

EUROHOLD BULGARIA AD

Interim Separate Report

30 June 2021



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INTERIM MANAGEMENT REPORT

containing information on important events occurred in the period 1 January – 30 June 2021 in accordance with Art. 100o, para. 4, item 2 of the POSA

CORPORATE OVERVIEW


- Eurohold Bulgaria AD is a leading independent business group in Central and Southeast Europe (CSE) and the largest public holding in Bulgaria by amount of revenue
- Main scope of business activity - financial activity related to the establishment, acquisition and management of participations and financing of related enterprises.
- The holding owns the largest independent insurance group in CSE by gross premium income - Euroins Insurance Group
- Public joint-stock company within the meaning of the Public Offering of Securities Act. The company's shares are registered for trading on:
 - Main market of the Bulgarian Stock Exchange (BSE) - with stock exchange code EUBG
 - Warsaw Stock Exchange (WSE) - Poland with stock index EHG.

OUR BUSINESS OPERATIONS

- 5 subsidiary companies
- 32 operating companies
- 1 associated company
- 14 countries in Europe
- 9,400 shareholders
- 25 years of history

Credit ratings

	<i>EuroHold</i> <i>Issuer Default</i> <i>Rating "B"</i>
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	<i>EuroHold</i> <i>Long-term: BBB-</i> <i>Outlook: stable</i> <i>Short-term: A-3</i>
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Euroins Insurance Group - main asset in the Eurohold Group
 Insurer in CEE and SEE with leading positions in Romania and Bulgaria.
 Active operations in 9 markets in Europe.

Avto Union - investments in the automotive sector

Leading automotive trader in Bulgaria and operating on 2 markets in the Balkans.

Eurolease Group is a leasing group

Large leasing group operating on 2 markets in the Balkans.

Euro-Finance - investment intermediation and asset management:

Leader in market turnover on the Bulgarian Stock Exchange, member of the Deutsche Börse Group.
 More than 20 years of experience

Eastern European Electric Company II B.V. - energy industry

At the end of July 2021, the energy group acquired the assets of CEZ Group in Bulgaria.

IMPORTANT EVENTS FOR THE ACTIVITY OF EUROHOLD BULGARIA, OCCURRED DURING THE PERIOD

JANUARY - JUNE 2021 AND UNTIL THE DATE OF THE REPORT

1. **The change in the composition of the Supervisory Board of the company and withdrawing Procuracy**
 - **At the regular General Meeting of Shareholders of Eurohold Bulgaria AD held on 30.06.2021, a decision was made to dismiss Lyubomir Stoev from his position as a member of the Supervisory Board of the Company. The GMS elects a new member of the Supervisory Board, namely - Ivaylo Krasimirov Angarski.**
 - By decision of the Board of 07.16.2021, the entry in the commercial register on 07.26.2021, the decision was taken to withdraw Hristo Lubomirov Stoev as procurator of the company.

2. Eurohold has completed the acquisition of CEZ Group's business in Bulgaria

On 27 July 2021 Eurohold Bulgaria AD has officially completed the acquisition of seven subsidiaries of Czech energy group CEZ in Bulgaria for EUR 335 million and has realized through its wholly owned subsidiary Eastern European Electric company (EEEC)

As a result of the transaction, Eurohold has acquired a 67% interest in CEZ Distribution Bulgaria - the largest distributor of electricity in Bulgaria (with 40% market share) and CEZ Electro Bulgaria – the largest power supplier in Bulgaria, in addition to 100% of the capital of CEZ Trade Bulgaria – the largest electricity trader in Bulgaria. Other assets acquired included IT services company CEZ ICT Bulgaria, solar park Free Energy Project Oreshetz, biomass-fired power plant Bara Group, and CEZ Bulgaria, the coordinator of CEZ Group's units in Bulgaria.

Upon acquisition and integration of CEZ Group's assets, Eurohold will more than double the number of customers it serves to over 7 million, and employ more than 6,000 people in 11 countries in Central, East and Southeast Europe (CESEE) and the former Soviet Union (FSU). CEZ Group's subsidiaries in Bulgaria have over 3,000 employees and serve nearly 3 million customers, including in the most populated southwestern part of the country and the capital Sofia. Prior to the transaction, Eurohold had more than 3,000 employees and provided services to about 4 million customers in 11 countries in CEECE and the former USSR, mainly through its insurance subholding Euroins Insurance Group AD (EIG).

By the end of 2021 and with the consolidation of the results of the divisions of CEZ Group, the total assets and annual revenues of the insurance and energy holding are expected to exceed EUR 1.5 billion, while its EBITDA is forecast to reach around EUR 120 million per annum. According to the development strategy until 2025, Eurohold expects to generate revenues of nearly 2 billion euros per annum and operating profit (EBITDA) of almost EUR 200 million.

Eurohold will retain most of the existing CEZ Bulgaria's management team in order to secure the expertise and experience that has been gained through the years, while at the same time inviting new members to join the board, each of which with over 25 years of experience in the sector at leading positions in energy companies operating across Eastern Europe.

Eurohold, led by its M&A and investment banking arm Euro-Finance AD, financed the acquisition of CEZ Group's subsidiaries in Bulgaria through a combination of equity raised via a capital increase and a public offering of new shares on the Bulgarian Stock Exchange (BSE) as well as a comprehensive financing package including a strategic structured investment by Metric Capital Partners, where J.P. Morgan AG acted as Exclusive Financial Adviser and Sole Placement Agent and a senior syndicated facility subscribed by commercial and multilateral development banks. J.P. Morgan AG acted as a Sole Structuring Bank, Bookrunner and Initial Mandated Lead Arranger on the syndicated loan facility, with Bank of China Luxembourg, Raiffeisen Bank International AG, RaiffeisenBank Bulgaria and Unicredit Bulbank - as Bookrunners and Mandated Lead Arrangers. The Black Sea Trade and Development Bank (BSTDB), DSK Bank, the European Bank for Reconstruction and Development (EBRD) and OTP Bank acted as Mandated Lead Arrangers and Eurobank Bulgaria, International Investment Bank and United Bulgarian Bank acted as Lead Arrangers.

3. Eurohold attracted over BGN 157 million (EUR 80.5 million) through a public offering of new shares

7 July 2021 was the deadline for subscription of shares from the capital increase of Eurohold Bulgaria AD, as the company attracted over BGN 157 million (EUR 80.5 million) through a public offering of new shares on the Bulgarian Stock Exchange (BSE). The capital increase took place between 9 June and 7 July 2021, with nearly 63 million new shares subscribed and paid, as a result of which Eurohold raised approximately 24% more than the required own funds (EUR 65 million) for the acquisition of CEZ Group companies in Bulgaria and increased its capital to 260.5 million shares. The majority owner of the holding - Starcom Holding AD, has subscribed and paid for nearly 47 million new shares, and will retain control in the company with over 50% stake.

4. Eurohold's auto holding agreed to sell the dealer of Nissan, Renault and Dacia auto brands in Bulgaria

In June 2021 Avto Union AD, the largest Bulgarian auto holding, incorporating Eurohold Bulgaria's investments in the sector, signed a preliminary contract for the sale of its subsidiary N Auto Sofia EAD to Bulpharma OOD, a leading investor in healthcare services.

The deal was approved by the Commission for Protection of Competition on 15.07.2021.

The deal is part of Eurohold's development strategy that provides for the sale of the automobile and leasing business and focus on the insurance and energy business lines.

5. In June 2021, Eurohold Bulgaria AD presented its development strategy

Eurohold Bulgaria AD presented its strategy for development in the energy and insurance business and the goals for the consolidated financial results of the group for the period 2021-2025 after the acquisition of the companies of CEZ Group in Bulgaria.

The strategy is available at the following link:

<https://www.eurohold.bg/files/documents/articles/b59ca01996f58bea50d239ca4bad21fa.pdf>

6. FSC Approved Eurohold's Capital Increase Prospectus

On 29th of April 2021, The Bulgaria's Financial Supervision Commission (FSC) approved Eurohold's capital increase prospectus, which will allow the largest Bulgarian public holding and one of the leading independent financial and insurance groups in the CEE/SEE/CIS region to raise up to EUR 100 million by issuing new shares on the Bulgarian Stock Exchange (BSE).

The Bulgarian investment intermediary Euro-Finance AD will be the lead manager of the public offering. Eurohold has appointed Renaissance Capital solely in capacity of a financial adviser in relation with the offering.

7. Eurohold Mandated J.P. Morgan AG as Lead and Exclusive Arranger for Structuring the Debt Financing related to the Deal with CEZ Group

On 26th of April 2021, Eurohold Bulgaria has mandated J.P. Morgan AG to act as its lead and exclusive arranger for structuring the debt financing related to the deal with CEZ Group.

J.P. Morgan AG is one of the leading and most experienced institutions worldwide in such complex transactions, especially in the energy sector. This is a further step towards the completion of the acquisition of CEZ Group's subsidiaries in Bulgaria by the end of the first half of the year.

8. General Meeting of the Shareholders of Eurohold Bulgaria adopts a resolution for share capital increase of the company and issuance of a corporate guarantee by Eurohold to its subsidiary

At the extraordinary session, held on 10.04.2021, the General Meeting of Shareholders adopted a resolution for increase of the share capital of the Company from BGN 197,525,600 (one hundred ninety-seven million five hundred twenty-five thousand six hundred) to BGN 276,535,840 (two hundred and seventy-six million five hundred and thirty-five thousand eight hundred and forty) through issuance of a new issue of shares under the terms of a public offering pursuant to the provisions of the Public Offering of Securities Act. The new issue consists of 79,010,240 shares of the same type and class as the existing issue of shares of the company, namely: dematerialized, registered, non-preferred, with the right to 1 (one) vote in the general meeting of the shareholders of the company, with the right to dividend and right to liquidation share, proportionate to the nominal value of the share. The nominal value of each share is BGN 1.00 (one). The issue value of each share is BGN 2.50 (two and 0.50).

The capital of Eurohold Bulgaria AD will be increased only if at least 31,604,096 shares are subscribed and fully paid, representing 40% (forty percent) of the offered shares. In this case, based on Art. 192a, para. 2 of the Commerce Act, the capital will be increased only with the value of the subscribed and fully paid shares, equal to or exceeding the indicated minimum admissible amount of the raised capital, whereby the public offering is considered successfully completed. It is not possible to subscribe for shares above the maximum admissible amount of the capital announced for raising amounting to 79,010,240 shares.

The proceeds from the capital increase will be used for financing of the acquisition energy companies owned by CEZ in Bulgaria.

In addition, for the purposes of financing of the CEZ deal, the General Meeting of Shareholders adopted a resolution for Eurohold Bulgaria to provide a corporate guarantee to its subsidiary Eastern European Electric Company II B.V. as a result of which for Eurohold Bulgaria AD will arise an obligation in its capacity as corporate guarantor for the payment of all liabilities (including, but not limited to, principal, interest, penalties, fees, commissions, other expenses) of its subsidiary Eastern European Electric Company II B.V., which are related to and/ or would result from the conclusion of financing transactions in the form of (i)

subordinated debt, (ii) perpetual non-convertible preferred shares with guaranteed dividend, issued by the subsidiary - Eastern European Electric Company II B.V., (iii) a mezzanine loan and / or (iv) another financial instrument with an economic effect similar to the effect of the instruments under (i), (ii) and / or (iii). The minimum value of the guarantee is EUR 50 000 000 (fifty million), including the corresponding return for the applicable financing instrument for creditors/ investors (e.g. interest, fixed dividend, nominal discount) and the maximum value of EUR 150 000 000 (one hundred and fifty million), including the relevant return for creditors/ investors (e.g. interest, fixed dividend, nominal discount); term – from 3 to 10 years; the transaction is carried out in favour of the subsidiary of Eurohold Bulgaria AD - Eastern European Electric Company II BV and indirectly, in favour of the subsidiary Eastern European Electric Company B.V. and Eurohold Bulgaria AD - the parent company Eurohold Bulgaria AD.

9. Granted approvals by the competent regulatory authorities for the acquisition of the subsidiaries of the Check energy group CEZ in Bulgaria

On January 19, 2021, the Energy and Water Regulatory Commission (EWRC) granted its approval for Eurohold Bulgaria AD, through its subsidiary Eastern European Electric Company BV, to acquire the subsidiaries of the Czech energy group CEZ in Bulgaria.

Eurohold Bulgaria AD will acquire control over the business of CEZ in Bulgaria through an especially created for this purpose company Eastern European Electric Company B.V., the Netherlands, which in turn is 100% owned by Eastern European Electric Company II BV. The latter is 100% sole owned by Eurohold Bulgaria AD.

The acquisition package comprises of 67% of the share capital of the electricity distribution company CEZ Distribution Bulgaria AD and of the power supply utility company CEZ Electro Bulgaria AD, as well as of the acquisition of 100% from the capital of the licensed electricity trader CEZ Trade Bulgaria EAD, the IT services company CEZ ICT Bulgaria EAD (a subsidiary of CEZ Distribution Bulgaria AD), the photovoltaic (solar) park "Free Energy Project Oreshets" EAD, the company for production of electricity from biomass - Bara Group EOOD, and CEZ Bulgaria EAD, which coordinates and manages the activities of all companies in the Czech group in the Bulgaria.

Insofar as the acquired companies CEZ Distribution Bulgaria AD and CEZ Electro Bulgaria AD are public companies whose shares are traded on a regulated market and the acquired by Eastern European Electric Company B.V. participation in them exceeds two thirds of the votes in the general meeting of each of these public companies (67%), according to the provision of art. 149, para. 6 of the Public Offering of Securities Act, after the acquisition of the shares, for Eastern European Electric Company B.V., the Netherlands, an obligation will arise to submit a tender offer to the other voting shareholders in these companies for the purchase of their shares. In case the offer is accepted by all shareholders of each of the two companies, for Eastern European Electric Company B.V. an obligation will arise for the acquisition of a minority share in the amount of 33% of the capital of each of the public companies CEZ Distribution Bulgaria AD and CEZ Electro Bulgaria AD.

The financing of the purchase of the shares from the majority shareholder and of those from the minority shareholders of the two public listed companies part of the package deal (CEZ Electro Bulgaria AD and CEZ Trade Bulgaria EAD) will be secured through own funds (raised from share capital increase) and borrowed capital from leading global investment banks.

ACQUISITION OF CONTROL OVER THE SUBSIDIARIES OF CEZ IN BULGARIA

With the acquisition of control over the subsidiaries owned by CEZ in Bulgaria, Eurohold Bulgaria AD aims to establish a strong regional company within the holding following the established model of Euroins Insurance Group AD (one of the largest insurance groups in Southeast Europe) and an opportunity to diversify its investment portfolio.

At the date of preparation of this report the activity Eurohold Bulgaria has finalized the acquisition of the assets of CEZ Group in Bulgaria.

Eurohold Bulgaria AD has acquired control over the business of CEZ in Bulgaria through an especially created for this purpose company Eastern European Electric Company B.V., the Netherlands, which in turn is 100% owned by Eastern European Electric Company II BV. The latter is 100% sole owned by Eurohold Bulgaria AD.

The next step is to submit a tender offer to the other voting shareholders in the acquired public companies CEZ Distribution Bulgaria AD and CEZ Electro Bulgaria AD for the purchase of their shares representing 33% of the capital of the two companies.

