

NEWS RELEASE

Eurohold maintains its revenues at a stable level in Q3 2020

The holding increases revenues generated by the insurance business line due to the successful integration of the newly acquired companies in Southeast Europe

- Total revenue increased by 3% to BGN 1.21 billion
- Assets grew by 10% to BGN 1.66 billion
- EIG increased its premium volume by slightly over 7% to BGN 661 million
- Financial services' revenues rose by 63% to BGN 6.6 million
- Operating profit decreased by 29% to BGN 18.1 million

Sofia, 30 November 2020 - **Eurohold Bulgaria AD**, a leading independent business group operating in the CEE/SEE/CIS region, increased its revenues and maintained its operating profit in a challenging period in the context of the COVID-19 pandemic, according to the holding's consolidated financial statement for the first nine months of 2020.

In January-September 2020 the total revenues of **Eurohold** reached BGN 1.21 billion, up by 3% compared to the same period in 2019. The achieved results are due to the expansion of the operations of **Eurohold**'s insurance subholding in Southeast Europe (SEE), the increased revenues by investment and brokerage services and the management's measures to optimize the business and increase the efficiency.

Eurohold posted an operating profit (EBITDA) of BGN 18.1 million that is nearly 29% less compared to the same period in 2019. The final net financial result was negative - it amounted to BGN -12.8 million, which has been the result of one-off event due to the increase of the technical reserves of the holding's subsidiary insurance company in Romania after the implementation of a new methodology for the calculation of these reserves, as well as the parent company's loss on an unconsolidated basis.

As of September 2020 **Eurohold**'s assets exceeded BGN 1.6 billion that is nearly 10% higher compared to December 2019.

The insurance business of **Eurohold**, concentrated in Euroins Insurance Group AD (EIG), contributed significantly to the stable financial results. Revenues generated by the insurance business line increased by over 10% year-on-year (y-o-y) to nearly BGN 1.06 million. EIG's gross insurance premium grew by just over 7% to BGN 661 million. The growth was due to the expansion of the group in Southeast Europe and the successful integration of the newly acquired companies in the sector.

EIG's key subsidiaries managed to increase their revenues during the first nine months of 2020. Euroins Romania, the largest company within EIG's structure, booked a 4% rise of its GWP to just over BGN 400 million. Euroins Ukraine grew its premium by 28% compared to the first nine months of 2019 and it amounted to BGN 16 million, as well as

the subsidiary reported a pre-tax profit of BGN 2.5 million. Euroins Bulgaria increased its premium income by 11% y-o-y to BGN 195 million and reported a pre-tax profit of BGN 5.9 million. Euroins Georgia reported 59% growth on an annual basis of its GWP to BGN 11.6 million. Euroins Russia achieved a gross premium of BGN 32 million and pre-tax profit of BGN 1.4 million.

European Travel Insurance (ERV), EIG’s subsidiary specialized in travel insurance, which has been the most affected by the COVID-19 pandemic, posted a decline of 49% y-o-y of its written premium to BGN 8.4 million, but reported a profit of BGN 2.9 million after diversification of the product portfolio and cost optimization.

In the context of the diminishing economic growth and global decline in spending for durable goods, the leasing and automotive business of [Eurohold](#), operating under the brands Eurolease Group EAD and Avto Union AD, registered lowered turnover but still booked a y-o-y growth of their EBITDA (see the table below). The financial and investment services, concentrated in EuroFinance AD, contributed positively to the increase of the group’s revenues, accumulating a 63% rise y-o-y to more than BGN 6.6 million.

“The holding maintained stable positions despite the economic situation in the region. We carefully analyze the effects of COVID-19 on our business. The established business model and capital adequacy, our investments, including digitisation, the measures implemented in order to increase efficiency and effectiveness, as well as our geographical diversification, make us resilient and provide us with opportunities to successfully tackle the elevated risks in the environment caused by the pandemic. We will continue to strengthen and consolidate our position in the region. Our goal will be to increase the cost efficiency. In the long term, the markets in which we operate, are regions with growth potential”, said **Kiril Boshov, chairman of [Eurohold's](#) management board.**

CONSOLIDATED RESULTS OF EUROHOLD BULGARIA IN JANUARY-SEPTEMBER 2020

Segments	Revenue			EBITDA			Financial result		
	Q3 2020	Q3 2019	Change	Q3 2020	Q3 2019	Change	Q3 2020	Q3 2019	Change

	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	1,058,559	962,354	10%	9,390	18,220	-48%	458	13,544	-97%
Automotive business	122,237	182,211	-33%	6,254	3,328	88%	(432)	(1,681)	-74%
Leasing services	16,529	20,052	-17.6%	4,019	1,765	128%	(285)	(2,723)	-90%
Asset management and brokerage services	6,622	4,056	63%	91	594	85%	(88)	431	120%
Total subsidiaries	1,203,947	1,168,673	3%	19,754	23,907	-17%	(347)	9,571	-104%
Parent company	2,230	2,836	-21%	(103)	577	-118%	(12,008)	(11,049)	9%
Total without eliminations	1,206,177	1,171,509	3%	19,651	24,484	-20%	(12,355)	(1,478)	736%
<i>Intergroup eliminations</i>	<i>(8,862)</i>	<i>(11,658)</i>	<i>-24%</i>	<i>(1,546)</i>	950	<i>-263%</i>	<i>(494)</i>	2,889	<i>-117%</i>
Total with eliminations	1,197,315	1,159,851	3%	18,105	25,434	-28.8%	(12,849)	1,411	-

Source: Eurohold's consolidated financial statement January - September 2020

Eurohold Bulgaria AD

Eurohold Bulgaria is a leading independent business group in the CEE/SEE/CIS region operating in the field of insurance, leasing, car sales, asset management and investment services. It is listed on the BSE and the WSE. It owns Euroins Insurance Group (EIG), one of the largest independent insurance groups in the CEE/SEE/CIS region, which operates in 11 countries and owns subsidiaries in Bulgaria, Romania, North Macedonia, Ukraine, Georgia, Russia and Belarus. EIG also operates in Greece and Poland, and has niche insurance operations in Spain and Italy. Currently the insurance group has more than 2.5 million clients and over 3000 employees.

www.eurohold.bg www.eig.bg