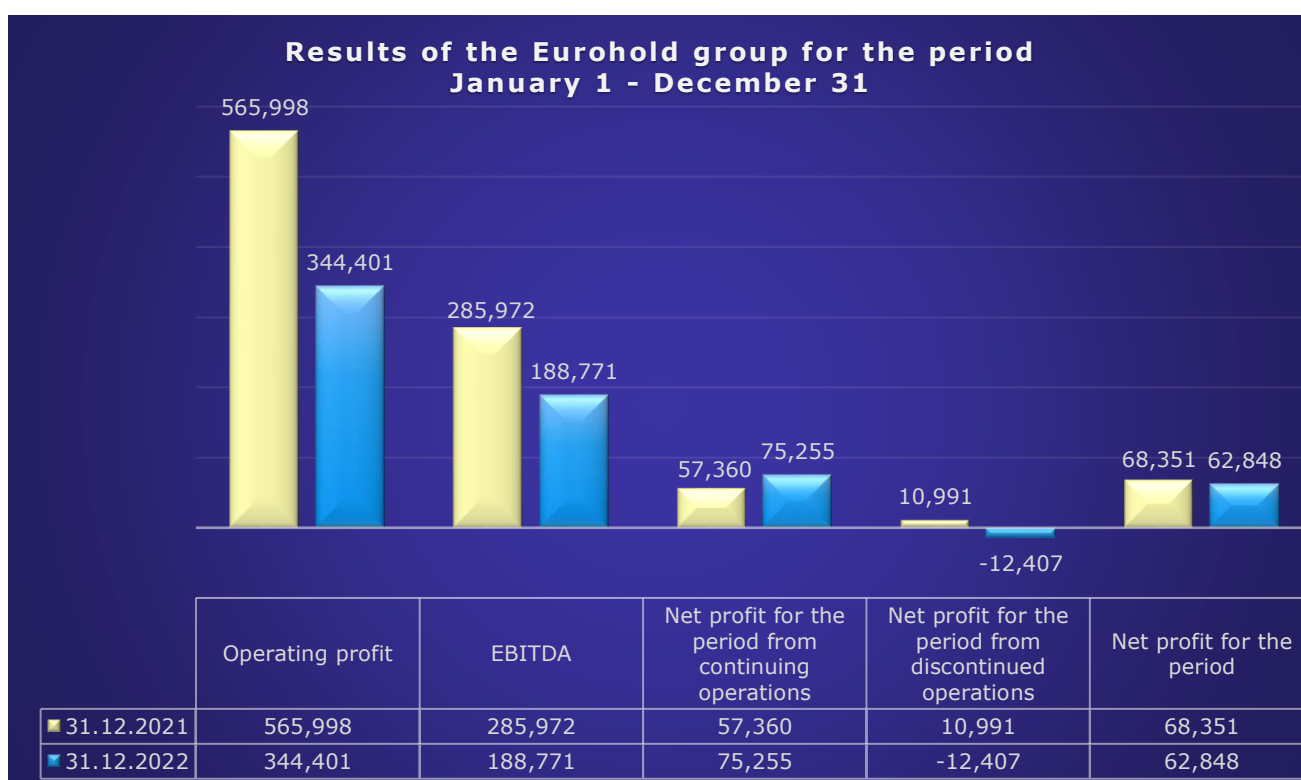
↻ *Presentation in the consolidated annual financial report for the first twelve months of 2021 of discontinued operations.*

In connection with finalized sales of subsidiaries of the Eurohold group in accordance with the requirements of IFRS 15, the items of income and expenses for the respective companies are presented in the result of discontinued operations and in the comparable period. Income and expenses, gains and losses relating to this group are eliminated from the profit or loss from continuing operations of the Group and are presented on a separate line in the consolidated statement of profit or loss and other comprehensive income - "Net profit/(loss) for the period of suspended activities".

Profit for the period from discontinued operations, Non-current assets held for sale and liabilities directly related to them and Cash flows generated from discontinued operations can be traced in "Appendices to the interim condensed consolidated financial statement as of 31.12.2022", respectively in "note 45.3.1.", "note 45.3.2" and "note 45.3.3."

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

CONSOLIDATED FINANCIAL RESULT



CONSOLIDATED OPERATING RESULT (GROSS PROFIT) BY SEGMENT

in thousands of BGN	Energy	Insurance	Investment banking	Parent company	Group gross profit
31.12.2022	463 623	122 008	2 241	(21 874)	565 998
31.12.2021	179 790	161 536	2 767	308	344 401
Change in thousand BGN	283 833	-39 528	(526)	(22 182)	221 597
Change %	+158%	(24)%	(19)%	(7202)%	+64%

OPERATING INCOME AND EXPENDITURE

The revenues on a consolidated basis are formed by the activities of the subsidiaries (continuing activities as of 30.09.2022) and the individual activity of Eurohold Bulgaria, related to the acquisition and management of participations and financing of subsidiary companies.

The total group revenues for the nine months of 2022 are in the amount of BGN 4.7 billion, marking an increase of over 188% compared to the realized consolidated revenues for the comparable period of 2021, when they were in the amount of BGN 1.6 billion.

Realised revenue by segment

Operating income by business segment: (in BGN thousand)	change	consolidated operating income	
	%	31.12.2022	31.12.2021
Income from energy activity	+196%	3 580 987	1 211 069
Insurance income, including:	+15%	2 708 853	2 345 944
- gross premiums written from insurance	+24%	1 674 187	1 350 599
Income from financial and investment activities	+3%	10 604	10 278
Income from parent company's activities	-6%	1 303	1 392
Total consolidated revenue	+77%	6 31 747	1 392

Structure of consolidated revenue

After the acquisition of the energy companies and the sale of the automobile and leasing businesses, a change in the structure of consolidated revenues occurred, with energy becoming the leading business in the Eurohold group.

Business Activities:	the structure of consolidated operating income	
	Share to 31.12.2022	Share to 31.12.2021
Income from energy activity	56.8%	33.9%
Income from insurance activity	43.0%	65.8%
Income from financial and investment activity	0.2%	0.3%
Income from parent company operations	0.0%	0.0%
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.

The reported operating expenses in the amount of BGN 5.7 billion mark an increase of BGN 2.5 billion compared to the expenses for the previous period in connection with the reporting of expenses from energy activity and the growth of the insurance business.

Operating expenses by business segment: (in BGN thousand)	change	consolidated operating expenses	
	%	31.12.2022	31.12.2021
Expenses for energy activity	+202%	(3 117 364)	(1 031 279)
Expenses for insurance activity	+18%	(2 586 845)	(2 184 408)
Expenses for financial and investment activity	+11%	(8 363)	(7 511)
Expenses for the activities of the parent company	+2 038%	(23 177)	(1 084)
Total consolidated expenditure	+78%	(5 735 749)	(3 224 282)

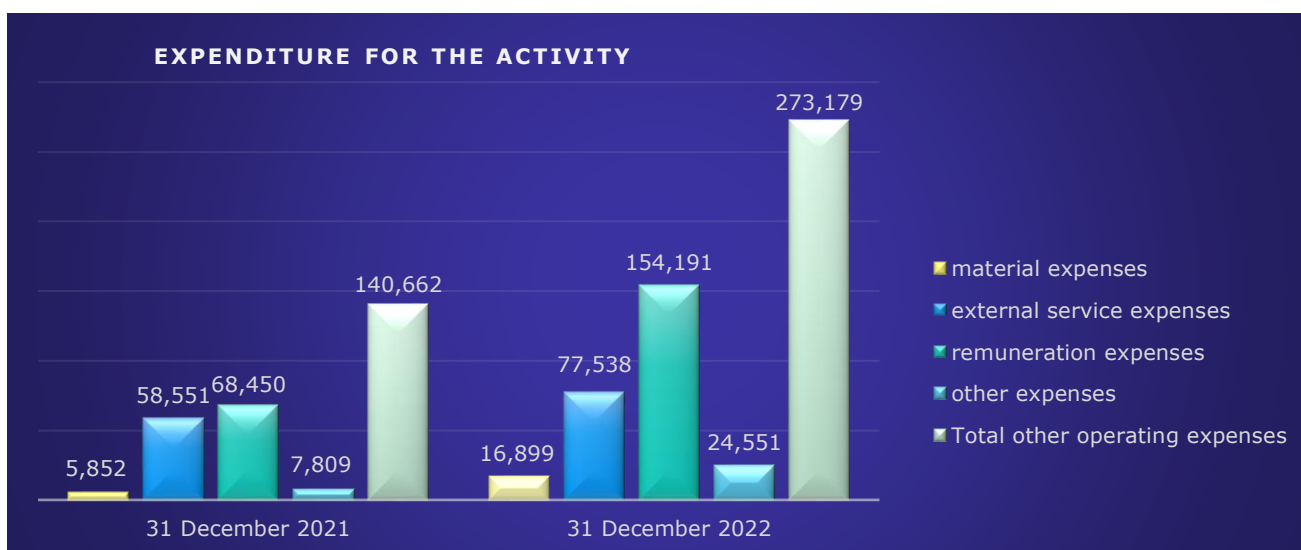
OTHER CONSOLIDATED RESULTS

in thousands BGN	Other income/expenses net	Financial income/expenses net	Amortization and impairment charges for goodwill	Tax expenses	Total for the Group
31.12.2022	(280 026)	(97 476)	(116 726)	(14 410)	(508 638)
31.12.2021	(155 630)	(51 204)	(52 215)	(10 097)	(269 146)
Change in thousand BGN	(124 396)	(46 272)	(64 511)	(4 313)	(239 492)
Change %	+80%	90%	124%	43%	89%