FINANCIAL PERFORMANCE

Eurohold Bulgaria AD as a holding company does not carry out regular commercial transactions, and in this respect, its main (operating) revenues are of a financial nature, as the most significant of them - revenues from financial operations occur in different reporting periods and do not have a permanent occurrence. In this respect, investors and stakeholders should read this individual report together with the consolidated statement giving a clear and complete picture of the risks, results, financial situation and prospects for the development of the Eurohold Group.

FINANCIAL RESULT

INCOME

The income of the company over the reporting period amounted to BGN 1.3 million, of which:

- » Dividend income - BGN 0.2 million;
- » Income from profits from operations with investments and financial instruments and subsequent valuations totaling BGN 0.5 million, including:
 - BGN 0.2 million profit from transfer of ownership of repurchased own bonds 10,500 pcs. from the EMTN Programme in EUR with ISIN XS1731768302
 - BGN 0.3 million profit from repurchase of own bonds 5 900 pcs. with ISIN BG2100013205.
- » Income from revaluations of debt instruments measured at fair value, in the total amount of BGN 0.1 million, including:
 - BGN 0.1 million from revaluation of purchased own bonds 10,500 pcs. from EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 0.03 million from revaluation of purchased own bonds 900 pcs. with ISIN BG2100013205;
- » Other financial income (positive exchange rate differences) amounting to BGN 0.4 million.

For comparison, the income reported by Eurohold as of 30.06.2020 amounted to BGN 2.8 million, formed by:

- » Dividend income - BGN 0.2 million;
- » Income from profits from operations with financial instruments and subsequent valuations totaling BGN 0.8 million;
- » Other financial income (positive exchange rate differences) amounting to BGN 1.5 million.

EXPENSES

In the first half of the current year, Eurohold Bulgaria marked a slight increase in its operating expenses, which amounted to BGN 13.4 million for the reporting period, compared to BGN 10.2 million as of 30.06.2020.

The reported increase by 31% of operating expenses amounted to BGN 3.2 million and it was characterized mainly by the following changes:

- » Increase in interest expenses by BGN 1.8 million as for the first half of 2021 expenses in the amount of BGN 9.9 million were reported. Interest are grouped into three categories, namely:
 - Interest on loans from banks and non-banking financial institutions amounting to BGN 1.7 million accounting an increase of BGN 0.4 million – the increase is due to the new bank loan disbursed in mid-2020;
 - Interest on bond issues amounting to BGN 6.5 million – with an reported increase of BGN 0.9 million due to the newly issued in November 2020 bond loan in the amount of EUR 30

million, on which interest in the amount of BGN 0.9 million was accrued for the first half of 2021.

- Interests on borrowings and leasing from related and third parties amounting to BGN 1.8 million – an increase of BGN 0.5 million was reported.

- » Increase in expenditures for external services, which amounted to BGN 1.8 million for the reporting period compared to BGN 1.2 million for the previous period. The realized increase in the costs for external services is mainly related to incurred current costs for the finalization of the transaction for the acquisition of the assets of CEZ Group in Bulgaria;
- » Other financial expenses increased by BGN 0.6 million and their amount as of 30.06.2021 was BGN 0.8 million;
- » Personnel expenses also increased for the reporting period, amounting to BGN 0.5 million vs. BGN 0.3 million for the comparable period.

RESULTS FROM OPERATING ACTIVITIES

For the first six months of 2021, Eurohold Bulgaria realized a loss from operating activities in the amount of BGN 12.2 million, accounting an increase of the loss by BGN 4.8 million vs. the comparable period.

FINANCIAL RESULT

For the period January 1 – 30 June, 2021 Eurohold Bulgaria AD reports a financial result on an individual basis a loss of BGN 12.4 million. For comparison, the financial result realized for the comparable period of the previous year is a loss of BGN 7.2 million.

FINANCIAL POSITION

ASSETS

As of 30th of June 2021 the company's assets increased by BGN 6.4 million and reached to BGN 640.1 million compared to BGN 633.7 million as of the end of 2020.

Non-current investments

The assets of Eurohold Bulgaria AD mainly represent investments in subsidiaries and other enterprises, as of the end of the current reporting period amounted to BGN 634.9 million compared to BGN 629.4 million at the end of 2020.

The growth by BGN 5.5 million was entirely due to an increase of the investment in the subsidiary Euroins Insurance Group AD. The increase is in connection with the acquisition by Eurohold Bulgaria AD of another 5,593,533 shares of the capital of the subsidiary Euroins Insurance Group AD. As a result, the participation in the capital of the subsidiary insurance subholding was increased to 96.98%, with which the total shares held by Eurohold Bulgaria AD amount to 543,445,791 shares.

Non-current assets

Non-current assets include property, plant and equipment, and intangible assets. During the reporting period, non-current assets decreased slightly by BGN 0.06 million, which was due to a decrease in the recognized assets (properties) with the right of use by BGN 0.3 million as their value at the end of the reporting period amounted to BGN 1.8 million.

In the first half of 2021 Eurohold Bulgaria has provided long-term loans to subsidiaries amounting to BGN 0.3 million.

Current assets

Current assets relatively retain their value and amount to BGN 3.1 million, they include:

- Receivables from related parties from commercial operations in the amount of BGN 0.7 million, reporting an increase for the period by BGN 0.3 million;
- Other receivables and assets in the amount of BGN 1.9 million., which increased by BGN 0.4 million;
- Cash and cash equivalents amounting to BGN 0.5 million.

EQUITY

As of 30.06.2021 the equity of Eurohold Bulgaria amounted to BGN 291.5 million compared to BGN 303.7 million at the end of 2020. The reported decrease of 4% was due to the realized loss during the current reporting period.

The share capital of the Holding does not report a change and amounting to BGN 197.5 million at the end of June 2021.

As of the date of preparation of this report, as a result of the successfully completed increase of the share capital of the Company at the beginning of July 2021 under the conditions of public offering of securities as a result of subscribed 62,974,400 new shares each with a nominal value of 1 BGN and issue value BGN 2.50, the share capital was increased to BGN 260.5 million, with an additional premium reserve for securities issuance of BGN 94.5 million.

SUBORDINATED DEBT INSTRUMENTS

In order to strengthen the capital of the group and after reviewing the indebtedness, Eurohold Bulgaria has agreed and converted part of its loan obligations as of 31.12.2020 in the form of a subordinated debt (not issued) instrument.

The subordinated debt instrument represents unissued tier 1 capital and amounts to BGN 33 million due to the majority shareholder Starcom Holding for an indefinite period, but not earlier than 5 years with interest due at the end of each quarter, calculated at base fixed interest rate of 6.5%.

The total amount of equity and subordinated tier 1 capital amounts to BGN 324.3 million as of 30 June 2021.

LIABILITIES

The company's liabilities reached BGN 348.6 million, increasing by 5.6% at the end of the reporting period.

The change in liabilities was due to the following factors:

- **Non-current liabilities**

Non-current liabilities marked an increase of 8% compared to the end of 2020. They are formed mainly by liabilities on borrowed funds for financing, incl. loans from financial and non-financial institutions and liabilities under bonds loans with a total value as of 30.06.2021 of BGN 235 million.

- **Loans from financial and non-financial institutions**

During the reporting period there was a decrease in the long-term amount of loans received from banking institutions by BGN 2.6 million and as of 30.06.2021 their amount was BGN 40.01 million. This change is due to the following factors:

- Reduction of the non-current liability under a second bank loan from the International Investment Bank by BGN 1.5 million - from BGN 12 million at the end of 2020 to BGN 10.5 million as of the end of reporting period due to their reporting in short-term liabilities.

The loan liabilities from the International Investment Bank represent attracted funds under a second bank loan with an agreed limit of EUR 10 million and principal due as of 30 June 2021 in the amount of EUR 6.9 million, the agreed interest rate on the loan is 6.0% + EURIBOR, maturity - March 2025, secured by a pledge of shares of a subsidiary.

- Loan agreement with the International Bank for Economic Cooperation as of the date of the report EUR 15 million (BGN 29.3 million) have been utilized.

The loan agreement was concluded in the third quarter of 2020, with the following parameters: principal limit - EUR 20 million, which can be disbursed in three tranches within six months (the disbursed funds are currently € 15,000,000) ; interest: 6.5% on an annual basis on the utilized amount; term of the loan - the utilized principal of the loan shall be repaid in full on the maturity date - 31.07.2022, but not later than 01.01.2023; the loan cannot be renegotiated; collateral - pledge of shares of a subsidiary.

Bond loans

The non-current liabilities on bond loans increased by BGN 20.5 million and at the end of the reporting period amounted to BGN 195 million. The increase is characterized by the following changes:

- The liability under the issued bond loan (within the EMTN Programme) increased by BGN 20.5 million and at the end of the reporting period amounted to BGN 136.4 million.
- The liability on issued corporate bond loan with ISIN: BG2100013205 remains unchanged. The amount of the loan liability at the end of June 2021 amounted to BGN 55.7 million.

In the first half of 2021 the following bond transactions were made:

- Repurchased 10,500 own bonds from EMTN Programme in EUR with ISIN XS1731768302 and a profit from operations with investments and financial instruments was realized in the amount of BGN 206 thousand was reported. The liabilities for the repurchased own bonds were settled as of 30.06.2021 (as of 31.12. 2020 they are not settled)
- 5,900 own bonds were repurchased with ISIN BG2100013205 and a profit from operations with investments and financial instruments in the amount of BGN 256 thousand was reported.
- 900 own bonds were repurchased with ISIN BG2100013205 and a profit from operations with investments and financial instruments in the amount of BGN 15 thousand was reported.
- The ownership of 5,900 repurchased own bonds shares has been transferred with ISIN BG2100013205 and a loss from investment operations in the amount of BGN 129 thousand was reported.

Information about EMTN programme conditions (EUR and PLN) is publicly available on the Irish Stock Exchange website, Bonds section. The maturity of the EMTN Programme in PLN is on 29.12.2021, and that of EMTN Programme in EUR - on 07.12.2022.

On November 26, 2020 Eurohold Bulgaria AD issued a bond loan with ISIN code BG2100013205 in the amount of EUR 30,000,000 (BGN 58,674,900) under the terms of an initial private (non-public) offering within the meaning of Art. 205, para. 2 of the Commercial Law. The issue is the second in a row and represents 30,000 corporate bonds issued, which are ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, and freely transferable of one class and with equal rights. The nominal and issue value of each bond is EUR 1,000. The maturity date of the issue is November 26, 2027, and the principal is repaid once at maturity. 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. The debenture loan is secured in favor of all bondholders with Bond Loan insurance, valid until the date of full repayment of the issue and covering 100% of the risk of non-payment by Eurohold Bulgaria AD to any and all interest and/or principal payment. Eurohold will take the necessary actions for subsequent admission of the bond issue to trading on a regulated market - Bulgarian Stock Exchange AD within 6 (six) months from the date of registration of the bond issue in Central Depository AD. At the first general meeting of the bondholders, held on 18.12.2020 as a Trustee of the bondholders for issue of corporate bonds with ISIN code BG2100013205, Financial House Ever AD was elected - performing activity as an investment intermediary. The funds raised from the issue were used according to the purposes for which it was issued, namely for repayment of short-term liabilities of the Company and additional payment of subscribed but unpaid capital of the subsidiary Euroins Insurance Group AD.

Current liabilities

In the first half of 2021, Eurohold's current liabilities increased slightly by BGN 0.8 million, amounting to BGN 77.6 million at the end of the period, The largest change in current liabilities was observed in the liabilities on loans from financial and non-financial institutions which decreased by BGN 3.6 million compared to the end of 2020, as well as short-term liabilities to related parties.

Loans from financial and non-financial institutions

The significant part of the current liability to financial institutions is the first bank loan disbursed by the International Investment Bank reported entirely in short-term liability and maturing - December 2021. The loan is granted under the following parameters - agreed limit of EUR 15 million and principal due December 31, 2021 The agreed interest rate on the loan is 6.0% + EURIBOR and is secured by a pledge of shares of a subsidiary. For the reporting period a decrease in this loan was reported by BGN 3.6 million - from BGN 13.9 million at the end of 2020 to BGN 10.3 million.

- Eurohold Bulgaria AD has a liability of BGN 4.8 million under issued Euro Commercial Papers (ECP), with a maturity of 5.2022, an annual interest rate of 2.0% and a face value of EUR 2,500 thousand
- Interest in the amount of 0.3 BGN million under the loan to the International Bank for Economic Cooperation.

Bond loans

Current liabilities on bond loans increased by BGN 4.7 million as the amount includes the entire liability on the principal of the loan issued under the EMTN Programme in PLN (maturing - December 2021) in the amount of BGN 19.5 million, as well as liabilities under interest to bondholders of all issues amounted to BGN 5.3 million.

Short-term liabilities to related parties

Current liabilities to related parties decreased by BGN 1.6 million at the end of June 2021 and amounted to BGN 33.8 million.

Summary information on liabilities on borrowed funds

The table below provides detailed information on the amount of loan liabilities, their structure and nature.

Loan liabilities	Change %	30.06.2021 000'BGN	31.12.2020 000'BGN
Subordinated debt instruments	0%	32 784	32 784
Liabilities to financial and non-financial loans:	-10.0%	55 503	61 692
- Non-current liabilities to banks	-3.5%	39 832	41 297
- Current liabilities to banks	-25.0%	10 566	14 093
- Other non-current borrowings	-79.3%	300	1 450
- Other current borrowings (Euro Commercial Papers – ECPs)	-1.0%	4 805	4 852
Bond Loan Obligations:	12.9%	219 844	194 719
- Non-current liabilities on bond loans, including:	11.8%	195 060	174 531
- EMTN Programme	17.7%	136 385	115 856
- Bond loan ISIN code BG2100013205	0.0%	58 675	58 675
- Current liabilities on bond loans (interests)	22.8%	24 784	20 188
Liabilities to related parties:	-4.3%	35 510	37 093
- Non-current	-1.1%	1 685	1 703
- Current	-4.4%	33 825	35 390
Total loan liabilities	5.3%	343 641	326 288

Non-cash transactions

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

30.6.2021

- During the period the Company executed related parties SWAP transactions while simultaneously issuing new short-term Euro 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.

30.6.2020

- In 2020, the Company, in its capacity as a borrower under two loan agreements with related parties, has set off the amount of BGN 4,150 thousand in decrease in the principal of one loan and increase the principal of the other loan, such as cash flows are settled directly between the two lenders - related parties.
- In 2020 the Company executed related parties SWAP transactions while simultaneously issuing new short-term Euro Commercial Papers (ECPs) in the amount of EUR 16,366 thousand (BGN 32,009 thousand) and repurchasing issued ECPs in the amount of EUR 16,443 thousand (BGN 32,158 thousand).

CONDITIONAL OBLIGATIONS AND COMMITMENTS

Litigations

As at 30.06.2021 against the Company has no substantial legal proceedings instituted.

The Company appeals against imposed penal decrees with general material interest in the amount of BGN 100 thousand. As at the date of this report a forecast for the probability of entry into force of the decrees cannot be made, the Company has not reported expenses for provisions under them.

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 transferred amount was completely blocked in an account at Erste Bank, Novi Sad, on the basis of a prosecutor's order and an order of the civil court and will be returned to the company after a formal ruling in the above case. A final judgment is expected within the next 12 months. In view of the declared state of emergency in the country it is possible to extend the deadline.

