

# **EUROHOLD BULGARIA**

## **INTERIM CONDENSED INDIVIDUAL REPORT**



**30 SEPTEMBER 2022**

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#### **ABOUT THIS REPORT**

**The interim individual financial statements of Eurohold Bulgaria AD (Eurohold, Company, Holding) have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company.**

*Further information about Eurohold Bulgaria can be found on our website [www.eurohold.bg](http://www.eurohold.bg)*

*Eurohold Bulgaria plc also prepares a consolidated annual report including the results of the parent company, subsidiaries and associates.*

*In order to obtain a complete view of the financial position of the Eurohold Group, users of this interim condensed separate report should read it together with the consolidated report of the Eurohold Group as at the same reporting period*

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# 1

## Interim condensed individual activity report - 30 September 2022

## OPERATIONAL REVIEW

### BUSINESS ACCENTS

#### **Eurohold Bulgaria AD,**

- ✓ is a leading independent business group in Central and Southeastern Europe (SEE) with leading positions in the insurance and energy businesses
- ✓ has a principal activity relating to the creation, acquisition and management of participations and the financing of related undertakings
- ✓ is the owner of the largest independent insurance group in SEE by gross premium income - Euroins Insurance Group
- ✓ owns a large energy group in Bulgaria - the Electrohold group
- ✓ has an experienced management team
- ✓ has a high level of corporate governance in line with best practice
- ✓ is a public joint-stock company within the meaning of the Public Offering of Securities Act (POSA), the company's shares are registered for trading on:
  - » Bulgarian Stock Exchange (BSE) - stock code EUBG
  - » Warsaw Stock Exchange (WSE) - with stock code EHG

#### **BUSINESS SEGMENTS – to 30 September 2022**

- » Insured
- » Energetics
- » Investment brokerage and asset management

#### **БИЗНЕС ОПЕРАЦИИ**

- 4 subsidiaries
- 2 dedicated energy business development companies
- 18 operating companies
- 1 associated company
- 13 countries in Europe
- 9 400 shareholders
- 26 years of history

#### **BUSINESS ASSETS**

##### **↳ Euroins Insurance Group**

CEE and SEE insurer with leading positions in Romania and Bulgaria. Active operations in 9 markets in Europe.

##### **↳ Eastern European Electric Company II B.V. - Energy Group**

Company uniting the energy companies acquired in 2021.

##### **↳ Euro-Finance - investment intermediation and asset management**

Market turnover leader on the Bulgarian Stock Exchange, Member of Deutsche Börse Group. More than 20 years of experience.

## 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.

The Company does not engage in any activities subject to special permitting regimes requiring patents, licenses or other authorizations from regulatory authorities.

In order to optimize management, business processes and fixed costs, the Company has structured its businesses into subholding structures depending on the sector in which they operate. Eurohold Bulgaria AD together with its subsidiary subholding companies 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 affiliates, control, communication, legal advice, human resources, information systems and technology and other functions.

## ECONOMIC GROUP

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

Subsidiaries are holding structures that bring together Eurohold Bulgaria's investments in the Insurance, Energy (with operations from the end of July 2021), Automotive Sales, Leasing, Investment Brokerage and Asset Management sectors and "Investment Intermediation and Asset Management".

Until 30.06.2022, the Eurohold group also operated in the "Automotive" and "Leasing" sectors.

**As of the date of this report (after the sale of the automobile and leasing business on 30.06.2022), Eurohold Bulgaria has participations in 25 companies**

<i>direct participation</i>	<i>indirect participation</i>
» 4 subsidiaries	» 2 dedicated energy business development companies
	» 18 operating companies
	» 1 associated company

## ASSIGNED CREDIT RATINGS

	<b>Eurohold</b> <b>Issuer Default</b> <b>Rating "B"</b> <b>Outlook: stable</b>		<b>Eurohold</b> <b>Long-term: BBB-</b> <b>Outlook: stable</b> <b>Short-term: A-3</b>
			<b>bonds issues</b> <b>Long-term: BBB-</b> <b>Outlook: stable</b> <b>Short-term: A-3</b>

## SIGNIFICANT EVENTS

1 January - 30 September 2022

### INFORMATION ON SIGNIFICANT EVENTS, ACCORDING TO ARTICLE 100o, 4, S.2 OF THE POSA

#### IMPORTANT EVENTS FOR THE ACTIVITIES OF EUROHOLD BULGARIA DURING THE REPORTING PERIOD

##### 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.
- ✓ 28.01.2022, 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.
- ✓ 28.01.2022, 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 significant 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 monetary contribution to the 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 (former name CEZ Razpradelenie

Bulgaria AD) to 98.93% (by acquiring additional 207 107 shares or 10.74%), and the electricity supplier - Electrohold Sales AD (former 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. The transaction is expected to be finalised within May 2022.
- ✓ 14.03.2022 - Eurolease Group AD, as the sole owner of the capital of Eurolease Rent-a-Car Ltd. signed a preliminary agreement for its sale. The transaction is currently pending regulatory approval.

## April

- ✓ 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 EUR 150,000.
- ✓ 06.04.2022 - The energy subholding of Eurohold - Eastern European Electric Company B.V. (EEEC) submitted for consideration to the FSC tender proposals on the basis of Art. 149a, para. 1 of the POSA for the purchase of the shares of the minority shareholders in Electrodistribution Grid 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. For the 20,581 shares owned by the minority shareholders in Electrodistribution Grid West AD, EEEC offers a price of BGN 300.29 per share, or a total of nearly BGN 6.2 million. The price per share offered to the minority shareholders in Electrohold Sales AD is to BGN 28,158.30 or a total of just over BGN 4.3 million for 154 shares. The offer for all the remaining shares in the two companies is approximately BGN 10.5 million (EUR 5.4 million).
- ✓ 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. was entered in the Commercial Register at the Registration Agency (subsidiary of Eurohold Bulgaria AD), namely:

Old designation	New designation	New company logo
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	Електрохолд България ЕООД	
CEZ Bulgaria EOOD	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	 

## 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 Commercial register 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](http://www.eurohold.bg), News section, as well as on the websites of the respective energy companies.

- ✓ 18 May 2022 - The Financial Supervision Commission (FSC) has approved the adjusted tender offers of Eurohold Bulgaria AD's energy holding company, Eastern European Electric Company B.V. (EEEC), for the remaining shares in Electricity Distribution Networks West AD (EDN West AD, formerly CEZ Distribution AD) and Electrohold Sales AD (formerly CEZ Electro AD). The proposals relate to the shares of the two companies that EEEC does not yet own - 1.07% and 3.08% of the capital, respectively. The tender offers are in accordance with Art. 149a para. 1 of the Public Offering of Securities Act (POSA).

EEEC is offering BGN 302.56 per share of ERM West or a total of nearly BGN 6.2 million and BGN 28,433.51 per share of Electrohold Sales or a total of just over BGN 4.3 million. The holding's offer for the remaining shares of the two companies is approximately BGN 10.5 million (EUR 5.4 million). Pursuant to the provisions of the POSA, the tender offer procedure should be completed by the end of June 2022.

- ✓ 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 EUR 80,000.
- ✓ 27.05.2022 г. - Consultancy and investment activity, construction and maintenance of photovoltaic power plants, trade with solar panels and accessories, real estate transactions, representation, mediation and agency of Bulgarian and foreign legal entities in the country and abroad, as well as any other activity not expressly prohibited by law. The newly established company was registered in the Commercial register on 27.05.2022 with Eurohold Bulgaria AD as the sole owner of the capital.



- ✓ On 27.05.2022, the shareholders of the subsidiary "Euro-Finance" AD decided to distribute BGN 2,101,702.83 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 within the Group, Eastern European Electric Company B.V., have ended. (EEEC) for the purchase of the shares of the minority shareholders in the two public subsidiaries of the energy group - Electrodistribution Grid West AD (ERM Zapad AD, with the previous name CEZ Razpredelenie Bulgaria AD) and Electrohold Sales AD (with the previous name CEZ Electro Bulgaria AD) at following results:

Regarding Electrodistribution Grid West 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 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 (i.e. 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, 2022, the agency confirmed the rating it assigned to holding - "B", changing the outlook from "negative" to "stable". The stable outlook reflects the age assessment of Eurohold's new structure, as well as the company's changed business and final profile following the acquisition of Czech energy group CEZ's assets in Bulgaria. As a result of acquisition, Eurohold's leading business line changes from insurance to utilities, and the company energy business is expected to form the majority of the holding's operating profit, Fitch notes.

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 EUR 680,000.

- ✓ 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), Espace 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 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 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, an existing bank loan to the International Bank for Economic Cooperation (IBEC) in the amount of EUR 15 million was renegotiated, with the principal subject to repayment in 2 tranches - EUR 3 million is due by 31.7.2022, and the remaining EUR 12 million until 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 EUR 70,000.

## August

- ✓ On 3.08.2022, a change has been registered in one of the managing directors of Eastern European Electric Company B.V., the Netherlands, namely Rense Box (director B) has been replaced by Yoan Ivanov as director B.
- ✓ On 18.08.2022, 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 18.8.2022, 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 ERM Zapad and Electrohold Sales AD. The loan interest is 6.00% per year + reference interest rate (ESTR), the loan will be repaid in quarterly installments, starting from the expiration of a one-year grace period and a final maturity date of 30.06.2027.
- ✓ On 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 EUR 4,200,000.
- ✓ 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 25.08.2022, 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 Electric Distribution Networks Zapad 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 and Electrohold Sales AD are available on the website [www.x3news.com](http://www.x3news.com) in the section of the respective companies.

## September

- ✓ On 1.09.2022 - 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 EUR 75,000.
- ✓ 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 (ERM Zapad 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 ERM Zapad 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 AD for BGN 3,412 million (1,744 EUR million) or BGN 29,161.02 (EUR 14,909.79) per share.

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- ✓ On 20.9.2022 - The Financial Supervision Commission decided to deregister Electrodistribution Grid 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.
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#### **SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD DATE**

##### **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, Christofof Columb 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](http://www.eurohold.bg)) and specialized financial media "X3 news" ([www.x3news.com](http://www.x3news.com)), as well as in the Commercial Register at the Registration Agency ([www.portal.registryagency.bg](http://www.portal.registryagency.bg)).
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The Management Board of Eurohold Bulgaria AD is not aware of any other significant or material events occurring after the closing date of the reporting period.

## ACTIVITY RESULTS

### **Results on an individual basis**

Eurohold Bulgaria AD is a holding company with significant investments in subsidiaries and as such does not carry out regular commercial transactions.

Eurohold manages a portfolio of companies in the sectors: insurance, energy (from 27.07.2021), investment brokerage and asset management (financial services). Until 30.06.2022, Eurohold Bulgaria AD also owned investments in the automotive and leasing sectors.

The Eurohold Group has a long-term approach to its investments and holds leading positions on the markets in the segments in which it operates.

### **One-off effect of sale of investments in subsidiaries**

In view of the entry from mid-2021 into a new sector market, namely the energy market, Eurohold announced the automotive and leasing direction from the non-core business group in its development strategy. Within a one-year period, Eurohold was able to realize transactions on the sale of part of the automobile companies and negotiate the sale of leasing companies. In addition, on 30.06.2022, Eurohold Bulgaria AD signed an agreement for the sale of the entire remaining automotive and leasing business, through the sale of 100% of the owned share of the capital of its subsidiaries Auto Union AD and Eurolease Group AD.

As a result of the sales of investments in subsidiaries, Eurohold realized for the half year of 2022 a net negative result on an individual basis in the amount of BGN (13,373) thousand - representing a one-time effect of the sale of investments in subsidiaries (see under -below in "FINANCIAL RESULT").

The negative result from the sale of subsidiary companies is based on expert assessments by independent appraisers and reflects the significantly reduced business in connection with the previously sold subsidiaries of the automotive subholding Avto Union AD - the main revenue generators of the automotive group. By the half of 2022, the remaining companies in Auto Union are smaller in terms of business volume and with significantly low growth potential.

Regarding the leasing business - the significantly reduced sales in Auto Union are proportionally reflected in the reduction of the leasing business, which leads to the generation of a significantly smaller volume of new business and a lack of growth factors.

### **Operational activity**

The operating income of the Company on an individual basis has a financial nature, with the most significant of them - profits from operations with financial instruments and subsequent assessments occurring in different reporting periods and not of a permanent nature. Due to this essential factor, investors and interested parties should read this individual report together with the consolidated statement of operations for the relevant reporting period, giving a clear and complete picture of the risks, results, financial position, strategies and development prospects of the Eurohold group.

## FINANCIAL OVERVIEW

### ANALYSIS OF THE FINANCIAL SITUATION

#### ACTIVITIES

The company's assets as of 30 September 2022 amounted to BGN 745.9 million, reporting an increase of 3.6% (BGN 25.6 million) compared to their amount of BGN 720.3 million at the end of 2021.

Assets		Δ	30.06.2022	Δ	2021
		%	thousand BGN	thousand BGN	thousand BGN
Non-current assets	Investments in subsidiaries	(1.7)%	704 665	(12 428)	717 093
	Property, plant and equipment, usufruct rights	(16.2)%	1 217	(235)	1 452
	Other non-current assets	(3.5)%	166	(6)	172
Current assets	Receivables from related parties	1805.8%	16 180	15 331	849
	Other receivables and current assets	3525.7%	23 603	22 952	651
	Cash	(6.1)%	108	(7)	115
<b>Total Assets</b>		<b>3.6%</b>	<b>745 939</b>	<b>25 607</b>	<b>720 332</b>

### ANALYSIS OF SUBSTANTIAL CHANGES IN ASSETS

#### » Investments in enterprises

Eurohold's core business determines the Company's asset structure, where investments in subsidiaries, associates and other companies account for 94.5% of total assets at the end of the current period (over 99% at the end of 2021).

During the reporting period, the total amount of funds invested in subsidiaries decreased by BGN 12.4 million, which is due to the following events:

#### ⇒ Investment increases in the total amount of BGN 25,930 thousand.

- Carried out in the nine months of 2022, seven capital increases of Eastern European Electric Company II B.V. with a total value of the cash contributions to the premium reserve of 7,255 thousand euros (14,190 thousand BGN);
- A new subsidiary company Electrohold Green EOOD was established with a registered and paid-in capital of BGN 20,000.
- A new subsidiary Daru Invest EAD was established with a registered and paid-in capital of BGN 11,740,000.

#### ⇒ Reduction of investments in the total amount of BGN 38 378 thousand.

- Sale of 100% of the capital of the newly established subsidiary Daru Invest EAD and write-off of an investment in the amount of BGN 11,740 thousand.
- Sale of 100% of the owned share of the capital of the automotive subholding Avto Union AD and write-off of an investment in the amount of BGN 2,003 thousand.
- Sale of 100% of the owned share of the capital of the leasing subholding Eurolease Group AD and write-off of an investment in the amount of BGN 24,635 thousand.

### » Current receivables from related enterprises

Current receivables from related parties increased during the reporting period by BGN 15.3 million, mainly in connection with concluded contracts with Euroins Insurance Group AD for debt replacement in the amount of BGN 14 million, according to which the liabilities were assigned and that the financial relationships with the Assignor have been settled by transferring the ownership of 7,375 pcs. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.

### » Other current receivables and assets

Other receivables and assets also reported substantial growth, which was due to the following:

- Receivables under concluded contracts for the purchase and sale of the ownership of the shares owned by Eurohold Bulgaria AD in Auto Union AD and Eurolease Auto AD in the amount of BGN 7.3 million.
- Receipt in the amount of BGN 18 million under a debt substitution agreement, under which the obligation was assigned and the financial relationships with the Assignor were settled by transferring the ownership of 10,681 units. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.

### 🔗 EQUITY AND LIABILITIES

EQUITY AND LIABILITIES		Δ	30.09.2022	Δ	2021
		%	thousand BGN	thousand BGN	thousand BGN
	Share capital	-	260 500	-	260 500
<b>Equity</b>	Premium reserve on issue of securities	-	14 030	-	14 030
	General reserves	-	7 641	-	7 641
	Total Profits / Losses	47.3%	(99 283)	(31 861)	(67 422)
<b>Subordinated debt</b>	Subordinated debt instruments	(95.0)%	362	(6 839)	7 201
	Debenture loans payable	99.6%	156 170	77 937	78 233
<b>Non-current liabilities</b>	Due to related parties	(90.5)%	5 788	(55 138)	60 926
	Borrowings from financial and non-financial institutions	173.2%	24 603	15 597	9 006
	Other long-term liabilities	(6.4)%	1 161	(80)	1 241
	Debenture loans payable	(1.0)%	138 407	(1 420)	136 987
<b>Current liabilities</b>	Due to related parties	(74.8)%	10 465	(31 138)	41 603
	Loans from financial and non-financial institutions	151.1%	94 476	56 846	37 630
	Trade payables	(68.7)%	416	(912)	1 328
	Other short-term liabilities	(15.8)%	1 203	(225)	1 428
<b>Total Equity and Liabilities</b>		3.6%	745 939	25 607	720 332

## Analysis of significant changes in equity and liabilities

### » Equity

Eurohold's share capital remains unchanged at BGN 260.5 million. The Company's registered capital consists of 260,500,000 fully paid ordinary shares with a par value of BGN 1 per share. All shares are entitled to receive a dividend and a liquidation share and represent one vote at the Company's shareholders' meeting.