⇒ The other income/expenses for the Group's activities (presented net) include the following items:

- » "Other income/(expenses), net": BGN 4 248 thousand / BGN 3 860 thousand for the nine months of 2021
- » (Accrued)/reimbursed loss from impairment of financial assets, net: BGN (11,095) thousand / BGN (18,828) thousand for 2021
- » "Other operating expenses": BGN (273,179) thousand / BGN (140,662) thousand for the nine months of 2021

The item "Other costs of the activity" summarizes: costs of materials, costs of external services, costs of remuneration, other costs, the values of each of which are shown in the graph below:



Distribution of other expenses by business activities:

Other expenses:	Energy		Insurance		financial and investment activity		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<i>(in BGN thousand)</i>								
Material costs	(15 115)	(5 268)	(1 696)	(548)	(74)	(32)	(14)	(4)
Costs for external services	(55 776)	(33 278)	(16 820)	(15 609)	(578)	(615)	(4 364)	(9 049)
Compensation costs	(124 469)	(42 506)	(27 588)	(24 059)	(1 154)	(986)	(980)	(899)
Other expenses	(18 305)	(1 146)	(5 268)	(5 516)	(220)	(443)	(758)	(704)
Total other expenses of business activities	(213 665)	(82 198)	(51 372)	(45 732)	(2 026)	(2 076)	(6 116)	(10 656)

⇒ **Financial income/expenses include: financial costs; financial income** and net effect of exchange rate changes.

For the first nine months of 2022, their total net amount is BGN (100) million, reporting an increase of 93% compared to the comparative period.

» **Finance costs include interest costs, interest costs on right-of-use assets and other finance costs.**

Interest costs account for 86% of all financial costs. The amount for interest expenses includes the corresponding interest expenses of energy and insurance activities, as well as the activities of the parent company. For the period from January 1 to December 31, 2022, the amount of reported interest expenses amounted to BGN 88 million, which increased compared to the comparable period by BGN 43.6 million.

The largest interest expense is reported by the energy business with BGN 64 million of accrued interest expenses, which for the most part represent interest of the three holding companies uniting the energy

business in the group on absorbed loans in connection with the acquisition of the companies from the Elektrohold energy group.

The parent company (Eurohold Bulgaria AD) reports BGN 20 million in interest expenses with an increase of 19%.

The insurance activity does not require the borrowing of borrowed funds, which is why the interest expenses reported from this direction represent a loan resource of the sub-holding company Euroins Insurance Group. For the period under review, the interest expenses reported by the insurance subholding amount to BGN 3.7 million, with a reduction of 32%.

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

The following tables present information on realized revenues and results of business activities as of September 30, 2022 versus September 30, 2021, before eliminations.

Total revenue by sector			
Sectors	Change %	31.12.2022 thousand BGN	31.12.2021 thousand BGN
Energy	+195.7%	3 581 195	1 211 213
<i>Insurance, incl.</i>	+15.7%	2 716 984	2 348 995
<i>- written gross insurance premiums</i>	+24.0%	1 674 187	1 350 599
Financial and investment activity	+0.3%	12 087	12 048
Total Subsidiaries	+76.6%	6 310 266	3 572 256
The parent company	+134.5%	3 914	1 669
Total without eliminations	+76.7%	6 314 180	3 573 925
Intragroup eliminations	+137.2%	(12 433)	(5 242)
Total revenue	+76.6%	6 301 747	3 568 683

Earnings before interest, taxes, depreciation and amortisation (EBITDA)			
Sectors	Change %	31.12.2022 thousand BGN	31.12.2021 thousand BGN
Energetics	+159.7%	244 710	94 246
Insurance	-30.2%	69 299	99 346
Financial-investment activity	-32.8%	1 734	2 581
Total subsidiary companies	+61%	315 743	196 173
The parent company	-70.8%	(27 979)	(95 945)
Total no eliminations	+187.1%	287 764	100 228
<i>In-group eliminations</i>	-102%	(1 792)	88 543
Total earnings before interest, tax, depreciation and amortisation	+51.5%	285 972	188 771

Financial result			
Sectors	Change %	31.12.2022 thousand BGN	31.12.2021 thousand BGN
Energetics	+219.5%	56 883	17 806
Insurance	-30.1%	55 492	79 350
Financial-investment activity	-37.9%	1 306	2 102
Total subsidiary companies	+14.5%	113 681	99 258
The parent company	-51.8%	(56 101)	(116 388)
Total no eliminations	-436.1%	57 580	(17 130)
<i>In-group eliminations</i>	-102.6%	(2 259)	87 849
Total financial result from continuing operations	-21.8%	55 321	70 719
Net profit for the period from discontinued operations	-265.5%	13 030	(7 871)
Total financial result	+8.8%	68 351	62 848

The revenues from the activities of the subsidiaries of the Eurohold group are in the amount of BGN 6.3 billion, realizing a significant growth of nearly 77% (an increase of BGN 2.7 billion) before accounting for intra-group calculations. The revenues of the parent company amount to BGN 3.9 million. As of 12.31.2022, the amount of eliminated intra-group accounts amounts to BGN -12.4 million.

The realized profit before interest, depreciation and taxes (EBITDA) of the subsidiaries amounted to BGN 315.7 thousand, increasing during the reporting period by BGN 119.6 million (+61%) before accounting for the result of the parent company -28 BGN million and intra-group eliminations - BGN 1.8 million.

The total amount of realized financial results of the companies of the Group before intra-group eliminations is in the amount of BGN 113.7 million profit, with an increase in this indicator by BGN 14.4 million or 14.5%, before the result of the company- mother in the amount of -56. million BGN and eliminations of -2.3 million BGN. In 2022, profit from discontinued operations in the amount of BGN 13 million was recorded.

FINANCIAL SITUATION

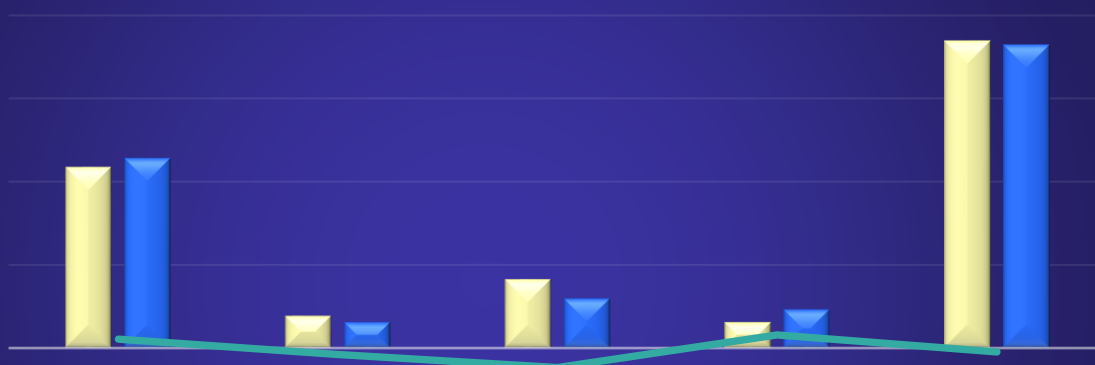
Assets

At the end of the nine months of 2022, the consolidated assets of the Eurohold group increase by 2%, and amounted to BGN 3.89 billion at the end of the reporting period compared to BGN 3.81 billion as of 31.12.2021.

Analysis of the more significant assets

⇒ **Receivables** - The total amount of receivables, including current and non-current, increased by BGN 72.5 million for the reporting period compared to the end of 2021, amounting to BGN 1.86 billion.

Current receivables



	share of reinsurers in technical reserves	receivables under reinsurance operations	trade receivables	other receivables	total current receivables
31.12.2021	1,084,982	193,998	413,309	153,318	1,845,607
31.12.2022	1,139,691	154,334	295,971	232,139	1,822,135
amendment	54,709	-39,664	-117,338	78,821	-23,472

Trade receivables

Other expenses:	Energy		Insurance		financial and investment activity		Parent company		Suspended activities**
(BGN thousand)	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2021
Receivables from customers and suppliers*	289 999	349 956	165	36	-	2	28	17	11 620
Advances granted	5 121	19 649	658	675	-	-	-	-	634
Others	-	-	-	-	-	-	-	-	50
Finance lease receivables**	-	-	-	-	-	-	-	-	30 670
Total	295 120	369 605	823	711	-	2	28	17	42 974

* Amounts after impairment

** Discontinued activities – after sale of leasing and automotive business

Other receivables

Other expenses:	Energy		Insurance		financial and investment activity		Parent company		Suspended activities**
(в хил. лв.)	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2021
Other receivables*	168 592	94 214	37 706	32 919	240	69	15 077	342	7 680
Prepaid expenses*	2 997	4 347	663	43	-	-	122	36	736
Litigation and claims*	3 635	1 901	-	-	-	-	-	-	1 143
Litigation and claims*	2 654	9 236	275	71	-	-	178	194	387
Total	177 878	109 698	38 644	33 033	240	69	15 377	572	9 946

* Amounts after impairment

** Discontinued activities – after sale of leasing and automotive business

Non-current receivables:

Non-current receivables decreased significantly after the sale of the leasing business, and as of 31.12.2022 they amounted to BGN 33 million, while at the end of 2021 they amounted to BGN 82.3 million, of which BGN 52 million BGN represented receivables under financial leasing.