Guarantees provided

Eurohold Bulgaria is a co-debtor for borrowings to related parties, as follows:

Business division	Amount in EUR'000 as at 30.6.2021	Amount in BGN'000 as at 30.6.2021	MATURITY (EUR'000)					After 2025
			2021	2022	2023	2024	2025	
Lease sub-holding								
For funding of lease operations	13 523	26 449	3 098	3 945	2 575	1 932	1 289	685
Automotive sub-holding								
Working capital loans	4 361	8 529	4 361	-	-	-	-	-
TOTAL:	17 884	34 978	7 459	3 945	2 575	1 932	1 289	685

In connection with a loan to the automotive subholding Eurohold Bulgaria AD has established a pledge of shares of a subsidiary.

The Company is a guarantor of issued bank guarantees to related parties as follows:

Company from :	Contracted limit in EUR'000 as at 30.06.2021	Contracted limit in BGN'000 as at 30.06.2021	MATURITY(EUR'000)		
			2021	2022	2023
Automotive sub-holding	3 750	7 334	-	3 750	-
Automotive sub-holding	1 050	2 054	-	1 050	-
Automotive sub-holding	4 300	8 410	4 300	-	-
Energy sub-holding	5 000	9 779	5 000	-	-
TOTAL:	14 100	27 577	9 300	4 800	-

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as at 30.06.2021 in original currency	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	12/2022
Euroins Insurance Group AD	PLN	Issue of bonds (EMTN programme)	45 000 000	12/2021
Euroins Insurance Group AD	EUR	Bank loan	15 000 000	07/2022.

DESCRIPTION OF THE MAIN RISKS

Current and potential investors should keep in mind that Eurohold Bulgaria AD operates through its subsidiaries, in this regard its financial condition, operating results and prospects are directly dependent on the condition, results and prospects of its subsidiaries.

a) NON-SYSTEMATIC RISKS

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

Risks related to the activity and structure of Eurohold valid as of the date of this report

As far as the activity of the Eurohold Bulgaria AD is related to the management of the assets of other companies, it cannot be related to a specific sector from the domestic economy and it is exposed to the sectoral risks of the subsidiaries. The companies from the group of Eurohold Bulgaria AD operate in the following sectors: "Insurance", "leasing", "car sales" and "investment intermediation and asset management".

The impact of the individual risks is proportional to the share of the respective branch in the structure of the long-term investment portfolio of the Company.

Also, the main activities of the company are carried out through the subsidiaries in Eurohold Bulgaria AD, which means that its financial results are directly related to the financial results and development trends of the subsidiaries.

The presence of companies in the portfolio, whose net sales revenues are also formed from products sold to other subsidiaries (related to the group of persons), puts the efficiency of their activities in direct dependence on the level of profitability of customers (related parties), which may reflect negatively on the profitability of the whole group.

The main risk related to the activity of Eurohold Bulgaria AD is the ability to reduce the sales revenue of the companies in which it participates in the dividends received. In this regard, this may have an impact on the company's revenue growth, as well as on the change in its profitability.

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

➤ Insurance business

The greatest risk is concentrated in the insurance business, united in the subsidiary sub-holding company Euroins Insurance Group AD (EIG), where a significant part of the Group's revenues is generated.

The risk categories inherent in the EIG, such as an insurance holding company, are identified and classified in accordance with the identified risk categories at the level of subsidiaries. In accordance with the lines of business issued in the license for performing insurance activity of the undertakings, subsidiaries identify the following categories of risk:

Underwriting risk

The underwriting risk reflects the risk of loss or of adverse change in the value of insurance liabilities, in respect of the covered insurance risks and the processes, used in the performance of the undertaking activities. Underwriting risk includes the following sub-risks:

- Risk associated with premiums and reserves
- Lapse risks;

- Catastrophic risks.

The identification of the underwriting risk and the risk of formation of technical provisions at the level of the Group applies an individual approach to reporting the results provided by the subsidiaries in view of their activity, scale and nature of the intrinsic risk, taking into account the following factors:

- Share of the company in relation to the total volume of activity in the Group;
- The subsidiary's local legislation and requirements for the application of the Solvency II rules;
- Other factors, approved by the Risk Management Committee.

In calculating the technical provisions, each insurance company, despite its policies, adheres to the following basic principles:

- Technical provisions are calculated in a reasonable, reliable and objective manner;
- The data for calculating the technical provisions are appropriate, complete and accurate and meet the requirements of Art. 19 of Regulation (EC) 2015/35 on completeness and quality;
- The calculation of technical provisions is subject to the principles of market coherence, i.e. the calculation is based on and consistent with the information, received from the financial markets and from the publicly available underwriting risk data.

Market Risk

Market risk is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the levels and volatility of market prices of the assets, liabilities and financial instruments of the subsidiaries.

Market risk includes the following sub-risks:

- Interest rate risk;
- Spread risk;
- Share-related risk
- Property risk;
- Concentration risk;
- Currency risk.

All marketable financial instruments in the Group are exposed to market risk, which represents the risk of increasing or decreasing their market value as a result of future changes in market conditions. Financial instruments are measured at fair value and any changes in market conditions are reflected directly in the financial statements. In order to avoid the risk of concentration, Euroins Insurance Group AD strives to maintain optimal diversification of investments and to make them in financial institutions with a high rating. Companies within the scope of the Group adhere to the "prudent investor"

Credit Risk

Counterparty default risk reflects possible losses due to unexpected default or deterioration in the credit standing of counterparties and debtors of the subsidiaries over the next twelve (12) months. The Group maintains its established relationship with leading reinsurance companies in the high credit rating industry, which minimizes the risk of non-fulfillment of Type 1 counter-party.

Operational risk

Operational risk means the risk of loss due to inadequate or failed internal processes, personnel or systems, or from external events In connection with the Operational Risk, the Chief Executive Officers of the undertakings within the Group:

- Allocate the powers and responsibilities for managing the operational risk as they organize and approve a list of employees, in charge for identifying and reporting operational events;
- Perform operational control over the periodicity and completeness of risk management reports and assessments, prepared by the Risk Management Function.

The main sources of operational risk at the level of the Group are personnel, processes, systems, internal events. Losses from operational events that result from the different combination of factors are classified into several major categories:

- Internal frauds;
- External frauds;
- Customers, product and business practices;
- Damages to tangible assets;
- Interruption of activity and/or failure of the information system;
- Performance management, delivery and processing.

Operational risk identification is achieved through constant monitoring, reporting and archiving of operational events. Operational risk minimization is achieved through a set of measures, aimed at reducing the probability of occurrence of an operational event and/or reducing the potential loss from an operational event.

➤ **Automotive sector**

The automobile sub-holding Avto Union AD operates mainly in the field of sale of new cars, warranty and post-warranty servicing of cars, sale of spare parts and oils, fuel card operator.

Risks related to withdrawal of permits and authorizations

The activity is directly dependent on the availability of permits and authorizations that the respective car manufacturers have provided to the companies in the group of Avto Union AD, the termination or revocation of such rights can dramatically reduce the sales of the car group. This is particularly important in the context of global restructuring of the automotive industry. The business environment in the automotive industry is also influenced by purely internal factors related to the general purchasing power, access to financing, business tendencies, inventory levels, etc.

Risks related to non-compliance by suppliers or other interruptions of different origins

The market sale of cars and spare parts subject to distribution by the subsidiaries of Avto Union AD may be affected by non-performance by suppliers or other interruptions of various origins. Such difficulties can be both of a legal nature and of a technical nature and they could have a serious effect on the sales volume and hence on the group profits of Avto Union AD.

Dependence on norms and standards

The ever-increasing environmental and safety standards for cars in the EU determine the sale of only new cars that comply with changing regulations (technical, environmental and tax). Any incompatibility or contradiction with such regulations could limit the sales of companies in the automotive group.

Other systematic and non-systematic risks of particular importance

The business environment in the automotive industry is significantly influenced by the risk factors related to the purchasing power of the population, access to finance, business sentiment, stocks and others.

➤ **Leasing sector**

Risk of lack of attracted external debt financing at reasonable prices

Access to borrowed capital is essential for the successful development of the business of the Eurolease Group AD. Historically, borrowed capital has been raised by local and international banks

and financial institutions or through the issuance of corporate bonds, most of which are publicly traded on the local regulated market.

The long-term successful development of the leasing business is directly dependent on the ability of the Eurolease Group to attract sufficient borrowed resources at an affordable price, the lack of which could have a significant adverse effect on its prospects, results and/or financial condition.

Risk that the leasing group will not be able to fulfil its obligations under the borrowed funds

This is the risk arising from the inability of Eurolease Group AD and/or its subsidiaries to meet their obligations under the borrowed funds. This risk is associated with delayed, partial or complete failure of matured obligations to pay interest and principal on borrowed funds. The credit risk also represents the risk that a counterparty will not pay its obligation to any of the companies in the group. The Group is exposed to this risk in connection with various financial instruments, such as in the event of receivables from customers, the provision of loans, deposits and others.

The policy, adopted by the Group in order to minimize the risk of non-payment, is to assess preliminary the creditworthiness of customers and to require additional collateral on leasing contracts – insurance of leased assets, preservation of original documents for property ownership, registration of leasing contracts in the Central Register of Special Collaterals, third party guarantees or promissory notes. The Group's policy in this area is aimed at providing leasing services to customers with appropriate credit reputation and securing the claim by preservation of the legal ownership of the leased asset. Concentration of credit risk arises from customers with similar economic characteristics, where it's possible changes in economic or other conditions to reflect simultaneously on their ability to meet their obligations.

► **Investment intermediation and asset management**

The activity of investment intermediation and asset management in the Group is represented by the investment intermediary Euro-Finance AD. The risk in the sector of financial intermediation and asset management is related to the high volatility of the debt and capital markets, the changes in financial tendencies and the investment culture of the general public.

Market and credit risk

The financial results of Euro-Finance AD depend on market risk and credit risk, respectively, given the fact that a large part of the assets of Euro-Finance AD are invested in publicly traded securities with fixed yield, denominated in several currencies, whose market value changes daily. Euro-Finance AD is definitely a very well-capitalized company, given the current regulatory requirements, but sharp and significant failures in the financial markets, as well as the credit profile of the specific issuers of securities in whose instruments Euro-Finance AD has invested capital, could have a significant adverse effect on the prospects of Euro-Finance AD, its results and/or financial condition.

Risk in settlement and clearing of transactions

As a leading and active local financial broker with a large local business in the management of financial assets and the provision of brokerage services, which serves both institutional and individual investors, Euro-Finance AD daily settles and clears many transactions with many counterparties. Risk of communication error in the settlement process, which, although currently completely minimized, exists and may limit the company's ability to effectively serve its customers, which could have a significant adverse effect on the prospects of Euro-Finance AD, its results and / or financial condition.

Risk of change in the regulatory framework

Euro-Finance AD operates in a highly regulated environment and is obliged to perform activities in full compliance with the current legislation under the supervision of the relevant regulatory authority in Bulgaria (Financial Supervision Commission). As a supervised entity of the Financial Supervision Commission, Euro-Finance AD is obliged to fully comply with the mandatory rules and regulations, including newly adopted ones, of the local regulator. Any non-compliance or even delay in the implementation of mandatory regulations could have a significant adverse effect on the prospects of Euro-Finance AD, its results and / or financial condition.

Risks in the transmission and processing of information

Euro-Finance AD performs all stock exchange transactions, asset management, currency trading and settlement activities only electronically and is therefore exposed to the risk of loss of information transfer or theft of personal and confidential information. Failure to ensure continuity and the necessary level of protection of the flow of information may jeopardize the company's internal securities trading system, its databases and day-to-day transactions, which in turn may damage the company's image in the eyes of its clients and contractors. Any loss of full control over the information flow could have a significant adverse effect on the prospects of Euro-Finance AD, its results and/or financial condition.

Risks related to Eurohold's development strategy

Eurohold's future profits and economic value depend on the strategy chosen by the company's senior management and its subsidiaries. The choice of inappropriate strategy may lead to significant losses.

Eurohold Bulgaria AD tries to manage the risk of strategic errors through continuous monitoring of the different stages upon implementation of its marketing strategy and the results thereof. This is extremely important, so that they can react in a timely manner, in case a change in the strategic development plan is needed at a certain stage. Untimely or inappropriate changes in the strategy can also have a considerable negative effect on the activity of the Company, its operating results and financial position.

Risks associated with future acquisitions and their integration in the structure

At present, the economic group of Eurohold Bulgaria AD develops its operations mainly in Bulgaria and other European countries such as Romania, Northern Macedonia, Ukraine, Georgia, Greece, Belarus and Russia through acquisitions of companies and assets. The Issuer expects that such acquisitions will continue in the future. The Group intends to implement a strategy for identifying and acquiring businesses, companies and assets with a view to expanding its operations. The risk for Company is the uncertainty as to whether it will succeed and, in the future, identify the appropriate acquisition and investment opportunities. On the other hand, there is uncertainty as to the evaluation of the profitability of future asset acquisitions and whether they will lead to comparable results with the investments made so far. Also, investments in new acquisitions are subject to a number of risks, including possible adverse effects on the performance of the economic group as a whole, unforeseen events, as well as difficulties in integrating and optimizing operations and complementary businesses.

Risks related to the management of Eurohold

The risks related to the management of the Company are the following:

- making wrong decisions for the current investment management and liquidity of the Company and the Group as a whole, both by the senior management and the operative employees of Eurohold;
- the inability of the management to start the implementation of planned projects or lack of suitable employees for the specific projects;
- possible technical errors in the unified management information system;
- possible errors in the internal control system;
- key employees leaving the Company and inability to employ personnel with the necessary qualities;
- risk of excessive increase in the expenses for management and administration, which leads to a decrease in the total profitability of the Company.

Risks related to the inability of Eurohold to raise capital to finance its strategic objectives

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

The management of the Eurohold Bulgaria AD supports the efforts of the subsidiaries in the Group for borrowing bank resources for investment and using the opportunities this type of financing gives

for the provision of cash. The volume of these borrowings is maintained at certain levels and they are resolved after proving the economic effectiveness of each Company.

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

There is a risk that the subscription for the subscription of the new shares from the forthcoming capital increase of Eurohold will end unsuccessfully. Due to the fact that the purpose of the offer of shares is to raise funds that will be used to finance the purchase of a strategic asset (CEZ' assets in Bulgaria), then a possible failure of the current subscription would lead to management's choice of other financing options by raising debt capital. In this case, however, for Eurohold the effect of debt financing will be more unfavourable in the long run, as it will significantly increase its interest expenses, which will affect its profit and liquidity, as well as the ability to distribute dividends to its shareholders.

Risks related to recruiting and retaining qualified staff

The business of Eurohold Bulgaria AD is highly dependent on the contribution of a number of persons, members of the management and supervisory bodies, senior and middle management managers of the parent company and the subsidiaries of the main business lines. It is uncertain that these key employees will continue to work for Eurohold in the future. Eurohold's success will also be linked to its ability to retain and motivate these individuals. The inability of the Company to maintain sufficiently experienced and qualified personnel for managerial, operational and technical positions may have an adverse effect on the activities of the economic group as a whole, its operational results and its financial condition.

Risk of concentration

There is a risk of concentration, which is the possibility that the company may incur a loss due to the concentration of financial resources in the business sector or related parties. This risk is expressed in the possibility that the invested funds will not be fully recovered due to a recession in the business invested.

Risk of lack of liquidity

The liquidity risk is related to the possibility that Eurohold Bulgaria AD, is not able to repay its liabilities in the amount agreed and/or within the stipulated deadline. The issuer seeks to minimize this risk through optimal cash flow management within the group. The Group applies an approach which should provide the liquid resource needed to cover the liabilities which have occurred from normal or exceptional conditions, without realizing unacceptable losses or damaging the reputation of the separate companies and the business group as a whole.