Shareholders with more than 5% of the capital of Eurohold Bulgaria AD are:

- Starcom Holding AD holding 50.07%
- KJK Fund II SICAV-SIF - Balkan Discovery holding 10.79%
- Boston Management and Research holding 8.99% through the following funds managed by it:
  - Global Opportunities Portfolio,
  - Global Macro Portfolio,
  - Global Macro Absolute Return Advantage Portfolio,
  - Global Macro Capital Opportunities Portfolio
- SLS Holding AD – owning 6.33%

In the third quarter of 2022, there was no change in the shareholders holding more than 5% of the Company's capital.

Eurohold's shareholders' equity as at 30.09.2022 amounted to BGN 312.9 million, with a decrease of 9,2% compared to the end of 2021 due to the realised loss for the reporting period.

### » Subordinated debts

During the reporting period, the amount of the Subordinated debt instrument - unissued, Tier 1 capital decreased by BGN 6.8 million. The subordinated debt has no fixed maturity and Starcom Holding AD may not demand its repayment regardless of whether there is an event of default under the agreement. Eurohold Bulgaria AD shall be entitled (but not obliged) to repay amounts of principal of the Loan corresponding to each Tranche received in succession after the expiry of five (5) years from the date of receipt of the relevant Tranche. The principal amount of the Subordinated Debt shall not be accelerated except, in the event of liquidation or insolvency, upon payment of amounts due to all Senior Creditors and all other Chirographic Creditors. Interest shall be payable at the rate of five percent (5%) per annum on the monies drawn for the period of their actual use. The amount of subordinated debt as of 30.09.2022 was BGN 362 thousand, while as of 31.12.2021 it was BGN 7,201 thousand.

### » Liabilities

The company's liabilities (without the subordinated debt capital) reach BGN 432.7 million, increasing by nearly 17,5 % compared to the end of 2021.

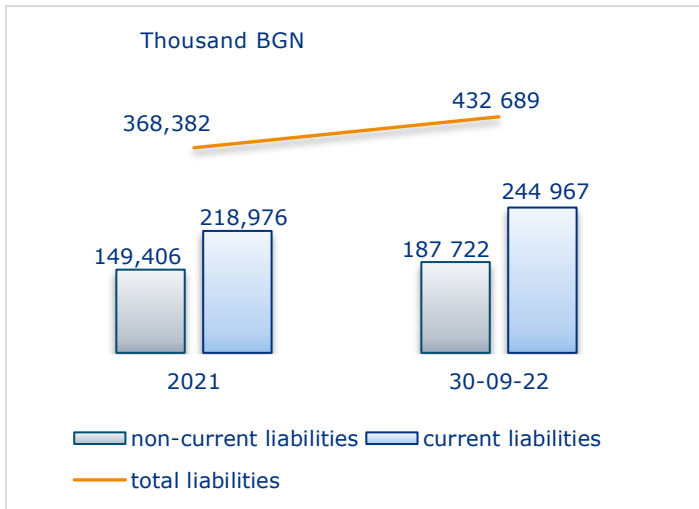
The increase in the Holding's liabilities is related to its core business of acquiring, managing and financially supporting subsidiaries.

### Liability analysis

Remark:

The data presented in the graph are without taking into account subordinated debt instruments in the total liabilities.





The 25.6% (BGN 38.3 million) increase in **non-current** liabilities is mainly due to the following changes:

- An increase in the amount of liabilities on bond loans by 99,6%. In March 2022, Eurohold issued a new - third bond with ISIN: BG2100002224, in the amount of EUR 40 million, and at the end of June the principal obligation under this issue amounted to BGN 77,937 thousand (EUR 39,848 thousand) in connection with redeemed bonds. The bonds are corporate, ordinary, registered, book-entry, interest-bearing, secured, non-convertible, non-privileged and freely transferable bonds issued under the terms of a primary private (non-public) offering at a fixed interest rate of 3.25% per annum and interest payable every 6 /six/ months. The maturity date of the issue is 08.03.2029 and the principal is repayable once at maturity. Eurohold is committed to admit the new bond to trading on a regulated market of the Bulgarian Stock Exchange within 6 months of its issuance. TIB Bank EAD has been elected by the Management Board as trustee of the bondholders and the election of the trustee was confirmed by the AGM held on 20 April 2022.
- Reduction of long-term liabilities to related parties in the amount of BGN 55 million after repayment of a loan provided by Starcom Holding AD in the amount of BGN 53.7 million and repayment of a loan provided by Eurolease Auto AD in the amount of BGN 1.4 million.
- Increase in liabilities on loans from financial and non-financial institutions by BGN 15,6 million in connection with:
  - a) Disbursed bank loan from the International Investment Bank in the amount of EUR 8 million with an agreed interest rate of 5% and maturity in January 2029. The loan is secured by pledge of shares of a subsidiary.
  - b) disbursed bank loan from Varengold Bank AG in the amount of EUR 4.2 million with an agreed interest rate of 6%+ ESTR and maturity June 2027. The loan is secured by a pledge of shares of a subsidiary company.

**Current liabilities** increased by 17.5% (BGN 26 million) mainly due to the following changes:

- Reduction of liabilities to related parties by 74.8% (BGN 31 million) after:
  - a) repayment of a loan to Euroins Insurance Group in the amount of BGN 14.2 million;
  - b) repayment under a loan agreement to Starcom Holding of BGN 8.8 million;
  - c) an obligation arose under a loan agreements for financial instruments in the total amount of BGN 7.4 million with 6% interest and maturity December 2022 to the Insurance Company Euroins AD and Euroins Romania Insurance - Reinsurance S.A.;
  - d) as well as a repaid liability in the amount of BGN 1.9 million under contracts for the transfer of receivables with an annual interest rate of 7.5% and due in October 2022;
- Current liabilities to financial and non-financial institutions increased by BGN 56.8 million mainly due to an increase in other current liabilities by BGN 60 million representing:

- Euro Commercial Paper (ECP) with ISIN XS2430057443, maturity 01.2023, annual interest rate – 1.8% and nominal value EUR 27,500 thousand.
- Euro Commercial Paper (ECP) with ISIN XS2491929290, with maturity 06.2023, annual interest rate of 2.0% and nominal value of EUR 2,500 thousand.
- Obligations under contracts for repo transactions, with a maturity of 11.2022, in the amount of EUR 3,382 thousand.

The increase in other current liabilities during the reporting period is due to the following operations:

- The company has issued and repurchased one Euro Commercial Book (ECP) issue, with a total nominal value of EUR 2,500 thousand.
- The company carried out transactions on the sale of 291.6 pcs. Euro Commercial Book (ECP) from issue with ISIN XS2430057443 and losses from operations with investments and financial instruments in the amount of BGN 39 thousand and profits from operations with investments and financial instruments in the amount of BGN 7 thousand were reported.
- The company has carried out a buyback transaction of 16.6 pcs. Euro Commercial Book (ECP) of issue with ISIN XS2430057443.

(As at 31.12.2021 other current liabilities to financial and non-financial institutions are in the form of Euro Commercial Paper (ECP) with ISIN XS2344657163, maturity 05.2022, annual interest rate – 2.0% and nominal value 2 500 thousand EUR)

#### Structure of loan commitments by type and nature:

Loans payable	Δ	30.09.2022	31.12.2021
	%	thousand BGN	thousand BGN
<b>Subordinated debt instruments</b>	<b>(95)%</b>	<b>357</b>	<b>7 201</b>
<hr/>			
<b>Bank loan liabilities:</b>	<b>155%</b>	<b>119 079</b>	<b>46 636</b>
Non-current payables to banks	173%	24 603	9 006
Current liabilities to banks	151%	94 476	37 630
<hr/>			
<b>Liabilities on bonded loans:</b>	<b>35%</b>	<b>294 577</b>	<b>215 220</b>
Non-current liabilities on bonded loans:	100%	156 170	78 233
<i>EMTN Programme ISIN: XS1542984288</i>	-	19 558	19 558
<i>Bond loan with ISIN code BG2100013205</i>	-	58 675	58 675
<i>Bond loan with ISIN code BG2100002224</i>	n/a	77 937	-
Current liabilities on bonded loans:	1%	138 407	136 987
<i>EMTN Programme ISIN: XS1731768302</i>	(5)%	129 145	136 185
<i>Interest payable on bond loans</i>	1055%	9 262	802
<hr/>			
<b>Due to non-financial institutions:</b>	<b>1238%</b>	<b>64 983</b>	<b>4 855</b>
Current other loans (Euro Commercial Paper - ECP)	1238%	64 983	4 855
<hr/>			
<b>Loans payable to related parties:</b>	<b>(84)%</b>	<b>16 253</b>	<b>102 529</b>
Non-current	(90)%	5 788	60 926
Current	(75)%	10 465	41 603
<hr/>			
<b>Total amount of loan commitments</b>	<b>29%</b>	<b>494 892</b>	<b>376 441</b>
Non-current liabilities	12%	186 561	155 366
Current liabilities	40%	308 331	221 075

The following bond transactions were concluded in the first nine months of 2022:

- Under the financial instruments loan agreement were acquired 2 126 pcs. bonds under the EMTN Programme in EUR with ISIN XS1731768302, by virtue of which the company has reported interest expenses in the amount of BGN 135 thousand.
- Under the financial instruments loan agreement were acquired 1 650 pcs. bonds under the EMTN Programme in EUR with ISIN XS1731768302, by virtue of which the company has reported interest expenses in the amount of BGN 105 thousand.
- A total of 1 306 pcs. repurchased own bonds with ISIN XS1731768302 have sold during the period and a profit from operations with investments and financial instruments in the amount of BGN 63 thousand was reported.
- Pursuant to contracts for the purchase and sale of financial instruments have transferred the ownership of 1 306 pcs. (acquired) repurchased own bonds with ISIN XS1731768302. As of September 30, 2022, the financial relationships under these contracts have not been settled.
- Pursuant to three contracts for repo transactions with financial instruments have respectively sold with an arrangement for repurchase 3 766 pcs., 2 400 pcs. and 1 376 pcs. own bonds with ISIN XS1731768302. As a result of the transactions, losses from operations with investments and financial instruments in the amount of BGN 180 thousand were reported.
- 35 000 pcs. own bonds with ISIN BG2100002224 have bought back and a loss from operations with investments and financial instruments in the amount of BGN 479 thousand was reported.
- Pursuant to the agreement to purchase and sale of financial instruments has transferred the ownership of 20 500 pcs. repurchased own bonds with ISIN BG2100002224, whereby the financial relations with the Assignor under three contracts for transfer of the receivable and the annexation to them are settled.
- Pursuant to the agreement to purchase and sale of financial instruments has transferred ownership of 6 000 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which finally settled the financial relationships under the concluded contract for the purchase and sale of Daru Invest EAD (related party until 22.3.2022).
- Pursuant to contracts for the purchase and sale of financial instruments have sold 20 100 units own bonds with ISIN BG2100002224. As a result of the transactions, a profit from operations with investments and financial instruments in the amount of BGN 1 thousand was reported.
- A total of 22 944 pcs. repurchased own bonds with ISIN BG2100002224 have sold during the period and losses from operations with investments and financial instruments in the amount of BGN 57 thousand and profits from operations with investments and financial instruments in the amount of BGN 4 thousand were reported.
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

The Company's bond transactions for the period of the nine months of 2021 can be traced in note 22. "Bond loan obligations" of the Appendices to the interim condensed individual financial statement for the nine months of 2022.

## ACTIVITY RESULTS

### FINANCIAL RESULT

Eurohold Bulgaria AD for the period 1 January – 30 September 2022 reports a financial result on an individual basis loss in the amount of BGN 31,861 thousand.

Part of this loss in the total amount of BGN 13,373 thousand is the result of a one-off effect from the sale of subsidiaries, namely:

- ✓ Reported loss in the amount of BGN 5 thousand from the sale of investments in subsidiary companies in connection with the transfer of the ownership of the shares of Daru Invest EAD to a third party.
- ✓ Reported loss in the amount of BGN 13,465 thousand as a result of the contract for the sale of the leasing subholding Eurolease Group AD.
- ✓ Reported profit in the amount of BGN 97,000 as a result of the concluded contract for the sale of the automobile subholding Auto Union AD.

In the event that the described one-off effects from sales of subsidiaries had not been realized, the loss from the activities of Eurohold Bulgaria AD for the nine months of 2022 should be BGN 18,488 thousand.

For comparison, for the nine months of 2021 - the comparable period, Eurohold realized a loss from its activities in the amount of BGN 20,657 thousand.

The analysis shows that for the nine months of 2022, Eurohold reduced its operating loss (after clearing one-off effects) by BGN 2,169 thousand compared to the previous reporting period.

## INCOME AND EXPENSES

### » Income

#### Revenue analysis

Income from operating activities	Δ %	30.09.2022 thousand BGN	30.09.2021 thousand BGN
- Dividends	843%	2 102	223
- Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations.	10%	777	709
- Interest income	753%	273	32
- Other financial income	(98)%	13	835
<b>Total operating income</b>	<b>76%</b>	<b>3 165</b>	<b>1 799</b>

#### Analysis of material income:

- ↪ **Income from dividends:** in both reporting periods the income from dividends was generated from the distributed profit of the subsidiary company Euro-Finance AD
- ↪ **Gains on the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations** (shown below):

In the current period of 2022:

- ✓ Profits from the sale of investments in subsidiaries - BGN 97 thousand (related to the transfer of the ownership of the shares of Auto Union AD to a third party);
- ✓ Profits from operations with investments and financial instruments amount to BGN 78 thousand and include:
  - BGN 63 thousand profit from the sale of purchased own bonds from EMTN Program in EUR with ISIN XS1731768302;
  - BGN 7 thousand profit from operations with purchased own Euro Trade Book (ECP) with ISIN: XS2430057443;
  - BGN 5 thousand profit from the sale of purchased own bonds with ISIN BG2100002224;
  - BGN 3 thousand profit from the sale of other financial instruments;
- ✓ Revenues from revaluations of debt instruments valued at fair value amount to BGN 602 thousand and represent:
  - BGN 425,000 from revaluation of purchased own bonds from EMTN Program in EUR with ISIN XS1731768302;

- BGN 110 thousand from revaluation of purchased own bonds with ISIN BG2100002224;
- BGN 67 thousand from revaluation of other financial instruments.

In the comparable period of 2021:

- ✓ *Earnings from operations with investments and financial instruments include:*
  - BGN 206 thousand profit from transfer of ownership of repurchased own bonds 10,500 pcs. from EMTN Program in EUR with ISIN XS1731768302;
  - BGN 259 thousand profit from operations with buyback of own bonds with ISIN BG2100013205.
- ✓ *Income from revaluations of debt instruments measured at fair value are:*
  - BGN 168 thousand from revaluation of purchased own bonds 10,500 pcs. from EMTN Program in EUR with ISIN XS1731768302;
  - BGN 76 thousand from revaluation of purchased own bonds 900 pcs. with ISIN BG2100013205.

## » Expenses

Eurohold's operating expenses are mainly related to the costs of carrying out specific ongoing projects, interest expenses on borrowed funds used/raised to finance the Holding's operations and the development and support of its subsidiaries, as well as expenses from operations with financial instruments and other financial items.

Eurohold also records fixed costs for personnel and other external services such as office rents, consumables and other costs related to the normal course and conduct of business.

### Expenditure analysis

Operating expenses	Δ	30.09.2022	30.09.2021
	B %	thousand BGN	thousand BGN
- Interest expenses	6%	(15 567)	(14 703)
- Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations	3147%	(14 837)	(457)
- Other financial expenses	(97)%	(28)	(855)
- Expenditure on external services	(74)%	(1 310)	(5 121)
- Personnel expenses	0.3%	(673)	(671)
- Amortization expense	(53)%	(239)	(510)
- (Accumulated)/Reversed impairment loss on financial assets, net	7603%	(2 311)	(30)
<b>Total operating expenses</b>	<b>56%</b>	<b>(34 965)</b>	<b>(22 347)</b>

### Analysis of essential costs:

The main expenses for the activity of Eurohold Bulgaria are interest expenses and losses from operations with financial instruments and subsequent assessments.