⇒ **The financial assets** as of 31.12.2022, owned by the companies of the Eurohold group, report a decrease of BGN 40 million compared to the end of 2021, with their reported value at the end of the current period equaling BGN 387.7 million.

Financial assets are the main property of insurance companies, amounting to BGN 353.5 million, of which:

- BGN 3.5 million are government securities;
- BGN 52.3 million corporate bonds;
- BGN 232.7 million capital investments accounted for at fair value through profit or loss; and
- BGN 65 million other financial assets reported at depreciable value.

⇒ As of 31.12.2022, the Eurohold group has free cash and deposits in banks in the total amount of BGN 447.7 million, marking an increase compared to the end of 2021 by BGN 268.3 million. Of these, cash and cash equivalents amount to BGN 390.9 million compared to BGN 152.1 million at the end of 2021, incl. cash amounts to BGN 1.1 million (BGN 2.5 million at the end of 2021).

Eurohold Bulgaria AD, including its subsidiaries, do not have assets that are reported off-balance sheet.

Equity and Liabilities

Equity

The total consolidated equity of Eurohold Bulgaria is in the amount of BGN 328.3 million, reporting a decrease of BGN 42 million compared to December 31, 2021. In this amount, the capital belonging to the parent company is in the amount of BGN 279.3 million, while the capital belonging to the non-controlling interest amounted to BGN 49 million. For comparison, at the end of 2021, the capital belonging to the parent company amounted to BGN 187 million, and the capital belonging to the non-controlling interest is in the amount of BGN 187.4 million.

The share capital of Eurohold as of 31.12.2022 did not change and amounted to BGN 260.5 million.

Subordinated debts

To support equity, the Group owns subordinated debt instruments in the amount of BGN 48.5 million, which increase in size compared to 31.12.2021 by BGN 6,8 million.

As of 31.12.2022, the total amount of consolidated equity and subordinated debt amounted to BGN 376,8 million, and as of December 31, 2021, their amount was BGN 412 million. Negotiating subordinated capital contributes to maintaining a stable capital position to the group.

Passives

The consolidated liabilities (without subordinated debts and insurance reserves) of the Eurohold group amount to BGN 1.99 billion, reporting a increase of 1.9% compared to the comparable period, when their value was BGN 1.95 billion.

Analysis of the more significant liabilities

» The majority of liabilities represent obligations for borrowed funds to banks and non-bank financial institutions and bond loans. The total amount of debt obligations amounted to BGN 1.3 billion compared to BGN 1.2 billion as of December 31, 2021.

Obligations for loans from banks and non-bank institutions, and bond issues:	31.12.2022 thousand BGN	<i>Change</i> %	31.12.2021 thousand BGN
To banks and non-bank financial institutions, including:	1 116 927	9.6%	1 018 719
- non-current liabilities	997 170	8.9%	915 560
- current liabilities	119 757	16.1%	103 159
On bond loans, including:	228 687	15.0%	198 776
- non-current liabilities	227 202	300.5%	56 728
- current liabilities	1 485	(99.0)%	142 048
Total debt obligations, including:	1 345 614	10.5%	1 217 495
- total non-current liabilities	1 224 372	25.9%	972 288
- total current liabilities	121 242	(50.6)%	245 207

» Trade and other liabilities amount to BGN 558.7 million compared to BGN 594 million at the end of 2021, of which:

- **Non-current liabilities amount** to BGN 65.2 million (BGN 106.6 million at the end of 2021);
- **Current liabilities amount** to BGN 177 million (BGN 169.5 million at the end of 2021);
- **Trade and other liabilities** in the amount of BGN 316.5 million (BGN 318 million at the end of 2021).

» Liabilities for reinsurance operations amount to BGN 85.8 million, decreasing by BGN 53.8 million compared to BGN 119.4 million at the end of 2021.

Insurance (technical) reserves

The amount of set aside insurance reserves as of 31.12.2022 is BGN 1.53 billion, and for the current reporting period they have increased by BGN 94.3 million compared to the end of 2021. The share of reinsurers in technical reserves amounts to BGN 1.14 billion compared to BGN 1.08 billion. at 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		31.12.2022	31.12.2021
Net cash flows from operating activities	BGN thousand	285 436	(115 135)
Net cash flows from investing activities	BGN thousand	(16 173)	(89 405)
Net cash flows from financing activities	BGN thousand	(30 498)	388 294
Net increase/(decrease) in cash and cash equivalents	BGN thousand	238 765	183 754
Cash and cash equivalents at the beginning of the year	BGN thousand	152 132	68 800
Cash and cash equivalents at year-end	BGN thousand	390 897	252 554

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

OVERVIEW OF KEY RESULTS BY BUSINESS LINE

RESULTS OF BUSINESS ACTIVITIES

EUROINS INSURANCE GROUP - INSURANCE

In 2022, Euroins Insurance Group (EIG, the Group) reported consolidated gross written premiums amounting to BGN 1,681 million compared to BGN 1,367 million for 2021. EIG reported consolidated profit before taxes from continued operations amounting to BGN 55 million as at December 31, 2022, compared to a profit BGN 83 million reported for the comparative period.

At the end of December 2022, EIG sold two of its investments, respectively in Belarus (subsidiary) and Russia (associated company). The effect of the two sales in the consolidated statement of the Group is in the amount of BGN 11 million loss. As at December 31, 2022, the net result of the subsidiary in Belarus is presented as a net profit from discontinued operations and amounts to BGN 121 thousand. The financial asset formed using the equity method regarding the investment in an associated Russian company has been written off.

On February 10, 2023, EIG informed the public about an organized attack against Euroins Romania, the leader of the Romanian insurance market and the largest division of EIG.

On the website of Eurohold Bulgaria AD – the parent company of EIG, in the news section (www.eurohold.bg) you can follow the information published by the company, as well as the subsequent actions and measures taken.

On February 17, 2023, the management of EIG informed the public that, despite its disagreement with the actions of insurance supervisory officials in Romania against the local division of Euroins and the ongoing disputes with them, the company has provided additional guarantees for the financial stability of the Romanian company, for to protect the insurer from further administrative arbitrariness, as follows:

Euroins Romania signed a quota reinsurance contract with EIG Re EAD, the reinsurer of Euroins Insurance Group AD (EIG). Eurohold and EIG Re have duly informed the competent state authorities and the financial regulator in Bulgaria about this new measure, and Euroins Romania - the relevant financial regulator in Romania. The agreement between Euroins Romania and EIG Re was concluded in accordance with all European requirements and covers the full amount of damage to Euroins Romania. The new reinsurance contract also ensures the transfer of a significant part of the risk (87%) assumed by Euroins Romania, outside the company. This decision is associated with higher costs for the company, but it is established and widely advocated in world practice. It is an additional guarantee of stability and meets the requirements of regulatory authorities.

In the third quarter of 2022, Euroins Insurance Group AD (EIG) undertook two additional capital increases of "Euroins Romania Asigurare-Reasigurare" S.A., which are described in more detail below in this management report.

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 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 455 million for 2022 (2021 – BGN 344 million) or increase of 32%. The businesses of Euroins Bulgaria in the Republic of Greece and the Republic of Poland were each respectively 17% (2021- 19%) and 17% (2021- 23%). IC Euroins AD also reports a significant increase in the subscribed non-motor business in UK, which at the end of 2022 amounted to BGN 114 million (2021 - BGN 42 million). From July 2022, the business in UK is not fronting, with Euroins Bulgaria starting to retain 10% risk. Euroins Northern Macedonia following its sustainable development strategy,

also reported gross written premium of BGN 30 million and a positive result – respectively profit before taxes amounting to BGN 1.9 million (2021- BGN 1.7 million).

Despite the significant difficulties caused by the ongoing military conflict in Ukraine, the two local subsidiaries of EIG reported encouraging results, and for 2022, despite the decrease in reported gross premiums, they remained profitable.

On 29 September 2021 the General Meeting of Shareholders decided to simultaneously reduce and increase the capital of EIG AD by cancelling 19,229,057 ordinary shares to BGN 524,216,734 and increasing it to BGN 576,242,734 by issuing further 52,026,000 ordinary shares with a nominal and issue value of BGN 1. This increase was distributed as Eurohold AD recorded 15,060,813 shares and EBRD- 36,965,187 shares.

A decision of the Council of 07 October 2021 found that Eurohold AD paid on 30 September 2021 15,060,813 shares for BGN 15,060,813, respectively. On 07 October 2021, EUR 18.9 million was received from the EBRD, with which it purchased the remaining 36 965 187 shares. Eurohold and the EBRD have been issued temporary certificates.