Subsidiaries make financial planning that seeks to meet the payment of expenses and current liabilities for a period of ninety days, including the servicing of financial liabilities. This financial planning minimizes or excludes completely the potential effect from occurrence of exceptional circumstances.

Risk of possible transactions between the companies in the group, whose conditions differ from the market ones, as well as risk of dependence on the activity of the subsidiaries.

The relationships with related parties result from contracts for temporary financial assistance for the subsidiaries and transactions related to the ordinary commercial activity of the subsidiaries.

The risk of possible realization of transactions between the companies in the Group, under conditions which differ from the market conditions, is the risk of achieving low profitability from the provided inter-group financing. Another risk which may be assumed is not obtaining enough revenue from the inter-group commercial transactions, and subsequently not making good profit for the respective Company. On a consolidated level, this might have a negative impact on the profitability of the whole group.

Within the Eurohold are performed transactions between the Parent Company and the subsidiaries, as well as between the subsidiaries themselves, which originate from the nature of their main activity. All transactions with related parties are made under conditions which do not differ from the usual 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 results, development and prospects of the subsidiaries. Bad results of one or several subsidiaries may lead to aggravation of the financial results on a consolidated basis.

b) SYSTEMATIC RISKS

Macroeconomic risk

Macroeconomic risk is the risk of shocks, which can affect economic growth, household income, supply and demand, the realization of profits by economic entities and others. These shocks include global economic and business conditions, fluctuations in national currencies, political developments, changes in legislation and regulatory requirements, the priorities of national governments, and more. Trends in the macroeconomic environment affect market performance and the final results of all sectors of the economy. Bulgaria has an open economy and its development depends directly on international market conditions.

Macroeconomic trends affect market performance, as well as the performance of all sectors of the economy.

The outcome of the realization of some risks related to the international environment will largely depend on the plans and preventive measures of individual countries and international institutions, which is evident from the recent global economic crisis and the COVID-19 pandemic. The risk of the impact of the international environment on companies cannot be diversified and affects all players, but on the other hand it can become an engine for the development and application of innovation, which dramatically change and increase business efficiency on a global scale.

The macroeconomic situation and economic growth worldwide are essential for the development of Eurohold Bulgaria AD and its subsidiaries, including the state policies of the respective countries in which it operates and in particular the regulations and decisions taken by the respective Central Banks, which affect monetary and interest rate policy, exchange rates, taxes, GDP, inflation, the budget deficit and external debt, the unemployment rate and the income structure.

Macroeconomic trends such as the impact of the force majeure circumstance of the globally declared COVID-19 pandemic in early 2020 and the measures taken by the governments of the countries concerned; the global economic crisis; slowdown in economic growth; the risk of systematic global financial fluctuations; periodic fiscal imbalances; changes in exchange rates to certain currencies; instability in the prices of energy products; economic and political insecurity in some regions of the world; the reduction of economic and consumer activity; may have an adverse effect on the Group's business results, financial condition, profit and profitability or expected growth.

The development of the Bulgarian economy faces the risk of external influences and depends directly on international market conditions. Existence of unfavourable macroeconomic conditions in Bulgaria, including rising unemployment and inflation, as well as fiscal instability may have a significant adverse effect on the Company's business, financial condition and/or results of operations.

The Eurohold Group operates in Bulgaria, Romania, Northern Macedonia, Ukraine, Greece, Spain, Italy, Poland, Georgia, Belarus and Russia and other European countries, respectively its overall financial position and the results of its operations are affected by economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE/SEE region may adversely affect certain products and services offered by the group and lead to lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in any such jurisdiction may lead to an increase in the Group's operating costs and capital requirements. Any future periods of economic slowdown or slow economic growth in each of the markets in which the Group operates, could have an adverse effect on the Group's business, financial condition, cash flows, results of operations or prospects.

In 2020, we witnessed a macroeconomic risk posed by the scale and spread of the coronavirus pandemic (COVID-19), which affected the world and dramatically affected global macroeconomics and economic growth. Due to the COVID-19 pandemic, at the end of the first and throughout the second quarter of 2020, a large part of the world economy slowed down and work in some sectors was almost completely stopped. As a result of the measures imposed by governments, a significant part of international trade has been hampered. Globally, the subsequent business results of the economic disruption caused by the pandemic are: deteriorating economic prospects, a significant increase in expected credit losses and other impairments, as well as a decrease in revenues caused by lower volumes and reduced customer activity.

The effects of the COVID-19 crisis on the global automotive industry (at the end of the first and the beginning of the second quarter of 2020) are significant, in some countries there has been a sharp reduction in production and even a halt in the production process. As a result of the pandemic, car manufacturers in the whole world realized significant losses. This also affected the car sales business of the Company due to disruption of the supply chain and reduced consumer activity. All this had a negative impact on the activity of the companies from the leasing division of the Company, whose services and products are mainly related to financial leasing of new and used cars, renting cars for short-term ("rent-a-car") and long-term (operating leasing) rental and sale of used cars.

At present, the unprecedented situation is significantly normalized as Eurohold Bulgaria AD seeks to monitor the likelihood of macroeconomic risk and develops group measures to mitigate as much as possible the impact of the effects that may have the presence of this risk. However, the Issuer cannot completely exclude and limit its influence on business, financial condition, profits and cash flows at the group level. There is also the possibility that the occurrence of this risk may exacerbate other risks or a combination of risks.

Risk of occurrence of force majeure circumstances

Force majeure circumstances are all natural disasters and other cataclysms such as abrupt climate change, floods, earthquakes, civil disobedience, clashes, strikes, terrorist acts and hostilities and the like, which have an unforeseen nature. Force majeure circumstances can also be accidents on the material base of a mechanical nature due to human or system error. The occurrence of such events may disrupt the normal activities of the Company until the damages are repaired. Also, they may lead to an unpredictable change in the investor attitude and interest in connection with the market of the equity and debt securities issued by the Company.

Force majeure may also have a strong impact on the overall macroeconomic and international environment. An example of such a risk is the Pandemic, announced by the World Health Organization in the early 2020 epidemic of an acute respiratory syndrome associated with a new coronavirus (COVID-19).

Global impact of the pandemic (COVID-19)

The nature, scale and spread of the coronavirus pandemic affecting the world have dramatically affected global macroeconomics and economic growth. The restrictive measures taken against the spread of COVID-19 globally from March 2020 to June 2020 have led to a sharp and comprehensive decline in global economic activity and adversely affected stock markets, tourism, transport, the automotive industry and many other industries. Restrictive measures were imposed on the population worldwide, declaring a state of emergency in a number of countries, including Bulgaria, closing borders, as well as significantly restricting and/or suspending entire business sectors. This has led to a significant reduction in revenues, and hence the generation of losses in many economic segments, the need to lay off employees, reduce the income of the population, and hence their purchasing activity, slowing down the supply chain and failure to meet agreed deadlines, postponement of the payment of principal and interest on credit and leasing agreements, renegotiation of lease and vacancy agreements and to many other negative consequences for the limitation of which companies have invested significant resources, developed online systems, digitized business processes, analyzed and evaluated consumer/customer behavior, invested in maintaining the health of staff, developed new products and services to the dynamic and unpredictable environment.

Overall, the current crisis raises considerable uncertainty about future processes in the global macroeconomy in 2021, including new measures taken by governments to curb the spread of the

disease, and depending on the stage of some measures, they will be loosened gradually, and others will remain in force or new ones will be introduced. With the development and approval of vaccines against COVID-19 and the ongoing vaccination of the population, it is hoped that immunity can be acquired more quickly in a large part of the population and the spread of the virus can be counteracted by reducing the potential health consequences of COVID-19.

Investors should keep in mind that all significant effects affected by the pandemic, affecting the macro and micro economy, as well as the international and local business environment, may adversely affect the Company's business. In general, the risk of the current force majeure circumstance will be expressed and will strengthen its influence in case of failure of the Group of the Company to adapt to the changing environment, consumer preferences and market dynamics, change its business strategies if necessary, flexibility in decision making to retain customers, or to direct/expand sales through online platforms or other means of trading, which may adversely affect the business, financial condition and results of the group's operations.

Today's unpredictable situation is changing rapidly and additional impacts may occur, of which the Issuer is currently unaware. Even after mastering COVID-19, the Eurohold Group may continue to experience adverse effects on its business as a result of the global economic impact of the virus, as well as the impact of any recession that has occurred or may occur in the future.

Impact of the coronary crisis in the following reporting periods

The outbreak of Covid-19 has had and continues to have a significant impact on business around the world and the economy in which the companies in our group operate. The impact and duration of the Covid-19 crisis on a global scale is likely to affect our business in the coming periods. Prolonged reduced economic activity due to the effects of coronavirus could have an adverse effect on our business, lower revenues due to reduced customer activity and due to stock market volatility and a disrupted supply chain, may also have an impact on the capital position and liquidity of the group.

The extent of the impact of the coronary crisis on the Eurohold Group depends on many factors, the most significant being the measures taken by the governments of the countries in which we operate, as well as our supplier countries (mainly cars), also depends on the purchasing power of our customers, these are factors we cannot influence.

The COVID-19 pandemic is currently in a quieter phase, with significant uncertainties remaining since the appearance of the fourth wave in the autumn of 2021, given the emergence of a new strain of the virus, which in turn raises uncertainty in estimating the duration of coronavirus spread. and its impact.

The Company's management will continue to assess the impact of the Covid-19 crisis and will review its financial results, assess the risk accordingly and take appropriate flexible actions in the management of the business to limit the impact.

As of the date of this report, Eurohold Bulgaria AD is a stable business structure with preserved stable market positions and preserved operating profitability, able to guarantee good prospects to its shareholders and partners in the conditions of unprecedented health and economic crisis.

Political risk

The political risk reflects the influence of the political processes in the country on the economic and investment process and in particular on the return on investments. The degree of political risk is determined by the likelihood of changes in the unfavorable direction, of the government led long-term economic policy, which may have a negative impact on investment decisions. Other factors related to this risk are possible legislative changes and changes in the tax system concerning the economic and investment climate in the country.

The Republic of Bulgaria is a country with political and institutional stability based on contemporary constitutional principles such as a multiparty parliamentary system, free elections, ethnic tolerance and a clear system of separation of powers. Bulgaria is a member of NATO and since January 1, 2007 is a member of the European Union (EU). The desire for European integration, the presence of a dominant political formation, the pursuit of strict fiscal discipline and adherence to moderate deficits, create predictability and minimize political risk.

In the long run, no sharp deterioration of the political situation is expected, as there is a political and public consensus on the factors that maintain long-term economic stability and a stable macroeconomic framework.

No changes are expected with regard to the current tax policy on the taxation of income of individuals and legal entities, including in connection with their transactions on the capital market, as it is essential for attracting foreign investment.

On July 10, 2020, the European Central Bank announced that Bulgaria was officially admitted to the Exchange Rate Mechanism ERM II, and the BNB entered the so-called close cooperation with the ECB, which is access to the banking union for non-euro area countries. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 lev. After a careful assessment of the adequacy and stability of the currency board in Bulgaria, it was accepted that Bulgaria joins the Exchange Rate Mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB. The agreement on the participation of the Bulgarian lev in the Exchange Rate Mechanism II (ERM II) is accompanied by a firm commitment of the Bulgarian authorities to pursue prudent economic policies in order to preserve economic and financial stability and achieve a high degree of sustainable economic convergence.

Risk of high unemployment rates

Unemployment risk is characterized by a decline in labour demand, influenced by real aggregate demand in the economy, as a result, the real purchasing activity of some of the economic entities decreases.

High levels of unemployment can severely jeopardize economic growth in the country, which in turn can lead to a collapse in consumption and a decrease in revenues generated by businesses in the country, including income generated by the Company and its subsidiaries.

At the end of the first and in the second quarter of 2020, the labour market in Bulgaria was severely affected by the measures taken by the state to deal with the pandemic of COVID-19, which affected the whole world.

According to data from the National Statistical Institute (NSI) for the first quarter the following indicators for economic activity of the population are reported:

- The economic activity rate for the population aged 15-64 is 71,4%;
- The employment rate for the population aged 15-64 reaches 66,9%.
- The unemployment rate is 6,3%.

In the first quarter of 2021 the number of unemployed persons was 204.0 thousand, of which 114.0 thousand (55.9%) were men and 90.0 thousand (44.1%) - women. The unemployment rate is 6.3%, respectively 6.6% for men and 6.0% for women.

Of all unemployed persons 11.5% have higher education, 50.2% - with secondary education, and 38.3% - with primary or lower education. Unemployment rates by level of education are 2.3% for higher education, 5.7% for secondary education and 20.4% for primary and lower education, respectively..

Source: www.nsi.bg

Credit risk of the country

Credit risk is the probability that a country's international credit ratings will decline. Low credit ratings of the country may lead to higher interest rates, less advantageous conditions of financing the economic subjects, including the Eurohold.

The international rating agency S&P Global Ratings affirmed its "BBB/A-2" long- and short-term foreign and local currency sovereign credit ratings on Bulgaria. The outlook remains stable.

The summary report shows an improvement in the estimates of the development of Bulgaria's economy, since domestic demand has been more resilient than the agency expected to the impact of the pandemic. The GDP drop for 2020 has been revised to -4.5%, from -6.5 in the S&P's forecast from May. Fiscal deficits will remain moderate this year and next, followed by swift consolidation, supported by considerable inflow of EU funds. The rating agency also takes into account the fact that

Bulgarian lev was included in the European Exchange Rate Mechanism (ERM) II and Bulgaria joined the EU Banking Union in July this year. It points out that the ultimate accession to the eurozone would strengthen BNB – ECB cooperation and is expected to take several years.

The stable outlook reflects the agency's expectation that Bulgaria's economy will rebound quickly following the pandemic, with no external or financial sector imbalances to emerge over the next two years. This should enable quick fiscal consolidation and curb the rise of public debt.

The rating agency could raise the ratings if Bulgaria's economic recovery coincides with quicker fiscal consolidation or a stronger external performance than the agency currently projects. The agency could lower the ratings if the economic contraction proved deeper or the subsequent recovery was delayed, which, in turn, would likely result in protracted fiscal consolidation and rising public debt over the next few years.

Source: www.minfin.bg

On July 24, 2021, Fitch Ratings confirmed the 'BBB' rating of Bulgaria with a positive outlook.

The international credit rating agency Fitch Ratings has affirmed Bulgaria's long-term foreign and local currency Issuer Default Ratings (IDR) at "BBB" with a Positive Outlook.

The Positive Outlook reflects the dissipation of macroeconomic risks stemming from the Covid-19 pandemic and a more resilient economy, as well as continued progress towards the euro adoption. According to the credit rating agency, short-term downside risks tied to the pandemic and electoral uncertainty are more than offset by prospects of substantial funding from the EU and a commitment to macro and fiscal stability.

Bulgaria's ratings are supported by its strong external and fiscal position, the credible policy framework, underpinned by EU membership and a long-standing currency-board arrangement. The ratings are constrained by the potential growth due to unfavourable demographics, which could weigh on government finances over the long term. Governance indicators and income levels are slightly above the median for peers.

