

# **EUROHOLD BULGARIA CONSOLIDATED ANNUAL REPORT**



**31 March 2023**

# **INTERIM CONDENSED CONSOLIDATED REPORT**

containing information on important events that occurred during the period  
1 January - 31 March 2023 pursuant to Article 100o, paragraph 4, item 2 of the POSA

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**31 March 2023**

**ENERGY BUSINESS**

**INSURANCE  
BUSINESS**

**ASSET  
MANAGEMENT AND  
BROKERAGE**

**EUROHOLD BULGARIA**

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**Interim condensed consolidated financial statements  
for the first quarter of 2023**

## Interim condensed consolidated statement of profit or loss and other comprehensive income for the first quarter of 2023

<i>In thousand BGN</i>	<i>Note</i>	31.3.2023	31.3.2022
<b>Revenue from operating activities</b>			
Revenue from energy business	3	726 794	883 177
Revenue from insurance business	5	787 054	168 629
Revenue from asset management and brokerage	7	5 708	2 148
Revenue from the activities of the parent company	9	77	435
		<b>1 519 633</b>	<b>1 054 389</b>
<b>Expenses of operating activities</b>			
Expenses of energy business	4	(571 042)	(773 816)
Expenses of insurance business	6	(562 836)	(152 951)
Expenses of asset management and brokerage	8	(4 704)	(1 954)
Expenses of the activities of the parent company	10	-	(784)
		<b>(1 138 582)</b>	<b>(929 505)</b>
<b>Operating Profit</b>		<b>381 051</b>	<b>124 884</b>
Other income, net	11	867	869
Other operating expenses	12	(53 540)	(48 830)
Accrued impairment loss on financial assets, net	13	(1 858)	147
<b>EBITDA</b>		<b>326 520</b>	<b>77 070</b>
Depreciation and amortization expenses	17	(27 187)	(26 929)
<b>EBIT</b>		<b>299 333</b>	<b>50 141</b>
Finance costs	14	(28 103)	(21 210)
Finance income	15	954	338
Foreign exchange (losses)/gains, net	16	(6)	(2)
<b>EBT</b>		<b>272 178</b>	<b>29 267</b>
Income tax expenses	18	(8 180)	(4 563)
<b>Net profit for the period from continuing operations</b>		<b>263 998</b>	<b>24 704</b>
<b>Discontinued operations</b>			
Net profit for the period from discontinued operations		-	12 169
<b>Net profit for the period</b>	39	<b>263 998</b>	<b>36 873</b>
Net profit, attributable to:			
Equity holders of the parent		242 882	34 584
Non-controlling interest		21 116	2 289

Prepared by:

/Ivan Hristov/

Date:29.05.2023

On behalf of the  
Management Board:

/Asen Mintchev/

Procurator:

/Milena Gentcheva/

**Interim condensed consolidated statement of profit or loss and other comprehensive income for the first quarter of 2023 (continued)**

<b><i>In thousand BGN</i></b>	<i>Note</i>	31.3.2023	31.3.2022
<b>Net profit for the period</b>		<b>263 998</b>	<b>36 873</b>
<b>Other comprehensive (loss)/income</b>			
<i>Other comprehensive (loss)/ income to be reclassified subsequently to profit or loss:</i>			
Net (loss)/profit from change in the fair value of financial assets at fair value through other comprehensive income		200	(2 080)
Exchange differences on translating foreign operations		128	(1 441)
Net loss from revaluations of defined benefit plans		-	(57)
<b>Other comprehensive income/(loss) for the period, net of taxes</b>		<b>328</b>	<b>(3 578)</b>
<b>Total comprehensive income for the period, net of taxes</b>		<b>264 326</b>	<b>33 295</b>
Other comprehensive income for the period, attributable to:			
Equity holders of the parent		242 984	30 755
Non-controlling interest		21 342	2 540
		<b>264 326</b>	<b>33 295</b>

Prepared by:

On behalf of the  
Management Board:

Procurator:

/Ivan Hristov/

/Asen Mintchev/

/Milena Gentcheva/

Date:29.05.2023

## Interim condensed consolidated statement of financial position as of 31 March 2023

<i><b>In thousand BGN</b></i>	<i>Note</i>	31.3.2023	31.12.2022
<b>ASSETS</b>			
Cash and cash equivalents	19	361 535	214 012
Fixed-term deposits at banks	20	28 471	53 189
Reinsurers' share in insurance contract liabilities	21	235 233	353 782
Insurance receivables	22	128 454	94 968
Trade and other receivables	23	461 983	521 923
Financial assets	28	437 694	241 259
Inventory	27	33 099	33 080
Property, plant and equipment	24	869 196	867 647
Intangible assets	26	98 489	100 514
Goodwill	30	116 883	116 883
Deferred tax assets	29	8 119	9 508
<b>TOTAL ASSETS</b>		<b>2 779 156</b>	<b>2 606 765</b>

Prepared by:

/Ivan Hristov/

Date:29.05.2023

On behalf of the  
Management Board:

/Asen Mintchev/

Procurator:

/Milena Gentcheva/

**Interim condensed consolidated statement of financial position as of 31 March 2023  
(continued)**

<i>In thousand BGN</i>	<i>Note</i>	31.3.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	38.1	260 500	260 500
Treasury shares	38.1	(77)	(77)
Share premium	38.2	144 030	144 030
General reserves		7 641	7 641
Revaluation and other reserves		(2 169)	(1 111)
Accumulated loss		(363 071)	(204 555)
Profit/(loss) for the period	39	242 882	(158 159)
<b>Equity attributable to equity holders of the Parent company</b>		<b>289 736</b>	<b>48 269</b>
Non-controlling interest	40	40 839	19 886
<b>Total equity</b>		<b>330 575</b>	<b>68 155</b>
Subordinated debts	32	48 464	48 459
Insurance contract liabilities	37	520 830	542 931
<b>LIABILITIES</b>			
Bank and non-bank loans	32	1 120 812	1 116 931
Obligations on bond issues	33	214 804	228 891
Trade and other payables	34	478 425	555 922
Payables to reinsurers	35	44 212	24 896
Deferred tax liabilities	36	21 034	20 580
		<b>1 879 287</b>	<b>1 947 220</b>
<b>Total liabilities, subordinated debts and insurance contract liabilities</b>		<b>2 448 581</b>	<b>2 538 610</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 779 156</b>	<b>2 606 765</b>

Prepared by:

/Ivan Hristov/

Date:29.05.2023

On behalf of the  
Management Board:

/Asen Mintchev/

Procurator:

/Milena Gentcheva/



## Interim condensed consolidated statement of cash flows for the first quarter of 2023

<i>In thousand BGN</i>	<i>Note</i>	31.3.2023	31.3.2022
<b>Operating activities</b>			
<b>Profit before tax for the period</b>		<b>272 178</b>	<b>41 067</b>
Adjustments for:			
Depreciation and amortization	17	27 187	29 774
Foreign exchange gain/(loss)		72	(699)
Dividend income		(4)	(16)
Insurance reserves change, net of reinsurance		(96 448)	2 955
Increase in impairment loss		1 858	116
Tax expense		8 180	(4 563)
Change in associate participation		-	7 149
Gain on sales of investments		(43 785)	758
Net investment income (interest income and expense)		24 783	16 652
Other non-cash adjustments		454	9 461
<b>Operating profit before change in working capital</b>		<b>194 475</b>	<b>102 654</b>
Change in trade and other receivables		145 003	(21 896)
Change in inventory		(19)	(620)
Change in trade and other payables and other adjustments		(67 282)	116 611
<b>Cash generated from operating activities</b>		<b>272 177</b>	<b>196 749</b>
Interest received		1 178	1 123
Income tax paid		(319)	(659)
<b>Net cash flows from operating activities</b>		<b>273 036</b>	<b>197 213</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(29 255)	(26 719)
Proceeds from the disposal of property, plant and equipment		3	267
Loans granted		(1 137)	(30 449)
Repayment of loans, including financial leases		6 780	13 484
Interest received on loans granted			726
Purchase of financial assets		(167 517)	(42 421)
Proceeds from sales of investments		76 072	77 742
Dividends received		74	577
Effect of exchange rate changes		(47)	(44)
Acquisition of subsidiaries, net of cash acquired		-	(100 756)
Other proceeds from investing activities, net		314	(588)
<b>Net cash flows from investing activities</b>		<b>(114 713)</b>	<b>(108 181)</b>

Prepared by:

On behalf of the  
Management Board:

Procurator:

/Ivan Hristov/

/Asen Mintchev/

/Milena Gentcheva/

Date:29.05.2023

## Interim condensed consolidated statement of cash flows for the first quarter of 2023 (continued)

<i>In thousand BGN</i>	<i>Note</i>	31.3.2023	31.3.2022
<b>Financing activities</b>			
Proceeds from loans		18 604	299 113
Repayment of loans		(20 143)	(159 671)
Lease repayments		(2 091)	(3 985)
Payment of interest, charges, commissions on investment loans		(6 639)	(2 145)
Dividends paid		(24)	-
Other proceeds from financing activities, net		(507)	(1 606)
<b>Net cash flows from financing activities</b>		<b>(10 800)</b>	<b>131 706</b>
<b>Net increase in cash and cash equivalents</b>		<b>147 523</b>	<b>220 738</b>
Cash and cash equivalents at the beginning of the period	<i>19</i>	214 012	156 340
<b>Cash and cash equivalents at the end of the period</b>	<i>19</i>	<b>361 535</b>	<b>377 078</b>

Prepared by:

/Ivan Hristov/

Date:29.05.2023

On behalf of the  
Management Board:

/Asen Mintchev/

Procurator:

/Milena Gentcheva/

## Interim condensed consolidated statement of changes in equity as of 31 March 2023

<i>In thousand BGN</i>	Share capital	Share premium	General reserves	Revaluation and other reserves	Retained earnings/(losses)	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
<b>Balance at 1 January 2022</b>	<b>260 423</b>	<b>144 030</b>	<b>7 641</b>	<b>(77 139)</b>	<b>(129 544)</b>	<b>205 411</b>	<b>189 943</b>	<b>395 354</b>
Change in non-controlling interest due to transactions with change of control	-	-	-	30 245	(5 469)	<b>24 776</b>	(131 852)	<b>(107 076)</b>
Profit for the period	-	-	-	-	34 584	<b>34 584</b>	2 289	<b>36 873</b>
<b>Other comprehensive income:</b>								
Revaluation reserve from recalculation in representative currency of foreign activities	-	-	-	(1 874)	-	<b>(1 874)</b>	(206)	<b>(2 080)</b>
Change in fair value of assets held for sale and inventory	-	-	-	(1 911)	-	<b>(1 911)</b>	470	<b>(1 441)</b>
Reserve from revaluations of defined benefit plans	-	-	-	(44)	-	<b>(44)</b>	(13)	<b>(57)</b>
<b>Total other comprehensive income</b>	-	-	-	<b>(3 829)</b>	-	<b>(3 829)</b>	<b>251</b>	<b>(3 578)</b>
<b>Total comprehensive income</b>	-	-	-	<b>(3 829)</b>	<b>34 584</b>	<b>30 755</b>	<b>2 540</b>	<b>33 295</b>
<b>Balance at 31 March 2022</b>	<b>260 423</b>	<b>144 030</b>	<b>7 641</b>	<b>(50 723)</b>	<b>(100 429)</b>	<b>260 942</b>	<b>60 631</b>	<b>321 573</b>
<b>Balance at 1 January 2023</b>	<b>260 423</b>	<b>144 030</b>	<b>7 641</b>	<b>(1 111)</b>	<b>(362 714)</b>	<b>48 269</b>	<b>19 886</b>	<b>68 155</b>
Profit for the period	-	-	-	-	242 882	242 882	21 116	<b>263 998</b>
<b>Other comprehensive income:</b>								
Revaluation reserve from recalculation in representative currency of foreign activities	-	-	-	119	-	<b>119</b>	9	<b>128</b>
Change in fair value of assets held for sale and inventory	-	-	-	(17)	-	<b>(17)</b>	217	<b>200</b>
<b>Total other comprehensive income</b>	-	-	-	<b>102</b>	-	<b>102</b>	<b>226</b>	<b>328</b>
<b>Total comprehensive income</b>	-	-	-	<b>102</b>	<b>242 882</b>	<b>242 984</b>	<b>21 342</b>	<b>264 326</b>
Other changes	-	-	-	<b>1 160</b>	<b>(357)</b>	<b>(1 517)</b>	<b>(389)</b>	<b>(1 906)</b>
<b>Balance at 31 March 2023</b>	<b>260 423</b>	<b>144 030</b>	<b>7 641</b>	<b>2 169</b>	<b>(120 189)</b>	<b>289 736</b>	<b>40 839</b>	<b>330 575</b>

Prepared by:

On behalf of the  
Management Board:

Procurator:

/Ivan Hristov/

/Asen Mintchev/

/Milena Gentcheva/

Date: 29.05.2023

## Interim condensed consolidated statement of profit or loss by business segments

		31.3.2023	31.3.2023	31.3.2023	31.3.2023	31.3.2023	31.3.2023	31.3.2023	31.3.2023
<i>In thousand BGN</i>	Note	Consolidated	Energy business	Insurance business	Automotive	Leasing business	Asset management and brokerage	Parent company	Eliminations
<b>Revenue from operating activities</b>									
Revenue from energy business	3	726 794	726 811	-	-	-	-	-	(17)
Revenue from insurance business	5	787 054	-	789 530	-	-	-	-	(2 476)
Revenue from asset management and brokerage	7	5 708	-	-	-	-	5 855	-	(147)
Revenue from the activities of the parent company	9	77	-	-	-	-	-	323	(246)
		<b>1 519 633</b>	<b>726 811</b>	<b>789 530</b>			<b>5 855</b>	<b>323</b>	<b>(2 886)</b>
<b>Expenses of operating activities</b>									
Expenses of energy business	4	(571 042)	(571 042)	-	-	-	-	-	-
Expenses of insurance business	6	(562 836)	-	(563 657)	-	-	-	-	821
Expenses of asset management and brokerage	8	(4 704)	-	-	-	-	(4 704)	-	-
Expenses of the activities of the parent company	10	-	-	-	-	-	-	(8)	8
		<b>(1 138 582)</b>	<b>(571 042)</b>	<b>(563 657)</b>			<b>(4 704)</b>	<b>(8)</b>	<b>829</b>
<b>Gross profit</b>		<b>381 051</b>	<b>155 769</b>	<b>225 873</b>			<b>1 151</b>	<b>315</b>	<b>(2 057)</b>
Other income, net	11	867	861	-	-	-	6	-	-
Other operating expenses	12	(53 540)	(44 955)	(8 326)	-	-	(489)	(1 366)	1 596
(Accrued)/recovered impairment loss on financial assets, net	13	(1 858)	(1 782)	-	-	-	4	(80)	-
<b>EBITDA</b>		<b>326 520</b>	<b>109 893</b>	<b>217 547</b>			<b>672</b>	<b>(1 131)</b>	<b>(461)</b>
Financial expenses	14	(28 102)	(20 125)	(2 175)	-	-	(11)	(6 400)	609
Financial income	15	954	954	-	-	-	-	-	-
Foreign exchange gains/(losses), net	16.1	(7)	-	-	-	-	-	(6)	(1)
<b>EBTDA</b>		<b>299 365</b>	<b>90 722</b>	<b>215 372</b>			<b>661</b>	<b>(7 537)</b>	<b>147</b>
Depreciation and amortization	17	(27 187)	(25 601)	(1 461)	-	-	(69)	(56)	-
<b>EBT</b>		<b>272 178</b>	<b>65 121</b>	<b>213 911</b>			<b>592</b>	<b>(7 593)</b>	<b>147</b>
Tax expenses	18	(8 180)	(8 108)	(72)	-	-	-	-	-
<b>Net profit for the period from continued operations</b>		<b>263 998</b>	<b>57 013</b>	<b>213 839</b>			<b>592</b>	<b>(7 593)</b>	<b>147</b>
<b>Discontinued operations</b>									
Net profit for the period from discontinued operations	42.3.1	-	-	-	-	-	-	-	-
<b>Net profit for the period</b>		<b>263 998</b>	<b>57 013</b>	<b>213 839</b>			<b>592</b>	<b>(7 593)</b>	<b>147</b>