On September 15, 2021, at an extraordinary General Meeting of Shareholders, an increase of the capital of Euroins Romania in the amount of RON 121,800 thousand (approx. 25 million euros) was approved. The capital increase was fully paid on October 9, 2021. The regulatory approval of the increase is dated April 13, 2022.

In the third quarter of 2022, Euroins Insurance Group AD undertook two capital increases of Euroins Romania Asigurare-Reasigurare S.A.:

- On August 2, 2022, a decision was taken at the General Meeting of Shareholders to increase the capital by RON 44,700,000 by issuing 4,470,000 new shares with an issue value of RON 10 per share and a nominal value of RON 1 per share;

- On September 29, 2022, a decision was taken at the General Meeting of Shareholders to increase the capital by RON 5,500,000 new shares with an issue value of RON 10 per share and a nominal value of RON 1 per share.

Both capital increases in 2022 are in the process of regulatory approval. After the completion of the registration procedure, the capital of "Euroins Romania Asigurare-Reasigurare" S.A. will be amounting to RON 567,457,674, divided into 567,457,674 registered shares with a nominal value of 1 /one/ lei each, of which 559,489,450 shares, corresponding to about 98.5958% of the capital, are owned by "Euroins Insurance Group" AD.

In 2022, the Group analyzed various data in connection with the high levels of inflation during the year and their possible negative effect on the offered insurance products. A review of the general terms and conditions of protection was made, where and if necessary, with a view to preserving the profitable cash flows of the activity.

Results by insurance companies

Euroins Bulgaria

In 2022 Euroins Bulgaria reported a total GWP of BGN 455 million compared to BGN 344 million for 2021. The reason for the growth of 32% is the direct insurance business written in non-motor.

Main non-motor lines of business reported growth: Accident and Travel (107%) - significant role for this increase is the reported income from Travel assistance in the UK, Liability (13%), Guarantees (54%) due to the new business written in Greece, Cargo (337%) due to the significant increase in cargo transit of grain from Ukraine and Property (25%).

MTPL decrease its share from total premiums compared to previous year – from 52% for 2021 to 39% for 2022. Motor Hull also decrease by 3%-points compared to 2021.

The MTPL sales in Poland decrease, where in the end of 2022 Euroins Bulgaria reported gross premiums of BGN 70 million (2021 - BGN 72 million) or decrease with 3%.

The branch in Greece reported an increase of 2% in sales of MTPL - BGN 50 million for 2022 against BGN 49 million for 2021. There, Assistance raiders to MTPL amounting to BGN 9 million for 2022 have been successfully placed (2021 - BGN 8,5 million).

In Bulgaria, a decrease of 9% is reported in the sales of MTPL - BGN 50 million for 2022 against BGN 55 million for 2021. This is due to the decreased price of the policy despite the number of policies sold increased.

Net earned premiums amounted to BGN 176 million (2021- BGN 165 million), while net incurred claims reached BGN 81 million (2021- BGN 84 million).

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

Loss ratio: 51.3% (2021- 58.5%)

Combined ratio: 95.2% (2021- 99.8%)

Net acquisition costs increased by 29% for 2022 compared to the previous year and compared to net earned premiums increased by 2.4%-points.

The level of the administrative expenses remained the same.

The result from investment activity is negative - BGN 7 million (2021- BGN 2 million profit).

Euroins Bulgaria reported a profit for Group purposes amounting to BGN 1,3 million before taxation (2021 - BGN 3 million before taxation).

In June 2022, Euroins Bulgaria signed a new contract for obtaining a cash loan in the form of subordinated short-term debt for the amount of BGN 25 million from Starcom Finance AD with an annual interest rate of 6%. The funds were provided at the end of September 2022 and will be used as an element of Main own funds, which are classified as Tier 2 capital.

On June 29, 2022, the Board of Directors decided to increase the capital of Euroins Bulgaria through the issuance of 1,200 shares with a nominal value of BGN 1 and an issue value of BGN 10,000 each. The increase was entered in the Commercial Register in January 2023.

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

In 2022, Euroins Romania reported gross written premiums of BGN 1,135 million compared to BGN 887 million in 2021.

MTPL GWP grew by 25% and remained the main line of business of the Company (93%).

Net earned premiums amounted to BGN 514 million (2021- BGN 484 million) and net claims incurred amounted to BGN 307 million (2021- BGN 173 million).

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

Loss ratio: 80.4% (2021- 41.6%)

Combined ratio: 84.3% (2021- 80.2%)

Gross acquisition costs increased with 21% for 2022 compared to the previous year period, which is due to the business increase as whole for the current year.

Administrative expenses increased by 18% but compared to net earned premiums increased by only 1.4% points.

The technical result of the Company in 2022 is positive: BGN 59,9 million (2021 - positive BGN 82,7 million).

The result from investment activity is a profit – BGN 2,3 million (2021- BGN 3,6 million profit).

In 2022, Euroins Romania reported a profit for group purposes of BGN 62 million before taxes (2021 - BGN 87 million loss before taxes).

Euroins North Macedonia

In 2022 the gross premiums written by Euroins Macedonia increased by 19% reaching BGN 30 million. The Company's main business lines are MTPL and Agricultural insurance.

The Agricultural insurance, which has a main share in the portfolio of the Company reached BGN 9 million for 2022 (BGN 8 million for 2021) and represent 31% of the total GWP for 2022.

The level of MTPL gross written premium increased reaching to BGN 15 million (2021- BGN 12 million) and represent 48% of the total GWP for 2022.

The net claims incurred increased with 7% compared to 2021 and the earned premium decreased with 4%.

The administrative expenses decreased compared to previous year comparative period with 11% and decreased by 1.7%-point compared to the net earned premiums.

Net acquisition expenses increased by 24% due to the different accounting approach for booking the commission as well as the increase in written business itself, and as compared to the net earned premiums increased by 2.3%-points.

The result from investment activity is a profit - BGN 664 thousand (2021 - BGN 1,398 thousand profit).

The profit for Group purposes is amounting to BGN 1,920 thousand before taxes (2021- BGN 1,751 thousand before taxes).

Euroins Life

The gross written premiums of Euroins Life for 2022 amounted to BGN 8,3 million, which represented no significant change compared to 2021- BGN 8,6 million.

The loss ratio decreased from 19.7% for 2021 to 15.1% for 2022.

The result from investment activity is a profit - BGN 776 thousand (2021- 163 thousand loss).

The acquisition ratio decreased from 70.5% to 69.8%. Relatively higher acquisition costs are due to the change in sales strategy from direct sales to the use of distribution channels – non- banking financial institutions and brokers in 2021.

In 2022 Euroins Life reported profit for Group purposes amounting to BGN 701 thousand before taxes (2021 - BGN 506 thousand loss before taxes).

On November 21, 2022, the Board of Directors of EIG decided to increase the capital of Euroins Life through the issuance of 150,000 shares with a nominal value of BGN 6 and an issue value of BGN 10 each. The increase was entered in the Commercial Register at the end of December 2022.

EIG Re

In 2022 EIG Re reported gross premiums of BGN 22,9 million or a decrease compared to 2021- BGN 23,5 million.

Active reinsurance accounts for the majority of written business - 90% or BGN 20,7 million, and fronting - 8% or BGN 1,9 million.

The main share of the active reinsurance portfolio of the Company falls on Cargo (45%) and Property (36%), and from the fronting portfolio of "Property" (42%) and "Liabilities" (56%).

The result from investment activity is positive - BGN 408 thousand (2021 - BGN 371 thousand profit).

The Company reported a profit for Group purposes amounting to BGN 80 thousand before taxation (2021 – BGN 1.8 million profit).

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.

On November 22, 2022, the Board of Directors decided to increase the capital of EIG Re through the issuance of 600,000 shares with a nominal value of BGN 1 and an issue value of BGN 5 each. The increase was entered in the Commercial Register at the end of December 2022.

Euroins Ukraine

In 2022 the Company reported written gross premiums amounting to BGN 27 million against BGN 35 million for 2021 or a decrease of 24%. A greater part of the realized premium income in 2022 is due to the sales in the Western part of Ukraine, which is comparatively much less affected by the military actions.

The main business lines in which the Company specializes are still MTPL and non-motor - health insurance.

The result of investment activity is positive - BGN 2,8 million (2021 - BGN 402 thousand profit).

Despite the overall decrease in the business activities, the Company reported a profit for Group purposes amounting to BGN 1.4 million before taxation (2021- BGN 736 thousand loss before taxes).

European Travel Insurance, Ukraine

In 2022 the Company reported written gross premiums amounting to BGN 9 million, which represented a decrease compared to 2021 by 67% (2021- BGN 27 million). A greater part of the realized premium income was formed in the period before the beginning of the military conflict in Ukraine.

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

Despite the significant reduction in premium income, the Company reported a profit of BGN 1 million before taxes (2021 – BGN 6 million). The reported positive financial result is due to the Company's low administrative costs and fully online sales, which helps its flexibility and ability to resist to various shock situations, such as the two-year-long Covid-19 pandemic and the ongoing military conflict in the country. However, the reductions in travel are having a strong negative impact on the business.