Fitch expects Bulgaria's economic growth to accelerate to 4.7% in 2021, compared to the estimate for 3% from February. The upward revision reflects better-than-expected 1Q21 GDP and the expected strengthening of domestic demand and exports in the second half of the year. Bulgaria's low vaccination rate compared to the EU average raises some downside pandemic-related risks; however, according to the agency, authorities are unlikely to put in place more severe containment measures that would significantly affect economic activity in the country.

Investment is expected to be a key driver of growth over the medium-term, as Bulgaria will be one of the main beneficiaries of EU transfers in the coming years. The analysts of Fitch believe that the significant amount of funds under the Recovery and Resilience Facility (RRF) would support the growth of the economy which is estimated at 3.9% in 2022-23.

The credit rating agency projects the fiscal deficit (on accrual basis) at 5% of GDP in 2021, versus 5.5% for the BBB median, reflecting mostly the Covid-19 related expenditure. It expects the deficit to narrow to 2% in 2023, keeping public debt/GDP at below 30% (versus 57% for BBB peers). Fitch considers the plan for euro adoption in 2024 realistic. The country's banking sector is estimated as liquid and well capitalised.

The main factors that could lead to positive rating action/upgrade are: progress toward euro area accession and improvement in the economy's growth potential that leads to faster convergence with income levels of higher rated peers. The factors that could lead to negative rating action/downgrade are: adverse policy developments that reduce confidence in economic recovery; a prolonged rise in public debt; the materialisation of contingent liabilities on the sovereign's balance sheet or weaker growth prospects.

Source: www.minfin.bg

Taking a consistent and long-term economic policy in Bulgaria would be a good 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, which is expressed in the financing possibilities of the Group. In the event of a decrease in Bulgaria's credit rating due to unstable management of the country, it may have a negative impact on the Group and on the cost of financing, unless its borrowing agreements do not have fixed interest rates.

Inflation risk

The inflation risk is related to the possibility of inflation influencing the real return of investments. The main risks associated with the inflation forecast refer to the dynamics of international prices and the rate of economic growth in Bulgaria. International commodity prices may increase more significantly as a result of political crises or increased demand. The limited supply of certain agricultural commodities, especially of cereals, internationally, in connection with adverse climatic conditions. According to NSI data, the consumer price index for June 2021 compared to May 2021 is 99.8%, ie. the monthly inflation is minus 0.2%. The inflation since the beginning of the year (June 2021 compared to December 2020) is 1.5%, and the annual inflation for June 2021 compared to June 2020 is 2.7%.

The average annual inflation for the period July 2020 - June 2021 compared to the period July 2019 - June 2020 is 1.0%.

Source: www.nsi.bg

Inflation may affect the amount of the Company's costs as part of the company's liabilities are interest-bearing. Their servicing is related to the current interest rates which reflect the inflation level in the country. Therefore, maintaining low inflation levels in the country is considered a significant factor in the activities of the Eurohold Group.

At present and in general, the currency board mechanism provides guarantees that inflation in the country will remain under control and will not adversely affect the country's economy, and in particular the activities of the Company and its group, and hence its ability to service its debt positions.

Given this, each investor should well understand and account for both the current levels of inflation risk and the future opportunities for its manifestation.

Currency risk

This risk is related to the possibility for depreciation of the local currency. For Bulgaria, in particular, this is a risk of premature waiver of the terms of the Currency Board at a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria has been officially admitted to the Exchange Rate Mechanism ERM II. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 lev, it was assumed that Bulgaria joins the Exchange Rate Mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB.

Any significant depreciation of the lev may have a significant adverse effect on the economic entities in the country, including the Company. Risk exists also when the income and costs of an entity are formed in different currencies. Exposure of the economic entities operating on the territory of Bulgaria to the US dollar, which is the main currency of a significant part of the world markets for raw materials and products, is particularly pronounced.

The Company's activity does not involve exposure to significant currency risk, because the current bond issue is denominated in BGN and almost all its operations and transactions are denominated in BGN and EUR, and the latter has a fixed exchange rate against the BGN.

The changes in the various exchange rates did not significantly affect the activities of the Company until the moment when control participations in the countries Romania, Northern Macedonia, Ukraine, Georgia, Belarus were acquired. The financial results of these companies are presented in local currency, respectively - Romanian leu (RON), Macedonian denar (MKD), Ukrainian hryvnia (UAH) and Georgian lari (GEL), Belarusian ruble (BYR), whose exchange rate is determined almost freely on the local foreign exchange market. Consolidated revenue of Eurohold Bulgaria AD will be exposed to currency risk depending on the movement of these currencies against the euro.

Interest rate risk

The interest risk is related to the possibility for change in the predominating interest levels in the country. Its influence is related to the possibility for decrease in the net income of the companies as a result of the increased interest rates, at which the Issuer finances its activity. Interest risk is included under macroeconomic risks, due to the fact that the main reason for change in the interest rates is the occurrence of instability in the financial system as a whole. This risk can be managed through balanced use of different sources of financial resource.

The increase of interest rates, with other conditions remaining the same, would influence the price of the financial resource used by the Issuer in the implementation of various business projects. In addition to that, it could influence the amount of the expenses of the Company, since a large portion of the liabilities of the Company is interest bearing and their servicing is related to the current interest rates.

Risks related to regulatory changes Regulatory risk

The company's results may be affected by changes in regulations. The Eurohold Group operates in a highly regulated environment in different European countries. The possibility of more radical changes in the regulatory framework, in the interpretation or practice of enforcing the legislation, as well as in the divergence in the legislation and regulations in Bulgaria and in the countries where the Company operates, may have an adverse effect on its activity as a whole, results, as well as its financial condition.

Financial risk

The financial risk is the additional uncertainty with regard to the investor in obtaining income, when the company uses borrowed or borrowed funds. This additional financial insecurity adds to the business risk. When part of the funds used for financing of the activity of the company are in the form of loans or debt securities, the repayment of these funds represents a fixed liability.

Some of Eurohold's subsidiaries, in particular leasing and automotive companies, due to the nature of their activities, use a significant attracted resource. The lack of resources for their financing can lead to disruption of the rhythm of their activities and to the realization of negative financial results, and this directly affects the group financial condition of Eurohold.

Risk of increased competition

All sectors in which the subsidiaries of the Eurohold Group operate have 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 the market segment.

c) MANAGEMENT AND RISK MINIMIZATION MECHANISMS

The elements which define the framework for management of the different risks are directly related to specific procedures for timely prevention and settlement of possible difficulties in the operations of Eurohold Bulgaria AD. They include current analysis of the following:

- market share, pricing policy, marketing surveys and studies of the development of the market and the market share;
- active management of investments in various sectors and industries;
- overall policy for the management of the assets and liabilities of the company and the group in order to optimize the structure, quality and return of assets;
- optimizing the structure of the attracted funds in order to provide liquidity and reduce financial costs in the whole group;
- effective cash flow management at group level;
- optimization of the costs for administration, management and external services;
- human resource management.

The occurrence of unforeseen events, force majeure events, incorrect assessment of current trends, as well as many other micro- and macroeconomic factors can affect the judgment of the company's management. The only way to overcome this risk is to work with professionals with many years of experience, as well as maintaining from this team as complete and up-to-date information base for the development and market trends in these areas.

The Group has implemented a comprehensive corporate integrated risk management system. The system covers all business segments in the Group and the goal is to identify, analyze and organize risks in all areas. In particular, the risks in the insurance business, which is the largest segment of the Group, are minimized by optimal selection of the insurance risks to be assumed, adjustment of the duration and maturity of assets and liabilities, as well as minimization of currency risk. An effective risk management system guarantees the Group financial stability, despite the continuing financial and economic problems worldwide.

Risk management aims to:

- Identifies potential events that may affect the functioning of the Group and the achievement of certain operational objectives;
- Controls the significance of the risk to an extent that is considered acceptable in the Group;
- Achieve the financial objectives of the Group with as little risk as possible.

Information on the management of significant systemic risks is available in the "Notes to the interim separated financial statements for the first half of 2021".

Sofia,

27 April 2021

Asen Minchev,

Executive director

Eurohold Bulgaria AD
Interim condensed separate statement of profit or loss and
other comprehensive income
for the first half of 2021

	Notes	30.6.2021 BGN `000	30.6.2020 BGN `000
Revenue from operating activities			
Dividend income	3	223	547
Gains from sale of investments and subsequent revaluation	4	607	777
Interest income	5	10	-
Other financial revenue	6	410	1 507
		1 250	2 831
Expenses on operating activities			
Interest expenses	7	(9 929)	(8 120)
Losses on sale of investments and subsequent revaluation	8	(147)	(4)
Other financial expenses	9	(771)	(204)
Hired services expenses	10	(1 777)	(1 228)
Salaries and related expenses		(450)	(292)
Depreciation	13.1, 13.2	(340)	(342)
(Expenses) / Revenue from impairment of financial assets, net	11	(5)	(18)
		(13 419)	(10 208)
Profit / (Loss) from operating activities		(12 169)	(7 377)
Other revenue/(expenses),net	12	(187)	140
Net Profit / (Loss)		(12 356)	(7 237)
Total comprehensive income for the period		(12 356)	(7 237)

Prepared by:

Signed on behalf
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

27.07.2021

Eurohold Bulgaria AD
Interim condensed separate statement of financial position
as of 30 June 2021

		30.06.2021	31.12.2020
	<i>Notes</i>	BGN `000	BGN `000
ASSETS			
Non-current assets			
Property, machinery and equipment	13.1	1 785	2 119
Intangible assets	13.2	7	12
Non-current receivables from related parties	14	277	-
		2 069	2 131
Investments			
Investments in subsidiaries and other companies	15	634 929	629 459
Current assets			
Related parties' receivables	16	669	345
Other receivables and assets	17	1 915	1 539
Cash and cash equivalents	18	541	267
		3 125	2 151
TOTAL ASSETS		640 123	633 741

Prepared by:

Signed on behalf
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

27.07.2021

Eurohold Bulgaria AD
Interim condensed separate statement of financial position (continued)
as of 30 June 2021

	<i>Notes</i>	30.6.2021 BGN '000	31.12.2020 BGN '000
EQUITY AND LIABILITIES			
Equity			
Share capital	19.1	197 526	197 526
Share premium	19.2	49 568	49 568
General reserves	19.2	7 641	7 641
Other reserves	19.2	163	-
Retained earnings		48 966	65 720
Profit / (Loss) for the period		(12 356)	(16 754)
Total equity		291 508	303 701
Subordinated debts	20	32 784	32 784
Non-current liabilities			
Loans and borrowings	21	40 132	42 747
Bond liabilities	22	195 060	174 531
Non-current related parties' liabilities	23	1 685	1 703
Other non-current liabilities	24	1 303	1 468
		238 180	220 449
Current liabilities			
Loans and borrowings	21	15 371	18 945
Bond liabilities	22	24 784	20 188
Trade payables	25	817	583
Related parties' liabilities	26	33 825	35 390
Other current liabilities	27	2 854	1 701
		77 651	76 807
Total liabilities and subordinated debts		348 615	330 040
TOTAL EQUITY AND LIABILITIES		640 123	633 741

Prepared by:

Signed on behalf
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

27.07.2021

Eurohold Bulgaria AD
Interim condensed separate statement of cash flows
for the first half of 2021

		30.06.2021	30.06.2020
	Notes	BGN '000	BGN '000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before tax		(12 356)	(7 237)
Adjusted for:			
Depreciation		340	342
Interest income	5	(10)	-
Interest expenses	7	9 929	8 120
Dividend income	3	(223)	(547)
(Gains)/ Losses from sale of investments, net		(329)	(193)
(Gains)/ Losses from revaluation of investments, net		(131)	(666)
Foreign exchange differences		201	(1 447)
(Expenses for)/reintegration of impairment of financial assets, net		5	18
Adjustments in working capital:			
Change in trade and other receivables		(211)	210
Change in trade and other payables, other adjustments		234	(152)
Net cash flows from operating activities		(2 551)	(1 552)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(5 470)	(3 451)
Proceeds from sale of investments		-	-
Borrowings granted		(349)	-
Proceeds/ (payments) of borrowings		-	-
Proceeds from interests on loans		-	-
Dividends received		223	547
Other cash receipts/ payments from investing activities		(147)	(3)
Net cash used by investing activities		(5 743)	(2 907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	19.2.	163	-
Proceeds from loans		30 332	18 731
Repayments of loans		(17 932)	(11 644)
Interest and commissions paid		(3 740)	(2 170)
Lease payments		(359)	(400)
Dividends paid		-	-
Other cash receipts/ payments from financing activities		99	(4)
Net cash generated/(used) by financing activities		8 563	4 513
Net increase/(decrease) in cash and cash equivalents		269	54
<i>The effect of IFRS 9</i>		5	-
Cash and cash equivalents at the beginning of the year	18	267	138
Cash and cash equivalents at the end of the year	18	541	192

Prepared by:

Signed on behalf
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

27.07.2021

Eurohold Bulgaria AD
Interim condensed separate statement of changes in equity
as of 30 June 2021

	Share capital	General reserves	Share premium	Other reserves	Retained earnings	Total Equity
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Balance as of 1 January 2020	197 526	7 641	49 568	-	65 720	320 455
Loss for the year	-	-	-	-	(16 754)	(16 754)
Balance as of 31 December 2020	197 526	7 641	49 568	-	48 966	303 701
Balance as of 1 January 2021	197 526	7 641	49 568	-	48 966	303 701
Loss for the period	-	-	-	-	(12 356)	(12 356)
Issue of share capital (Note 19.2.)	-	-	-	163	-	163
Balance as of 30 June 2021	197 526	7 641	49 568	163	36 610	291 508

Prepared by:

Signed on behalf
of BoD:

Procurator:

/Salih Trampov/

/Asen Minchev/

/Milena Guentcheva/

27.07.2021

Notes to the interim condensed separate financial statement for the first half of 2021

Founded in 1996, Eurohold Bulgaria AD operates in Bulgaria, Romania, Northern Macedonia, Ukraine, Georgia, Greece and Belarus. The company owns a large number of subsidiaries in the insurance, financial services, car sales sectors and car leasing.

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.

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 governing bodies of the company are the general meeting of shareholders, the supervisory board /two-tier system/ and the management board comprising the following members as at 31.03.2021:

Supervisory board:

Asen Milkov Christov, Bulgaria – Chairman;
Dimitar Stoyanov Dimitrov, Bulgaria – Deputy Chairman;
Radi Georgiev Georgiev, Bulgaria – Member;
Kustaa Lauri Ayma, Finland – Independent Member;
Lyubomir Stoev, Austria – Independent Member, dismissed from the GSM on 30.6.2021;
Ivaylo Krasimirov Angarski – Independent Member, elected by GSM on 30.6.2021
Louis Gabriel Roman, USA – Independent Member.

Mandate until 09.05.2022.

Management board:

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

Mandate until 14.08.2022.

As of 30.6.2021, the Company is represented and managed by Kiril Ivanov Boshov and Assen Minchev Minchev – Executive Members of the Management Board, and Hristo Stoev and Milena Guentcheva – Procurators, jointly by one of the executive members and one of the Procurators of the Company only.

With a decision of the Management Board on 16.07.2021, entered in the Commercial Register on 26.07.2021, a decision was made to withdraw the power of attorney of Hristo Lyubomirov Stoev.

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.

As of 30.6.2021, 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 30.6.2021, the Company has sixteen employees (31.12.2020: fifteen 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, leasing, finance and automobile.

Insurance and Health Insurance line:

- Insurance services
- Health insurance services
- Life insurance services

Leasing line:

- Leasing services
- Car rentals

Financial line:

- Investment intermediation

Automobile line:

- Sales of new cars
- Car repairs

Energy line:

As of 30.6.2021 the energy line companies are not active.