**Interim condensed consolidated statement of profit or loss by business segments (continued)**

<i>In thousand BGN</i>	Note	31.3.2022	31.3.2022	31.3.2022	31.3.2022	31.3.2022	31.3.2022	31.3.2022	31.3.2022
		Consolidated	Energy business	Insurance business	Automotive	Leasing business	Asset management and brokerage	Parent company	Eliminations
<b>Revenue from operating activities</b>									
Revenue from energy business	3	883 177	883 274	-	-	-	-	-	(97)
Revenue from insurance business	5	168 629	-	168 898	-	-	-	-	(269)
Revenue from asset management and brokerage	7	2 141	-	-	-	-	2 494	-	(353)
Revenue from the activities of the parent company	9	435	-	-	-	-	-	527	(92)
		<b>1 054 382</b>	<b>883 274</b>	<b>168 898</b>	<b>-</b>	<b>-</b>	<b>2 494</b>	<b>527</b>	<b>(811)</b>
<b>Expenses of operating activities</b>									
Expenses of energy business	4	(773 816)	(773 816)	-	-	-	-	-	-
Expenses of insurance business	6	(152 951)	-	(154 348)	-	-	-	-	1 397
Expenses of asset management and brokerage	8	(1 947)	-	-	-	-	(1 880)	-	(67)
Expenses of the activities of the parent company	10	(784)	-	-	-	-	-	(859)	75
		<b>(929 498)</b>	<b>(773 816)</b>	<b>(154 348)</b>	<b>-</b>	<b>-</b>	<b>(1 880)</b>	<b>(859)</b>	<b>1 405</b>
<b>Gross profit</b>		<b>124 884</b>	<b>109 458</b>	<b>14 550</b>	<b>-</b>	<b>-</b>	<b>614</b>	<b>(332)</b>	<b>594</b>
Other income, net	11	869	864	-	-	-	5	-	-
Other operating expenses	12	(48 830)	(39 625)	(8 428)	-	-	(421)	(570)	214
(Accrued)/recovered impairment loss on financial assets, net	13	147	458	-	-	-	(5)	(306)	-
<b>EBITDA</b>		<b>77 070</b>	<b>71 155</b>	<b>6 122</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>(1 208)</b>	<b>808</b>
Financial expenses	14	(21 210)	(15 552)	(1 044)	-	-	(11)	(5 089)	486
Financial income	15	338	338	-	-	-	-	-	-
Foreign exchange gains/(losses), net	16.1	(2)	-	-	-	-	-	(2)	0
<b>EBTDA</b>		<b>56 196</b>	<b>55 941</b>	<b>5 078</b>	<b>-</b>	<b>-</b>	<b>182</b>	<b>(6 299)</b>	<b>1 294</b>
Depreciation and amortization	17	(26 929)	(25 788)	(945)	-	-	(64)	(132)	-
<b>EBT</b>		<b>29 267</b>	<b>30 153</b>	<b>4 133</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>(6 431)</b>	<b>1 294</b>
Tax expenses	18	(4 563)	(4 299)	(264)	-	-	-	-	-
<b>Net profit for the period from continued operations</b>		<b>24 704</b>	<b>25 854</b>	<b>3 869</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>(6 431)</b>	<b>1 294</b>
<b>Discontinued operations</b>									
Net profit for the period from discontinued operations	42.3.1	12 169	-	13 434	(256)	228	-	-	(1 237)
<b>Net profit for the period</b>		<b>36 873</b>	<b>25 854</b>	<b>17 303</b>	<b>(256)</b>	<b>228</b>	<b>118</b>	<b>(6 431)</b>	<b>57</b>

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**Notes to the annual consolidated financial statements  
for the first quarter of 2023**

## Notes to the interim condensed consolidated financial statements

### 1. GENERAL INFORMATION ABOUT THE GROUP

#### 1.1. Scope of activity

The main activity of Eurohold Bulgaria AD (Parent Company) and its subsidiaries (the Group) consists of energy, insurance, financial and investment activities.

Eurohold Bulgaria AD has UIC 175187337 and is headquartered in Bulgaria, Sofia, Iskar region, 43 Christopher Columbus Blvd.

Founded in 1996, Eurohold Bulgaria AD is a public joint-stock company established pursuant to Article 122 of the Law on Public Offering of Securities and Article 261 of the Commercial Law.

The parent company has the following scope of activity: acquisition, management, assessment and sale of shares in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition valuation and sale of patents, assignment of licenses for use of company patents, in which the Parent Company participates, as well as financing of companies in which the Parent Company participates.

Eurohold Bulgaria AD operates in Bulgaria, Romania, North Macedonia, Ukraine, Georgia and Greece. The company is the owner of a large number of subsidiary companies in the Insurance, Energy and Financial-investment sectors.

The company was registered in the Sofia City Court under corporate file 14436/2006 and was 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. During 2023 the name of the Parent company has not been changed.

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 31.03.2023:

#### **Supervisory board:**

Asen Milkov Christov, Bulgaria – Chairman;  
Dimitar Stoyanov Dimitrov, Bulgaria – Deputy Chairman;  
Radi Georgiev Georgiev, Bulgaria – Member;  
Kustaa Lauri Ayma, Finland – Independent Member;  
Ivaylo Krasimirov Angarski, Country: Bulgaria - Independent member;  
Louis Gabriel Roman, USA – Independent Member.

#### **Management board:**

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

As of 31.03.2023 the Company is represented and managed by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Guentcheva - Procurator, only jointly by the two executive directors or by one executive director and the procurator.