Euroins Georgia

Insurance Company Euroins Georgia is specialized in Accident and Health. For 2022 this line of business formed approximately 44% of the insurance portfolio of the Company followed by Motor Hull with 27%.

Total gross premiums written in 2022 amounted to BGN 13 million, which represented an increase of 16%.

The investment result is negative - BGN 759 thousand (2021 - BGN 0 thousand), in contrast to the technical result, which is positive - BGN 392 thousand (2021 - BGN 423 thousand loss).

The financial result for Group purposes is a loss amounting to BGN 480 thousand before taxation (2021- 422 thousand loss before taxation).

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

Eastern European Electric Company II B.V. (Eastern European Electric Company II B.V., EEEEC), a holding company registered in the Netherlands with a subject of activity - participation, management, control and financing of companies, unites the companies acquired on 27.07.2021 operating on the territory of Bulgaria in the energy segment.

At the end of July 2021, Eastern European Electric Company B.V. acquired the Assets of CEZ Group in Bulgaria, turning the energy group of Eurohold (now the Electrohold Group) into the largest independent private energy group in the country.

As of 31.12.2022, the Electrohold group consists of eight operating companies operating in the field of distribution, supply, electricity trade and inter-company management, information technology services, and three specially created companies for the purpose of unifying Eurohold's energy investments.

Financial performance of energy companies

Energy companies (also referred to in this report as "ELEKTROHOLD energy companies") for the period from 01.01.2022 to 31.12.2022 generated operating profit from their activities in the amount of BGN 463.8 million and net profit in the amount of BGN 56.8 million BGN

In 2022, the Elektrohold energy companies realized a total of BGN 3.58 billion in operating income.

Analysis of material income and expenses

Income from energy activity

BGN thousand

Customers on the open market	2 314 392
Household consumers	780 072
Business users	416 477
Revenues from customer connection fees	21 727
Late payment penalties	5 104
Revenues from services for the survey, repair and maintenance of the electricity distribution network, and commercial metering facilities	10 307
Revenues from information, communication, technology (ICT) and other services	3 883
Revenue from the Electricity System Security Fund	939
Other revenue	28 086
Total revenue from energy activities	3 580 987

Energy activity costs

**BGN
thousand**

Cost of purchased electricity	(2 839 309)
Technology costs for electricity transmission	(199 492)
Balancing energy	(74 677)
Transmission and access service costs	(3 765)
Other costs	(121)
Total energy activity costs	(3 117 364)

» Other income/expenses, net

ХИЛ. ЛВ.

Derecognition of liabilities	1 839
DMA and inventory surpluses, net sales profits	1 223
Income from government donations (funding)	324
Revenue from the sale of goods	(21)
Other income/expense net	832
Other income/expense net	4 197

Other operating expenses

BGN thousand

Cost of materials and supplies	(15 115)
Expenses for external services	(55 776)
Employee benefit costs	(124 469)
Other operating expenses	(18 305)
Total other energy activity costs	(213 665)

» **The financial income/expenses**

Financial income/expenses	BGN thousand
Financial income	2 504
Interest income	1 307
Other financial income	1 197
Financial costs	(68 811)
Interest expenses on bank loans	(64059)
Interest expense on right-of-use assets	(225)
Other financial costs	(4 527)
Financial income/expenses (net)	(66 307)

» **Depreciation expenses**

	ХИЛ. ЛВ.
Depreciation of fixed assets	(102 679)
Depreciation of right-of-use assets	(5 420)
Total other energy activity costs	(108 099)

Analysis of material Assets, Equity and Liabilities

Assets	BGN thousand
Property, plant and equipment	843 876
Intangible assets	96 826
Inventories	32 168
Current accounts receivable	470 001
Financial assets for sale	19 370
Cash and cash equivalents	177 889

Equity and Liabilities	BGN thousand
Equity	511 754
Non-current liabilities for loans received from banking and non-banking institutions	980 615
Other non-current liabilities	19 486
Current liabilities for loans received from banking and non-banking institutions	11 738
Current trade and other obligations	278 736
Other current liabilities	2 607

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

Euro-Finance is an investment intermediary, a member of the Frankfurt Stock Exchange, giving direct access to Xetra® through the EFOCS trading platform. The company also offers trading of currencies, indices, stocks and precious metals through contracts for difference on the EF MetaTrader 5 platform.

The company also has the highest equity capital of all investment intermediaries, according to the FCS data.

During the reporting period, Euro-Finance AD continues to follow the activities set out in the development program in the direction of developing online service for individual clients, increasing funds under management and participation in projects related to corporate consulting and restructuring.

In 2022 "EURO-FINANCE" AD continues to offer its services through two tied agents, entered in the Register of the Financial Supervision Commission as such, as follows:

» Affiliated agent "Winners Group" EOOD, entered in the Trade Register and the Register of the National Center for Registration at the Registration Agency with EIC: 204522460, with headquarters and management address in the city of Sofia, Vazrazhdane district, "Alexander Stamboliyski" Blvd. No. 84, building "Urban Model", floor 6, entered in the Register of persons who can perform activities as bound agents of the FSC based on Decision No. 19 - OA dated 14.01.2021 of the FSC.

» Affiliated agent "Studio Personal Finances" Ltd., entered in the Commercial Register and the Register of the National Center for Registration at the Registration Agency with EIC: 206297756, with headquarters and management address in the city of Sofia, 3 Dr. Hristo Stambolski Street, fl. 3, entered in the Register of persons who can perform activities as bound agents of the FSC on the basis of Decision No. 496 - OA dated 15.07.2021 of the FSC.

Bound agents are persons under Art. 33, para. 1 of ZPFI, which are commercial companies and which, for the purpose of promoting the sales of the services of "EURO-FINANCE" AD, provide and carry out for remuneration on its behalf and under its full and unconditional responsibility one or more of the following investment services and activities:

1. sending invitations to clients to conclude transactions;
2. acceptance and transmission of orders from customers;
3. offering financial instruments.

Affiliated agents provide the above-mentioned services to the clients or potential clients of "EURO-FINANCE" JSC only in relation to the shares of collective investment schemes of AMUNDI.

Analysis of the Company's results as of 31.12.2022.

The company realized a profit in the amount of BGN 1,306 thousand.

The net result of financial operations (main activity) for 2022 is in the amount of BGN 3,732 thousand, and is the result of generated:

- » Income from financial operations – BGN 18,055 thousand (BGN 17,064 thousand for 2021);
- » Expenses from financial operations – BGN 14,323 thousand (BGN 12,426 thousand for 2021);

The expenses for the period related to the current service of the company (administrative expenses) amount to BGN 2,306 thousand (BGN 2,325 thousand for 2021)

The assets of "EURO-FINANCE" AD as of 31.12.2022 amount to 29 million BGN (30.6 million BGN as of 31.12.2021). The company owns BGN 4.2 million investments in long-term financial assets and BGN 6 million in short-term financial assets, own cash in the amount of BGN 4.8 million and BGN 3.7 million in customer cash.

As of 31.12.2022, the company's equity is 23.4 million. BGN, of which 14.1 mill. BGN fixed capital.

EUROHOLD BULGARIA AD - INDIVIDUAL BASIS

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

STRATEGIC FOCUS AND TRENDS

STRATEGIC DIRECTION OF EUROHOLD FOR THE FUTURE DEVELOPMENT OF THE GROUP

Energy

The energy business development strategy envisages the implementation of the energy companies' investment program aimed at the following areas: Customer service and satisfaction; Renewal and maintenance of the power transmission network; Renewable sources and energy efficiency; Innovations and technologies.

The intention of "Eurohold Bulgaria" AD is to convert "Eastern European Electric Company" B.V. in a regional utility company in the country in terms of sustainability and customer satisfaction. The issuer undertakes a clear commitment to investments in technologies and digitization of processes to improve the efficiency of energy companies in maintaining financial stability and compliance with regulatory norms, as well as by ensuring continuity in the operational management of the assets subject to acquisition.

Regarding the established strategy for the operational activity of the energy companies, Eurohold intends to be guided and follow their existing business plans, maintaining the focus and investment program approved by the Commission for Energy and Water Regulation (KEVR). The investment program is aimed at building a more efficient electricity distribution network, which will lead to a reduction in technical losses on the electricity transmission network, better customer service and a potential decrease in the price of electricity for end users.

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

The priority of Electrohold is to increase the quality of services and improve customer service. Currently, more than 80% of the services of Electrohold Sales and more than 90% of those of ERM Zapad have been digitized. Over half a million customers use e-invoices, and more than 200,000 have registered for SMS services. The new corporate sites are also tailored to the need for digital service.

The other focus will be on investments in digitization and modernization of the ERM West network and its services. From the beginning of 2021 to the end of 2023, nearly BGN 300 million will be invested in this direction. Electrohold has focused its efforts on preparing the network for a new generation of electricity and at the same time is working hard to comply with its main commitment - maintenance of the largest network in the country and continuity of supply. The efforts of over 3,000 employees are engaged in this activity.