#### ↳ Interest expenses:

Interest expenses increased for the nine months of 2022 by nearly BGN 0.9 million in connection with absorbed new financing for the development of subsidiaries and a new bond loan issued in March 2022. Interest expenses can be grouped into three categories depending on the financing, namely:

- Interest on loans from banks and non-bank financial institutions in the amount of BGN 3,213 thousand, reporting an increase of BGN 748 thousand;
- Interest on bond loans in the amount of BGN 11,177 thousand – with a reported increase of BGN 1,391 thousand;
- Interest on received loans and leases from related and third parties in the amount of BGN 1,177 thousand - a reduction of BGN 1,275 thousand was reported.

↳ **Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations (shown below):**

During the current period of 2022:

- ✓ *Losses from the sale of investments in subsidiaries - BGN 13,470 thousand (related to: transfer of the ownership of the shares of Eurolease Group AD to a third party in the amount of BGN 13,465 thousand and to Daru Invest EAD in the amount of BGN 5 thousand BGN);*
- ✓ *Losses from operations with investments and financial instruments amount to BGN 1,043 thousand and include:*
  - BGN 536 thousand loss from operations with purchased own bonds with ISIN BG210002224;
  - BGN 329 thousand loss from operations with purchased own bonds from EMTN Program in EUR with ISIN XS1731768302;
  - BGN 39 thousand loss from operations with purchased own Euro Commercial Paper (ECP) with ISIN: XS2430057443;
  - BGN 6 thousand loss from operations with other financial instruments.
  - BGN 133 thousand fees and commissions for services of an investment intermediary;
- ✓ *Costs from revaluations of debt instruments valued at fair value amount to BGN 324 thousand and represent:*
  - BGN 306,000 from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302;
  - BGN 10,000 from revaluation of own bought back Euro Commercial Paper (ECP) with ISIN: XS2430057443
  - BGN 4,000 from revaluation of purchased own bonds from EMTN Program in EUR with ISIN BG210002224
  - BGN 4 thousand from revaluation of other financial instruments.

During the comparable period of 2021:

- ✓ *Reported losses from operations with investments and financial instruments, which include:*
  - BGN 194 thousand in connection with operations with repurchased own bonds with ISIN BG2100013205;
  - BGN 25 thousand in connection with operations with repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302
  - BGN 74 thousand fees and commissions for services of an investment intermediary;
- ✓ *Costs from revaluations of financial instruments valued at fair value are:*
  - BGN 55 thousand from revaluation of purchased own bonds with ISIN BG2100013205;
  - BGN 109 thousand from revaluation of other financial instruments;

## CASH FLOWS

Cash flows for the six months of 2022 are mainly generated from the Company's financing and investing activities related to the restructuring of long-term debt, as well as in the accumulation of free cash from subsidiaries and directing it to finance the current and investing activities of other subsidiaries.

### Cash flow analysis

Cash flows	Δ	30.09.2022	30.09.2021
	%	thousand BGN	thousand BGN
- Net cash flow from operating activities	(72)%	(1 879)	(6 703)
- Net cash flow from investing activities	(86)%	(21 483)	(155 632)
- Net cash flow from financing activities	(86)%	23 355	162 178

<b>Net cash flows</b>	<b>(96)%</b>	<b>(7)</b>	<b>(157)</b>
- Effect of expected credit losses	(100)%	-	7
- Cash and cash equivalents at the beginning of the year	(57)%	115	267
<b>Cash and cash equivalents at the end of the period</b>	<b>(8)%</b>	<b>108</b>	<b>117</b>

## NON-CASH TRANSACTIONS

During the nine months of 2022, the following non-cash transactions were carried out:

- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary - Initial Debtor.
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary (related party until 30.06.2022) - Initial Debtor.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a third party.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a third party.
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable in the amount of EUR 96 thousand up to the amount of the receivable.
- Under a Set-off agreement with a third party, Eurohold Bulgaria AD has set off a receivable in the amount of GBP 69 thousand with a liability of GBP 54 thousand up to the amount of the liability.
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a third company outside the group in the amount of BGN 21 000 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each.
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 14 429 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each.
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 4 782 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 2 444 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each.
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- Under a Debt replacement agreement, a subsidiary (related party until 30.06.2022) of Eurohold Bulgaria AD as a Borrower has assumed liabilities in the amount of BGN 4 370 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt Eurohold Bulgaria AD - Initial Debtor.
- Under a Settlement agreement with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable in the amount of BGN 148 thousand up to the amount of the receivable.
- Under a contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 735 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part from the receivable that Eurohold

Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).

- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 4 256 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

The transactions carried out by the Company with related parties for the period of the nine months of 2021 can be traced in note 30.1.1. "Transactions with subsidiaries and other related parties under common control" of the Notes to the condensed interim individual financial statements for the nine months of 2022. Transactions with key management personnel are available in note 30.1.2. from the same document.

### **THE RELATED PARTIES' TRANSACTIONS (transactions with subsidiaries and other related parties under common control)**

In the first nine months of 2022

- By virtue of a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to Avto Union AD (related party until 30.06.2022) - Lender and has replaced Euroins Insurance Group AD - Initial Debtor in debt.
- In accordance with a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to Daru Car EAD (related party until 30.06.2022) - Lender and has replaced in debt Auto Union AD - Initial Debtor.
- Pursuant to an Assignment Notification, the Company has transferred a liability to Daru Car EAD (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a company outside the group.
- By virtue of an Assignment Notification, the Company has transferred a liability to Avto Union AD (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a company outside the group.
- In accordance with a Set-off agreement with the Eastern European Electric Company B.V. Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable of EUR 96 thousand up to the amount of the receivable.
- Pursuant to a Set-off agreement with IC EIG-Re AD, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- By virtue of a Debt replacement agreement, Eurolease Group AD (related party until 30.06.2022) as a Borrower has assumed liabilities amounting to BGN 4 370 thousand to Eurolease Auto EAD - Lender and has replaced Eurohold Bulgaria AD - Initial Debtor in debt.
- Pursuant to a Set-off agreement with Eurolease Group AD (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable of BGN 148 thousand up to the amount of the receivable.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability of BGN 735 thousand to Auto Union AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Auto Union AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability in the amount of BGN 4 256 thousand to Eurolease Group AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the coverage of a part of the receivable that



Eurohold Bulgaria AD owns for the sale of the shares of Eurolease Group AD (related party until 30.06.2022) from its buyer - Transferee (third party).

- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

The transactions carried out by the Company with related parties for the period of the nine months of 2021 can be traced in note 30.1.1. " Transactions with subsidiaries and other related parties under common control " of the Notes to the condensed interim individual financial statements for the nine months of 2022. Transactions with key management personnel are available in note 30.1.2. from the same document.

## LITIGATIONS

As at 30.09.2022 against the Company has no significant legal proceedings instituted.

The company is a plaintiff in a material interest case of EUR 375 363,21. The company requests a refund of the amount it has transferred. The amount was reimbursed to the Company in October 2022.

## WARRANTIES AND PROVIDED GUARANTEES

The company is a co-debtor/guarantor for loans received from banking/financial institutions as follows:

Business area	Third / Related parties	Amount in EUR'000 30.09. 2022	Amount in BGN'000 as of 30.09. 2022	MATURITY (EUR'000)					
				2022	2023	2024	2025	2025	After 2026
<b>Lease sub-holding *</b>									
Bank loans for funding of lease operations	Third parties	21 089	41 246	2 255	7 177	5 093	3 979	2 120	465
<b>Automotive sub-holding *</b>									
Working capital bank loans	Third parties	4 781	9 351	2 400	1 762	181	181	257	-
<b>Energy sub-holding</b>									
Corporate payment guarantee	Related parties	3 500	6 845	-	3 500	-	-	-	-
Working capital loans	Related parties	18 880	36 926	-	18 880	-	-	-	-
Corporate guarantee to loans from a financial institution in connection with an acquisition	Related parties	220 000	430 283	-	-	-	-	-	220 000
<b>Parent company</b>									
Working capital bank loans	Related parties	6 000	11 735	-	6 000	-	-	-	-
Bank loans for investment purposes	Related parties	5 000	9 779	-	-	5 000	-	-	-
<b>TOTAL:</b>		<b>279 250</b>	<b>546 165</b>	<b>4 655</b>	<b>37 319</b>	<b>10 274</b>	<b>4 160</b>	<b>2 377</b>	<b>220 465</b>

\* As of September 30, 2022, the leasing and automobile sub-holding companies are not related parties. In connection with the sale of the same, within a period of 31.12.2022, the new owner should step in as a guarantor for the specified loans from banking/financial institutions.

In connection with a loan to a company from Automotive sub-holding, which as of 30.06.2022 is not a related party, Eurohold Bulgaria AD has an established pledge of shares. By 31.12.2022, it is expected that the new owner will step in as a guarantor for the car sub-holding loan and the pledge will be cancelled.

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established.

Eurohold Bulgaria AD is a guarantor of issued bank guarantees as follows:

<b>Company from:</b>	<b>Contracted limit in EUR'000 as of 30.09.2022</b>	<b>Contracted limit in BGN'000 as of 30.09.2022</b>	<b>MATURITY (EUR'000)</b>
Automotive sub-holding	2 100	4 107	2.2024
Automotive sub-holding	1 800	3 520	4.2023
<b>TOTAL:</b>	<b>3 900</b>	<b>7 627</b>	

As of 30 September 2022, the automobile sub-holding companies are not related parties. In connection with the sale of the same, by 31.12.2022, the new owner should step in as a guarantor under the issued bank guarantees.

## REVIEW OF THE MAIN RISKS

*This section describes our material risks, including how we manage them. If any of the risks described in this section were to occur, even in part or in combination with other risk factors or circumstances, it could have a material adverse effect on the Company.*

*The Company's future results of operations may differ materially from past results as a result of the occurrence of the risks described herein. Given the dynamic macroeconomic environment at this time, other risks and/or uncertainties may occur that are not currently known or that we are unable to estimate or are considered immaterial at this time and which risks could have a material adverse effect on the Company's business.*

\*\*\*

*We draw attention to the fact that Eurohold Bulgaria AD develops its business through its subsidiaries, in this regard the Company's financial position, operating results and development prospects are directly dependent on the position, results and prospects of its subsidiaries. Each business sector, including the segments in which we operate, is subject to common risks, such as changes in the macroeconomic environment, social, political, financial, regulatory and legislative changes. Our principal risks and uncertainties are those that may have the greatest impact on our group key priorities.*

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### **a) NON-SYSTEMATIC RISKS**

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

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#### **Risks related to Eurohold's operations and structure**

To the extent that Eurohold Bulgaria AD's activities are related to asset management of other companies, they cannot be attributed to a separate sector of the national economy and are exposed to the industry risks of the subsidiaries. Eurohold Bulgaria AD's group companies operate in the following sectors: insurance, energy, leasing, car sales and investment intermediation and asset management.

The impact of the individual risks of the subsidiaries is proportional to the share of the respective sector in the structure of Eurohold's long-term investment portfolio.

The Holding's principal activities are carried out through its subsidiaries, which means that its financial performance is directly linked to the financial performance and development trends of its business units within the economic group.

The existence of companies in the portfolio whose net sales revenues are also generated by products sold to other subsidiaries (related parties) places the performance of these companies in direct dependence on the level of profitability of the customers (related parties), which may negatively affect the profitability of the entire group.

The main risk associated with the operations of Eurohold Bulgaria AD is the possibility of a reduction in the sales revenues of the companies in which it participates and on the receipt of dividends. In this regard, this may have an impact on the company's revenue growth as well as on the change in its profitability.

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

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### **Risks related to Eurohold's development strategy**

Eurohold's future earnings and economic value depend on the strategy chosen by the senior management team of the company and its subsidiaries. Choosing an inappropriate strategy could lead to significant losses.

Eurohold Bulgaria plc seeks to manage the risk of strategic errors by continuously monitoring the various stages in the implementation of its market strategy, and the results thereof. This is essential in order to be able to react in a timely manner if a change is required at a particular stage in the strategic development plan. Untimely or inappropriate changes in strategy could also have a material adverse effect on the Company's business, operating results and financial condition.

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### **Risks related to the management of Eurohold**

The risks associated with the management of the Company might be:

- making the wrong decisions about the day-to-day investment management and liquidity of the Company and the Group as a whole, both by Eurohold's senior management and operational staff;
- management's inability to start the implementation of planned projects or lack of suitable staff for specific projects;
- possible technical errors of the single management information system;
- possible errors of the internal control system;
- the departure of key staff and the inability to recruit staff with the necessary qualities;
- risk of excessive increases in management and administration costs leading to a reduction in the overall profitability of the company.

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### **Risks associated with Eurohold's inability to raise capital to fund its strategic objectives**

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

The management of Eurohold Bulgaria AD supports the efforts of the Group's subsidiaries to attract bank resources for investment and to use the opportunities provided by this type of financing to secure working capital. The volumes of these funds raised are maintained at certain levels and are authorised after demonstrating the economic efficiency for each company.

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

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### **Liquidity risk**

Liquidity risk relates to the possibility that Eurohold Bulgaria AD may not repay its liabilities in the agreed amount and/or on time when they become due. The Issuer seeks to minimise this risk through optimal cash

flow management within the Group. The Group adopts an approach to ensure that it has the liquidity resources necessary to meet liabilities as they arise under normal or exceptional conditions without incurring unacceptable losses or damaging the reputation of individual companies and the economic group as a whole.

Subsidiaries shall make financial planning to meet the payment of expenses and current liabilities over a ninety-day period, including the servicing of financial liabilities. This financial planning minimises or completely excludes the potential effect of contingencies.

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### **Risk of possible transactions between companies in the group, the terms of which differ from the market**

Relationships with related parties arise under temporary financial assistance agreements of subsidiaries and in connection with transactions related to the ordinary business activities of subsidiaries.

The risk of possible transactions between the companies in the Group under conditions that differ from market conditions is expressed in: a) assuming a risk to achieve a low yield from interest on provided intra-group financing; b) when carrying out intra-group commercial transactions, there is a risk that sufficient revenues will not be realized, and hence a good profit for the respective company. At a consolidated level, this may reflect negatively on the profitability of the entire group.

Within Eurohold, transactions between the parent company and the subsidiaries and between the subsidiaries themselves, arising from the nature of their core business, take place on an ongoing basis. All transactions with related parties are carried out on terms that do not differ from normal 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 performance, development and prospects of its subsidiaries. Poor performance of one or several subsidiaries could lead to a deterioration of financial results on a consolidated basis.

## **b) SYSTEMATIC RISKS**

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### **Macroeconomic risk**

Eurohold Bulgaria AD carefully monitors the possible risks that may occur, both directly on it and on the companies of its economic group.

At this point in time, economic activity is still supported by the recovery of the economy after the crisis phase of the pandemic. The delayed recovery of supply chain disruptions is leading to continued material and raw material shortages leading to disruptions in the production process. Inflation has increased significantly and is likely to remain high in the coming months, mainly due to the sharp rise in energy costs, with rising energy and commodity prices reducing demand and holding back production. This leads to a sharp rise in energy and commodity prices as households face higher living costs and companies face higher production costs.

Given today's uncertainties, the way in which the economy in Bulgaria and Europe will develop is material to the operations of the Eurohold Group companies, with the development of the military conflict between Russia and Ukraine and the impact that the current sanctions will have on economic activity and activity being crucial to the economy, with inflationary pressures likely to intensify. The sanctions are expected to affect the activities of a number of businesses in various sectors of the economy globally. With the global economy forecast to slow considerably due to events in Ukraine and increasing disruption in supply chains, this is expected to lead to a reduction in consumption and real incomes for the population.

According to the ECB's Economic Bulletin No. 6/2022, after an upswing in the first half of 2022, the latest data points to a substantial slowdown in economic growth in the Eurozone, with economic stagnation expected later in the year and in the first quarter of 2023. Very high energy prices are reducing the purchasing power of the population's income, and although supply constraints are easing, they are still limiting economic activity. In addition, the adverse geopolitical environment, particularly Russia's attack on Ukraine, has eroded business and consumer confidence. According to the ECB staff macroeconomic forecasts of September 2022,

the outlook is for weak global growth, with global real GDP, excluding the euro area, projected to grow by 2.9% in 2022, by 3.0% in 2023 and by 3.4% in 2024. The euro area economy grew by 0.8% in the second quarter of 2022, mainly due to significant consumer spending on services requiring physical contact with customers as a result of the lifting of restrictions in connection with the pandemic. The economy is forecast to slow significantly for the remainder of the year. There are four main reasons for this. First, high inflation reduces spending and production throughout the economy, and these difficulties are exacerbated by gas supply disruptions. Second, the strong upswing in demand for services that has been seen with the reopening of the economy will slow down in the coming months. Third, weakening global demand, in the context of tighter monetary policy in many major economies, and worsening terms of trade will mean less support for the eurozone economy. Fourth, uncertainty remains high and confidence is plummeting.