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 31.03.2023, 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.

## 1.2. Structure of the economic group

Eurohold Bulgaria AD is controlled by Starcom AD, the ultimate parent company. The investment portfolio of Eurohold Bulgaria AD comprises of 3 economic sectors: energy, insurance and financial-investment activity.

### Companies involved in the consolidation and percentage of participation in equity

#### Energy sector

Company	% of participation in the share capital 31.03.2023	% of participation in the share capital 31.12.2022
<b>ELECTROHOLD GREEN EOOD, Bulgaria*</b>	<b>100.00%</b>	-
<b>*Eastern European Electric Company II B.V., The Netherlands</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Indirect participation through Eastern European Electric Company II B.V.:</b>		
Eastern European Electric Company III B.V., The Netherlands, owned by Eastern European Electric Company II B.V., The Netherlands	100.00%	100.00%
Eastern European Electric Company B.V. (EEEC B.V.), The Netherlands, owned by Eastern European Electric Company III B.V. III, The Netherlands	100.00%	100.00%
Electrodistribution Grid West AD and/or Electrorazpredelitelni mreji Zapad AD, Bulgaria (former name CEZ Distribution Bulgaria AD), owned by EEEEC B.V., the Netherlands - Acquisition	100.00%	100.00%
Electrohold ICT EAD, Bulgaria (former name CEZ Information and Communication Technologies AD) through Electrodistribution Grid West AD	100.00%	100.00%
Electrohold Sales AD, Bulgaria (former name CEZ Electro Bulgaria AD) owned by EEEEC B.V., the Netherlands	100.00%	100.00%
Electrohold Bulgaria EOOD, Bulgaria (former name CEZ Bulgaria EOOD) owned by EEEEC B.V., the Netherlands	100.00%	100.00%
Electrohold EPS EOOD, Bulgaria through Electrohold Bulgaria EOOD ( <i>established on 03.10.2022</i> )	100.00%	100.00%
Electrohold Trade EAD, Bulgaria (former name CEZ Trade Bulgaria EAD) owned by EEEEC B.V., the Netherlands -	100.00%	100.00%
Free Energy Project Oreshets EOOD, Bulgaria, owned by EEEC B.V., the Netherlands	100.00%	100.00%
Bara Group EOOD, Bulgaria, owned by EEEEC B.V., the Netherlands	100.00%	100.00%

\*direct participation



## Insurance sector

Company	% of participation in the share capital 31.03.2023	% of participation in the share capital 31.12.2022
<b>Euroins Insurance Group AD (EIG AD) *</b>	<b>90.10%</b>	<b>90.10%</b>
<b>Indirect participation through EIG AD:</b>		
Insurance Company Euroins AD, Bulgaria	98.63%	98.63%
Euroins Romania Asigurare-Reasigurare S.A., Romania - with a temporary Managing director	98.57%	98.57%
Euroins Osiguruvanje AD, North Macedonia	93.36%	93.36%
Insurance Company Euroins Life EAD, Bulgaria	100.00%	100.00%
Insurance Company EIG Re AD, Bulgaria	100.00%	100.00%
Euroins Ukraine PrAT, Ukraine	92.73%	92.73%
Euroins Ukraine PrAT, Ukraine through European Travel Insurance PrAT, Ukraine	-	5.74%
ECLAIM - Sole Proprietorship for Claims Settlement Services PC, Greece (former name Euroins Claims M.I.K.E., Greece)	100.00%	100.00%
Insurance Company Euroins Georgia AD, Georgia	50.04%	50.04%
European Travel Insurance PrAT, Ukraine	99.99%	99.99%

\*direct participation

## Finance Sector

Company	% of participation in the share capital 31.03.2023	% of participation in the share capital 31.12.2022
<b>Euro-Finance AD, Bulgaria*</b>	<b>99.99%</b>	<b>99.99%</b>

\*direct participation

## Automobile Sector

On 30.6.2022, Eurohold Bulgaria AD sold Auto Union AD, thus it disposed of its investments in the automotive business.

## Lease Sector

On 30.6.2022, Eurohold Bulgaria AD sold Eurolease Group AD, thus it disposed of its investments in the leasing business.

## 2. SUMMARY OF GROUP'S ACCOUNTING POLICIES

### 2.1. Basis for Preparation of the Consolidated Financial Statements

These interim condensed consolidated financial statements have been prepared in accordance with IFRS adopted by the EU and in particular International Accounting Standard (IAS) 34 Interim Financial Reporting.

In preparing these interim consolidated financial statements, the same accounting policies, accounting techniques and calculation methods and basic assumptions have been applied as in the latest audited consolidated annual financial statements for 2022.

The interim condensed consolidated financial statements for the period ending 31 March 2023 should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2022, prepared in accordance with all International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS adopted by the EU). For the purposes of paragraph 1 (8) of the Supplementary Provisions of the Accounting Act applicable in

Bulgaria, the term "IFRS adopted by the EU" means International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and the Council.

The interim condensed consolidated financial statements have been prepared in Bulgarian leva (BGN), which is the functional currency of the Group. All amounts are presented in thousand Bulgarian leva (BGN '000) (including the comparative information for 2022), unless otherwise stated.

The interim consolidated financial statements have been prepared in accordance with the going concern principle. As of the date of preparation of these interim condensed consolidated financial statements, management has made an assessment of the Group's ability to continue its activity as a going concern based on the available information for the foreseeable future. Following the review of the Group's operations, management expects that the Group has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in the preparation of the consolidated financial statements.