The projects currently being implemented include the latest generation technologies for real-time network monitoring and management, constant 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 economy of the future.

Electrohold will follow its policy of being a responsible investor in society. A key element in the company's sustainable development concept is support for professional education, nature conservation and the improvement of the urban environment. With the new brand, Electrohold positions itself as a modern and attractive employer and will continue to upgrade its programs for the development of young talents.

Insurance

Regarding the insurance sector, Eurohold's strategy envisages organic growth, the diversification of the product portfolio, increasing profitability and improving the profitability of operations in Romania and Bulgaria. The focus will be on development of: products; distribution with attention to online sales channels; and international expansion with a focus on organically developing business in current regions and expanding operations to other markets under the Free Provision of Services law.

The development of insurance companies is aimed at sustainability and organic growth of insurers' market positions, through the development of new products, both in existing classes of insurance, and in the development of new combined insurances with the aim of diversifying the insurance portfolio, meeting the changed expectations of customers and in accordance with the changed business environment, strengthening know-how exchange processes in management, business and corporate practices between companies, as well as focusing on the digitization of the overall system and online product offering. The activity will also be aimed at developing new direct distribution channels with a focus on online channels. In addition, the focus will be placed on business growth by expanding the operations of insurance services distributed under the right of freedom of establishment and freedom to provide services. The insurance business of Eurohold, united in the subsidiary company Euroins Insurance Group, is well positioned in the markets of Europe and has a strong potential for growth.

Investment Brokerage and Asset Management

The expectations are that the investment intermediary Euro-finance AD will continue its sustainable development by expanding its market positions and generating growth in its revenues. The impact of Covid-19 on this segment is negligible.

Euro-finance has fully digitized its operations, renewed and modernized the company's corporate website. Special attention is paid to expanding the presence of Euro-Finance in the Internet space and reaching a wider range of potential customers by promoting the products and services of the investment intermediary.

In 2020, Euro-Finance AD expanded the range of services it offers to its individual and institutional clients, entering into a strategic partnership with the leading European asset management company - Amundi Asset Management. Through "Euro-Finance" JSC, 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 customers as possible and with a view to maximizing sales, in 2021 the management of the company started negotiations with the so-called tied agents to start "pilot" offering Amundi funds, and subsequently the other services provided by "Euro-Finance" JSC.

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

OTHER EVENTS AFTER THE END OF THE REPORTING END PERIOD

Macroeconomic events

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

The management is carefully monitoring the situation and is looking for ways to reduce the impact on the Group of the spread of the coronavirus and the restrictions imposed at peak times by the governments of the countries in which we operate, etc. measures. At this stage, the management's assessment is that with timely and flexible measures, the Eurohold group has managed to cope with the consequences of the situation and reduce the impact on it as much as possible.

↳ The management of Eurohold is following with concern the development of the military conflict between Russia and Ukraine, and is assessing its impact on the Group's business by analyzing the impact on both sides of the conflict.

The created military situation is extremely dynamic and the management at this stage cannot make a qualitative and quantitative assessment of its impact on the Company, as it will be evaluated over time depending on its development and duration.

At the end of 2022, the management of Eurohold Bulgaria and the subsidiary Euroins Insurance Group decided to release the insurance group from its participation in the companies in Belarus and Russia (associated participation). On December 30, 2022, Euroins Insurance Group (EIG) signed an agreement for the sale of the two companies, as from the date of the agreement, EIG and Eurohold will not consolidate the results of these companies in their report. Until the date of the transaction, EIG owned 100% of the company's capital in Belarus and 48.61% of that in Russia. These participations added insignificant values to the consolidated results against the background of the assets of the insurance subholding and the assets of Eurohold Bulgaria AD. EIG's business in the two countries accounted for less than 1% of the insurance group's 2022 revenue.

Management will continue to monitor the potential impact and take all possible measures to mitigate the potential effects.

Events that occurred for the Eurohold group after the reporting period date

↳ All important events in the Eurohold group that occurred after the date of the reporting period are presented in the "Important Events" section of this Activity Report.

The Management Board of Eurohold Bulgaria AD is not aware of any other important or significant events that occurred after the end of the reporting period and which have not been disclosed in this Report.

DESCRIPTION OF PRINCIPAL 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. As of 31.12.2022, the companies of the Eurohold Bulgaria AD group operate in the following sectors: "energy", "insurance" and "investment mediation 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 CO2 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.

➤ 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. 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

Currently, the economic group of "Eurohold Bulgaria" AD is developing its operations mainly in Bulgaria and other European countries such as Romania, North Macedonia, Ukraine, Georgia, Greece, through acquisitions of companies and assets. The issuer expects these acquisitions to continue in the future. The group intends to implement a strategy of organic growth and the diversification of the product portfolio of its existing businesses in the near future.

The Company's risk related to potential future acquisitions is the uncertainty regarding whether it will be able to identify suitable acquisition sites and investment opportunities. On the other hand, there is uncertainty regarding the assessment 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 results 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.

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.

Manifested macroeconomic risks at the date of preparation of this Report

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.

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. 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.

At the moment, uncertainty and risks to the economy remain high. The latest wave of the coronavirus developed actively at the beginning of 2022 again led to a delay in economic recovery in Europe, accompanied by high inflation, absenteeism from work and work in an online environment, increasing shortages of materials, equipment and labor. Record energy prices have further increased the cost of living and reduced the purchasing power of Europeans, especially in low-income households. In general, the impact of the pandemic on economic activity has generally weakened over time, including that the slowdown in the recovery did not last long, given the fading of the last wave and the lifting of restrictive measures.

In the future, possible new waves of infection, correspondingly imposed anti-epidemic measures and prolonged staff shortages could prevent recovery / or lead to a further deterioration of economic activity. They could also delay the functioning of critical supply chains for a longer period of time. On the other hand, weaker demand growth in the near term may help overcome supply constraints a little sooner than expected.

The hostilities between Russia and Ukraine have received widespread international condemnation, and numerous 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 side effects in other countries as well. In many countries, the crisis is causing adverse shocks to both inflation and activity amid already heightened price pressures. Central banks closely monitor the impact of rising international prices on domestic inflation, with a view to monitoring and, where necessary, taking appropriate, carefully considered 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, as well as the military conflict between Russia and Ukraine.

⇒ 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.

Despite the stable policy pursued so far, there is no certainty that factors will not appear in the country that would cause social and political tension, lead to a significant and abrupt change in the political and economic conditions, which could have a significant adverse effect on business. Currently, the political situation in Bulgaria is not particularly stable. This instability manifested itself in April 2021 since the country faced the inability to form a regular and stable government. Domestic political uncertainty continues with a caretaker government currently in place. This also contributed to a lag in Bulgaria's preparations for joining the Eurozone, which is why the same is being postponed at this stage.

Given the current political situation, it is possible that political and public disagreements may arise in the country regarding possible legislative changes, and in particular those concerning the economic and investment climate in the country. Also, at this moment, there is no political consensus in the country regarding the complicated geopolitical situation in the region due to the development of the Russian-Ukrainian crisis.

A potential political instability in the country and in Europe could have a significant adverse effect on the Company 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 in this sense is also vulnerable to foreign policy 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 emerging dynamic political and economic environment, users of this Report should consider the presence of political risk according to their own understanding and expectations.

⇒ Risk of high levels of unemployment

The risk associated with unemployment is characterized by a drop in the demand for labor force, influenced by the real aggregate demand in the economy, as a result of which the real purchasing activity of a part of the economic entities decreases.

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

According to the data of the National Statistical Institute (NSI), the following indicators were recorded for the fourth quarter of 2022:

The coefficient of economic activity for the population aged 15 - 64 years is 74.4%, and compared to the fourth quarter of 2021, it increases by 2.6 percentage points.

The employment rate for the population aged 15 - 64 years increased by 3.0 percentage points compared to the same quarter of 2021 and reached 71.5%.

The unemployment rate was 3.9%, or 0.6 percentage points lower than in the fourth quarter of 2021.

Discouraged persons aged 15 - 64 are 50.9 thousand, or 4.6% of the economically inactive persons in the same age group.

Source: www.nsi.bg

⇒ Country credit risk

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

On 04.02.2023, the international rating agency Moody's confirmed the long-term rating of Bulgaria in foreign and local currency Baa1 with a stable outlook.

The confirmation of Bulgaria's Baa1 rating balances the following key factors: 1) Moody's expectations that an energy crisis in Europe will not significantly weaken the country's economic and fiscal position. 2) The support for Bulgaria's credit profile arising from the prospect of adopting the euro, despite the risk of delaying adoption beyond 2024. 3) The risks to the effectiveness and progress of the government on key priorities arising from the prolonged domestic political stalemate in the country.

The stable outlook reflects Moody's expectations for relatively little fluctuation in the country's main economic and fiscal indicators over the next 12 to 18 months. It also reflects the balance of risks between the potential negative effects on the credit profile arising from the political situation in the country and the potential positive effects of the eventual adoption of the euro.

Source: www.minfin.bg

On 26.11.2022, the international rating agency S&P Global Ratings confirmed the long-term and short-term credit rating of Bulgaria in foreign and local currency 'BBB/A-2'. The outlook for the rating remains stable.