2. BASIS FOR PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENT

The interim condensed separate financial statement of Eurohold Bulgaria AD is 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 statement as of 31 December 2020.

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

The Company also prepares consolidated financial statement 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 statement is presented in Bulgarian lev (BGN), which is the functional currency of the Company. All amounts are presented in thousand of BGN (BGN'000), including comparative information for 2020, 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 statement is 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 statement is prepared in accordance with the principal of a going concern.

As at the date of preparation of the interim condensed separate financial statement the management has made an assessment of 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 statement.

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 2021, 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 effective 1 January 2021

The Company has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2021 but do not have a significant impact on the Company's financial results or position:

- *Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2*
- *Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)*

2.1.2. Documents issued by IASB / IFRIC not yet endorsed by the EU

The Company's management believes that it is appropriate to disclose that the following new or revised standards, new interpretations and amendments to existing standards, which at the reporting date have already been issued by the International Accounting Standards Board (IASB), but have not yet been approved for implementation by the European Commission and, accordingly, were not taken into account in the preparation of these financial statements. The dates of entry into force will depend on the European Commission's approval decisions.

- *Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021 but not yet endorsed in the EU)*
- *IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*
- *Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*
- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*
- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)*

2.1.3. Changes to the approximate estimates

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

Actual results may differ 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 statement 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 at 31 December 2020.

For the purpose of presenting this interim condensed separate financial statement, 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 statement does 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 at 31 December 2020. 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 this interim condensed separate financial statement, 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 (April 2021):

<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>), including forecast data after the occurrence of the pandemic situation related to Covid-19 (Coronavirus).

	Historical data			Forecast	Actual	Forecast		
	2017	2018	2019	2020 (Before Covid-19)	2020 (Covid-19)	2021	2022	2026
Economic GDP growth	3.5%	3.1%	3.4%	3.2%	(3.8)%	4.4%	4.4%	2.8%

The table below provides information on the economic growth expectations of the euro area countries (representing the main foreign market of the Republic of Bulgaria), according to the International Monetary Fund, including forecast data after the Covid-19 pandemic (Coronavirus).

	Historical data			Forecast	Actual	Forecast		
	2017	2018	2019	2020 (before Covid-19)	2020 (Covid-19)	2021	2022	2026
Economic GDP growth	2.6%	1.9%	1.3%	1.4%	(6.6)%	4.4%	3.8%	1.3%

The Group's Management has also analyzed 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:

	Historical data			Forecast	Actual	Forecast	
	2017	2018	2019	2020 (Before Covid-19)	2020 (Covid-19)	2021	2022
Romania	7.3%	4.5%	4.1%	3.5%	(3.9)%	6.0%	4.8%
North Macedonia	1.1%	2.9%	3.2%	3.4%	(4.5)%	3.8%	4.0%
Ukraine	2.5%	3.4%	3.2%	3.0%	(4.2)%	4.0%	3.4%
Georgia	4.8%	4.8%	5.0%	4.8%	(6.1)%	3.5%	5.8%
Belarus	2.5%	3.1%	1.4%		(0.9)%	(0.4)	0.8%

Russian Federation	1.8%	2.8%	2.0%	1.9%	(3.1)%	3.8%	3.8%
Greece	1.3%	1.6%	1.9%	2.2%	(8.2)%	3.5%	5.0%
Poland	4.8%	5.4%	4.5%	3.1%	(2.7)%	3.5%	4.5%
Italy	1.7%	0.9%	0.3%	0.5%	(8.9)%	4.2%	3.6%
Spain	3.0%	2.4%	2.0%	1.8%	(11.0)%	6.4%	4.7%
United Kingdom	1.7%	1.3%	1.4%	1.4%	(9.9)%	5.3%	5.1%

As can be seen from the above data, the Management takes into account the possible short-term risks to the overall economic development of the main markets where it operates. The expected reduction of the Gross Domestic Product could be significant, but there are also general expectations for rapid recovery during the period 2021-2022 and a return to the average predicted growth levels before Covid-19 (Coronavirus).

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	Stable
Eurohold Bulgaria AD	B	Negative	B	Negative

The following is information on the change in the credit rating (including forecast) assigned by **Fitch** to the countries where the Group operates:

	Before Covid-19		After Covid-19	
	Rating	Forecast	Rating	Forecast
Romania	BBB	Stable	BBB	Negative
North Macedonia	BB+	Stable	BB+	Negative
Ukraine	B	Positive	B	Stable
Georgia	BB	Stable	BB	Negative
Belarus	B	Stable	B	Negative
Russian Federation	BBB	Stable	BBB	Stable
Greece	BB	Stable	BB	Stable
Poland	A-	Stable	A-	Stable
Italy	BBB	Negative	BBB-	Stable
Spain	A-	Stable	A-	Stable
United Kingdom	AA	Negative	AA-	Negative

Management continues to monitor the development of the credit risk in relation to 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 this financial statement 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 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.

As both macroeconomic statistics and information on the medium-term levels of probability of default are not available as of June 30, 2021, the Management has not recalculated / changed the model in relation to the expected credit losses compared to those as of 31.12.2020.

2.1.6. Cash Flows

The separate condensed statement of cash flows shows 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.

Cash flows from operating activities are calculated as a result of the reporting period adjusted for non-cash operating items, changes in net working capital and corporate tax.

Investment activity 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.

Financial activity 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.

Changes in the Company's liabilities arising from a financial activity may be classified as follows:

<i>In '000 BGN</i>	<i>Note</i>	As of 1 January, 2021	Cash flows from financing activities		Non-monetary adjustments		As of 31 June 2021
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustm ents	
Subordinated debts	19	32 784	-	-	-	-	32 784
Loans from financial and non- financial institutions	20	61 692	350	(8 176)	-	1 637	55 503
Bonds liabilities	21	194 719	11 541	(6 484)	181	19 887	219 844
Liabilities to related parties, principal and interest	22, 25	15 777	18 441	(7 001)	-	1 694	28 911
Lease liabilities		2 280	-	(359)	(23)	58	1 956
Interest payables	26	14	-	(11)	-	20	23
Total:		307 266	30 332	(22 031)	158	23 296	339 021

<i>In '000 BGN</i>	<i>Note</i>	As of 1 January, 2020	Cash flows from financing activities		Non-monetary adjustments		As of 31 December, 2020
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustm ents	
Subordinated debts	19	-	-	-	-	32 784	32 784
Loans from financial and non- financial institutions	20	68 170	42 186	(50 909)	-	2 245	61 692
Bonds liabilities	21	136 523	58 675	(9 181)	(1 366)	10 068	194 719
Liabilities to related parties, principal and interest	22, 25	34 246	29 443	(17 765)	-	(30 147)	15 777
Lease liabilities		2 856	-	(889)	(52)	365	2 280
Interest payables	26	31	-	(23)	-	6	14
Total:		241 826	130 304	(78 767)	(1 418)	15 321	307 266

3. Dividend income

	30.6.2021	30.6.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Euro-Finance AD	223	547
	223	547

4. Gains from sale of investments and revaluations

	30.6.2021	30.6.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Gains from sale of investments and financial instruments*	462	111
Income from revaluation of investments measured at FVPL**	145	666
	607	777

- * In the first quarter 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*).
- ** In the first quarter of 2021 income from revaluations of instruments measured at fair value are:
- BGN 113 thousand from revaluation of purchased own bonds 10,500 pcs. under the EMTN Program in EUR with ISIN XS1731768302 (*Note 22*);
 - BGN 32 thousand from revaluation of repurchased own bonds 900 pcs. with ISIN BG2100013205 (*Note 22*).

5. Interest income

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Interest income – from related parties' loans	10	-
	10	-

5.1. Interest income on loans to related parties

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Auto Union AD	3	-
Motobul EAD	5	-
Auto Union Service EOOD	2	-
	10	-

6. Other financial revenue

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Foreign exchange gains	410	1 507
	410	1 507

7. Interest expense

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Interest expense – loans and borrowings	1 684	1 290
Interest expense – bonds, EMTN program	5 504	5 532
Interest expense – bonds, ISIN: BG2100013205	946	-
Interest expense – from related parties' loans	1 775	1 298
Interest expense – from third party loans	20	-
	9 929	8 120

7.1. Interest expense on borrowings and related parties leasing

	30.6.2021 BGN'000	30.6.2020 BGN'000
Starcom Holding AD	1 102	492
Euroins Insurance Group AD	524	413
Auto Union AD	-	96
Auto Union Service EOOD	1	5
Eurolease Auto EAD	134	132
<i>incl. Leasing</i>	3	4
Motobul EAD	-	147
Star Motors EOOD	14	13
	1 775	1 298

8. Losses from transactions with financial instruments and revaluations

	30.6.2021 BGN'000	30.6.2020 BGN'000
Losses on transactions of investments*	133	4
<i>Incl. Losses on transactions of investments – related parties</i>	4	4
Losses from revaluation of investments measured at FVPL	14	-
	147	4

*Reported in first quarter 2021 losses on transactions of investments in the amount of BGN 129 thousand are in connection with transfer of ownership of repurchased own bonds with ISIN BG2100013205 (*Note 22*).

8.1. Losses from transactions with financial instruments – related parties

	30.6.2021 BGN'000	30.6.2020 BGN'000
Euro-finance AD	4	4
	4	4

9. Other financial expenses

	30.6.2021 BGN'000	30.6.2020 BGN'000
Foreign exchange losses	611	60
Other financial expenses – related parties	-	5
Bank guarantee fees	128	134
Other financial expenses	32	5
	771	204

9.1. Other financial expenses – related parties

	30.6.2021 BGN'000	30.6.2020 BGN'000
Euro-finance AD	-	5
	-	5

10. Hired services expenses

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Hired services expenses	1 753	1 228
Hired services expenses – related parties	24	-
	1 777	1 228

10.1. Hired services expenses - related parties

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Auto Italia EAD	1	-
IC Euroins AD	23	-
	24	-

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

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Recoverable loss from impairment of financial assets	10	13
Accrued loss from impairment of financial assets	(15)	(31)
	(5)	(18)

12. Other revenue/(expenses), net

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
Other (expenses)	(476)	(156)
Other (expenses) – related parties	(5)	(3)
(Interest expenses) on right-of-use assets	(33)	(39)
Other revenue, incl.	117	87
<i>Rent income (sublease of right-of-use assets)</i>	<i>53</i>	<i>54</i>
<i>Revenues from discounts (on right-of-use assets)</i>	<i>64</i>	<i>32</i>
Other revenue – related parties, incl.	210	251
<i>Rent income (sublease of right-of-use assets)</i>	<i>202</i>	<i>167</i>
	(187)	140

12.1. Other expenses – related parties

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
IC Euroins AD	(2)	(1)
Motobul EAD	(3)	(2)
	(5)	(3)

12.2. Other revenue – related parties

	30.6.2021 <i>BGN'000</i>	30.6.2020 <i>BGN'000</i>
IC Euroins AD	2	25
Euroins Romania Asiguarare – Reasigurare S.A., Romania	6	53
Auto Union Service EOOD	-	2
Daru Car AD	-	2
Hanson Asset Management Ltd, UK- office rental	202	167
Euroins Osigurovanje AD, Northern Macedonia	-	2
	210	251

13. Fixed assets

13.1. Property, machinery and equipment

	Right-of-use assets – Properties <i>BGN'000</i>	Vehicles <i>BGN'000</i>	Equipment <i>BGN'000</i>	Total <i>BGN'000</i>
Cost:				
At 1 January 2020	3 137	244	78	3 459
Additions	-	-	-	-
At 31 December 2020	3 137	244	78	3 459
Additions	-	-	2	2
At 30 June 2021	3 137	244	80	3 461
Depreciation:				
At 1 January 2020	538	57	71	666
Accrued depreciation	611	57	6	674
At 31 December 2020	1 149	114	77	1 340
Accrued depreciation	305	28	2	335
Other changes	1	-	-	1
At 30 June 2021	1 455	142	79	1 676
Carrying value:				
At 1 January 2019	2 599	187	7	2 793
At 31 December 2019	1 988	130	1	2 119
At 30 June 2021	1 682	102	1	1 785

13.2. Intangible assets

	Software <i>BGN'000</i>	Acquisition costs <i>BGN'000</i>	Total <i>BGN'000</i>
Cost:			
At 1 January 2020	3	11	14
Additions	14	3	17
Written-of	-	(14)	(14)
At 31 December 2020	17	-	17
Additions	-	-	-
Written-of	-	-	-
At 30 June 2021	17	-	17
Depreciation:			
At 1 January 2020	-	-	-
Accrued depreciation	5	-	5
At 31 December 2020	5	-	5
Accrued depreciation	5	-	5
At 30 June 2021	10	-	10
Carrying value:			
At 1 January 2020	3	-	14
At 31 December 2020	12	-	12
At 30 June 2021	7	-	7

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

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Auto Union AD	109	-
Motobul EAD	170	-
	279	-
Impairment	(2)	-
	277	-

15. Investments in subsidiaries

	Value as at 1.1.2021 <i>BGN'000</i>	Increase <i>BGN'000</i>	Decrease <i>BGN'000</i>	Value as at 30.6.2021 <i>BGN'000</i>	Share capital of the subsidiary <i>BGN'000</i>	% control in the subsidiary %
Euroins Insurance Group AD	513 404	5 470	-	518 874	543 446	96.98%
Avto Union AD	66 775	-	-	66 775	40 004	99.99%
Euro-Finance AD	24 645	-	-	24 645	14 100	99.99%
Eurolease Group AD	24 635	-	-	24 635	27 241	90.01%
Eastern European Electric Company II B.V.	-	-	-	-	2	100.00%
	629 459	5 470	-	634 929	-	-

In the first half of 2021 Eurohold has made the following investments in Euroins Insurance Group AD:

- In 2018 Eurohold Bulgaria AD signed an agreement for acquisition of 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 South Eastern Europe Fund L.P. (SEEF), managed by the Greek investment company Global Finance. The company agreed to repurchase the share of the fund in the amount of 10.64% of the capital as of the date of concluding the repurchase 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 purchasing the agreed share amount to BGN 5 470 thousand.

The activities of the subsidiaries are as follows:

- Euroins Insurance Group AD - acquisition, management, valuation and sale of holdings in Bulgarian and foreign companies. The company is active in Bulgaria, Romania, Macedonia, Ukraine 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 line - insurance market;
- Auto Union AD - import, sale and service of cars. Business line - car market;
- Euro-Finance AD - Provision and implementation of investment services and activities in the country and abroad. Business - Investment Intermediation and Asset Management;
- Eurolease Group AD - participation management, financial leasing. The company operates in Bulgaria and Macedonia. Business line - leasing market;
- Eastern European Electric Company II B.V. - energy market.

Impairment of investments in subsidiaries

As of June 30, 2021, the Company has performed an analysis and assessment of existing indications for impairment of investments in subsidiaries.

The analysis and evaluation are on an individual and/or consolidated basis of the subsidiaries. The changes in the financial condition and the results compared to the comparative reporting period of the subsidiaries are examined. The main indicators for impairment are significant reduction of the volume or cessation of the activity of the subsidiary/group; loss of markets, customers or technological problems, trends of deterioration of key financial indicators, as well as reduction of market capitalization.

The performed analysis and assessment have not established any indications for impairment of investments in subsidiaries as of 30.6.2021.

