

NEWS RELEASE

Eurohold grows sharply revenue and improves profitability in H1 2019

*The company submitted to the Bulgarian antitrust regulator the documents
about the deal with CEZ Group*

- Revenue goes up to BGN 786.5 million (+31%)
- EBITDA grows to BGN 20.1 million (+4%)
- EIG's premium revenue rises to BGN 410.5 million (+37%)

Sofia, Aug 13th 2019 - **Eurohold Bulgaria**, a leading independent business group operating in the CEE/SEE/CIS region, continued to expand its business at steady growth rate, further improving its profitability and efficiency, according to the company's consolidated interim financial statement.

Eurohold's total revenue exceeded BGN 786 million in the first half of 2019, implying a 31% year-on-year (y-o-y) increase. The company's operating profit (EBITDA) grew by 4% on the year to BGN 20.1 million. The total assets of the holding company stood at almost BGN 1.5 billion in June 2019, around 5% higher compared to the end of the previous year.

The insurance business of **Eurohold** across Southeast Europe, grouped in Euroins Insurance Group AD (EIG), contributed exceptionally to the growth and increased profit of the holding company in the first half of the year. **Eurohold**'s revenue from the insurance operations soared by 43% y-o-y to nearly BGN 657 million. EIG's revenue from insurance premiums rose by over 37% compared to the first half of 2018 to BGN 410.5 million. Almost all key subsidiaries of EIG posted solid year-on-year premium increases, including the ones specialized in general insurance in Bulgaria (47%), Russia (11%) and North Macedonia (29%). The newest companies within the structure, acquired by the Bulgarian insurance holding (in 2018), also recorded an exceptional annual growth in their premiums - Ukraine-based ETI, specialized in travel insurance (75%) and Euroins Georgia (35%). The operating profit of **Eurohold**, generated by the insurance business line, surpassed BGN 14 million in the 1st half of the year compared to 13.7 million in January-June 2018.

The leasing business of **Eurohold**, operating under Eurolease Group EAD brand, also improved its performance. The operating profit generated by this segment went up by 25% y-o-y to BGN 3.4 million backed by a 5% year-on-year revenue growth to BGN 12.9 million. The net profit of the holding from the segment jumped 4-fold to BGN 468 thousand.

The car business of **Eurohold**, operating under Avto Union AD, posted 10% lower revenue compared to the previous period to BGN 118.4 million, accompanied by an 8% year-on-year decline in EBITDA from this segment to BGN 2.8 million.

“The successful acquisitions we made in the last couple of years as well as the fair amount of time and effort we have been investing in the integration and development of the companies taken over by Euroins Insurance Group, has recently started to bear fruit. Almost all EIG’s subsidiaries made contributions to the overall growth of our insurance business. We are satisfied that the increase in revenue is combined with a strong operating profit of the insurance holding. The good operating results in the first half of the year are giving us even more solid ground to expand our business and step in new markets”, commented **Kiril Boshov, chairman of Eurohold Bulgaria's management board.**

Eurohold has already submitted to the Commission for Protection of Competition (CPC) the documents in relation with the acquisition of CEZ Group’s subsidiaries in Bulgaria. On 20th of June, 2019, **Eurohold** signed a contract with CEZ Group for the acquisition of Czech energy group’s business in Bulgaria. The transaction is subject to approval from the Bulgarian antitrust body.

Consolidated results of Eurohold Bulgaria in H1 2019

Segments	Revenue			EBITDA			Net Profit		
	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change
	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	656,956	459,396	43%	14,051	13,692	3%	11,375	11,534	-1%
Automotive	118,407	131,630	-10%	2,834	3,091	-8%	(323)	395	-182%
Leasing	12,908	12,261	5%	3,438	2,744	25%	468	110	325%
Asset management and brokerage	3,100	2,138	45%	885	73	1112%	771	36	2042%
Total subsidiaries	791,371	605,425	31%	21,208	19,600	8%	12,291	12,075	2%
Parent company	1,631	1,834	-11%	482	840	-43%	(7,618)	(7,787)	-2%
Total without eliminations	793,002	607,259	31%	21,690	20,440	6%	4,673	4,288	9%
<i>Intragroup eliminations</i>	<i>(6,552)</i>	<i>(6,802)</i>	<i>-4%</i>	<i>(1,546)</i>	<i>(1,084)</i>	<i>43%</i>	<i>(669)</i>	<i>(209)</i>	<i>220%</i>
Total	786,450	600,457	31%	20,144	19,356	4%	4,004	4,079	-2%

Source: Consolidated statement for the period ended June 30th, 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 www.eig.bg