According to the agency, the stable outlook balances, on the one hand, weaker expectations for Bulgaria's economic growth in the short term and increased domestic political uncertainty, and on the other hand, the country's low net public debt and low interest costs. According to S&P Global Ratings, this development gives Bulgaria policy space and makes its public finances less sensitive to rapidly rising interest rates globally. Bulgaria is currently experiencing high inflation, which according to S&P Global Ratings could pose a challenge to its membership of the Eurozone from 2024.

S&P Global Ratings expect Bulgaria's GDP growth to weaken significantly in the coming months. Although the economy remained more resilient in 2022 from the fallout from the Russia-Ukraine conflict than the rating agency initially expected, several challenges lie ahead. External demand from Bulgaria's main trading partners in the EU is expected to decline and consumption to weaken as continued high inflation, estimated at nearly 10% on average in 2023, will weigh on real wages. Projects financed with EU funds, which will provide some support for the economy, are assessed as a positive influence. S&P Global Ratings forecast real growth in 2023 of less than 1%, a significant slowdown from their expectations of 3% in 2022.

Source: www.minfin.bg

The adoption of a consistent and long-term economic policy in Bulgaria would be a valid reason for the potential increase in the country's credit rating, which in turn would have a favorable impact on the economic group of Eurohold expressed in the Group's financing opportunities. In the event of a downgrading of Bulgaria's credit rating, as a result of the unstable governance of the country, there may be a negative impact on the Group and on the cost of financing, except in the event that its loan agreements are not with fixed interest rates.

⇒ Inflation risk

Inflation risk is associated with the likelihood that inflation will affect real investment returns. The main risks related to the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International commodity prices may rise more significantly as a result of political crises or increased demand. The limited supply of some agricultural goods and especially cereals internationally in connection with unfavorable climatic phenomena may additionally cause higher inflation in the country.

According to NSI data, in January 2023, monthly inflation was 1.1%, and annual inflation was 16.4%. The average annual inflation for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 is 15.9%.

In January 2023, monthly inflation as measured by the Harmonized Index of Consumer Prices (HICP) was 1.0% over the previous month, and annual inflation for January 2023 over January 2022 was 14.1%. Average annual inflation for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 is 13.5%.

According to the price index for the small basket, in January 2023 an increase of 1.4% was recorded on a monthly basis.

Source: www.nsi.bg

Inflation can affect the amount of the Company's expenses, as part of the company's liabilities are interest-bearing. Their service is linked to the current interest rates, which also reflect the inflation rates in the country. Therefore, the maintenance of low inflation levels in the country is considered a significant factor for the activity of the Eurohold group.

At the present moment and in general, the currency board mechanism provides guarantees that the inflation in the country will remain under control and will not have an adverse impact on the economy of the country, and in particular on the activities of the Company and its group, and from there on its possibility to service its debt positions.

Given this, every investor should carefully consider and account for both the current levels of inflation risk and the future possibilities for 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.

INFORMATION ON LARGE RELATED PARTY DEALS IN THE THIRD QUARTER OF 2022.

All significant transactions concluded by Eurohold Bulgaria AD and its subsidiaries are disclosed in the "Significant Events" section of this consolidated Activity Report, as well as in the Appendices to the Interim Condensed Consolidated Financial Statements as of 24.11.2022.

Sofia,
29.02.2023

Assen Minchev,
Executive Director

Milena Guencheva,
Prosecutor

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Internal information
31 December 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&unigid=63ff460157e2d>.

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 disclosed financial information is available on the Company's website at the following link <https://www.eurohold.bg/2022-786.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.

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Additional information as at 31 December 2022

ADDITIONAL INFORMATION

to the interim condensed individual activity report
for the period 1 January - 31 December 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 six months of 2022, 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.** 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 Razpredelenie Bulgaria AD with a new name Electrodistribution Grid West AD (EDG West AD) to 98.93% (by acquiring additional 207,107 shares or 10.74%) and in CEZ Elektro Bulgaria AD with a new name Electrohold Sales AD to 96.76% (by acquiring additional 1,379 shares or 27.58%).
- 2.3.** On 04.05.2022, under Amigo Leasing EAD's account in the Commercial Register and Register of Non-Profit Legal Entities, a change of its name was entered, as from that date the name under which it will carry out its activities is now Finasiti EAD.
- 2.4.** 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. was entered in the Commercial Register at the Registration Agency. (subsidiary of Eurohold Bulgaria AD), namely:

Старо наименование	Ново наименование	Ново лого на компанията
ЧЕЗ Разпределение България АД	Електроразпределителни мрежи Запад АД	
CEZ Distribution Bulgaria AD	Electrodistribution Grid West AD (EDG West AD)	
ЧЕЗ Електро България АД	Електрохолд Продажби АД	
CEZ Electro Bulgaria AD	Electrohold Sales AD	

		
ЧЕЗ България ЕООД CEZ Bulgaria EOOD	Електрохолд България ЕООД Electrohold Bulgaria EOOD	 
ЧЕЗ Трейд България ЕАД CEZ Trade Bulgaria EAD	Електрохолд Трейд ЕАД Electrohold Trade EAD	 
ЧЕЗ Информационни и комуникационни технологии България ЕАД CEZ Information and Communication Technologies Bulgaria EAD	Електрохолд ИКТ ЕАД Electrohold ICT EAD	 

- 2.5.** 11.05.2022 - AUTO UNION AD signed a final contract with M TRAX BULGARIA EOOD for the sale of Star Motors EOOD - official importer of Mazda brand cars for Bulgaria. At the present moment, the transaction has been finalized, and by virtue of 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 entered in the TR at the Registration Agency on 05/17/2022.
- 2.6.** 27.05.2022 - Eurohold Bulgaria AD established a new subsidiary called "ELECTROHOLD GREEN" EOOD (ELECTROHOLD GREEN) with a capital of BGN 20,000 and subject of activity: Consulting and investment activity, 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, as well as any other activity not expressly prohibited by law. The newly established company was entered in the TR on 27.05.2022 with the sole owner of the capital Eurohold Bulgaria AD.
- 2.7.** On 17.06.2022, the tender offers from the energy holding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. ended. (EEEC) for the purchase of the shares of the minority shareholders in the two public subsidiary companies of the energy group - Electrodistribution Grid West AD (EDG West AD), with the previous name CEZ Razpradelenie Bulgaria AD) and Elektrohold Sales AD (with the previous name CEZ Electro Bulgaria AD) are with the following results:

Regarding Electrodistribution Grid West AD (EDG West AD) (previously named "CHEZ Distribution Bulgaria" AD):

Number of persons who accepted the tender offer:

Number of individuals who accepted the offer – 36;

Number of legal entities that accepted the proposal – 7;

Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANIES" B.V. – 6,165 pieces.

Offered price per share: BGN 302.56 (three hundred and two BGN and fifty-six cents).

Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive

The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 99.25 %.

Regarding Electrohold Sales AD (previously known as "CHEZ Electro Bulgaria" AD):

Number of persons who accepted the tender offer:

Number of individuals who accepted the offer – 5;

Number of legal entities that accepted the offer – 2.

Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANY" B.V. – 37 pieces.

Offered price per share: 28,433.51 (twenty-eight thousand four hundred thirty-three BGN and fifty-one cents).

Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive.

The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 97.66 %.

- 2.8.** On 30.06.2022, Eurohold Bulgaria AD concluded an agreement for the sale of the remaining part of its automotive and leasing business by selling its subsidiary sub-holding companies Auto Union AD and Eurolease Group AD together with the operating companies owned by them.

The new owner of Auto Union AD and Eurolease Group AD is Asterion Bulgaria AD - a holding company whose business includes trade in cars, service activities and supply of spare parts.

Following the acquisition of CEZ Group's energy companies in Bulgaria in mid-2021, Eurohold declared the automotive and leasing businesses non-core and its intention to exit these activities. Eurohold's objective is to focus on its strategic insurance and energy businesses, supported by asset management.

As a result, Eurohold was able, through its subsidiaries Auto Union and Eurolease Group, to negotiate and implement in several transactions the sale of part of its main operating automotive companies - Star Motors (Mazda), Daru Car (BMW), N Auto (Nissan), Espas Auto (Renault) and EA Properties (management of investment properties - showroom and service).

As of 30.06.2022, Auto Union AD owns Auto Italia EOOD and several other smaller subsidiaries (offering limited brands of cars, scooters and motorcycles, as well as oils, lubricants and branded solutions for fuels).

Eurolease Group AD unites the leasing business of Eurohold, which is organically related to the automotive business and includes six subsidiaries offering financial leasing, short-term and long-term rental (operating lease) of new and used cars in Bulgaria and North Macedonia.

As of 30.06.2022, the leasing business, represented primarily by the main companies Eurolease Auto EAD (financial leasing) and Eurolease Rent a Car EOOD (operating leasing), has a gradually decreasing portfolio as a result of the sold car companies described above. The synergy created in the Eurohold group had a negative impact on the leasing business after the sale of the main car brands to Auto Union, as the most important leasing company Eurolease Auto practically lost its most important channel for generating a portfolio of new leasing business, and from there any further growth potential. This is confirmed by the reduction of the company's leasing portfolio within one year, from BGN 66 million by the half-year of 2021 to BGN 52 million by 30.06.2022, and expectations are at the end of the reporting year to drop to BGN 30 million.