## **2.2. Comparative data**

The interim condensed consolidated financial statements have been presented in accordance with IAS 1 "Presentation of Financial Statements". The Group agreed to present the consolidated statement of profit or loss and other comprehensive income in a single statement.

The consolidated statement of financial position presents two comparative periods when the Group:

- a) apply accounting policies retrospectively;
- b) retrospectively recalculates items in the consolidated financial statements; or
- c) reclassifies items in the consolidated financial statements.

and this has a material effect on the information in the consolidated statement of financial position at the beginning of the prior period.

## **2.3. Consolidation**

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 March 2023. Subsidiaries are business entities under the control of the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit and loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

If the Group loses control of a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date of loss of control is considered fair value on initial recognition of a financial asset in accordance with IFRS 9 Financial Instruments or, where applicable, at cost on initial recognition of an investment in an associate or jointly controlled entity. In addition, any amounts recognized in other comprehensive income in respect of that subsidiary are reported on the same basis as would be necessary if the Group had directly disposed of the related assets or liabilities (eg reclassified to profit or loss or carried away directly in retained earnings in accordance with the requirements of the relevant IFRS).

The profit or loss on disposal is calculated as the difference between i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and ii) the previous carrying amount of the assets, including goodwill, and liabilities of the subsidiary and any non-controlling interest.

#### **2.4. New standards, interpretations and amendments effective from 1 January 2023**

The Group has not made changes in its accounting policy in connection with the application of new and/or revised IFRS that are effective for the current reporting period beginning on January 1, 2023, because during the period there were no objects or operations that were affected by changes and amendments in IFRS.

##### **2.4.1. New standards, interpretations and amendments effective 1 January 2023, which are approved for implementation by the EU**

The Company applies the following new standards, amendments and interpretations, which came into force this period and are as follows:

- *IFRS 17 "Insurance Contracts" and its amendments effective from 1 January 2023, adopted by the EU - in the process of implementation in the Group.*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies effective from 1 January 2023, adopted by the EU.*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates effective from 1 January 2023, adopted by the EU.*
- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective from 1 January 2023 adopted by the EU.*
- *Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information effective from 1 January 2023 adopted by the EU.*
- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective from not earlier than 1 January 2024 not yet adopted by the EU.*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback effective not earlier than 1 January 2024 not yet adopted by the EU.*
- *IFRS 14 "Regulatory deferral accounts" effective from 1 January 2016, not adopted by the EU.*

#### **2.5. Changes to the estimates**

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

The actual results could be different from management's assumptions, estimates and presumptions and, in rare cases, entirely correspond to the previously assessed results.

In the preparation of the interim condensed consolidated financial statements, the significant judgments of the management in the application of the Group'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 Group as at 31 December 2022.

For the purpose of presenting these interim condensed consolidated financial statements, reviews have been performed for impairment of trade and other receivables.

## **2.6. Risk management**

The Group 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 consolidated financial statements 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 Group's annual consolidated financial statements as at 31 December 2022. There were no changes in the risk management policy related to financial instruments during the period.

### **2.6.1. Risk of an unfavorable long-term development of the Covid-19 (Coronavirus) pandemic after the measures taken by the governments in Bulgaria and in other countries where the Group operates have been withdrawn**

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.

### **2.6.2. Military conflict between Ukraine and Russia**

There are force majeure circumstances that can affect business activities in all spheres worldwide. This was caused by the military actions taken by Russia and its invasion of the territory of Ukraine.

As a result of the war that started, a number of countries from around the world, including countries from the European Union, took drastic sanctions against Russia, and partially against Belarus, which supports it.

The war between Russia and Ukraine had a negative impact on the Group through investments in insurance companies in Ukraine, Russia and Belarus. At the end of 2022, in connection with the ongoing military actions on the territory of Ukraine, the insurance companies operating in Belarus (100% participation) and in Russia (associated participation of 48.61%) were sold. Business in both countries was insignificant, forming less than 1% of the insurance segment's 2022 revenue.

Subsidiaries in Ukraine continue to operate. Potential effects on the collectability and credit quality of the accounts are subject to constant monitoring and updating by the Management. In the short term, there are no indications of a deterioration in the credit quality of counterparties, and that there are currently no grounds for changing the model for calculating expected credit losses.

The group also has obligations under bank loans with a book value of BGN 39,663 thousand as of 31.03.2023, which were received from the International Investment Bank, Russia and the International Bank for Economic Cooperation, Russia. There has been no change in the terms of the loan agreements since the start of the war and the imposition of international sanctions against Russia.

The management of Eurohold Bulgaria AD actively monitors and analyzes the macroeconomic, political, legal and other significant risks in the countries where it operates, assesses their impact on the group's results and makes decisions on their mitigation.

### **2.6.3. Climate - related matters**

Climate change may affect the entity's assets and liabilities in the reporting period or in the future. Changes in legislation resulting from climate issues may be known (e.g. regulations or negotiated commitments to mitigate the effects of pollution) or only anticipated (e.g. potential changes in business models as well as consumer behaviour, commercial counterparties, creditors and investors). They affect the fair value of assets/liabilities regardless of whether the risks or opportunities associated with them are real or perceived.

Consistent with the previous year, as of 31 March 2023, the Company has not identified significant risks caused by climate change that could have a negative and material impact on the Company's consolidated financial statements of the Group. Management continually assesses the impact of climate-related issues.

Assumptions could change in the future in response to upcoming environmental regulations, new commitments made and changing consumer demand. These changes, if not foreseen, could have an impact on the future cash flows, financial results and financial condition of the Company.

