

## NEWS RELEASE

### **Eurohold continues to expand sustainably its operations in Southeast Europe in the third quarter**

*The newly acquired insurers in the region contribute significantly to the revenue and profit growth of the holding*

- Total revenue rose to BGN 1.16 billion (+33%)
- Operating profit (EBITDA) increased to BGN 25.4 million (+3%)
- Premium volume grew to BGN 617 million (+37%)

**Sofia, 2<sup>nd</sup> December 2019** - **Eurohold Bulgaria AD**, a leading independent business group operating in the CEE/SEE/CIS region, continued its upward trend, expanding its business at steady growth rate and improving its profitability, according to the holding's consolidated interim financial statement for the first nine months of 2019.

**Eurohold** grew its total revenue to approximately BGN 1.16 billion in January-September, up 33% year-on-year (y-o-y). The company's operating profit (EBITDA) rose by 3% on the year to BGN 25.4 million while its net profit increased 7-fold compared to the year ago period to BGN 1.4 million. The total assets of the holding company stood at around BGN 1.44 billion in September 2019 or 3% higher compared to the end of 2018.

The strong growth of **Eurohold**'s insurance business in Southeast Europe and the CIS region contributed exceptionally to the results achieved in the first nine months of the year. The holding's revenue from the insurance operations soared by 44% y-o-y to over BGN 962 million and the EBITDA generated by this segment grew by an annual 9% to BGN 18.2 million.

The gross written premiums of Euroins Insurance Group AD (EIG), **Eurohold**'s insurance subholding, increased 37% on the year to BGN 617 million while EIG's January-September pre-tax profit rose 7% to BGN 14.2 million.

Almost all key EIG's subsidiaries recorded significant y-o-y premium growth, including most of the newly acquired by EIG insurance units in Eastern Europe and the CIS countries. The gross written premiums of Ukraine-based ETI, specialized in travel insurance, rose sharply by 47% to BGN 16.5 million generating pre-tax profit at the amount of BGN 3.9 million. Euroins Russia recorded 9% premium growth to BGN 40.4 million and pre-tax profit at the amount of BGN 1.6 million. Euroins North Macedonia achieved 26% annual growth in premium volume to BGN 20 million and 21% year-on-year increase in profit before taxes to BGN 1.3 million. Euroins Romania also reported a significant increase in premium - up by 29% on the year to over BGN 386 million. Euroins Bulgaria's premium volume rose by an annual 45% to nearly BGN 175 million and its pre-tax profit grew more than four times to BGN 6.2 million.

The leasing business of Eurohold, operating under Eurolease Group EAD brand, is the other main business line of the holding, that improved exceptionally its operating profitability. The operating profit generated by this segment went up by 29% y-o-y to BGN 5.3 million backed by a 7% year-on-year revenue growth to BGN 20 million.

*“The operating figures achieved are valuation for good, consistent and stable management. We’ll continue to pursue the development strategy we have chosen which includes acquisitions on our existing markets as well as takeovers on new markets if there are appropriate options. The successful deals we have signed for the last couple years, contributed largely to our business growth. We are satisfied that the expansion we have started in our new markets in the CIS countries since 2015, has already paid off. The three countries we are operating within this region (Russia, Ukraine and Georgia), generate more than 15% of the revenue and over 30% of the profit of EIG, our insurance subholding. The results achieved are a clear indicator that Eurohold is capable of acquiring, integrating and managing new businesses in new markets,” Kiril Boshov, chairman of Eurohold Bulgaria's management board, commented.*

#### Consolidated results of Eurohold in January-September 2019

Segments	Revenue			EBITDA			Net Profit		
	Q3.2019	Q3.2018	Change	Q3.2019	Q3.2018	Change	Q3.2019	Q3.2018	Change
	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	962,354	668,554	44%	18,220	16,692	9%	13,544	13,324	2%
Automotive	182,211	188,295	-3%	3,328	4,068	-18%	(1,681)	26	-6565%
Leasing	20,052	18,780	7%	5,323	4,128	29%	835	59	1315%
Asset management and brokerage	4,056	3,351	21%	594	189	-214%	431	138	-212%
<b>Total subsidiaries</b>	<b>1,168,673</b>	<b>878,980</b>	<b>33%</b>	<b>27,465</b>	<b>25,077</b>	<b>10%</b>	<b>13,129</b>	<b>13,547</b>	<b>-3%</b>
Parent company	2,836	2,243	26%	577	813	-29%	(11,049)	(13,138)	-16%
<b>Total without eliminations</b>	<b>1,171,509</b>	<b>881,223</b>	<b>33%</b>	<b>28,042</b>	<b>25,890</b>	<b>8%</b>	<b>2,080</b>	<b>409</b>	<b>409%</b>
<i>Intragroup eliminations</i>	<i>(11,658)</i>	<i>(10,553)</i>	<i>10%</i>	<i>(2,608)</i>	<i>(1,207)</i>	<i>116%</i>	<i>(669)</i>	<i>(209)</i>	<i>220%</i>
<b>Total</b>	<b>1,159,851</b>	<b>870,670</b>	<b>33%</b>	<b>25,434</b>	<b>24,683</b>	<b>3%</b>	<b>1,411</b>	<b>200</b>	<b>606%</b>

Source: Consolidated statement for the period ended September 30<sup>th</sup>, 2019

#### Eurohold Bulgaria AD

Sofia-based Eurohold Bulgaria AD is a leading independent business group, operating in the CEE/SEE/CIS region and the largest publicly-listed holding company in Bulgaria. Eurohold’s subsidiaries operate in the field of insurance, leasing, car sales, asset management and investment services in 10 European countries. The company is listed on the Bulgarian Stock Exchange and the Warsaw Stock Exchange. The group has over 2.5 million clients and approximately 3000 employees. As of 2018, Eurohold’s consolidated revenues amounted to BGN 1.3 billion, its operating profit reached BGN 52.3 million and its consolidated assets totalled BGN 1.4 billion. For the last 20 years the holding company has completed 16 successful acquisitions of companies in different business segments in Central and Eastern Europe in transactions with leading corporations in Europe. Eurohold owns Euroins Insurance Group (EIG), one of the largest independent insurance groups in the CEE/SEE/CIS region, operating in 10 European markets, including own subsidiaries in Bulgaria, Romania, North Macedonia, Ukraine, Georgia and Russia. EIG is also operating in Greece and has niche operations in Spain, Poland and Italy. In March, 2019, EIG agreed to

*take over 4 insurance companies from Germany-based ERGO in 3 European countries - Romania, the Czech Republic and Belarus.*

[www.eurohold.bg](http://www.eurohold.bg) [www.eig.bg](http://www.eig.bg)