

## NEWS RELEASE

### **Eurohold maintains its stable business positions in the first half of 2020 during the COVID-19 pandemic**

*The holding continues to expand its insurance business in Eastern Europe*

- Assets increased by 2% to BGN 1.5 billion
- EIG's premium income was up by 7% to BGN 438 million
- Investment income rose by 49% to BGN 4.6 million

**Sofia, 28th of September, 2020 - Eurohold Bulgaria AD**, a leading independent business group operating in the CEE/SEE/CIS region, increased its revenues by the insurance business line in the context of the COVID-19 pandemic and succeeded to maintain its stable business positions, according to the Holding's consolidated financial statement for the first half of 2020.

In the period January-June 2020 the total revenues of **Eurohold** reached BGN 769 million, that is a drop of 2% on an annual basis. The operating profit (EBITDA) of the company exceeded BGN 16 million but it is BGN 4 million less compared to the first six months of 2019.

The financial results were achieved in the conditions of unprecedented emergency measures due to the COVID-19 in Bulgaria, Greece, Northern Macedonia, Romania and Ukraine, The holding operates there through its subsidiaries. At the end of June the company's assets exceeded BGN 1.5 billion, that is by 2% higher compared to the end-2019 figure.

Euroins Insurance Group AD (EIG), **Eurohold's** group concentrating all insurance subsidiaries, contributed the most to the growth of the holding company. Revenues generated by the insurance business line increased by 4% year-on-year (y-o-y) to nearly BGN 685 million. Revenues of EIG's insurance premiums increased by 7% to BGN 438 million, thanks to the expansion of the group in Central and Southeastern Europe.

During the COVID-19 pandemic almost all of EIG's key subsidiaries managed to maintain their premium income to the levels of the first half of 2019. Euroins Romania, the largest company within EIG's structure, reported a 5,5 % premium increase to nearly BGN 270 million. For the first time since the acquisition in 2016, Euroins Ukraine reported a pre-tax profit of BGN 1.5 million and increased its insurance premium income by 29% year-on-year (y-o-y) to BGN 10.5 million. Euroins Bulgaria increased its premium income by 6% on an annual basis up to BGN 125 million and reported a pre-tax profit of BGN 3 million.

The Ukrainian subsidiary ERV, specialized in travel insurance, is the only one group's company that reported a sharp drop in revenue due to travel restrictions because of the coronavirus outbreak. The decline was by 60% on an annual basis. But the subsidiary succeeded to report a pre-tax profit of nearly BGN 0.5 million because of the management's efforts. The recovery of tourism is expected to improve ERV's financial condition.

In the context of the COVID-19 epidemiological situation and imposed restrictions in Bulgaria and Europe in the first half of the year, EIG completed the acquisition of ERGO Belarus. Due to the COVID-19 pandemic the insurance group also accelerated the digitalisation of its processes and systems. The group increased fivefold its budget for digital solutions. EIG implemented a project for digitalisation of 10 popular insurance products in three of its operational countries.

As expected in the context of the COVID-19 pandemic and due to the limited economic life, the leasing and automobile business of [Eurohold](#), operating under the brands Eurolease Group and Avto Union, reduced their incomes but reported operating profit. The financial and investment activity, concentrated in Euro-Finance AD, contributes positively to the results of the group.

*„The results of the first half of the year show that [Eurohold](#) is a stable business structure. It is capable of guaranteeing good prospects to its shareholders and partners in the context of an unprecedented health and economic crisis. The successful acquisitions we made in the recent years, as well as the integration and development of the new companies of Euroins Insurance Group, contribute to maintain our stable market positions. The good operating results in the first half of the year are a stable basis for a quick business recovery in the coming months. We scrutinize and analyze the economic situation as well as forecasts in order to follow a realistic strategy for the development of our business“,* said **Kiril Boshov**, chairman of [Eurohold](#)'s management board.

## CONSOLIDATED RESULTS OF EUROHOLD BULGARIA IN JANUARY-JUNE 2020

Sectors	Revenue			EBITDA			Financial result		
	Q2 2020	Q2 2019	Change	Q2 2020	Q2 2019	Change	Q2 2020	Q2 2019	Change
	'000BGN	'000BGN	%	'000BGN	'000BGN	%	'000BGN	'000BGN	%
Insurance and Health Insurance	684,724	656,956	4,2%	10,679	14,051	-24,0%	5,290	11,375	-53,5%
Automotive	74,632	118,407	-37,0%	4,070	2,834	43,6%	(392)	(323)	21,4%
Leasing	10,457	12,908	-19,0%	2,411	3,438	-29,9%	(736)	468	-257,3%
Asset Management and brokerage	4,619	3,100	49,0%	268	885	-69,7%	153	771	-80,2%
<b>Total for subsidiaries</b>	<b>774,432</b>	<b>791,371</b>	<b>-2,1%</b>	<b>17,428</b>	<b>21,208</b>	<b>-17,8%</b>	<b>4,315</b>	<b>12,291</b>	<b>-64,9%</b>
Parent company	1,662	1,631	1,9%	(8)	482	-101,7%	(7,237)	(7,618)	-5,0%
<b>Total before elimination</b>	<b>776,094</b>	<b>793,002</b>	<b>-2,1%</b>	<b>17,420</b>	<b>21,690</b>	<b>-19,7%</b>	<b>(2,922)</b>	<b>4,673</b>	<b>-162,5%</b>
<i>Intergroup eliminations</i>	<i>(6,386)</i>	<i>(6,552)</i>	<i>-2,5%</i>	<i>(1,230)</i>	<i>(1,546)</i>	<i>-20,4%</i>	<i>(541)</i>	<i>(669)</i>	<i>-19,1%</i>
<b>Total</b>	<b>769,708</b>	<b>786,450</b>	<b>-2,1%</b>	<b>16,190</b>	<b>20,144</b>	<b>-19,6%</b>	<b>(3,463)</b>	<b>4,004</b>	<b>-186,5%</b>

Source: Eurohold's unaudited consolidated financial statement January - June 2020

### Eurohold Bulgaria AD

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

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