***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 these interim condensed consolidated financial statements, 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.

Group's management has analysed the expected effect, both on the economic growth and the credit quality of the countries (and, accordingly, of the counterparties) in which it operates, and the analysis is presented below.

**Effect on economic growth**

The table below presents information on the economic growth expectations of the Republic of Bulgaria according to the data of the International Monetary Fund (April 2023: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023> ) including forecast data after the onset of the pandemic situation related to Covid-19 (Coronavirus) and the war in Ukraine.

	Historical data					Forecast	
	2018	2019	2020	2021	2022	2023	2024
Economic growth of Bulgaria	2.7%	4.0%	(4.4)%	4.2 %	3.4 %	1.4%	3.5%

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 from April, 2023:

	Historical data					Forecast	
	2018	2019	2020	2021	2022	2023	2024
Economic GDP growth of the Euro zone	1.9%	1.5%	(6.3)%	5.2%	3.5%	0.8%	1.4%

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 (April 2023: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023> ) are presented in the table below:

	Historical data					Forecast	
	2018	2019	2020	2021	2022	2023	2024
Romania	4.5%	4.2%	(3.7)%	5.9%	4.8%	2.4%	3.7%
North Macedonia	2.9%	3.9%	(6.1)%	4.0%	2.2	1.4%	3.6%
Ukraine	3.5%	3.2%	(3.8)%	3.4%	(30.3%)	(3)%	...
Georgia	4.8%	5.0%	(6.8)%	10.4%	10.1%	4%	5.0%
Greece	1.6%	1.9%	(8.2)%	8.3%	5.9%	2.6%	1.5%
Poland	5.4%	4.7%	(2.2)%	5.9%	4.9%	0.3%	2.4%
Italy	0.9%	0.3%	(8.9)%	6.7%	3.7%	0.7%	0.8%
Spain	2.3%	2.1%	(10.8)%	5.1%	5.5%	1.5%	2%
United Kingdom	1.3%	1.4%	(9.8)%	7.4%	4%	(0.3)%	1%

The management continues to monitor the development of credit risk in relation to the countries in which the Group operates, as well as in relation to the main investments (subject to both markets and credit risk).

### 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.

	Rating	Forecast
Republic of Bulgaria (05.2023)	BBB	Positive
Eurohold Bulgaria AD (03.2023)	B	Under watch

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

Country	Rating	Outlook	Date
Romania	BBB	Negative	24/03/2023
North Macedonia	BB+	Stable	14/04/2023
Ukraine	CC	n/a	20/01/2023
Georgia	BB	Positive	27/01/2023
Greece	BB+	Stable	27/01/2023
Poland	A-	Stable	13/01/2023
Italy	BBB	Stable	12/05/2023
Spain	A-	Stable	02/12/2022
United Kingdom	AA-	Negative	09/12/2022
Netherlands	AAA	Stable	24/02/2023

Management continues to monitor the development of the credit risk in relation to the countries where the Group operates, as well as the main investments (subject to both markets and credit risk) of the Group companies.

### Analysis of the expected effect on the IFRS model 9

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 Group is that at the time of issuing this consolidated financial statement in short term, no significant deterioration of the credit quality of the counterparties.

With regard to the model (including the complete and simplified one) for calculating the expected credit losses, the Management Board considers that it is not necessary to make a change in the general model.

Since sufficiently reliable macroeconomic statistics and information on medium-term default probability levels are not available as of March 31, 2023, the Management has not recalculated the model on expected credit losses compared to those as of December 31, 2022.

## 2.7. Cash Flows

The interim condensed consolidated statement of cash flows shows the cash flows for the period in relation to operating, investment and financial activity during the period, the change in cash and cash equivalents for the period, cash and cash equivalents at the beginning and at the end of the period.

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 for the 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 classified within 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.

## 3. Revenue from energy business

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Open market customers	389 637	492 044
Household consumers	255 310	251 317
Business consumers	66 211	122 452
Connections fee revenue	4 077	4 918
Penalties for late payments	990	1 077
Revenues from services for research, repair and maintenance of electricity distribution network, and commercial metering devices	2 626	2 434
Revenues from information, communication, technological services (ICT) and others	194	1 153
Revenues from the Power System Security Fund	84	282
Other income	7 665	7 500
	<b>726 794</b>	<b>883 177</b>

#### 4. Expenses of energy business

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Costs for purchased electricity	(490 594)	(720 995)
Technological costs for electricity transmission	(64 970)	(40 741)
Balancing energy	(14 978)	(11 383)
Costs for transmission and access services	(478)	(676)
Other expenses	(22)	(21)
	<b>(571 042)</b>	<b>(773 816)</b>

#### 5. Revenue from insurance business

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Gross written premiums from insurance	643 256	114 148
Received recoveries from reinsurers	11 602	11 784
Positive change in the gross provision for unearned premiums and unexpired risk reserve	47 379	-
Positive change in the provision for unearned premiums reinsurers' share	-	117
Positive change in the share of reinsurers in other technical reserves	-	20 082
Positive change in other technical reserves	32 917	-
Recourse income	1 114	1 513
Fees and commissions income	10 221	17 553
Investment income	8 369	2 532
Other operating revenue	32 196	900
	<b>787 054</b>	<b>168 629</b>

The Group is in the process of implementing the new IFRS 17 Insurance Contracts. In this regard, the information in the interim condensed consolidated report is presented on the basis of IFRS 4 Insurance Contracts currently in effect.