16. Receivables from related parties

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
16.1. Interest receivables		
Euroins Insurance Group AD	-	2
Auto Union AD	3	-
Motobul EAD	5	-
	8	2

16.2. Other receivables

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Auto Union Service EOOD	2	1
Auto Italia EAD	13	11
Bulvaria Varna EOOD	5	6
IC Euroins AD	6	63
Eurolease Auto EAD	3	-
Star Motors EOOD	2	-
Autoplaza EAD	5	4
Euroins Osigurovanje AD, Northern Macedonia	19	13
Euro Insurance Group AD	118	17
Motobul EAD	1	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania	25	-
Auto Union AD	11	10
Espas Auto OOD	1	-
Eurolease Group AD	31	31
Hanson Asset Management Ltd, UK	132	194
Eastern European Electric Company B.V.	163	-
Eastern European Electric Company II B.V.	144	-
	681	350
Impairment	(20)	(7)
	661	343

17. Other receivables and assets

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Tax receivables - VAT	216	226
Bonds at fair value through profit and loss	7	7
Receivables from customers	11	83
Prepaid expenses, incl:	118	113
<i>Prepaid expenses to related parties – IC Euroins AD</i>	<i>43</i>	<i>-</i>
Other receivables, incl:	1 578	1 128
<i>Receivable from Erste Bank, Novi Sad *</i>	<i>734</i>	<i>734</i>
	1 930	1 557
Impairment	(15)	(18)
	1 915	1 539

*Note 29. Contingent, liabilities and commitments - Court Cases.

18. Cash and cash equivalents

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Cash at banks	357	251
Cash in hand	23	23
Blocked cash*	163	-
	543	274
Impairment	(2)	(7)
	541	267

*The blocked funds represent amounts deposited as of 30.6.2021 on an accumulation account in connection with an increase in the capital of the company (*Note 19.2*).

19. Share capital and reserves**19.1. Share capital**

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Issued shares	197 525 600	197 525 600

As of 30.6.2021 the share capital is distributed as follows:

Share holders	%	Number of shares	Par value
Starcom Holding AD	59.71%	117 943 341	117 943 341
KJK Fund II Sicav-Sif Balkan Discovery	14.23%	28 116 873	28 116 873
Specialized Logistic Systems AD	7.03%	13 883 629	13 883 629
POD Budeshte through UPF, VPF and PPF	6.10%	12 052 298	12 052 298
Other legal entities	10.66%	21 050 110	21 050 110
Other individuals	2.27%	4 479 349	4 479 349
Total	100.00%	197 525 600	197 525 600

19.2. Reserves

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Share premium	49 568	49 568
General reserves	7 641	7 641
Other reserves*	163	-
	57 372	57 209

*The other reserves represent proceeds from issuance of shares on the accumulation account of the company as of 30.6.2021. On 13.7.2021 an increase of the capital of the Company was registered, carried out under the conditions of public offering. As a result, 62,974,400 new shares were subscribed, each with a nominal value of BGN 1 and an issue value of BGN 2.50. BGN 157,436,000 were fully paid into the Company's accumulation account, which increased the company's capital from BGN 197,525,600 to BGN 260,500,000 (*Note 31*).

20. Subordinated debts

	30.6.2021 BGN'000	31.12.2020 BGN'000
Subordinated debt instruments, not issued, tier 1 capital	32 784	32 784
	32 784	32 784

21. Loans and borrowings

Non-current loans and borrowings

	30.6.2021 BGN'000	31.12.2020 BGN'000
International Investment Bank	10 501	11 993
International Bank for Economic Co-operation	29 331	29 304
Other*	300	1 450
	40 132	42 747

Current loans and borrowings

	30.6.2021 BGN'000	31.12.2020 BGN'000
International Investment Bank	10 299	13 887
International Bank for Economic Co-operation	267	206
Other**	4 805	4 852
	15 371	18 945

As of 30.06.2021 the other loans are in the form of:

* Liability on received loan, with maturity 11.2023, annual interest rate - 5.5% and limit BGN 2 000 thousand;

** Euro Commercial Papers (ECP), with maturity 5.2022, annual interest rate - 2.0% and face value EUR 2 500 thousand.

Analysis of loans and borrowings

Bank	Type	Currency	Size contracted	Principal as of 30.6.2021	Principal as of 31.12.2020	Interest rate	Maturity date	Security
International Investment Bank	Loan - Principal	EUR	15,000,000 €	3 600 000 €	5 400 000 €	6.0%+ EURIBOR	12.2021	Pledge on subsidiary shares
International Investment Bank	Loan - Principal	EUR	10,000,000 €	6 930 000 €	7 700 000 €	6.0%+ EURIBOR	3.2025	Pledge on subsidiary shares
International Bank for Economic Co-operation*	Loan - Principal	EUR	20,000,000 €	15 000 000 €	15 000 000 €	6.5%	07.2022	Pledge on subsidiary shares

*The unutilized amount of the loan from the International Bank for Economic Co-operation as of June 30, 2021 amounts to EUR 5 million (31.12.2020 – EUR 5 million).

22. Bond liabilities

Non - current bond liabilities

	30.6.2021 BGN'000	31.12.2020 BGN'000
EMTN Programme in EUR	136 385	115 856
Corporate bond ISIN:BG2100013205*	58 675	58 675
	195 060	174 531

Current bond liabilities

	30.6.2021 BGN'000	31.12.2020 BGN'000
EMTN Programme in EUR, interest	4 403	15
EMTN Programme in PLN	19 471	19 302
EMTN Programme in PLN, interest	727	688
Corporate bond ISIN:BG2100013205, interest	183	183
	24 784	20 188

Bond liabilities are presented at amortized cost, net of treasury 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.

In the first quarter of 2021 the following bond transactions were made:

- The ownership of 10 500 pcs. repurchased own bonds under EMTN Program in EUR with ISIN XS1731768302 has been 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 30.6.2021 (as of 31.12.2020 they have not been settled) (*Note 26.3*).
- 5 900 pcs. own bonds with ISIN BG2100013205 were 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 has been transferred and a loss on transactions of investments in the amount of BGN 109 thousand was reported (*Note 8*).

Information on EMTN program terms (EUR and PLN) is publicly available and available on the Irish Stock Exchange website, Bonds section. The maturity of the EMTN Program in PLN is on 29.12.2021, and that of the EMTN Program in EUR - on 07.12.2022.

* 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. 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.

23. Non-current liabilities to related parties

	30.6.2021 BGN'000	31.12.2020 BGN'000
Loans principal		
Eurolease Auto EAD – loan granted	1 600	1 600
Eurolease Auto EAD – leases	85	103
	1 685	1 703

24. Other non-current liabilities

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Retirement benefit obligations	15	15
Lease liabilities – right-of use	1 288	1 453
	1 303	1 468

25. Trade payables

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Trade payables	817	583
	817	583

26. Current liabilities to related parties**26.1 Interest payables**

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Starcom Holding AD	1 102	-
Eurolease Auto EAD	872	767
Euroins Insurance Group AD	1 282	1 121
Auto Union Service EOOD	17	-
Star Motors EOOD	19	44
	3 292	1 932

26.2. Current borrowings - principal

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Euroins Insurance Group AD	17 054	9 087
Starcom Holding AD	4 056	-
Eurolease Auto EAD*	1 970	2 000
	23 080	11 087

*Liabilities under receivables transfer agreements.

26.3 Other payables

	30.6.2021 <i>BGN'000</i>	31.12.2020 <i>BGN'000</i>
Starcom Holding AD**	-	20 536
IC Euroins AD	5 989	51
Eurolease Auto EAD	415	488
Eurolease Auto EAD - leases	38	38
IC EIG RE EAD	54	54
Motobul EAD	4	1
Avto Union Service EOOD	244	-
Star Motors EOOD*	695	1 158
Auto Italia EAD	1	-
Euroins Romania Asiguarare – Reasiguarare S.A., Romania	13	-
Euro-Finance AD	-	45
	7 453	22 371

*Liabilities under receivables transfer agreements.

** Obligation to repurchase own bonds (*Note 22*).

27. Other current liabilities

	30.6.2021	31.12.2020
	<i>BGN'000</i>	<i>BGN'000</i>
Payables for acquisition of investments	1 192	197
Interest payables	23	14
Commissions on bank guarantees	22	22
Tax payables	489	213
Payables to employees and social security institutions	112	89
Dividends payables	249	249
Dividends payables – related parties – Starcom Holding AD	101	101
Lease liabilities – right-of-use	545	686
Other liabilities	121	130
	2 854	1 701

28. Non-cash transactions

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

30.6.2021

- During the period the Company executed related parties SWAP transactions while simultaneously issuing new short-term Euro 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.

30.6.2020

- In 2020, the Company, in its capacity as a borrower under two loan agreements with related parties, has set off the amount of BGN 4,150 thousand in decrease in the principal of one loan and increase the principal of the other loan, such as cash flows are settled directly between the two lenders - related parties.
- In 2020 the Company executed related parties SWAP transactions while simultaneously issuing new short-term Euro Commercial Papers (ECPs) in the amount of EUR 16,366 thousand (BGN 32,009 thousand) and repurchasing issued ECPs in the amount of EUR 16,443 thousand (BGN 32,158 thousand).

29. Contingent, liabilities and commitments

Litigations

As at 30.6.2021 against the Company has no significant legal proceedings instituted.

The company appeals against imposed penal decrees with total material interest in the amount of BGN 100 thousand. As at the date of these reports a forecast for the probability of entry into force of the decrees cannot be made, the Company has not reported expenses for provisions under them.

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 transferred amount was completely blocked in an account at Erste Bank, Novi Sad, on the basis of a prosecutor's order and an order of the civil court and will be returned to the company after a formal ruling in the above case. A final judgment is expected within the next 12 months. In view of the declared state of emergency in the country it is possible to extend the deadline. (*Note 17*).

Warranties and provided guarantees

The Company is a co-debtor of received bank loans of related parties as follows:

Business division	Amount in EUR'000 as of 30.6.2021	Amount in BGN'000 as of 30.6.2021	MATURITY (EUR'000)					
			2021	2022	2023	2024	2025	After 2025
Lease sub-holding								
For funding of lease operations	13 523	26 449	3 098	3 945	2 575	1 932	1 289	685
Automotive sub-holding								
Working capital loans	4 361	8 529	4 361	-	-	-	-	-
TOTAL:	17 884	34 978	7 459	3 945	2 575	1 932	1 289	685

In connection with a loan of Automobile Sub-holding Eurohold Bulgaria AD has established a pledge of shares of a subsidiary.

The Company is a guarantor of issued bank guarantees to related parties as follows:

Company from:	Contracted limit in EUR'000 as of 30.6.2021	Contracted limit in BGN'000 as of 30.6.2021	MATURITY(EUR'000)	
			2021	2022
Automotive sub-holding	3 750	7 334	-	3 750
Automotive sub-holding	1 050	2 054	-	1 050
Automotive sub-holding	4 300	8 410	4 300	-
Energy sub-holding	5 000	9 779	5 000	-
TOTAL:	14 100	27 577	9 300	4 800

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 30.6.2021 in original currency	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	12/2022.
Euroins Insurance Group AD	PLN	Issue of bonds (EMTN programme)	45 000 000	12/2021
Euroins Insurance Group AD	EUR	Bank loan	15 000 000	07/2022

Established guarantees in favor of the Company:

Дружество/ Гарант	Currency	Guaranteed liability	Guaranteed amount as of 30.6.2021 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03/2022 г.
Hristo Lyubomirov Stoev, Procurator	BGN	Management guarantee	3 330	03/2022 г.

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 – major shareholder in Eurohold Bulgaria AD.

Subsidiaries of Starcom Holding AD:

- First Investment Bank AD, Russia;
- Starcom Finance EAD;
- Quintar Capital Limited, Hong Kong, China.
- Hanson Asset Management Ltd, United Kingdom;

Subsidiaries of Eurohold Bulgaria AD:

- **Euroins Insurance Group AD (EIG) – subsidiary of Eurohold Bulgaria AD;**
- IC Euroins AD – 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 – subsidiary of EIG;
- IC EIG Re AD – 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);
- Russian Insurance Company Euroins, Russian Federation - associated of EIG;
- **Avto Union AD (AU) – subsidiary of Eurohold Bulgaria AD;**
- Avto Union Service EOOD – subsidiary of AU;
- N Auto Sofia EAD – subsidiary of AU;
- Espace Auto OOD – through N Auto Sofia EAD - subsidiary of AU;
- EA Properties OOD – subsidiary of AU;
- Daru Car AD – subsidiary of AU;
- Auto Italia EAD – subsidiary of AU;
- Bulvaria Varna EOOD – subsidiary of AU;
- Bulvaria Sofia EAD - subsidiary of AU;
- Star Motors EOOD – subsidiary of AU;
- Star Motors DOOEL, North Macedonia through Star Motors EOOD - subsidiary of AU;
- Star Motors SH.P.K., Kosovo through Star Motors EOOD - subsidiary of AU;
- Motohub OOD - subsidiary of AU;
- Motobul EAD – subsidiary of AU;
- Benzin Finance EAD - subsidiary of AU;
- Bopar Pro S.R.L Romania through Motobul EAD - subsidiary of AU;
- **Eurolease Group AD (ELG) – subsidiary of Eurohold Bulgaria AD;**
- Eurolease Auto EAD – subsidiary of ELG;
- Eurolease Auto Romania AD, Romania – subsidiary of ELG;
- Eurolease Auto Romania AD through Euroins Romania Asiguarare AD – subsidiary of ELG;
- Eurolease Auto DOOEL, North Macedonia – subsidiary of ELG;
- Eurolease Rent-a-Car EOOD – subsidiary of ELG;
- Amigo Leasing EAD – subsidiary of ELG;
- AutoPlaza EAD – subsidiary of ELG;
- Sofia Motors EOOD – subsidiary of ELG;
- **Euro-Finance AD – subsidiary of Eurohold Bulgaria AD;**
- **Eastern European Electric Company II B.V, The Netherlands - subsidiary of Eurohold Bulgaria AD;**
- Eastern European Electric Company B.V, The Netherlands – subsidiary of Eastern European Electric Company II B.V, The Netherlands.

30.1. The related parties' transactions

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

30.6.2021

- The Company has concluded a SWAP transaction with Euroins Bulgaria, buying back 25 pcs. ECPs with ISIN:XS2180906567 with a nominal of EUR 2,500,000 worth € 2,500,000 and simultaneously replace it with 25 newly issued ECPs with ISIN: XS2344657163 for € 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.

30.6.2020

- The Company, in its capacity as a borrower on a loan with Starcom Holding AD and on a loan with Auto Union AD, has set off the amount of BGN 4,150 thousand in reduction of the loan principal with Starcom Holding AD and increase of the loan principal with Auto Union AD, as the cash flows are settled directly between Starcom Holding AD and Auto Union AD in three tranches.
- The Company has concluded a SWAP transaction with IC EIG RE EAD, buying back 6 pcs. ECPs with XS1966018308 with a nominal of € 600,000 worth € 599,400 and simultaneously replace it with 6 newly issued ECPs with ISIN: XS2141135975 for € 588,000. As of 31.12.2020 ECPs with ISIN: XS2141135975 was repurchased by Eurohold Bulgaria AD and repaid/cancelled.
- The Company has concluded a SWAP transaction with Euroins Bulgaria, buying back 114 pcs. ECPs with XS1966018308 with a nominal of EUR 11,400,000 worth € 11,388,600 and simultaneously replace it with 116 newly issued ECPs with ISIN: XS2141135975 for € 11,368,000. As of 31.12.2020 ECPs with ISIN: XS2141135975 was repurchased by Eurohold Bulgaria AD and repaid/cancelled.
- The Company has concluded a SWAP transaction with Euroins Bulgaria, buying back 45 pcs. ECPs with ISIN: XS1984471612 with a nominal of EUR 4,500,000 worth € 4,455,000 and simultaneously replace it with 45 newly issued ECPs with ISIN: XS2157195020 for € 4,410,000. As of 31.12.2020 ECPs with ISIN: XS2157195020 was repurchased by Eurohold Bulgaria AD and repaid/cancelled.