The deal for the sale of the leasing and automotive business will significantly reduce the indebtedness of the Eurohold group, as leasing companies traditionally operate with a high proportion of borrowed capital, and automotive companies with working capital.

As a result of the sales, as of 30.06.2022, the following debts are eliminated from Eurohold's group indebtedness:

- of the leasing business - 39 million euros of secured liabilities (financing of leasing activities with a pledge of receivables/cars) and 5.4 million euros of unsecured liabilities (bonds issued by the leasing companies);

- for the automotive business - 6 million euros in secured liabilities (working capital with a pledge of material stocks and receivables), 7 million euros (issued bonds) as of the first half of 2022, as well as 3 million euros in secured bank guarantees.

This will improve the overall capital position of Eurohold, as well as enable the Holding to focus on the strategic development and implementation of the investment plans of the insurance and energy businesses.

2.9. On 8.9.2022 - The energy holding Eastern European Electric Company B.V. (EEEC) increased its participation in the two subsidiary companies of the energy group - Electrodistribution Grid West AD (EDG West AD) and "Electrohold Sales" AD to 100% of the capital by buying out all the remaining shares of minority owners. EEEEC acquired an additional 14,416 shares of Electrodistribution Grid West AD (EDG West AD) for nearly BGN 4,376 million (EUR 2,237 million) or BGN 303.55 (EUR 155.2) per share, as well as 117 shares of Electrohold Sales for BGN 3,412 million (1,744 EUR million) or BGN 29,161.02 (EUR 14,909.79) per share.

2.10. On 03.10.2022, the company Electrohold IPS EOOD was established, 100% owned by Electrohold Bulgaria EOOD. The company was established with a capital of BGN 5,000 and main activity: Preparation of investment projects, construction and installation works, delivery, purchase and sale of materials/goods, consultations and assistance in preparing documentation for conducting procedures and tenders, as well as any other activity not prohibited by law.

2.11. On 30.12.2022, Euroins Insurance Group (EIG), part of Eurohold Bulgaria, signed an agreement for the sale of its subsidiary in Belarus and the group's share in a company in Russia.

From next year, EIG will no longer consolidate their results in its report. EIG owned 100% of the company's capital in Belarus and 48.61% of that in Russia. EIG's business in the two countries forms less than 1% of the insurance group's revenues for 2022.

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 other organizational changes were made within the issuer during the reporting period, apart from those specified in the previous item 2.

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 2022.

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	130 454 157	50.08%
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:	23 136 758	8.88%

	<ul style="list-style-type: none"> - Global Opportunities Portfolio, - Global Macro Portfolio, - Global Macro Absolute Return Advantage Portfolio, - Global Macro Capital Opportunities Portfolio. 		
	SLS Holding AD	16 508 349	6.34%

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

Transactions with related parties for the reporting period are disclosed in the Appendices to the interim abbreviated individual and in the interim abbreviated consolidated financial statements for the first twelve months of 2022. The conditions under which the transactions were carried out do not deviate from the market for such type of transactions.

29.02.2023

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prokurist of Eurohold Bulgaria AD

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Appendix 4
31 December 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 December 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 concluded transactions, including material ones, are disclosed in the Appendices to the interim abbreviated individual and interim abbreviated consolidated financial statements for the first twelve months of 2022, as well as in the interim abbreviated individual and interim abbreviated consolidated activity reports as of 31 December 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**

↪ 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%).

↪ 11.05.2022 - AUTO UNION AD signed a final contract with M TRAX BULGARIA EOOD for the sale of Star Motors EOOD - official importer of Mazda brand cars for Bulgaria. At the present moment, the transaction has been finalized, and by virtue of 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 entered in the TR at the Registration Agency on 05/17/2022.

↪ 27.05.2022 - Eurohold Bulgaria AD established a new subsidiary company called "ELECTROHOLD GREEN" EOOD (ELECTROHOLD GREEN) with a capital of BGN 20,000 and subject of activity: Consulting and investment activity, 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, as well as any other activity not expressly prohibited by law. The newly established company was entered in the TR on 27.05.2022 with the sole owner of the capital Eurohold Bulgaria AD.

- ↪ On 17.06.2022, the tender offers from the energy holding of Eurohold Bulgaria AD - Eastern European Electric Company B.V. ended. (EEEC) for the purchase of the shares of the minority shareholders in the two public subsidiary companies of the energy group - Elektropradelitelini networks Zapad AD (ERM Zapad AD, with the previous name CEZ Razpradelenie Bulgaria AD) and Elektrohold Sales AD (with the previous name CEZ Electro Bulgaria AD) are with the following results:

Regarding Electricity Distribution Networks Zapad AD (previously named "CHEZ Distribution Bulgaria" AD):

Number of persons who accepted the tender offer:

Number of individuals who accepted the offer – 36;

Number of legal entities that accepted the offer – 7;

Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANIES" B.V. – 6,165 pieces.

Offered price per share: BGN 302.56 (three hundred and two BGN and fifty-six cents).

Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive

The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 99.25 %.

Regarding Electrohold Sales" JSC (previously known as "CHEZ Electro Bulgaria" JSC):

Number of persons who accepted the tender offer:

Number of individuals who accepted the offer – 5;

Number of legal entities that accepted the offer – 2.

Total number of shares to be acquired from trading offeror "EASTERN EUROPEAN ELECTRIC COMPANY" B.V. – 37 pieces.

Offered price per share: 28,433.51 (twenty-eight thousand four hundred thirty-three BGN and fifty-one cents).

Deadline for payment of the price by Trade the offeror: until 28.06.2022, inclusive.

The percentage of participation/votes in the general meeting of a public company achieved by Trade offeror: 97.66 %.

- ↪ On 30.06.2022, Eurohold Bulgaria AD concluded an agreement for the sale of the rest of its automotive and leasing business by selling its subsidiary sub-holding companies Auto Union AD and Eurolease Group AD together with the operating companies owned by them.

The new owner of Auto Union AD and Eurolease Group AD is Asterion Bulgaria AD - a holding company whose business includes trade in cars, service activities and supply of spare parts.

Following the acquisition of CEZ Group's energy companies in Bulgaria in mid-2021, Eurohold declared the automotive and leasing businesses non-core and its intention to exit these activities. Eurohold's objective is to focus on its strategic insurance and energy businesses, supported by asset management.

As a result, Eurohold was able, through its subsidiaries Auto Union and Eurolease Group, to negotiate and implement in several transactions the sale of part of its main operating automotive companies - Star Motors (Mazda), Daru Car (BMW), N Auto (Nissan), Espas Auto (Renault) and EA Properties (management of investment properties - showroom and service).

As of 30.06.2022, Auto Union AD owns Auto Italia EOOD and several other smaller subsidiaries (offering limited brands of cars, scooters and motorcycles, as well as oils, lubricants and branded solutions for fuels).

Eurolease Group AD unites the leasing business of Eurohold, which is organically related to the automotive business and includes six subsidiaries offering financial leasing, short-term and long-term rental (operating lease) of new and used cars in Bulgaria and North Macedonia.

As of 30.06.2022, the leasing business, represented primarily by the main companies Eurolease Auto EAD (financial leasing) and Eurolease Rent a Car EOOD (operating leasing), has a gradually decreasing portfolio as a result of the sold car companies described above. The synergy created in the Eurohold group had a negative impact on the leasing business after the sale of the main car brands to Auto Union, as the most important leasing company Eurolease Auto practically lost its most

important channel for generating a portfolio of new leasing business, and from there any further growth potential. This is confirmed by the reduction of the company's leasing portfolio within one year, from BGN 66 million by the half-year of 2021 to BGN 52 million by 30.06.2022, and expectations are at the end of the reporting year to drop to BGN 30 million.

The deal for the sale of the leasing and automotive business will significantly reduce the indebtedness of the Eurohold group, as leasing companies traditionally operate with a high proportion of borrowed capital, and automotive companies with working capital.

As a result of the sales, as of 30.06.2022, the following debts are eliminated from Eurohold's group indebtedness:

- of the leasing business - 39 million euros of secured liabilities (financing of leasing activities with a pledge of receivables/cars) and 5.4 million euros of unsecured liabilities (bonds issued by the leasing companies);

- for the automotive business - 6 million euros in secured liabilities (working capital with a pledge of material stocks and receivables), 7 million euros (issued bonds) as of the first half of 2022, as well as 3 million euros in secured bank guarantees.

This will improve the overall capital position of Eurohold, as well as enable the Holding to focus on the strategic development and implementation of the investment plans of the insurance and energy businesses.

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 important events for Eurohold Bulgaria AD that occurred during the period of the first twelve months of 2022, as well as up to the date of preparation of this document, are disclosed in detail in the Interim Condensed Consolidated Activity Report as of 31 December 2022.

29.02.2023 г.

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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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. Tsvetelina Chereshova-Doycheva – 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 twelve months 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 31.12.2022 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. Tsvetelina Chereshova-Doycheva