Source: <https://www.ecb.europa.eu/>

The Eurohold Group holds interests in companies in conflict-affected regions, but their business size is relatively small and of insignificant contribution to consolidated revenues, earnings and assets compared to the Group's other investments. These companies operate only in the local territory while being well capitalised and the assessment of their operations at this time is that no material risk exists.

Overall, the military environment that has been created at this point in time is extremely dynamic and management cannot at this stage make a qualitative and quantitative assessment of its impact on the Group, but is actively monitoring the situation and is prepared to implement actions and measures depending on its development and duration. Should there be any indication of material impacts caused by the hostilities and the subsequent macroeconomic turmoil affecting the operations of the companies forming part of Eurohold Bulgaria, the same will be analysed, assessed and disclosed in the next interim financial statements for 2022.

Eurohold Bulgaria AD seeks to monitor the likelihood of the occurrence of macroeconomic risk and is developing group-wide measures to mitigate, to the extent possible, the effects that the existence of this risk may have. However, Eurohold 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.

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## Impact of the effects of Covid-19

At the time of preparation of this report, the emergency epidemic situation in the country has ceased, and various measures to support the recovery of the economy introduced by the government have been discontinued.

Growth in the euro area economy remained weak in the third quarter of 2022, largely due to pandemic-related constraints. An opening up of the sectors most affected by the pandemic, and a strong labour market with more people in employment, will support incomes and hence economic activity.

At the same time, fiscal and monetary policy support remains critical, especially in this difficult geopolitical situation.

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## Political risk

Currently, the political situation in Bulgaria is not particularly stable. In this regard, it is possible that political and public disagreements may arise 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. In October 2022, new parliamentary elections were held in the country, and it is currently unclear whether a government will be formed.

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

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

## Country credit risk

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

Credit ratings serve as a basis for measuring and determining a country's credit risk. The latest credit ratings assigned to Bulgaria are as follows:

On 18.06.2022, the international rating agency Fitch Ratings confirmed the long-term credit rating of Bulgaria in foreign and local currency 'BBB' with a positive outlook.

Bulgaria's rating is supported by its strong external and fiscal position relative to countries with the same rating, the reliable political framework of EU membership and the long-term functioning of the currency board regime. On the other hand, adverse demographic factors weigh on potential growth and public finances in the long run.

The positive outlook reflects plans for eurozone membership, which could lead to further improvements in the country's external position. The authorities remain committed to adopting the euro until 2024, with risks around the time horizon mainly stemming from external factors. The rating agency does not expect a delay of more than one year in the adoption of the euro, in case the country fails to meet the convergence criteria in 2023, as they believe that there is a clear commitment at the EU level to speed up this process.

Fitch Ratings forecast GDP growth to slow to 3% in 2022 from 4.2% in 2021 as higher inflation and weaker external demand weigh on the country's consumption and foreign trade, respectively. Economic development held up surprisingly well in the first quarter of 2022, with private consumption holding steady, but the rating agency expects activity to weaken as inflationary pressures build over the year. Fitch Ratings continue to expect a moderate acceleration in growth in 2023 (to 3.8%), largely due to stronger investment related to EU funds. Political uncertainty remains an important downside risk. The renewed prospect of new elections could delay the uptake of the Recovery and Resilience Plan, which was finally approved in April. However, the risks of a more substantial slowdown appear limited at present, underscoring the economy's resilience over the past few years to both domestic and external shocks.

Source: [www.minfin.bg](http://www.minfin.bg)

On 28.05.2022, 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.

The rating agency expects that the Russia-Ukraine military conflict will cause a shock to the Bulgarian economy and as a result real GDP growth in 2022 will slow down to 1.6% compared to 4.3% (in their November forecast), and the budget deficit will double to 5% of GDP. S&P note that Bulgaria's strong external and fiscal balances will help cushion this shock, and a steady inflow of transfers from the EU will support growth over the medium term.

The stable outlook reflects S&P's expectations that the Bulgarian economy will not suffer major external or fiscal imbalances. Rather, the shock to the economy, along the lines of the military conflict, will be temporary and economic growth will pick up from 2023, supported by the inflow of transfers from the EU. S&P expect this to limit the growth of consolidated government debt, which will remain low internationally.

According to S&P, the Bulgarian economy will be affected by the conflict in Ukraine due to high inflation, which will lead to a decrease in disposable income, lower business and consumer confidence in the country, as well as secondary effects resulting from lower economic activity in the - the country's important trade partners in the EU. The rating agency assesses that the situation related to interrupted gas supplies from Russia to Bulgaria remains manageable due to ongoing efforts to diversify supplies and remaining gas reserves, which are low but still sufficient. However, S&P sees high and rising inflation rates as a challenge for the government. Pressure on public finances is increasing, but net government debt remains below 20% of GDP and provides sufficient policy space.

Source: [www.minfin.bg](http://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 with fixed interest rates.

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## Inflation risk

According to the latest NSI data, for the month of September 2022, the monthly inflation is 1.2%, and the annual inflation is 18.7%.

In September 2022, the monthly inflation was 1.2% compared to the previous month, and the annual inflation for September 2022 compared to September 2021 was 18.7%. Year-to-date inflation (September 2022 vs. December 2021) is 14.0%, and average annual inflation for the period October 2021 - September 2022 vs. October 2020 - September 2021 is 12.8%.

According to the Harmonized Index of Consumer Prices in September 2022, the monthly inflation was 0.7% compared to the previous month, and the annual inflation for September 2022 compared to September 2021 was 15.6%. Year-to-date inflation (September 2022 vs. December 2021) is 12.0%, and average annual inflation for the period October 2021 - September 2022 vs. October 2020 - September 2021 is 10.9%.

According to the price index for the small basket, in September 2022 an increase of 2.9% was registered on a monthly basis and by 17.4% since the beginning of the year (September 2022 compared to December 2021).

**Source:** [www.nsi.bg](http://www.nsi.bg)

According to data from the ECB's Economic Bulletin No. 6/2022, inflation remains too high and is likely to remain above the target level for an extended period. ECB experts have revised their inflation forecasts up significantly and are now expected to average 8.1% in 2022, 5.5% in 2023 and 2.3% in 2024. Inflation rose in August up to 9.1%. Energy price inflation remained extremely high at 38.3%, and was the dominant component of headline inflation. Market indicators indicate that in the short term oil prices will decline, while wholesale gas prices will remain extremely high. Food inflation also rose in August to 10.6%, partly reflecting higher energy-related production costs, food trade disruptions and adverse weather conditions. While supply disruptions eased, they continued to gradually weigh on consumer prices and put upward pressure on inflation alongside recovering demand in the services sector. The depreciation of the euro also helped to increase inflationary pressures. Price pressures are spreading across more and more sectors, partly as a result of high energy costs impacting the economy as a whole. Accordingly, gauges of core inflation remained at elevated levels and the latest analysts' forecasts projected inflation, excluding food and energy prices, to reach 3.9% in 2022, 3.4% in 2023 and 2.3% in 2024

**Source:** <https://www.ecb.europa.eu/>

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## Currency risk

This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is a risk of premature rejection of the conditions of the Currency Board at a fixed exchange rate of the national currency, which would lead either to a devaluation of the leva or to an appreciation of the leva compared to foreign currencies. Any significant depreciation of the BGN may have a significant adverse effect on business entities in the country, including the Company. Risk also exists when the income and expenses of a business entity are formed in different currencies.

Given the policy adopted by the government and the BNB, expectations are for the currency board to be retained until the country's admission to the Eurozone. Bulgaria is expected to join the currency mechanism with its existing currency board regime, where the Bulgarian lev is fixed at 1 euro = 1.95583 leva. The National Plan for the introduction of the euro in Bulgaria describes the principles, the institutional and legal-normative framework for the adoption of the euro, as well as the main activities for the successful introduction of the euro from January 1, 2024. The document examines all the important operational activities and measures that participants in the preparation for the introduction of the euro - the private, public sector and citizens - should carry out as part of the process of introducing the euro.

The activity of the Company does not presuppose exposure to significant currency risk, because almost all its operations and transactions are denominated in Bulgarian levs and euros, and the latter has a fixed exchange rate against the lev.

Significant changes in the different exchange rates of the subsidiaries outside Bulgaria, namely in Romania, Northern Macedonia, Ukraine, Georgia and Belarus, respectively - Romanian Leu (RON), Macedonian Denar (MKD), Ukrainian Hryvnia (UAH), Georgian GEL (UAH) and the Belarusian ruble (BYR), whose exchange rate is determined almost freely on the local foreign exchange market, would have a corresponding effect on



Eurohold's group results. The consolidated revenues of Eurohold Bulgaria AD will be exposed to currency risk depending on the movement of these currencies against the euro.

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### 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. The current trend is towards gradual increase in interest rates by the Central Banks.

On 8 September, the Governing Council decided to raise the ECB's three key interest rates by 75 basis points. This major step marks the beginning of the transition from the current highly stimulative interest rate levels to levels that will ensure a timely return of inflation to the ECB Governing Council's medium-term target of 2%. Interest rates are expected to rise further as inflation remains too high and is likely to remain above target for an extended period.

*Source: <https://www.ecb.europa.eu/>*

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### Risk of high levels of unemployment

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

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

According to the latest NSI data, the unemployment rate for the second quarter of 2022 was 4.7%, or 0.9 percentage points lower than in the second quarter of 2021. The number of unemployed persons is 152.2 thousand, of which 86.9 thousand (57.1%) are men and 65.3 thousand (42.9%) are women. Compared to the second quarter of 2021, the number of unemployed persons decreased by 30.7 thousand, or by 16.8%. The unemployment rate decreased by 0.6 percentage points for men and by 1.3 percentage points for women, reaching 5.0 and 4.3% in the second quarter of 2022, respectively.

*Source: [www.nsi.bg](http://www.nsi.bg)*

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### 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 and his Group, could have an adverse effect on its business as a whole, its operating results, and its financial condition.

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### Financial risk

Financial risk represents the additional uncertainty to the investor of receiving revenue in cases where the company uses borrowed or leveraged funds. This additional financial uncertainty adds to the business risk. Where part of the funds with which the company finances its activities are in the form of loans or debt securities, the payments for these funds represent a fixed obligation.

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### 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. An adequate assessment of the market circumstances, the borrowed capital, the investments and the forms of maintenance of the free liquid funds is carried out, without allowing unjustified concentration of a given 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.

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

All transactions concluded with related parties, including material ones, are disclosed in this report and in the Appendices to the interim condensed individual financial statement for the nine months of 2022.

25 October 2022

**ASSEN MINCHEV**  
**Executive director**

**Milena Guancheva**  
**Prosecutor**

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# 2

## Interim condensed separate financial statements for the first nine months of 2022

**Interim condensed separate statement of profit or loss and other comprehensive income for the first nine months of 2022**

	<i>Notes</i>	30.09.2022 BGN '000	30.06.2021 BGN '000
<b>Revenue from operating activities</b>			
Dividend income	3	2 102	223
Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations	4	777	709
Interest income	5	273	32
Other financial revenue	6	13	835
		<b>3 165</b>	<b>1 799</b>
<b>Expenses on operating activities</b>			
Interest expenses	7	(15 567)	(14 703)
Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations	8	(14 837)	(457)
Other finance expenses	9	(28)	(855)
Hired services expenses	10	(1 310)	(5 121)
Labor costs		(673)	(671)
Depreciation	13.1, 13.2	(239)	(510)
(Expenses) / Revenue from impairment of financial assets, net	11	(2 311)	(30)
		<b>(34 965)</b>	<b>(22 347)</b>
<b>Profit / (Loss) from operating activities</b>			
		<b>(31 800)</b>	<b>(20 548)</b>
Other revenue/(expenses),net	12	(61)	(109)
<b>Net Profit /(Loss)</b>			
		<b>(31 861)</b>	<b>(20 657)</b>
<b>Total comprehensive income for the period</b>			
		<b>(31 861)</b>	<b>(20 657)</b>

These interim condensed separate financial statements were authorized for issue by the Board of Directors of Eurohold Bulgaria AD on October 25, 2022.

Prepared by:

Signed on behalf  
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

25.10.2022

**Interim condensed separate statement of financial position**  
**as of September 30, 2022**

		30.09.2022	31.12.2021
	<i>Notes</i>	BGN `000	BGN `000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	<i>13</i>	704 665	717 093
Property, plant and equipment	<i>14.1</i>	1 217	1 452
Intangible assets	<i>14.2</i>	1	3
Non-current receivables from related parties	<i>15.1</i>	-	169
Non-current receivables	<i>15.2</i>	165	-
		<b>706 048</b>	<b>718 717</b>
<b>Current assets</b>			
Related parties' receivables	<i>16</i>	16 180	849
Other receivables and assets	<i>17</i>	23 603	651
Cash and cash equivalents	<i>18</i>	108	115
		<b>39 891</b>	<b>1 615</b>
<b>TOTAL ASSETS</b>		<b>745 939</b>	<b>720 332</b>

These interim condensed separate financial statements were authorized for issue by the Board of Directors of Eurohold Bulgaria AD on October 25, 2022.

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/Milena Guentcheva/

25.10.2022

**Interim condensed separate statement of financial position**  
**as of September 30, 2022 (continued)**

	<i>Notes</i>	30.09.2022 BGN '000	31.12.2021 BGN '000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19.1	260 500	260 500
Share premium	19.2	144 030	144 030
General reserves	19.2	7 641	7 641
Retained earnings		(67 422)	48 966
Profit / (Loss) for the year/period		(31 861)	(116 388)
<b>Total equity</b>		<b>312 888</b>	<b>344 749</b>
<b>Subordinated debts</b>	20	<b>362</b>	<b>7 201</b>
<b>Non-current liabilities</b>			
Bond liabilities	22	156 170	78 233
Non-current related parties' liabilities	23	5 788	60 926
Loans and borrowings	21	24 603	9 006
Other non-current liabilities	24	1 161	1 241
		<b>187 722</b>	<b>149 406</b>
<b>Current liabilities</b>			
Bond liabilities	22	138 407	136 987
Current related parties' liabilities	26	10 465	41 603
Loans and borrowings	21	94 476	37 630
Trade payables	25	416	1 328
Other current liabilities	27	1 203	1 428
		<b>244 967</b>	<b>218 976</b>
<b>Total liabilities and subordinated debts</b>		<b>433 051</b>	<b>375 583</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>745 939</b>	<b>720 332</b>

These interim condensed separate financial statements were authorized for issue by the Board of Directors of Eurohold Bulgaria AD on October 25, 2022.

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Signed on behalf  
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

25.10.2022

**Interim condensed separate statement of cash flows**  
**for the first nine months of 2022**

		30.09.2022	30.06.2021
	Notes	BGN '000	BGN '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss) / Profit before tax</b>		<b>(31 861)</b>	<b>(20 657)</b>
Adjusted for:			
Depreciation		239	510
Interest income	5	(273)	(32)
Interest expenses	7	15 567	14 703
Dividend income	3	(2 102)	(223)
(Gains)/ Losses from sale of investments, net		14 338	(172)
(Gains)/ Losses from revaluation of investments, net		(278)	(80)
Foreign exchange differences		6	(186)
(Expenses for)/reintegration of impairment of financial assets, net		2 311	30
Adjustments in working capital:			
Decrease/(increase) in trade and other receivables		1 609	(365)
(Decrease)/increase in trade and other liabilities, other adjustments		(1 435)	(231)
<b>Net cash flows from operating activities</b>		<b>(1 879)</b>	<b>(6 703)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments		(25 949)	(155 336)
Proceeds from sale of investments		-	-
Borrowings granted		(867)	(17 034)
Proceeds/ (payments) of borrowings		757	16 721
Proceeds from interests on loans		2 474	-
Dividends received		2 102	223
Other cash receipts/ payments from investing activities		-	(206)
<b>Net cash used by investing activities</b>		<b>(21 483)</b>	<b>(155 632)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares	19	-	157 436
Proceeds from loans		240 021	94 580
Repayments of loans		(209 461)	(83 689)
Interest and commissions paid		(9 569)	(5 372)
Lease payments		(214)	(582)
Dividends paid		-	-
Other cash receipts/ payments from financing activities		2 578	(195)
<b>Net cash generated/(used) by financing activities</b>		<b>23 355</b>	<b>162 178</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(7)</b>	<b>(157)</b>
<i>Effect of expected credit losses</i>		-	7
Cash and cash equivalents at the beginning of the year	18	115	267
<b>Cash and cash equivalents at the end of the year</b>	18	<b>108</b>	<b>117</b>

These interim condensed separate financial statements were authorized for issue by the Board of Directors of Eurohold Bulgaria AD on October 25, 2022.

