

NEWS RELEASE

Eurohold reports record revenues in 2019

The newly acquired insurers in SEE contributes significantly to the results achieved

- Revenues rose by +26% to BGN 1.6 billion
- Assets increased by +7% to BGN 1.5 billion
- EIG's premium income grew by +32% to BGN 848 million

Sofia, 2th March 2020 - **Eurohold Bulgaria AD**, a leading independent business group operating in the CEE/SEE/CIS region, reports record revenues in 2019 due to the growth of all key business segments it operates in and continued to expand its operations in the region and to improve its operating profitability, according to the holding's annual consolidated unaudited financial statement, published on the BSE.

Eurohold's consolidated operating revenues amounted to BGN 1.6 billion, up by 26% on the year and a record value in the history of the company. The group's consolidated operating profit edged up 0.4% year-on-year (y-o-y) to over BGN 51 million. Excluding the parent company's unconsolidated operating result, the operating profit (EBITDA) of the holding's subsidiaries grew by 73% compared to 2018 to BGN 55.7 million. Only the group's operating profit generated from the insurance operations doubled to BGN 32.5 million last year.

Eurohold's consolidated net profit declined from BGN 16.9 million to a little over BGN 8 million which was fully attributed to the parent company's unconsolidated result. At the end-2019, the group's consolidated assets totalled BGN 1.5 billion, which is 7% higher compared to the end-2018 figure.

The insurance business contributed largely to the growth

The insurance business was the largest contributor to the growth of **Eurohold**. The holding's revenue from the insurance operations soared by 33% y-o-y, exceeding 1 billion for the first time in the company history, reaching BGN 1.3 billion. The gross written premium of Euroins Insurance Group AD (EIG), **Eurohold**'s subholding that concentrates all insurance subsidiaries, increased 32% on the year to BGN 848 million while its pre-tax profit more than doubled in 2019 up to BGN 21.6 million.

EIG's newly acquired insurance units based in Central and Southeastern Europe and the CIS countries were main contributors to this premium increase. The gross written premium of Ukraine-based ETI, specialized in travel insurance, rose sharply by 50% to BGN 21.5 million generating pre-tax profit at the amount of BGN 4 million. Euroins Ukraine, the other Ukraine-based company that is part of EIG, booked BGN 17 million, up by 7% compared to 2018. Euroins Russia posted a total of BGN 56 million in gross written premium and a profit before taxes of BGN 1.1 million. Euroins North Macedonia achieved 21% annual growth in premium volume to BGN 26 million and 23% year-on-year increase in profit before taxes to BGN 1.6 million. Euroins Georgia increased the volume of its gross written premiums by 57% y-o-u to BGN 10.5 million.

Euroins Romania, the largest company within EIG's structure, recorded a 25% premium increase to over BGN 530 million. Euroins Bulgaria, the group's second largest insurance company, booked BGN 243 million in gross written premium, up by 41% compared to the previous year. The result of Bulgaria-based insurer includes the contribution of the operations in Greece and Poland where Euroins Bulgaria operates under the freedom of establishment and to provide services.

The auto business also saw a growth

Eurohold's automotive business, represented by Avto Union AD, is the other main business line of the holding, that improved exceptionally its operating profitability. The operating profit generated by this segment rose by 64% y-o-y to BGN 15.8 million backed by a 10% year-on-year revenue growth to BGN 257 million.

"With the performance and results achieved in 2019 we have confirmed the positive trend in our development we have been following for the last three years and continued to expand sustainably our business in Central and Southeast Europe as well as in the CIS countries. We adhere to our growth strategy which is focused on turning Euroins Insurance Group into one of the leading independent insurance groups in the region. The companies we have acquired recently have already contributed positively to the growth of the holding. We also aim at increasing our operating profitability constantly", Kiril Boshov, chairman of Eurohold Bulgaria's management board, commented.

Consolidated results of Eurohold Bulgaria in 2019

Segments	Revenue			EBITDA			Financial result		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	1,312,921	988,994	33%	32,584	15,057	116%	21,118	9,910	113%
Automotive business	257,100	234,318	10%	15,785	9,597	64%	5,513	3,438	60%
Leasing services	27,162	27,081	0.3%	6,527	6,652	-2%	404	1,218	-67%
Asset management and brokerage services	5,372	5,071	6%	831	956	-13%	580	834	-30%
Total subsidiaries	1,602,555	1,255,464	28%	55,727	32,262	73%	27,615	15,400	79%
Parent company	7,858	24,007	-67%	2,519	20,329	-88%	(14,592)	1,660	-979%
Total without eliminations	1,610,413	1,279,471	26%	58,246	52,591	11%	13,023	17,060	-24%
<i>Intragroup eliminations</i>	<i>(18,727)</i>	<i>(16,311)</i>	<i>15%</i>	<i>(7,234)</i>	<i>(1,782)</i>	<i>306%</i>	<i>(5,006)</i>	<i>(186)</i>	<i>2591%</i>
Total	1,591,686	1,263,160	26%	51,012	50,809	0.4%	8,017	16,874	-52%

Source: Eurohold's unaudited consolidated financial statement for 2019

Eurohold Bulgaria AD

Eurohold Bulgaria is a leading independent business group in the CEE/SEE region, operating in insurance, leasing, car sales, asset management and investment services and listed on the BSE and the WSE. It owns Euroins Insurance Group (EIG), one of the largest independent insurance groups in the CEE/SEE region, operating in 9 markets, including own subsidiaries in Bulgaria, Romania, North Macedonia, Ukraine and Georgia. EIG also operates in Greece and Russia, and has niche insurance operations in Spain and Italy. Currently the insurance group has over 2.5 million clients and over 3000 employees.

www.eurohold.bg www.eig.bg