The other related parties' transactions for 2019 and 2018 are disclosed in *Notes 3, 4, 5.1, 7.1, 8.1, 9.1, 10.1, 12.1, 12.2 and 21.*

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:

	30.6.2021	30.6.2020
	BGN	BGN
Short-term remunerations:		
Salaries	159 793	147 293
Social security costs	5 209	5 209
Total short - term remuneration	165 002	152 502

30.1.3. Related party accounts at the end of the year

Related party accounts are disclosed in the following *Notes 14, 15, 16, 19, 22, 23, 26 and 27*.

31. Events after the end of the reporting period

- On 13.7.2021 an increase in the capital of the Company was registered, carried out under the conditions of public offering. As a result, 62,974,400 new shares were subscribed, each with a nominal value of BGN 1 and an issue value of BGN 2.50. BGN 157,436,000 were fully paid into the Company's accumulation account, which increased the company's capital from BGN 197,525,600 to BGN 260,500,000 (*Notes 18 and 19*).
- On 14.7.2021 a partial repayment was made in the amount of BGN 25,932 thousand of subordinated debt, representing unissued tier 1 capital (*Note 20*).
- On July 22, 2021, Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a cash contribution of EUR 65,600,000.
- On 27.7.2021 Eurohold Bulgaria AD has officially completed the acquisition of seven subsidiaries of Czech energy group CEZ in Bulgaria for EUR 335 million.

As a result of the transaction, Eurohold, through its wholly owned subsidiary Eastern European Electric company (EEEC), has acquired a 67% interest in CEZ Distribution Bulgaria - the largest distributor of electricity in Bulgaria (with 40% market share) and CEZ Electro Bulgaria – the largest power supplier in Bulgaria, in addition to 100% of the capital of CEZ Trade Bulgaria – the largest electricity trader in Bulgaria. Other assets acquired included IT services company CEZ ICT Bulgaria, solar park Free Energy Project Oreshetz, biomass-fired power plant Bara Group, and CEZ Bulgaria, the coordinator of CEZ Group's units in Bulgaria.

The Company, led by its M&A and investment banking arm Euro-Finance AD, financed the acquisition of CEZ Group's subsidiaries in Bulgaria through a combination of equity raised via a capital increase and a public offering of new shares on the Bulgarian Stock Exchange (BSE) as well as a comprehensive financing package including a strategic structured investment by Metric Capital Partners, where J.P. Morgan AG acted as Exclusive Financial Adviser and Sole Placement Agent and a senior syndicated facility subscribed by commercial and multilateral development banks. J.P. Morgan AG acted as a Sole Structuring Bank, Bookrunner and Initial Mandated Lead Arranger on the syndicated loan facility, with Bank of China Luxembourg, Raiffeisen Bank International AG, RaiffeisenBank Bulgaria and Unicredit Bulbank - as Bookrunners and Mandated Lead Arrangers. The Black Sea Trade and Development Bank (BSTDB), DSK Bank, the European Bank for Reconstruction and Development (EBRD) and OTP Bank acted as Mandated Lead Arrangers and Eurobank Bulgaria, International Investment Bank and United Bulgarian Bank acted as Lead Arrangers.

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 30.6.2021.

INSIDE INFORMATION

pursuant to Article 7 of Market Abuse Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April

EUROHOLD BULGARIA AD has disclosed the following information:

27 July, 2021

Eurohold Completes Transformational Acquisition of CEZ Group's Business in Bulgaria (News Release);

22 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

21 July, 2021

Notification under Art. 148b of POSA;

16 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

13 July, 2021

Notification under Art. 148b of POSA;

9 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

7 July, 2021

Eurohold raises BGN 157 million (EUR €80.5 million) via public offering of new shares (News Release);

5 July, 2021

Minutes from the regular session of GMS of Eurohold Bulgaria AD, held on 30.06.2021;

5 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

2 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

1 July, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

29 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

28 June, 2021

Eurohold's auto holding agreed to sell the dealer of Nissan, Renault and Dacia auto brands in Bulgaria (News Release);

25 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

24 June, 2021

Eurohold extends capital hike share subscription deadline to July 7 (News Release);

24 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

24 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

23 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

22 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

18 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

18 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

16 June, 2021

Presentation of an updated invitation and materials for the regular meeting of the GMS of Eurohold Bulgaria AD, scheduled for June 30, 2021;

16 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

14 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

11 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

11 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

10 June, 2021

Eurohold presents its development strategy and goals for the consolidated financial results of the Group for the period 2021-2025 after the acquisition of the CEZ Group companies in Bulgaria;

8 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

4 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

4 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

3 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

2 June, 2021

Eurohold enters in a procedure of capital increase (News Release);

1 June, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

31 May, 2021

Eurohold's results return to the pre-crisis levels (News Release);

29 May, 2021

Presentation of an invitation and materials for the regular meeting of the GMS of Eurohold Bulgaria AD, scheduled for June 30, 2021;

28 May, 2021

Interim consolidated Financial Report for Q1'2021:

1. Interim Consolidated Financial Statements as of 31st of March, 2021, IFRS;
2. Notes to the Interim Consolidated Financial Statements for Q1'2021;
3. Interim Consolidated Management Report;
4. Interim Consolidated Financial Statements – FSC forms;
5. Internal Information;
6. Additional Information;
7. Information according to Annex 9;
8. Declaration from the responsible persons;

28 May, 2021

Eurohold publishes announcement pursuant to Art. 89t, para. 1 of POSA for commencement of the public offering of shares from the capital increase;

21 May, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

17 May, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

16 May, 2021

Annual Consolidated Financial Report for the year ended on 31 December 2020:

1. Annual Consolidated Financial Report as of 31 December 2020, IFRS;
2. Notes to the Annual Consolidated Financial Statements;
3. Independent Auditor's Report;
4. Consolidated Management Report for 2020;
5. Corporate Governance Declaration;
6. Annual Financial Report – FSC forms;
7. Non-Financial Declaration;
8. Declaration from the responsible persons;

14 May, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

7 May, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

5 May, 2021

Interim Financial Report for Q1'2021:

1. Interim Financial Statements as of 31st of March, 2021, IFRS;
2. Notes to the Interim Financial Statements for Q1'2021;
3. Interim Management Report;

4. Interim Financial Statements – FSC forms;
5. Internal Information;
6. Additional Information;
7. Information according to Annex 9;
8. Declaration from the responsible persons;

29 April, 2021

Bulgaria’s FSC Approved Eurohold’s Capital Increase Prospectus (News Release);

28 April, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

27 April, 2021

Annual Financial Report for the year ended on 31 December 2020:

1. Annual Financial Report as of 31 December 2020, IFRS;
2. Notes to the Annual Financial Statements;
3. Independent Auditor’s Report;
4. Management Report for 2020;
5. Corporate Governance Declaration;
6. Annual Financial Report – FSC forms;
7. Independent Auditor’s Declaration;
8. Declaration from the responsible persons;

26 April, 2021

Eurohold Mandated J.P. Morgan AG as Lead and Exclusive Arranger for Structuring the Debt Financing related to the Deal with CEZ Group (News Release);

22 April, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

13 April, 2021

Interim Consolidated Financial Report for Q4’2020:

1. Updated Interim Consolidated Financial Statements as of 31st of December,2020, IFRS;
2. Notes to the Interim Consolidated Financial Statements for Q4’2020;
3. Interim Consolidated Management Report;
4. Interim Consolidated Financial Statements – FSC forms;
5. Internal Information;
6. Additional Information;
7. Information according to Annex 9;
8. Declaration from the responsible persons;

12 April, 2021

Disclosure of minutes of the extraordinary meeting of the GMS of Eurohold Bulgaria AD, held on April 10, 2021;

8 April, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

6 April, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

31 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

26 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

24 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

18 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

17 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

16 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

12 March, 2021

Annual Financial Report for the year ended on 31 December 2019:

1. Annual Financial Report as of 31 December 2019, IFRS;
2. Notes to the Annual Financial Statements;
3. Independent Auditor's Report;
4. Management Report for 2019;
5. Corporate Governance Declaration (revised);
6. Annual Financial Report – FSC forms;
7. Independent Auditor's Declaration;
8. Declaration from the responsible persons;

11 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

9 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

8 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

2 March, 2021

Presentation of an invitation and materials for convening an extraordinary meeting of the GMS of Eurohold Bulgaria AD, scheduled for April 10, 2021;

2 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

1 March, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

1 March, 2021

Interim Consolidated Financial Report for Q4'2020:

1. Interim Consolidated Financial Statements as of 31st of December, 2020, IFRS;
2. Notes to the Interim Consolidated Financial Statements for Q4'2020;
3. Interim Consolidated Management Report;
4. Interim Consolidated Financial Statements – FSC forms;
5. Internal Information;
6. Additional Information;
7. Information according to Annex 9;
8. Declaration from the responsible persons;

23 February, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

19 February, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

12 February, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

3 February, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

29 January, 2020

Interim Financial Report for Q4'2020:

1. Interim Financial Statements as of 31st of December, 2020, IFRS;
2. Notes to the Interim Financial Statements for Q4'2020;
3. Interim Management Report;
4. Interim Financial Statements – FSC forms;
5. Internal Information;
6. Additional Information;
7. Information according to Annex 9;
8. Declaration from the responsible persons;

22 January, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

19 January, 2021

Eurohold got approval from the Energy and Water Regulatory Commission to acquire the subsidiaries of CEZ Group in Bulgaria (News Release);

15 January, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

12 January, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

5 January, 2021

Notification concerning Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;

Asen Minchev,

*Executive Member of the Management Board
of Eurohold Bulgaria AD*

ADDITIONAL INFORMATION TO THE INTERIM FINANCIAL REPORT OF EUROHOLD BULGARIA FOR H1'2021

in accordance with art. 33, par. 1 of Ordinance No. 2 of September 17, 2003 on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information by the public companies and the other issuers of securities

- 1. Information about the changes in the accounting policy during the reported period, the reasons for carrying them out and how they affect the financial results and equity of the issuer**

No changes have been made in the accounting policy of the company during the reported period.

- 2. Information about changes in the economic group of the issuer, if it belongs to such a group**

No changes have been made in the economic group of the issuer.

- 3. Information about results of organizational changes in the issuer's structure, such as conversion, sale of companies from the same economic group, in-kind contributes from the company, property rental, long-term investments, withdrawal from business**

No organizational changes in the issuer's structure during the reported period.

- 4. Opinion of the Governing Body of the feasibility of published estimates of the results of the current financial year, taking into account the results of the current three months, as well as information on the factors and circumstances, which will affect the achievement of the forecasted results at least in the next three months**

No estimates of financial results of the company have been published for 2021.

- 5. Data on the persons, holding directly and indirectly at least 5 per cent of the votes in the General Meeting as of the end of the reported period, and changes in the votes, held by the persons in the end of the previous three months period**

	Shareholder	Number of shares	% participation
1.	Starcom Holding AD	117 943 341	59.71%
2.	KJK Fund II Sicav-Sif Balkan Discovery	28 116 873	14.23%
3.	SLS AD	13 883 629	7.03%
4.	PAC-Future through UPF, VPF and PPF	12 052 298	6.10%

- 6. Data of the shares, held by the management and supervisory bodies of the issuer at the end of the respective three months and changes, which took place since the end of the previous three months period for each person individually**

	Shareholder	Number of shares	% participation
1.	Dimitar Stoyanov Dimitrov	200	-
2.	Assen Emanuilov Assenov	47 400	0.02%
3.	Velislav Christov	200	-

7. Information about pending judicial, administrative or arbitration proceedings concerning claims or liabilities of at least 10 per cent of the equity of the issuer; if the total amount of the debts or the obligations of the issuer in all proceedings exceeds 10 per cent of its own capital , information about each case separately is provided

For the reported period the Company has no pending legal, administrative or arbitration proceedings.

8. Information about granted by the issuer or its subsidiary company loans, guarantees or commitments totally to one person or its subsidiary, including to related to it persons, showing the type of relation between the issuer and the person, the amount of unpaid principal, the interest rate, the final maturity, the size of the commitment, the term and conditions.

The related parties' transactions for the reported period are disclosed in Notes to the separate Financial statement for H1'2021. The conditions under which the transactions were made do not deviate from the market for this type of transactions.

Asen Minchev,
Executive Director of Eurohold Bulgaria AD

INFORMATION ACCORDING TO ANNEX 9

according to the requirements of Article 33, paragraph 1, item 3 of ORDINANCE № 2 of 17.09.2003 on prospectuses for public offering and admission to trading on a regulated securities market and for the disclosure of information

- 1. There has no change of persons exercising a control over the Company**
- 2. Opening of insolvency proceedings for the company or its subsidiary and all essential stages of the proceedings**

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

- 3. Conclusion or execution of significant transactions**

There has no conclusion or execution of significant transactions.

- 4. No decision on the conclusion or termination of the joint venture agreement**
- 5. change in company auditors and reasons for change**
- 6. No court or arbitration case relating to the debts or claims of the company or its subsidiary has been initiated or terminated at a purchase price of at least 10% of the capital of the company**
- 7. Purchase, sale or pledge of shareholdings in commercial companies by the issuer or its subsidiary**

During the reporting period Eurohold Bulgaria AD acquired another 5,593,533 shares of the capital of its subsidiary Euroins Insurance Group AD. As a result of the acquisition, the participation in the capital of the subsidiary insurance subholding was increased to 96.98%, with which the total shares held by Eurohold Bulgaria AD amount to 543,445,791 shares.

- 8. Other circumstances that the Company believes could be relevant to investors in taking a decision to acquire, sell or continue to hold publicly traded securities**

On 27 July 2021 Eurohold Bulgaria AD has officially completed the acquisition of seven subsidiaries of Czech energy group CEZ in Bulgaria for EUR 335 million and has realized through its wholly owned subsidiary Eastern European Electric company (EEEC).

Asen Minchev,
Executive Director of Eurohold Bulgaria AD

DECLARATION
in accordance with article 100o, paragraph 4, item 3 of
Public Offering of Securities Act

The undersigned,

1. Asen Minchev – Executive member of the Management Board of Eurohold Bulgaria AD
2. Salih Trampov – Chief Accountant of Eurohold Bulgaria AD (complier of the financial statements)
3. Milena Guentcheva – Procurator of Eurohold Bulgaria AD

hereby DECLARE that to our best knowledge:

1. The set of interim financial statements for H1'2021, composed in accordance with the applicable accounting standards, contain true and fair information regarding the assets and liabilities, the financial standing and the profit of Eurohold Bulgaria AD;

2. The interim management report of Eurohold Bulgaria AD for H1'2021 contains credible review of the information under article 100o, paragraph 4, item 2 of Public Offering of Securities Act.

DECLARERS:

1. Assen Minchev

2. Salih Trampov

3. Milena Guentcheva