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Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

25.10.2022



**Interim condensed separate statement of changes in equity**  
**as of September 30, 2022**

	Share capital BGN '000	General reserves BGN '000	Share premium BGN '000	Retained earnings BGN '000	Total Equity BGN '000
<b>Balance as of January 1, 2021</b>	<b>197 526</b>	<b>7 641</b>	<b>49 568</b>	<b>48 966</b>	<b>303 701</b>
Issue of share capital	62 974	-	94 462	-	<b>157 436</b>
<b>Transactions with owners</b>	<b>62 974</b>	<b>-</b>	<b>94 462</b>	<b>-</b>	<b>157 436</b>
Loss for the period	-	-	-	(20 657)	<b>(20 657)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20 657)</b>	<b>(20 657)</b>
<b>Balance as of September 30, 2021</b>	<b>260 500</b>	<b>7 641</b>	<b>144 030</b>	<b>28 309</b>	<b>440 480</b>
<b>Balance as of January 1, 2022</b>	<b>260 500</b>	<b>7 641</b>	<b>144 030</b>	<b>(67 422)</b>	<b>344 749</b>
Loss for the period	-	-	-	(31 861)	<b>(31 861)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31 861)</b>	<b>(31 861)</b>
<b>Balance as of September 30, 2022</b>	<b>260 500</b>	<b>7 641</b>	<b>144 030</b>	<b>(99 283)</b>	<b>312 888</b>

These interim condensed separate financial statements were authorized for issue by the Board of Directors of Eurohold Bulgaria AD on October 25, 2022.

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Signed on behalf  
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/Salih Trampov/

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/Milena Guentcheva/

25.10.2022

# 3

Notes to the interim condensed  
separate financial statements  
for the first nine months of 2022

## **Notes to the interim condensed separate financial statements for the first nine months of 2022**

### **1. INFORMATION ABOUT THE GROUP**

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 the Commerce Act.

Founded in 1996, Eurohold Bulgaria AD operates in Bulgaria, Romania, Northern Macedonia, Ukraine, Georgia, Greece and Belarus through of subsidiaries in the insurance, financial services, energy, sales of cars (until 30.06.2022) and leasing of vehicles (until 30.06.2022).

The company is registered in the Sofia City Court under corporate file 14436/2006 and is 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.

Eurohold Bulgaria has its seat and registered address in the city of Sofia, P.B. 1592, Iskar Region, 43 Hristofor Kolumb Blvd., UIC 175187337.

The management bodies of the company are the General meeting of shareholders, the Supervisory board and the Management board comprising the following members as at 30.09.2022:

#### **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 – Independent Member;  
Louis Gabriel Roman, USA – Independent Member.

#### **Management board:**

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

By a Decision of the Supervisory board of 16.08.2022, entered in the Registration Agency on 25.08.2022, the credentials of Assen Emanouilov Assenov, Bulgaria, member of the Management Board, were cancelled.

As of 30.09.2022, the Company is represented and managed by Kiril Ivanov Boshov and Assen Minchev Minchev – Executive members of the Management board, and Milena Guentcheva – Procurator, only jointly by the two executive directors or by one executive director and procurator of the Company.

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 of the Company.

As of 30.09.2022, the Audit committee of the Company comprises the following members:

Ivan Georgiev Mankov, Bulgaria– Chairman;  
Dimitar Stoyanov Dimitrov, Bulgaria – Member;  
Rositsa Mihaylova Pencheva, Bulgaria – Member.

As of 30.09.2022, the Company has twenty-four employees (31.12.2021: twenty-one employees).

### **1.1. Scope of Activities**

The scope of activities of Eurohold Bulgaria AD is acquisition, management, assessment and sales of participations in Bulgarian and foreign companies, acquisition, management and sales of bonds, acquisition, assessment and sales of patents, granting patent use licenses to companies in which the company participates, funding companies, in which the Company participates.

### **1.2. Types of Activities**

As a holding company with a main activity of acquisition and management of subsidiaries, Eurohold Bulgaria AD performs mainly financial activities. As a holding company, Eurohold Bulgaria AD does not carry out regular business activities

The companies within the issuer's portfolio operate on the following markets: insurance, energy, automotive, leasing and financial. Investments in the automotive and leasing business are released on 30.06.2022.

#### **Insurance and Health Insurance business:**

- Insurance services
- Health insurance services
- Life insurance services

#### **Energy business:**

- Public supply of electricity according to the Energy Act.
- Access and transmission of electricity through the electricity distribution network and connection of new consumers to the electricity distribution network.
- Management, maintenance, repair and development of the electricity distribution network, as well as auxiliary facilities and networks and transport of electricity through the network.
- Trade in electricity, heat, gaseous fuels and all kinds of other energy sources.
- Production, construction and operation of energy systems and sites / parks related to renewable energy sources.
- Research, consulting, design, financing and construction of energy sites, supply of energy efficient services, implementation of services under contracts with guaranteed results.
- Trade in integrated systems in the field of information and communication technologies, provision of information and technological services, as well as other technical and consulting services.

#### **Leasing business (until 30.06.2022):**

- Leasing services
- Car rentals

#### **Automobile business (until 30.06.2022):**

- Sales of new cars
- Car repairs

#### **Financial business:**

Asset management and brokerage

## **2. BASIS FOR PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

The interim condensed separate financial statements of Eurohold Bulgaria AD are being prepared in compliance with International Accounting Standard 34 Interim Financial Reporting, issued and published by the International Accounting Standards Board (IASB) and adopted by the Commission of the European Union (EU). It does not contain all the information required to prepare an annual financial statement in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the company's annual financial statements as of 31 December 2021.

The interim condensed separate financial statements are separate statements, where the investments in subsidiaries are presented at acquisition cost.

The Company also prepares consolidated financial statements by International Financial Reporting Standards (IFRS), issued and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), in which investments in subsidiaries are accounted for and disclosed under IFRS 10 "Consolidated Financial Statements".

The interim condensed separate financial statements are presented in Bulgarian lev (BGN), which is the functional currency of the Company. All amounts are presented in thousands of BGN (BGN'000), including comparative information for 2021, unless otherwise stated. As of 01 January 1999, the Bulgarian lev has a fixed exchange rate against the euro: BGN 1.95583 for 1 euro.

The present interim condensed separate financial statements are prepared on a historical cost basis, modified in certain cases with the revaluation of some assets and/or liabilities at their fair values at the date of preparation of the Statement of financial position as specified in the notes.

The interim condensed separate financial statements are prepared in accordance with the principal of a going concern.

As at the date of preparation of the interim condensed separate financial statements the management has assessed the Company's ability to continue as a going concern based on available information for the foreseeable future. Following the review of the Company's operations, the management expects the Company to have sufficient financial resources to continue its operations in the near future and continue to apply the going concern principle to the preparation of the interim condensed separate financial statements.

The management believes that the Company is operational and will remain so in the foreseeable future. It has no intention or need to liquidate, or to make changes beyond the usual in its activity, or to significantly reduce its volume.

As a holding company, Eurohold Bulgaria does not carry out regular business activities.

### **2.1. ACCOUNTING POLICY**

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

### **2.2.1. 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: Proceeds before intended use, effective from 1 January 2022.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract, effective from 1 January 2022.
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework, effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018-2020, effective from 1 January 2022.

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

At the date of approval of the interim condensed separate 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 were previously implemented by the company. They are not expected to have a significant impact on the Company's financial statements. Management expects all standards and amendments to be adopted in the Company's accounting policy 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.
- Amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information, effective from 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as Current or Non-current, effective from 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies, effective from 1 January 2023.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective from 1 January 2023.
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction, effective from 1 January 2023.

### **2.1.3. Changes to the approximate estimates**

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

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

In the preparation of the interim condensed separate financial statements presented, the significant judgments of the management in the application of the Company'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 Company as of 31 December 2021.

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

### **2.1.4. Risk management**

The Company 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 separate financial statements do 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 Company's annual financial statements as of 31 December 2021. There were no changes in the risk management policy related to financial instruments during the period.

### 2.1.5. Other Risk - Covid-19 (Coronavirus)

Due to the pandemic wave of Covid-19 (Coronavirus), which became global in late February and early March 2020 and led to a significant reduction in financial activity worldwide, the Group 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 complies 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 separate 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.

#### **Development of Covid-19 Pandemic (Coronavirus)**

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

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

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

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

#### **Effect on economic growth**

The table below presents information on the expectations for economic growth of the Republic of Bulgaria, according to the data of the International Monetary Fund (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).

	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					Forecast	
	2017	2018	2019	2020	2021	2022	2023
Economic GDP growth	2.6%	1.9%	1.5%	(6.3)%	5.2%	3.1%	0.5%

The Company'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					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%
Republic of Belarus	2.5%	3.1%	1.4%	(0.7)%	2.3%	(7.0)%	0.2%
Russian Federation	1.8%	2.8%	2.2%	(2.7)%	4.7%	(3.4)%	(2.3)%
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%	3.2%	(0.2)%
Kingdom of Spain	3.0%	2.3%	2.1%	(10.8)%	5.1%	4.3%	1.2%
United Kingdom	1.7%	1.3%	1.4%	(9.8)%	7.4%	3.6%	0.3%

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
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:

	<b>Before Covid-19</b>		<b>After Covid-19</b>		<b>After the military actions in Ukraine</b>	
	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	Stable
Republic of Belarus	B	Stable	B	Negative	RD	-
Russian Federation	BBB	Stable	BBB	Stable	N/A	N/A
Hellenic Republic	BB	Stable	BB	Stable	BB	Positive
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 applies IFRS 9 from January 01, 2018.

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 2021-2022 and the expectations of a return to and over the average projected growth levels before Covid-19 (Coronavirus) and has therefore decided not to review its model and update its expectations.

Due to the lack of sufficiently reliable macroeconomic statistics or information on the medium-term probability of default levels as of September 30, 2022, management has not recalculated/changed the model in terms of expected credit losses compared to those as of December 31, 2021.

### 2.1.6. Cash Flows

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

Operating cash flows adjust accrual basis net profit or loss for the effects of non-cash transactions, changes in net working capital and corporate tax.

Investment cash flows include payments about 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 a cash and cash equivalents are also included in the investment activity.

Financing 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. Dividend income

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euro-Finance AD	2 102	223
	<b>2 102</b>	<b>223</b>

### 4. Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Gains from sale of investments in subsidiaries *	97	-
Gains from sale of investments and financial instruments **	78	465
Income from revaluation of debt instruments measured at fair value ***	602	244
	<b>777</b>	<b>709</b>

### In the first nine months of 2022

\* Gains from the sale of investments in subsidiaries are related to the transfer of ownership of the shares of Auto Union AD to a third party (*Note 13*).

\*\* Gains from operations with investments and financial instruments include:

- BGN 63 thousand gains from the sale of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 7 thousand gains from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 21*);
- BGN 5 thousand gains from the sale of purchased own bonds with ISIN BG2100002224 (*Note 22*);
- BGN 3 thousand gains from the sale of other financial instruments.

\*\*\* Income from revaluations of debt instruments measured at fair value are:

- BGN 425 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 110 thousand from revaluation of purchased own bonds with ISIN BG2100002224 (*Note 22*);
- BGN 67 thousand from revaluation of other financial instruments.

### In the first nine months of 2021

\*\* Gains from transactions with investments and financial instruments include:

- BGN 206 thousand gains from transfer of ownership of repurchased own bonds 10 500 pcs. under the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 256 thousand gains from the repurchase of own bonds with ISIN BG2100013205 (*Note 22*).

\*\*\* Income from revaluations of debt instruments measured at fair value are:

- BGN 168 thousand from revaluation of purchased own bonds 10 500 pcs. under the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 76 thousand from revaluation of repurchased own bonds 900 pcs. with ISIN BG2100013205 (*Note 22*).

## 5. Interest income

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Interest income – from related parties' loans	270	32
Interest income – from third parties' loans	3	-
	<b>273</b>	<b>32</b>

### 5.1. Interest income on loans to related parties

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Auto Union AD (related party until 30.06.2022)	20	5
Motobul EAD (related party until 30.06.2022)	6	8
Auto Union Service EOOD (related party until 30.06.2022)	-	2
Eurolease Group EAD (related party until 30.06.2022)	1	-
Euroins Insurance Group AD	242	-
Starcom Holding AD	1	17
	<b>270</b>	<b>32</b>

## 6. Other finance revenue

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Foreign exchange gains	13	835
	<b>13</b>	<b>835</b>

## 7. Interest expense

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Interest expense – loans and borrowings	3 213	2 465
Interest expense – bonds, EMTN program	8 358	8 360
Interest expense – bonds	2 819	1 426
Interest expense – from related parties' loans and leasing	1 174	2 427
Interest expense – from third party loans	3	25
<i>incl. Leasing</i>	<i>1</i>	<i>-</i>
	<b>15 567</b>	<b>14 703</b>

### 7.1. Interest expense on borrowings and related parties leasing

	30.09.2022	30.6.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD	687	1 458
Euroins Insurance Group AD	13	748
Auto Union AD (related party until 30.06.2022)	10	4
Auto Union Service EOOD (related party until 30.06.2022)	4	3
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	56	199
<i>incl. Leasing</i>	<i>2</i>	<i>4</i>
IC Euroins AD *	208	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania *	162	-
Eurolease Group EAD (related party until 30.06.2022)	34	-
Star Motors EOOD (related party until 30.06.2022)	-	15
	<b>1 174</b>	<b>2 427</b>

\* According to a loan agreement for financial instruments (*Note 22*).

## 8. Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations

	30.09.2022	30.6.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Losses from sales of investments in subsidiaries *	13 470	-
Losses on transactions of investments **	1 043	293
<i>inc. Losses on transactions of investments – related parties</i>	<i>133</i>	<i>74</i>
Losses from revaluation of debt investments measured at fair value ***	324	164
	<b>14 837</b>	<b>457</b>

### In the first nine months of 2022

\* Losses from the sales of investments in subsidiaries in the amount of BGN 13 465 thousand were reported in connection with the transfer of ownership of the shares of Eurolease Group AD to a third party (*Note 13*).

\* Losses from the sales of investments in subsidiaries in the amount of BGN 5 thousand were reported in connection with the transfer of the ownership of the shares of Daru Invest EAD to a third party (*Note 13*).

\*\* Losses from operations with investments and financial instruments include:

- BGN 536 thousand loss from operations with purchased own bonds with ISIN BG2100002224 (*Note 22*);
- BGN 329 thousand loss from operations with purchased own bonds from EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 39 thousand loss from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 21*);
- BGN 6 thousand loss from operations with other financial instruments.
- BGN 133 thousand in fees and commissions for services of an investment intermediary (*Note 8.1*).

\*\*\* Losses from revaluations of financial instruments measured at fair value include:

- BGN 306 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 10 thousand from revaluation of repurchased own European Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 21*);
- BGN 4 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN BG2100002224 (*Note 22*);
- BGN 4 thousand from revaluation of other financial instruments.

### In the first nine months of 2021

\*\* Reported losses from operations with investments and financial instruments, which include:

- BGN 194 thousand in connection with operations with repurchased own bonds with ISIN BG2100013205 (*Note 22*);
- BGN 25 thousand in connection with operations with repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
- BGN 74 thousand fees and commissions for services of an investment intermediary (*Note 8.1*).

\*\*\* Costs from revaluations of financial instruments valued at fair value are:

- BGN 55 thousand from revaluation of purchased own bonds with ISIN BG2100013205 (*Note 22*).
- BGN 109 thousand from revaluation of other financial instruments.

### 8.1. Losses from transactions with financial instruments – related parties

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euro-finance AD	133	74
	<b>133</b>	<b>74</b>

### 9. Other financial expenses

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Foreign exchange losses	19	649
Other financee expenses – related parties	1	1
Bank guarantee fees	-	165
Other financee expenses	8	40
	<b>28</b>	<b>855</b>

**9.1. Other financial expenses – related parties**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euro-finance AD	1	1
	<b>1</b>	<b>1</b>

**10. Hired services expenses**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Hired services expenses	1 233	5 084
Hired services expenses – related parties	77	37
	<b>1 310</b>	<b>5 121</b>

**10.1. Hired services expenses - related parties**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Auto Italia EAD (related party until 30.06.2022)	1	2
IC Euroins AD	76	35
	<b>77</b>	<b>37</b>

**11. (Accrued) / Recoverable impairment loss on financial assets, net**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Recoverable loss from impairment of financial assets	791	15
Accrued loss from impairment of financial assets	(3 102)	(45)
	<b>(2 311)</b>	<b>(30)</b>

**12. Other revenue/(expenses), net**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Other (expenses)	(252)	(507)
Other (expenses) – related parties	(5)	(9)
(Interest expenses) on right-of-use assets	(40)	(49)
Other revenue, incl.	134	131
<i>Rent income (sublease of right-of-use assets)</i>	8	67
<i>Revenues from discounts (on right-of-use assets)</i>	13	64
Other revenue – related parties, incl.	102	325
<i>Rent income (sublease of right-of-use assets)</i>	60	305
	<b>(61)</b>	<b>(109)</b>

**12.1. Other expenses – related parties**

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
IC Euroins AD	(2)	(3)
Motobul EAD (related party until 30.06.2022)	(3)	(6)
	<b>(5)</b>	<b>(9)</b>

## 12.2. Other revenue – related parties

	30.09.2022	30.09.2021
	<i>BGN'000</i>	<i>BGN'000</i>
IC Euroins AD	8	4
Euroins Romania Asiguarare – Reasigurare S.A., Romania	34	16
Hanson Asset Management Ltd, UK - office rental	60	305
	<b>102</b>	<b>325</b>

## 13. Investments in subsidiaries

	Net value as of 01.01.2022	Increase	Decrease	Net value as of 30.09.2022	Share capital of the subsidiary	% interests in subsidiaries
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	%
Euroins Insurance Group AD	523 815	-	-	523 815	576 243	90.10%
Eastern European Electric Company II B.V.	141 995	14 190	-	156 185	4	100.00%
Euro-Finance AD	24 645	-	-	24 645	14 100	99.99%
Electrohold Green EOOD	-	20	-	20	20	100.00%
Avto Union AD	2 003	-	(2 003)	-	40 004	-
Eurolease Group AD	24 635	-	(24 635)	-	27 241	-
Daru Invest EAD	-	11 740	(11 740)	-	11 740	-
	<b>717 093</b>	<b>25 950</b>	<b>(38 378)</b>	<b>704 665</b>		

### In the first nine months of 2022:

#### **Eastern European Electric Company II B.V.**

In the first nine months of 2022, Eurohold Bulgaria AD increased the capital "Eastern European Electric Company II" B.V. according to the applicable provisions of the Dutch legislation - by means of cash contributions with a total amount of EUR 14 190 thousand without the issue of units, the contributions being transferred to a premium reserve.

#### **Electrohold Green Ltd**

On 23.05.2022, the Board of Directors of Eurohold Bulgaria AD decided to establish a subsidiary Electrohold Green EOOD with a capital of BGN 20 000, divided into 20 equal shares of BGN 1 000 each.

#### **Auto Union AD**

With the Share Sale and Purchase Agreement dated 30.06.2022, the ownership of the 80 001 shares owned by Eurohold Bulgaria AD was transferred to a third party. The shares are available, registered, non-privileged and represented 99.99% of the capital of Auto Union AD. As a result of the transaction, Eurohold Bulgaria AD reports a profit from the sale of investments in subsidiaries in the amount of BGN 97 thousand (Appendices 5 and 17).

#### **Eurolease Group AD**

With the Share Sale and Purchase Agreement dated 30.06.2022, the ownership of 510 861 shares owned by Eurohold Bulgaria AD was transferred to a third party. The shares are available, registered, non-privileged shares and represented 90.01% of the capital of Eurolease Group AD. As a result of the transaction, Eurohold Bulgaria AD reports a loss from the sale of investments in subsidiaries in the amount of BGN 13 465 thousand (Notes 8 and 17).

### ***Daru Invest EAD***

- On 24.02.2022, the Board of directors of Eurohold Bulgaria AD decides to establish a company Daru Invest EAD with a capital of BGN 11 740 000 distributed in 11 740 000 available, registered, non-privileged voting shares, with nominal and issue value from BGN 1 each.
- On 22.03.2022, a contract was concluded for the sale of shares of Daru Invest EAD, which finalized the sale of 100% of the capital of Daru Invest EAD.

### **In the first nine months of 2021:**

#### ***Euroins Insurance Group AD***

During the period, Eurohold Bulgaria AD made the following investments in Euroins Insurance Group AD:

- In 2018, Eurohold Bulgaria AD signed an agreement to acquire the minority share of the other shareholder in Euroins Insurance Group AD - Basildon Holding S.a.r.l., the special investment company of the equity investment fund Southeastern Europe Fund L.P. (SEEF), managed by the Greek investment company Global Finance. The company agreed to buy back the fund's share in the amount of 10.64% of the capital on the date of conclusion of the buyout agreement. After the finalization of the transaction, Eurohold will own 100% of the capital of Euroins Insurance Group AD. The investments made in the first half of 2021 when buying the agreed share amount to BGN 5 470 thousand.

### **Subject of activity of subsidiaries as of 30.09.2022.**

The subject of activity of the subsidiaries is as follows:

- Euroins Insurance Group AD - acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies. The company develops active activities in Bulgaria, Romania, North Macedonia, Ukraine, Belarus and Georgia. The company IC Euroins AD, part of Euroins Insurance Group AD, operates on the principle of Freedom of Services in the following member states of the European Union: Republic of Poland; Republic of Italy; Kingdom of Spain; Germany; Kingdom of the Netherlands. Business segment – insurance market;
- Eastern European Electric Company II B.V., the Netherlands – acquisition and management of companies from the energy market;
- Euro-Finance AD - Providing and carrying out investment services and activities in the country and abroad. Business segment - Asset management and brokerage - Bulgaria;
- Electrohold Green EOOD - 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;
- Auto Union AD (related party until 30.06.2022) - import, sale and service of cars. Business area - automotive market - Bulgaria and North Macedonia.
- Eurolease Group AD (related party until 30.06.2022) – management of investments in subsidiaries, financial leasing. The company develops activities in Bulgaria, North Macedonia and Romania. Business segment - leasing market.

### **Impairment of investments in subsidiaries**

As of September 30, 2022, the Company has performed an analysis and assessment of existing indications of impairment of investments in subsidiaries.

The analysis and assessment are on an individual and/or consolidated basis of the subsidiaries. The changes in the financial position and the results compared to the comparative accounting period of the subsidiaries are examined. The main indicators of impairment are: a significant reduction in the volume or suspension of the activity of the subsidiary company/group; loss of markets, customers or technological problems, trends in the deterioration of fundamental financial indicators, as well as a decrease in market capitalization.

The performed analysis and evaluation did not find any indications of impairment of investments in subsidiaries as of 30.09.2022.



## 14. Fixed assets

### 14.1. Property, machinery and equipment

	Right-of-use assets – Properties BGN'000	Vehicles BGN'000	Equipment BGN'000	Total BGN'000
<b>Cost:</b>				
<b>At 1 January 2021</b>	<b>3 137</b>	<b>244</b>	<b>78</b>	<b>3 459</b>
Additions	-	-	4	4
<b>At 31 December 2021</b>	<b>3 137</b>	<b>244</b>	<b>82</b>	<b>3 463</b>
Disposals	(1 378)	-	-	(1 378)
<b>At 30 September 2022</b>	<b>1 759</b>	<b>244</b>	<b>82</b>	<b>2 085</b>
<b>Depreciation:</b>				
<b>At 1 January 2021</b>	<b>1 149</b>	<b>114</b>	<b>77</b>	<b>1 340</b>
Accrued depreciation	611	57	2	670
Other changes	1	-	-	1
<b>At 31 December 2021</b>	<b>1 761</b>	<b>171</b>	<b>79</b>	<b>2 011</b>
Accrued depreciation	204	29	2	235
Disposals	(1 378)	-	-	(1 378)
<b>At 30 September 2022</b>	<b>587</b>	<b>200</b>	<b>81</b>	<b>868</b>
<b>Net book value:</b>				
<b>At 1 January 2021</b>	<b>1 988</b>	<b>130</b>	<b>1</b>	<b>2 119</b>
<b>At 31 December 2021</b>	<b>1 376</b>	<b>73</b>	<b>3</b>	<b>1 452</b>
<b>At 30 September 2022</b>	<b>1 172</b>	<b>44</b>	<b>1</b>	<b>1 217</b>

There are no restrictions on the ownership of tangible fixed assets as of September 30, 2022 and December 31, 2021. There are no pledged tangible fixed assets as collateral for existing liabilities as of September 30, 2022 and December 31, 2021.

### 14.2. Intangible assets

	Software BGN'000	Total BGN'000
<b>Cost:</b>		
<b>At 1 January 2021</b>	<b>21</b>	<b>21</b>
Additions	-	-
Disposals	-	-
<b>At 31 December 2021</b>	<b>21</b>	<b>21</b>
Additions	2	2
<b>At 30 September 2022</b>	<b>23</b>	<b>23</b>
<b>Depreciation:</b>		
<b>At 1 January 2021</b>	<b>9</b>	<b>9</b>
Depreciation for the period	9	9
<b>At 31 December 2021</b>	<b>18</b>	<b>18</b>
Depreciation for the period	4	4
<b>At 30 September 2022</b>	<b>22</b>	<b>22</b>
<b>Net book value:</b>		
<b>At 1 January 2021</b>	<b>12</b>	<b>12</b>
<b>At 31 December 2021</b>	<b>3</b>	<b>3</b>
<b>At 30 September 2022</b>	<b>1</b>	<b>1</b>

There are no restrictions on the ownership of intangible fixed assets as of September 30, 2022 and December 31, 2021. There are no pledged intangible assets as collateral for existing liabilities as of September 30, 2022 and December 31, 2021.

### 15.1. Non-current receivables from related parties - principals on loans granted

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Motobul EAD (related party until 30.06.2022)	-	170
	-	<b>170</b>
Impairment	-	(1)
	-	<b>169</b>

### 15.2. Non-current receivables - principals on loans granted

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Motobul EAD (related party until 30.06.2022)	170	-
	<b>170</b>	-
Impairment	(5)	-
	<b>165</b>	-

## 16. Receivables from related parties

### 16.1. Interest receivables

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	242	-
Auto Union AD (related party until 30.06.2022)	-	2
Motobul EAD (related party until 30.06.2022)	-	11
	242	<b>13</b>
Impairment	(2)	-
	<b>240</b>	<b>13</b>

**16.2. Other receivables**

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Auto Union Service EOOD (related party until 30.06.2022)	-	3
Auto Italia EAD (related party until 30.06.2022)	-	13
Bulvaria EOOD (related party until 30.06.2022)	-	5
IC Euroins AD	24	106
Money Lease EAD (former name Eurolease Auto EAD, related party until 30.06.2022)	-	5
Star Motors EOOD (related party until 30.06.2022)	-	2
Autoplaza EAD (related party until 30.06.2022)	-	5
Euro Insurance Group AD *	14 021	14
Euroins Romania Asiguarare – Reasigurare S.A., Romania	33	214
Auto Union AD (related party until 30.06.2022)	-	24
Eurolease Group AD (related party until 30.06.2022)	-	37
Hanson Asset Management Ltd, UK	-	81
Euro-Finance AD	-	1
IC EIG Re EAD	1	-
Electrodistribution Grid West AD	6	-
Electrohold Bulgaria EOOD	3	-
Eastern European Electric Company B.V.	1 224	188
Eastern European Electric Company II B.V.	850	185
Eastern European Electric Company III B.V.	3	3
	<b>16 165</b>	<b>886</b>
Impairment	(225)	(50)
	<b>15 940</b>	<b>836</b>

\* Receivable under a debt substitution agreement, according to which the obligation was assigned and according to which the financial relationship with the Assignor was settled by transferring the ownership of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 22 and 28*).

**17. Other receivables and assets**

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Receivable from sale of investment *	7 297	-
Receivable from debt replacement contract **	18 000	-
Tax receivables - VAT	64	194
Debt securities at fair value through profit and loss	7	7
Receivables from customers	66	20
Interest on loans granted	19	-
Prepaid expenses, incl:	131	121
<i>Prepaid expenses to related parties – IC Euroins AD</i>	<i>106</i>	<i>85</i>
Other receivables, incl:	739	900
<i>Receivable from Erste Bank, Novi Sad ***</i>	<i>734</i>	<i>734</i>
	<b>26 323</b>	<b>1 242</b>
Impairment	(2 720)	(591)
	<b>23 603</b>	<b>651</b>

\* Receivables under Share purchase and sales agreement by Eurohold Bulgaria AD in Auto Union AD and Eurolease Group AD (*Note 13*).

\*\* Receivables under a debt substitution agreement, under which the obligations have been assigned and the financial relationships with the Assignor have been settled by transferring the ownership of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 22 and 28*).

\*\*\* The amount is transferred to the account of Eurohold Bulgaria AD on 12.10.2022.

## 18. Cash and cash equivalents

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Cash at banks	87	93
Cash in hand	21	22
	<b>108</b>	<b>115</b>
Impairment	-	-
	<b>108</b>	<b>115</b>

## 19. Share capital and reserves

### 19.1. Share capital

	30.09.2022	31.12.2021
	<i>BGN</i>	<i>BGN</i>
Issued shares	260 500 000	260 500 000

As of 30.09.2022 the share capital is distributed as follows:

Shareholders	% Participation in the share capital	Number of shares /Voting rights/	Par value BGN
Starcom Holding AD	50.07%	130 433 415	130 433 415
KJK Fund II Sicav-Sif Balkan Discovery	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by him: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	8.99%	23 423 351	23 423 351
SLS Holding AD	6.33%	16 485 549	16 485 549
Other legal entities	22.13%	57 644 070	57 644 070
Other individuals	1.69%	4 396 742	4 396 742
<b>Total</b>	<b>100.00%</b>	<b>260 500 000</b>	<b>260 500 000</b>

### 19.2. Reserves

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Share premium	144 030	144 030
General reserves	7 641	7 641
	<b>151 671</b>	<b>151 671</b>

## 20. Subordinated debts

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Subordinated debt instruments, not issued, tier 1 capital	362	7 201
	<b>362</b>	<b>7 201</b>

The subordinated debt has no fixed maturity and the lender - Starcom Holding AD cannot demand its repayment, regardless of whether there is a case of default under the agreement. Eurohold Bulgaria AD has the right (but is not obligated) to pay amounts from the principal of the loan corresponding to each consecutively received tranche after the expiration of 5 (five) years from the date of receipt of the corresponding tranche. Premature demandability of the principal amount of the subordinated debt is not allowed, except in cases of liquidation or bankruptcy, after payment of the amounts due to all privileged creditors, as well as to all other unsecured creditors. The interest due is in the amount of 5% (five percent) on an annual basis on the attracted sums of money for the period of their actual use.

## 21. Loans and borrowings

### Non-current loans and borrowings

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
International Investment Bank	16 968	9 006
Varengold Bank AG	7 635	-
	<b>24 603</b>	<b>9 006</b>

### Current loans and borrowings

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
International Investment Bank	5 268	3 152
International Bank for Economic Co-operation	23 725	29 623
Varengold Bank AG	500	-
Other *	64 983	4 855
	<b>94 476</b>	<b>37 630</b>

\* **As of 30.09.2022**, other current loans and borrowings are in the form of:

- European Commercial Papers (ECP) with ISIN XS2430057443, with a maturity 01.2023, an annual interest rate - 1.8% and a par value of EUR 27 500 thousand.
- European Commercial Papers (ECP) with ISIN XS2491929290, with a maturity 06.2023, an annual interest rate - 2.0% and a par value of EUR 2 500 thousand.
- Liabilities under contracts for repo transactions, with a maturity 11.2022, in the amount of EUR 3 382 thousand.

\* **In the first nine months of 2022**

- The company has issued and repurchased one European Commercial Papers (ECP) issue, with a total par value of EUR 2 500 thousand.
- The company performed transactions on the sale of 291.6 pcs. European Commercial Papers (ECP) from issue with ISIN XS2430057443 and reported losses from operations with investments and financial instruments in the amount of BGN 39 thousand (*Note 8*) and profits from operations with investments and financial instruments in the amount of BGN 7 thousand (*Note 4*).
- The company performed a buyback transaction of 16.6 pcs. European Commercial Papers (ECP) of issue with ISIN XS2430057443.

\* **As of 31.12.2021**, other loans and borrowings are in the form of European Commercial Papers (ECP) with ISIN XS2344657163, with a maturity 05.2022, an annual interest rate - 2.0% and a par value of EUR 2 500 thousand.

\* **In the first nine months of 2021**, the Company issued and repurchased one European Commercial Papers (ECP) issue, with a total par value of EUR 2 500 thousand.

### Analysis of loans and borrowings

Bank	Type	Currency	Size contracted	Principal as of 30.09.2022	Principal as of 31.12.2021	Interest rate	Maturity date	Security
International Investment Bank	Loan - Principal	EUR	10 000 000 €	4 620 000 €	6 160 000 €	6.0%+ EURIBOR	03.2025	Pledge on subsidiary shares
International Investment Bank	Loan - Principal	EUR	7 000 000 €	6 730 769 €	-	5.0%+ EURIBOR	01.2029	Pledge on subsidiary shares
International Bank for Economic Co-operation *	Loan - Principal	EUR	20 000 000 €	12 000 000 €	15 000 000 €	6.5%	01.2023	Pledge on subsidiary shares
Varengold Bank AG	Loan - Principal	EUR	4 200 000 €	4 200 000 €	-	6.0%+ ESTR	06.2027	Pledge on subsidiary shares

\* The unutilized amount of the loan from the International Bank for Economic Co-operation as of September 30, 2021 amounts to EUR 5 million (31.12.2021 – EUR 5 million).

## 22. Bond liabilities

### Non - current bond liabilities

	30.09.2022 BGN'000	31.12.2021 BGN'000
EMTN Programme in PLN/EUR - ISIN: XS1542984288	19 558	19 558
Corporate bond - ISIN: BG2100013205	58 675	58 675
Corporate bond - ISIN: BG2100002224	77 937	-
	<b>156 170</b>	<b>78 233</b>

### Current bond liabilities

	30.09.2022 BGN'000	31.12.2021 BGN'000
EMTN Programme in EUR - ISIN: XS1731768302	129 145	136 185
EMTN Programme in EUR - ISIN: XS1731768302, interest	7 266	610
EMTN Programme in PLN/EUR - ISIN: XS1542984288, interest	1 179	9
Corporate bond - ISIN: BG2100013205, interest	664	183
Corporate bond - ISIN: BG2100002224, interest	153	-
	<b>138 407</b>	<b>136 987</b>

Bond liabilities are presented at amortized cost, net of the repurchased own bonds, which are subsequently measured at fair value based on information from Bloomberg / Eurobank and other sources, reflecting the effect on profit or loss for the period.

Information on the terms of the EMTN programs is publicly available on the Irish Stock Exchange website, Bonds section.

The EMTN program with ISIN: XS1542984288 matures on December 29, 2026, has a fixed interest rate of 8.0% (eight percent) on an annual basis and a frequency of interest payments once a year in arrears.

The EMTN program with ISIN XS1731768302 matures on December 7, 2022, has a fixed interest rate of 6.5% (six and a half percent) on an annual basis and a frequency of interest payments once a year in arrears.

As of 31.12.2021 the bond issue with ISIN: XS1542984288 is a restructured bond loan (under the EMTN program) with extended maturity date until 29.12.2026, changed currency from PLN to EUR and changed frequency of interest payments from six-month to once a year. As a result of the restructuring, losses from operations with investments in the amount of BGN 440 thousand were reported.

Bond loan 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 (non-public) 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 date. Interest payments are made every six months, as of the date of registration of the issue (November 26, 2020), at a fixed nominal interest rate - 3.25% on an annual basis.

Bond loan with ISIN: BG2100002224 in the amount of EUR 40 000 000 was registered by Central Depository AD on March 08, 2022. The issue is a third corporate, ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, unprivileged and freely transferable bonds under the conditions of initial private (non-public) offering to less than 150 participants - a predetermined circle of investors according to a decision of the Management Board of the public company dated February 23, 2022 - TBI Bank EAD. 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, as of the date of registration of the issue (March 8, 2022), at a fixed nominal interest rate - 3.25% on an annual basis.

The following bond transactions were concluded in the **first nine months of 2022**:

- Under the financial instruments loan agreement were acquired 2 126 pcs. bonds under the EMTN Programme in EUR with ISIN XS1731768302, by virtue of which the company has reported interest expenses in the amount of BGN 135 thousand (*Note 7.1 and 26.2*).
- Under the financial instruments loan agreement were acquired 1 650 pcs. bonds under the EMTN Programme in EUR with ISIN XS1731768302, by virtue of which the company has reported interest expenses in the amount of BGN 105 thousand (*Note 7.1 and 26.2*).
- A total of 1 306 pcs. repurchased own bonds with ISIN XS1731768302 have sold during the period and a profit from operations with investments and financial instruments in the amount of BGN 63 thousand was reported (*Note 4*).
- Pursuant to contracts for the purchase and sale of financial instruments have transferred the ownership of 1 306 pcs. (acquired) repurchased own bonds with ISIN XS1731768302. As of September 30, 2022, the financial relationships under these contracts have not been settled (*Note 26.3*).
- Pursuant to three contracts for repo transactions with financial instruments have respectively sold with an arrangement for repurchase 3 766 pcs., 2 400 pcs. and 1 376 pcs. own bonds with ISIN XS1731768302. As a result of the transactions, losses from operations with investments and financial instruments in the amount of BGN 180 thousand were reported (*Note 8*).
- 35 000 pcs. own bonds with ISIN BG2100002224 have bought back and a loss from operations with investments and financial instruments in the amount of BGN 479 thousand was reported (*Note 8*).
- Pursuant to the agreement to purchase and sale of financial instruments has transferred the ownership of 20 500 pcs. repurchased own bonds with ISIN BG2100002224, whereby the financial relations with the Assignor under three contracts for transfer of the receivable and the annexation to them are settled (*Note 16.2, 17 and 28*).
- Pursuant to the agreement to purchase and sale of financial instruments has transferred ownership of 6 000 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which finally settled the financial relationships under the concluded contract for the purchase and sale of Daru Invest EAD (related party until 22.3.2022).
- Pursuant to contracts for the purchase and sale of financial instruments have sold 20 100 units own bonds with ISIN BG2100002224. As a result of the transactions, a profit from operations with investments and financial instruments in the amount of BGN 1 thousand was reported (*Note 4*).
- A total of 22 944 pcs. repurchased own bonds with ISIN BG2100002224 have sold during the period and losses from operations with investments and financial instruments in the amount of BGN 57 thousand (*Note 8*) and profits from operations with investments and financial instruments in the amount of BGN 4 thousand were reported (*Note 4*).

- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

The following bond transactions were concluded in the **first nine months of 2021**:

- The ownership of 10 500 pcs. repurchased own bonds under EMTN Program in EUR with ISIN XS1731768302 have transferred and a profit on transactions of investments and financial instruments in the amount of BGN 206 thousand was reported (*Note 4*). Liabilities for repurchased own bonds are settled as of 30.09.2021.
- 5 900 pcs. own bonds with ISIN BG2100013205 have bought back and a profit on transactions of investments and financial instruments in the amount of BGN 256 thousand was reported (*Note 4*).
- The ownership of 5 900 pcs. repurchased own bonds with ISIN BG2100013205 have transferred and a loss on transactions of investments in the amount of BGN 109 thousand was reported (*Note 8*).
- Bond buyback of 1 118 pcs. with ISIN BG2100013205 and reported loss from operations with investments and financial instruments in the amount of BGN 8 thousand (*Note 8*).
- 1 118 pcs. repurchased own bonds with ISIN BG2100013205 were sold and a loss from operations with investments in the amount of BGN 18 thousand was reported (*Note 8*).
- The ownership of 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were transferred and a profit from operations with investments and financial instruments in the amount of BGN 3 thousand was reported (*Note 4*). The obligation for the repurchased own bonds is settled as of 30.09.2021.
- 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were sold with an option to purchase back from a company outside the group and a loss from operations with investments in the amount of BGN 3 thousand was reported (*Note 8*).
- 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were repurchased under a contract with an option to purchase back from a company outside the group and a loss from operations with investments and financial instruments in the amount of BGN 30 thousand was reported (*Note 8*).
- The ownership of 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were transferred and a loss from operations with investments in the amount of BGN 6 thousand was reported (*Note 8*). The receivables for the repurchased own bonds are settled as of 30.09.2021.
- The ownership of 3 000 pcs. repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302 has been transferred. The liabilities for repurchased own bonds are not settled as of 30.09.2021 (*Note 26.3*).
- 3 000 pcs. repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302 were sold with an option to purchase back from a company outside the group and a loss from operations with investments in the amount of BGN 25 thousand was reported (*Note 8*).

### 23. Non-current liabilities to related parties

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
<b>Loans principal</b>		
Starcom Holding AD *	5 788	59 460
Eurolease Auto EAD (related party until 30.06.2022) – loan granted **	-	1 400
Eurolease Auto EAD (related party until 30.06.2022) – leases ***	-	66
	<b>5 788</b>	<b>60 926</b>

\* The liability as of 30.09.2022 is under a loan agreement with an annual interest rate of 5.5% (five and five tenths of a percent), a maturity date 05.05.2025 and a contractual limit of BGN 10 million. The liability as of 31.12.2021 is under a contract for a loan with an annual interest rate of 5.5% (five and five tenths of a percent), a maturity date 29.01.2023 and a contractual limit of BGN 70 million.

\*\* The liability is under a loan agreement with an annual interest rate of 7.0% (seven percent), a maturity date 23.12.2023 and a contractual limit of BGN 8 million.

\*\*\* Liability under three finance lease contracts with maturity dates on 10.02.2023, 20.05.2024 and 10.07.2024.



#### 24. Other non-current liabilities

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Retirement benefit obligations	33	33
Lease liabilities	1 128	1 208
	<b>1 161</b>	<b>1 241</b>

#### 25. Trade liabilities

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Trade payables	416	1 328
	<b>416</b>	<b>1 328</b>

#### 26. Current liabilities to related parties

##### 26.1 Interest payables

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD	91	2 126
Auto Union AD (related party until 30.06.2022)	-	30
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	-	963
Euroins Insurance Group AD	6	1 719
Auto Union Service EOOD (related party until 30.06.2022)	-	20
IC Euroins AD *	208	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania *	162	-
	<b>467</b>	<b>4 858</b>

\* Interest under financial instruments loan agreement (*Notes 7.1, 22 and 26.2*).

##### 26.2. Current borrowings - principal

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD *	-	8 801
Euroins Insurance Group AD **	77	14 171
IC Euroins AD ***	4 158	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania ***	3 227	-
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022) ****	-	1 900
	<b>7 462</b>	<b>24 872</b>

\* Obligation as of 31.12.2021 is under a loan agreement with an annual interest rate of 5.2% (five whole and two tenths of a percent), a maturity date 03.08.2022 and a contractual limit of EUR 4.5 million.

\*\* Obligation as of 30.09.2022 is under a loan agreement with an annual interest rate of 6.0% (six percent), a maturity 01.07.2022 and a contractual limit of EUR 50 000. The liability as of 31.12.2021 is for two loan agreements with an annual interest rate of 6.0% (six percent) for both, maturing on 08.02.2022 and 01.07.2022, respectively, and contractual limits of BGN 20 million and BGN 50 thousand EUR, respectively. The liability with a maturity date 08.02.2022 was settled without delay.

\*\*\* Liabilities under loan agreements for financial instruments with an annual interest rate of 7.0% (seven percent) and a maturity date 05.12.2022 (*Note 7.1, 22, 26.1*).

\*\*\*\* Liabilities under contracts for the transfer of receivables with an annual interest rate of 7.5% (seven whole and five tenths of a percent) and a maturity date 25.10.2022.

### 26.3 Other payables

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD *	-	5 895
IC Euroins AD **	791	4
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	-	38
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)- leases	-	38
IC EIG RE EAD ***	1 741	54
Avto Union AD (related party until 30.06.2022) ****	-	695
Avto Union Service EOOD (related party until 30.06.2022) *****	-	244
Euroins Romania Asiguarare – Reasigurare S.A., Romania	4	15
Eastern European Electric Company B.V.	-	4 890
	<b>2 536</b>	<b>11 873</b>

\* Liability for repurchased own bonds (*Note 22*).

\*\* Liability for repurchased own bonds BGN 702 thousand (*Note 22*) and trade liabilities – BGN 89 thousand as of 30.09.2022. And commercial liabilities – BGN 4 thousand as of 31.12.2021.

\*\*\* Liabilities under contracts for purchase and sale of financial instruments (*Note 22 and 30.1.1*).

\*\*\*\* Liabilities under contracts for the transfer of receivables are unsecured and have an annual interest rate of 3.0% (*Note 28 and 30.1.1*).

### 27. Other current liabilities

	30.09.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Payables for acquisition of investments and financial instruments *	-	14
Interest payables	22	22
Tax payables	170	529
Payables to employees and social security institutions	118	87
Dividends payables	249	249
Dividends payables – related parties – Starcom Holding AD	101	101
Lease liabilities	241	342
Liabilities under contracts for the assignment of receivables	269	-
Other liabilities	33	84
	<b>1 203</b>	<b>1 428</b>

\* Liability for repurchased own bonds.

## **28. Non-cash transactions**

During the reporting periods, the Company has concluded the following investment and financial transactions that do not use cash or cash equivalents and are not reflected in the cash flow statement:

### **In the first nine months of 2022**

- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary - Initial Debtor.
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary (related party until 30.06.2022) - Initial Debtor.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a third party.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a third party.
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable in the amount of EUR 96 thousand up to the amount of the receivable.
- Under a Set-off agreement with a third party, Eurohold Bulgaria AD has set off a receivable in the amount of GBP 69 thousand with a liability of GBP 54 thousand up to the amount of the liability.
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a third company outside the group in the amount of BGN 21 000 thousand (*Note 17*). The financial relations are settled with the transfer to the patrimony of the Assignor a total of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 22*).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 14 429 thousand (*Note 16.2*). The financial relations are settled with the transfer to the patrimony of the Assignor a total of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 22*).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 4 782 thousand (*Note 16.2*). The financial relations are settled with the transfer to the patrimony of the Assignor a total of 2 444 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 22*).
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- Under a Debt replacement agreement, a subsidiary (related party until 30.06.2022) of Eurohold Bulgaria AD as a Borrower has assumed liabilities in the amount of BGN 4 370 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt Eurohold Bulgaria AD - Initial Debtor.
- Under a Settlement agreement with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable in the amount of BGN 148 thousand up to the amount of the receivable.

- Under a contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 735 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part from the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 4 256 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

#### **In the first nine months of 2021**

- During the period the Company concluded related parties SWAP transactions while simultaneously issuing new short-term European Commercial Papers (ECPs) in the amount of EUR 2 500 thousand (BGN 4 890 thousand) and repurchasing issued ECPs in the amount of EUR 2 450 thousand (BGN 4 792 thousand).
- 
- The company has transferred a liability with a subsidiary and has committed to assume the amount of BGN 332 thousand, consisting of BGN 314 thousand principal and BGN 18 thousand interest.
- 
- Pursuant to an Agreement for set-off of counter-liabilities with a subsidiary Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 72 thousand (BGN 70 thousand principal and BGN 2 thousand interest) with a liability of BGN 332 thousand. (BGN 314 thousand principal and BGN 18 thousand interest) up to the amount of the receivable.
- Pursuant to an Agreement for set-off of counter-liabilities with a subsidiary Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 14 thousand with a liability of BGN 2 thousand up to the amount of the liability.
- Pursuant to the Contract for purchase and sale of financial instruments with a subsidiary (Acquirer) Eurohold Bulgaria AD (Transferor), the receivable from the transferor with a liability to the same in the amount of BGN 5 476 thousand has been set off.

## **29. Contingent, liabilities and commitments**

### **Litigations**

As at 30.09.2022 against the Company has no significant legal proceedings instituted.

## Warranties and provided guarantees

The company is a co-debtor/guarantor for loans received from banking/financial institutions as follows:

Business area	Third / Related parties	Amount in EUR'000 30.09.2022	Amount in BGN'000 as of 30.09.2022	MATURITY (EUR'000)					
				2022	2023	2024	2025	2025	After 2026
<b>Lease sub-holding *</b>									
Bank loans for funding of lease operations	Third parties	21 089	41 246	2 255	7 177	5 093	3 979	2 120	465
<b>Automotive sub-holding *</b>									
Working capital bank loans	Third parties	4 781	9 351	2 400	1 762	181	181	257	-
<b>Energy sub-holding</b>									
Corporate payment guarantee	Related parties	3 500	6 845	-	3 500	-	-	-	-
Working capital loans	Related parties	18 880	36 926	-	18 880	-	-	-	-
Corporate guarantee to loans from a financial institution in connection with an acquisition	Related parties	220 000	430 283	-	-	-	-	-	220 000
<b>Parent company</b>									
Working capital bank loans	Related parties	6 000	11 735	-	6 000	-	-	-	-
Bank loans for investment purposes	Related parties	5 000	9 779	-	-	5 000	-	-	-
<b>TOTAL:</b>		<b>279 250</b>	<b>546 165</b>	<b>4 655</b>	<b>37 319</b>	<b>10 274</b>	<b>4 160</b>	<b>2 377</b>	<b>220 465</b>

\* As of September 30, 2022, the leasing and automobile sub-holding companies are not related parties. In connection with the sale of the same, within a period of 31.12.2022, the new owner should step in as a guarantor for the specified loans from banking/financial institutions.

In connection with a loan to a company from Automotive sub-holding, which as of 30.06.2022 is not a related party, Eurohold Bulgaria AD has an established pledge of shares. By 31.12.2022, it is expected that the new owner will step in as a guarantor for the car sub-holding loan and the pledge will be cancelled.

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established.

The Company is a guarantor of issued bank guarantees \*\* as follows:

Company from:	Contracted limit in EUR'000 as of 30.09.2022	Contracted limit in BGN'000 as of 30.09.2022	MATURITY (EUR'000)
Automotive sub-holding	2 100	4 107	2.2024
Automotive sub-holding	1 800	3 520	4.2023
<b>TOTAL:</b>	<b>3 900</b>	<b>7 627</b>	

\*\* As of September 30, 2022, the automobile sub-holding companies are not related parties. In connection with the sale of the same, by 31.12.2022, the new owner should step in as a guarantor under the issued bank guarantees.

The liabilities of the Company guaranteed by related parties are as follows:

<b>Company/ Guarantor</b>	<b>Currency</b>	<b>Guaranteed liability</b>	<b>Guaranteed amount as of 30.09.2022 in original currency</b>	<b>Maturity date</b>
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	12.2022
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	10 000 000	12.2026
Euroins Insurance Group AD *	EUR	Bank loan	12 000 000	01.2023

\* Pledge of shares of "Euroins Insurance Group" AD in a subsidiary.

Established guarantees in favor of the Company:

<b>Company/ Guarantor</b>	<b>Currency</b>	<b>Guaranteed liability</b>	<b>Guaranteed amount as of 30.09.2022 in original currency</b>	<b>Maturity date</b>
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03.2022

### 30. Transactions and balances with related parties

The conditions under which the transactions were made do not deviate from the market for such transactions.

**The related parties of the Company are as follows:**

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

**Subsidiaries of Starcom Holding AD, Bulgaria:**

- First Investment Bank AD, Russia;
- Starcom Finance EAD, Bulgaria;
- Quintar Capital Limited, Hong Kong, China;
- Hanson Asset Management Ltd, United Kingdom;
- Swiss Global Asset Management AG, Switzerland – related party from 03.05.2022

**Subsidiaries of Eurohold Bulgaria AD:**

- **Euroins Insurance Group AD (EIG) – subsidiary of Eurohold Bulgaria AD:**
- IC Euroins AD, Bulgaria – subsidiary of EIG;
- Euroins Romania Asiguarare – Reasigurare S.A., Romania – subsidiary of EIG;
- Euroins Osigurovanje AD, North Macedonia – subsidiary of EIG;
- IC Euroins Life EAD, Bulgaria – subsidiary of EIG;
- IC EIG Re AD, Bulgaria– subsidiary of EIG;
- IC Euroins Ukraine PrAT, Ukraine – subsidiary of EIG;
- Euroins Claims I.K.E., Greece - subsidiary of EIG;
- IC Euroins Georgia JSC, Georgia - subsidiary of EIG;
- European Travel Insurance PrAT, Ukraine - subsidiary of EIG;
- CJSC Insurance company Euroins, Belarus - subsidiary of EIG (former CJSC Insurance company ERGO);
- IC Euroins, Russian Federation - associated of EIG;
- **Daru Invest EAD, Bulgaria – subsidiary of Eurohold Bulgaria AD until 22.03.2022;**
- **Avto Union AD (AU), Bulgaria – subsidiary of Eurohold Bulgaria AD until 30.06.2022;**
- Avto Union Service EOOD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Auto Italia EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Bulvaria EOOD, Bulgaria – subsidiary of AU – (previous name Bulvaria Varna EOOD) – related party until 30.06.2022;

- Bulvaria Sofia EAD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Daru Car AD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Star Motors EOOD, Bulgaria – subsidiary of AU – related party until 11.05.2022;
- Star Motors DOOEL, North Macedonia through Star Motors EOOD - subsidiary of AU – related party until 11.05.2022;
- Star Motors SH.P.K., Kosovo through Star Motors EOOD - subsidiary of AU – related party until 11.05.2022;
- Motohub OOD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Motobul EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Benzin Finance EAD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Bopar Pro S.R.L, Romania through Motobul EAD - subsidiary of AU – related party until 30.06.2022;
- China Motor Company AD, Bulgaria - a subsidiary of AU AD – related party until 30.06.2022;
- N Auto Sofia EAD, Bulgaria - a subsidiary of AU AD until 02.08.2021.
- Espas Auto OOD, Bulgaria through N Auto Sofia EAD - a subsidiary of AU AD until 02.08.2021.
- EA Properties EOOD, Bulgaria through N Auto Sofia EAD - a subsidiary of AU AD until 02.08.2021.
  
- **Eurolease Group AD (ELG) – subsidiary of Eurohold Bulgaria AD until 30.06.2022;**
- Eurolease Auto EAD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto Romania AD, Romania – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto DOOEL, North Macedonia – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Rent-a-Car EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Finacity AD, Bulgaria (previous name Amigo Leasing EAD) – subsidiary of ELG – related party until 30.06.2022;
- Autoplaza EAD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Sofia Motors EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Amigo Finance EOOD, Bulgaria (previous name Mogo Bulgaria EOOD) – subsidiary of ELG from 01.12.2021 – related party until 30.06.2022;
  
- **Euro-Finance AD – subsidiary of Eurohold Bulgaria AD;**
  
- **Eastern European Electric Company II B.V, Netherlands - subsidiary of Eurohold Bulgaria AD;**
- Eastern European Electric Company III BV, Netherlands - a subsidiary of Eastern European Electric Company BV. II, Netherlands.
- Eastern European Electric Company BV, Netherlands - a subsidiary of Eastern European Electric Company BV. III, Netherlands.
- Electrodistribution Grid West AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Information and Communication Technologies AD, Bulgaria through CEZ Distribution Bulgaria AD – a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Sales Bulgaria AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Bulgaria EAD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Trade Bulgaria EOOD - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Free Energy Project Oreshets EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.

- Bara Group EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from July 27, 2021.
- **Electrohold Green EOOD, Bulgaria - subsidiary of Eurohold Bulgaria AD – established in 2022.**

### **30.1. The related parties' transactions**

#### **30.1.1. Transactions with subsidiaries and other related parties under common control**

##### **In the first nine months of 2022**

- By virtue of a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to Avto Union AD (related party until 30.06.2022) - Lender and has replaced Euroins Insurance Group AD - Initial Debtor in debt.
- In accordance with a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to Daru Car EAD (related party until 30.06.2022) - Lender and has replaced in debt Auto Union AD - Initial Debtor.
- Pursuant to an Assignment Notification, the Company has transferred a liability to Daru Car EAD (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a company outside the group.
- By virtue of an Assignment Notification, the Company has transferred a liability to Avto Union AD (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a company outside the group.
- In accordance with a Set-off agreement with the Eastern European Electric Company B.V. Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable of EUR 96 thousand up to the amount of the receivable.
- Pursuant to a Set-off agreement with IC EIG-Re AD, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- By virtue of a Debt replacement agreement, Eurolease Group AD (related party until 30.06.2022) as a Borrower has assumed liabilities amounting to BGN 4 370 thousand to Eurolease Auto EAD - Lender and has replaced Eurohold Bulgaria AD - Initial Debtor in debt.
- Pursuant to a Set-off agreement with Eurolease Group AD (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable of BGN 148 thousand up to the amount of the receivable.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability of BGN 735 thousand to Auto Union AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Auto Union AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability in the amount of BGN 4 256 thousand to Eurolease Group AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the coverage of a part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Eurolease Group AD (related party until 30.06.2022) from its buyer - Transferee (third party).



- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

### **In the first nine months of 2021**

- The Company has concluded a SWAP transaction with IC Euroins AD, buying back 25 pcs. ECPs with ISIN: XS2180906567 with a nominal of EUR 2 500 000 worth EUR 2 500 000 and simultaneously replace it with 25 newly issued ECPs with ISIN: XS2344657163 for EUR 2 450 000.
- The Company - in its capacity of borrower under Agreement with Auto Union Service EOOD, in the capacity of lender and Star Motors EOOD, in the capacity of Debtor - has transferred a debt from the Debtor to the Lender and undertakes to assume to the Lender the amount of BGN 332 thousand, consisting of BGN 314 thousand principal and BGN 18 thousand interest.
- Pursuant to an Agreement for set-off of counter-liabilities with Auto Union Service EOOD, the Company has set-off a receivable in the amount of BGN 72 thousand (BGN 70 thousand principal and BGN 2 thousand interest) with a liability of BGN 332 thousand. (BGN 314 thousand principal and BGN 18 thousand interest) up to the amount of the receivable.
- Pursuant to an Agreement for set-off of counter-liabilities with Auto Italia EAD, Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 14 thousand with a liability of BGN 2 thousand up to the amount of the liability.
- Pursuant to the Agreement for purchase and sale of financial instruments with IC Euroins AD (Acquirer) Eurohold Bulgaria AD (Transferor) a set-off of the receivable from the transferor with a liability to the same amounting to BGN 5 476 thousand has been made.

The other related parties' transactions for the first nine months of 2022 and 2021 are disclosed in *Notes 3, 5.1, 7.1, 8.1, 9.1, 10.1, 12.1 and 12.2*.

### **30.1.2. Transactions with key management personnel**

The key management personnel of the Company include the members of the Management Board and the Supervisory Board. Remuneration of key management personnel includes the following costs:

	30.09.2022 BGN	30.09.2021 BGN
Short-term remunerations:		
Salaries	252 554	236 901
Social security costs	5 562	7 145
<b>Total short - term remuneration</b>	<b>258 116</b>	<b>244 046</b>

### **30.1.3. Related party accounts at the end of the year**

Related party accounts are disclosed in the following *Notes 13, 15, 16, 20, 23, 26 and 27*.

## **31. Events after the end of the reporting period**

### **New related party**

On 03.10.2022, the company Electrohold EPC EOOD was established, 100% owned by Electrohold Bulgaria EOOD.

### **Extraordinary general meeting of shareholders**

By Decision of the Board of directors dated 24.10.2022, an Extraordinary General meeting of shareholders will be held on 28.11.2022. Information about it can be found on the Company's website and [www.x3news.com](http://www.x3news.com).

There are no significant events after the reporting period that would require additional disclosure or adjustments in the financial statements of Eurohold Bulgaria AD as of 30.09.2022.

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Internal information  
30 September 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](http://www.x3news.com), where the inside information is available at the following link: <http://www.x3news.com/?page=News&uniqid=635a77498d981&language=en>

The publicly disclosed inside information can also be found on the website of Eurohold Bulgaria AD. [www.eurohold.bg](http://www.eurohold.bg), where it is available in the "Internal Information" section at the following link:

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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# 5

## Additional information as at 30 September 2022

## ADDITIONAL INFORMATION

**to the interim condensed individual activity report  
for the period 1 January - 30 September 2022**

***pursuant to REGULATION No. 2 of 9 November 2021 on initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market***

### **1. Information about changes in accounting policies during the reporting period, the reasons for them and how they affect the issuer's financial result and equity**

There were no changes in the accounting policies of Eurohold Bulgaria AD during the reporting period.

### **2. Information about changes in the issuer's group of companies within the meaning of the Accounting Act, if it participates in such a group**

**For the period of the first quarter of 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. (EEEEC), increased its stake in CEZ Razpredelenie Bulgaria AD with a new name Elektrodistributive Net Zapad AD (ERN Zapad AD) to 98.93% and in CEZ Elektro Bulgaria AD with a new name Elektrohold Prodazhbi AD to 96.76%.

**For the period of the second quarter of 2022, the following changes have occurred in the group of enterprises of Eurohold Bulgaria AD:**

- 2.3.** 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.
- 2.4.** On 11.05.2022 - AUTO UNION AD signed a final contract with M TRAX BULGARIA EOOD for the sale of Star Motors EOOD - the 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 17.05.2022.
- 2.5.** 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.

- 2.6.** On 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.
- 2.7.** In connection with the completed tender offers, "EASTERN EUROPEAN ELECTRIC COMPANIES" B.V. has reached 99.25% and 97.66% in the capital of Elektrodistributive Net Zapad AD (ERN Zapad AD) and Elektrohold Prodazhbi AD. (More information on the results of the tender offer is available in the Interim Condensed Individual Activity Report as of June 30, 2022)
- 2.8.** 27.06.2022 г. - Еврохолд България АД увеличи капитала на дъщерното си дружество Eastern European Electric Company II, Нидерландия, с парична вноска в премиен резерв в размер на 680 000 евро.
- 2.9.** 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. (More information on the sale of the subsidiaries is available in the Interim Condensed Individual Report of the Activity as at 30 June 2022)

**For the period of the third quarter of 2022, the following changes occurred in the group of enterprises of Eurohold Bulgaria AD:**

- 2.10.** 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.
- 2.11.** 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.

**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**

The results of the sales of subsidiaries (see item 2.9. above) are available in the Interim Condensed Individual Activity Report as of 30 June 2022.

**4. 4. An opinion of the governing body on the feasibility of the published forecasts for the current financial year, taking into account the results of the current quarter, as well as information on the factors and circumstances that will affect the achievement of the forecast results at least until the end of the current year**

There are no published projections for 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**

	<b>Name</b>	<b>Shares</b>	<b>% of equity</b>
1.	Starcom Holding AD	130 433 415	50.07%
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: <ul style="list-style-type: none"> <li>- Global Opportunities Portfolio,</li> <li>- Global Macro Portfolio,</li> <li>- Global Macro Absolute Return Advantage Portfolio,</li> <li>- Global Macro Capital Opportunities Portfolio.</li> </ul>	23 423 351	8.99%
4	SLS Holding AD	16 485 549	6.33%

**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**

	<b>Name</b>	<b>Shares</b>	<b>% of equity</b>
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 condensed individual financial report for the first nine months of 2022, as well as in the interim condensed individual report on the activity as of 30 September 2022.

The conditions under which the transactions were carried out do not deviate from the market conditions for such type of transactions.

25 October 2022

**Assen Minchev,**  
Executive Director of Eurohold Bulgaria AD

**Milena Guancheva,**  
Prokurist of Eurohold Bulgaria AD

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# 6

Appendix 4  
30 September 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 - 30 September 2022.**

- 1. No change in the persons exercising control over the company**
- 2. Opening of insolvency proceedings for the company or its subsidiary and all material stages related to the proceedings**

No insolvency proceedings have been opened for the company or its subsidiary

- 3. Conclusion or execution of material transactions**

All completed transactions, including material transactions, are disclosed in the Notes to the Interim Condensed Individual Financial Statements for the nine months of 2022 and in the Interim Condensed Individual MD&A as of 30 September 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 Electrorazpredelitelni mreji 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%).
- » On 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 Commercial Register on 27.05.2022 with the sole owner of the capital Eurohold Bulgaria AD.
- » In connection with the completed tender offers, "EASTERN EUROPEAN ELECTRIC COMPANIES" B.V. has reached 99.25% and 97.66% in the capital of Electrorazpredelitelni mreji Zapad AD (EPM Zapad AD) and Elektrohold Prodazhbi AD. (More information on the results of the tender offer is available in the Interim Condensed Individual Activity Report as of June 30, 2022)

- » 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. (More information on the sale of the subsidiaries is available in the Interim Condensed Individual Report of the Activity as at 30 June 2022)
- » 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 - "Electric Distribution Networks Zapad" AD (ERM Zapad 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 ERM Zapad 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.

#### **8. Other circumstances that the company believes may be relevant to investors in deciding whether to acquire, sell or continue to hold the publicly offered securities**

All significant events for Eurohold Bulgaria AD occurring in the period of the nine months of 2022 and up to the date of this document are disclosed in detail in the Interim condensed individual management report as at 30 September 2022.

25.10.2022

**Assen Minchev,**  
*Executive Director of Eurohold Bulgaria AD*

**Milena Guancheva,**  
*Prosecutor of Eurohold Bulgaria AD*

# 7

## Declaration of responsible persons

## DECLARATION

### Article 100n, paragraph 4, item 4 of POSA

The undersigned,

1. Assen Minchev - Executive Director of Eurohold Bulgaria AD
2. Milena Guencheva - Attorney of Eurohold Bulgaria AD
3. Salih Trampov - Chief Accountant of Eurohold Bulgaria AD (compiler of the financial statements)

#### **WE DECLARE that to the best of our knowledge:**

1. The interim condensed separate financial statements as at 30.09.2022, 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 interim condensed individual management report as at 30.09.2022 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. Salih Trampov