#### 6. Insurance segment expenses

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Paid claims, claims handling and prevention expenses	(200 914)	(46 012)
Change in the gross provision for unearned premiums and unexpired risk reserve	-	-
Change in the reinsurers' share in UPR	(76 914)	-
Change in other technical reserves	(69 339)	(22 457)
Change in the reinsurers' share in other technical reserves	(34 996)	-
Premiums ceded to reinsurers	(27 444)	(43 920)
Acquisition expenses	(76 370)	(33 445)
Investment costs	(35 416)	(383)
Other operating expenses	(41 443)	(6 734)
	<b>(562 836)</b>	<b>(152 951)</b>

The Group is in the process of implementing the new IFRS 17 Insurance Contracts. In this regard, the information in the interim condensed consolidated report is presented on the basis of IFRS 4 Insurance Contracts currently in effect.



## 7. Revenue from Asset management and brokerage

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Interest income	143	148
Dividend income	4	-
Gains on sale of financial assets and financial instruments	3 142	1 604
Foreign exchange gains, net	2 064	59
Other finance income	355	337
	<b>5 708</b>	<b>2 148</b>

## 8. Expenses of Asset management and brokerage

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Interest expenses	(40)	(19)
Loss on sales of financial assets and financial instruments	(2 635)	(1 896)
Foreign exchange losses, net	(1 996)	-
Other finance costs	(33)	(39)
	<b>(4 704)</b>	<b>(1 954)</b>

## 9. Revenue from the activities of the parent company

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Gain on sale of financial assets and financial instruments	63	241
Other revenue	14	194
	<b>77</b>	<b>435</b>

## 10. Expenses of the activities of the parent company

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Loss on operations with financial assets and financial instruments	-	(784)
	<b>-</b>	<b>(784)</b>

## 11. Other income/(costs), net

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Other income/(expenses), net	867	869
	<b>867</b>	<b>869</b>

### 11.1. Other income by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	6 547	864
Asset management and brokerage	6	5
	<b>6 553</b>	<b>869</b>

### 11.2. Other costs by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(5 686)	-
	<b>(5 686)</b>	-

## 12. Other operating costs

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Expenses on materials	(3 018)	(3 061)
Hired services expenses	(16 876)	(17 257)
Employee benefits expenses	(32 402)	(27 550)
Other expenses	(1 244)	(962)
	<b>(53 540)</b>	<b>(48 830)</b>

### 12.1. Expenses on materials by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(2 770)	(2 874)
Insurance business	(232)	(176)
Asset management and brokerage	(11)	(9)
Parent company	(5)	(2)
	<b>(3 018)</b>	<b>(3 061)</b>

### 12.2. Hired services expenses by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(13 077)	(12 913)
Insurance business	(2 830)	(3 936)
Asset management and brokerage	(121)	(110)
Parent company	(848)	(298)
	<b>(16 876)</b>	<b>(17 257)</b>

### 12.3. Employee benefits expenses by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(27 295)	(23 061)
Insurance business	(4 591)	(4 027)
Asset management and brokerage	(286)	(257)
Parent company	(230)	(205)
	<b>(32 402)</b>	<b>(27 550)</b>

### 12.4. Other expenses by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(431)	(589)
Insurance business	(673)	(289)
Asset management and brokerage	(69)	(40)
Parent company	(71)	(44)
	<b>(1 244)</b>	<b>(962)</b>

### 13. Accrued/ (reversal) of impairment loss on financial assets, net

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Accrued impairment loss on financial assets	(1 881)	(892)
Reversal of impairment loss on financial assets	23	1 039
	<b>(1 858)</b>	<b>147</b>

#### 13.1. Accrued impairment loss on financial assets by segments

	31.03.2023 <i>BGN'000</i>	31.03.2022 <i>BGN'000</i>
Energy business	(1 782)	(565)
Asset management and brokerage	(6)	(6)
Parent company	(93)	(321)
	<b>(1 881)</b>	<b>(892)</b>

### 13.2. Reversal of impairment loss on financial assets by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance business	-	1 023
Asset management and brokerage	10	1
Parent company	13	15
	<b>23</b>	<b>1 039</b>

### 14. Finance costs

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Interest costs	(27 131)	(19 729)
Interest costs on right of use assets	(287)	(148)
Other finance costs	(685)	(1 333)
	<b>(28 103)</b>	<b>(21 210)</b>

#### 14.1. Interest costs by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	(19 383)	(14 177)
Insurance business	(1 783)	(837)
Parent company	(5 965)	(4 715)
	<b>(27 131)</b>	<b>(19 729)</b>

#### 14.2. Interest costs – right of use assets by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	(115)	(46)
Insurance business	(149)	(84)
Asset management and brokerage	(11)	(10)
Parent company	(12)	(8)
	<b>(287)</b>	<b>(148)</b>

#### 14.3. Other finance costs by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	(627)	(1 329)
Parent company	(58)	(4)
	<b>(685)</b>	<b>(1 333)</b>

## 15. Finance income

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Interest revenue	665	30
Other finance income	289	308
	<b>954</b>	<b>338</b>

### 15.1. Interest revenue by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	665	30
	<b>665</b>	<b>30</b>

### 15.2. Other finance income by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	289	308
	<b>289</b>	<b>308</b>

## 16. Foreign exchange gains/(losses), net

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Parent company	(6)	(2)
	<b>(6)</b>	<b>(2)</b>

## 17. Depreciation and amortisation by segments

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business incl.	(25 601)	(25 788)
<i>Right of use assets</i>	(1 262)	(1 328)
Insurance business incl.	(1 461)	(945)
<i>Right of use assets</i>	(743)	(538)
Asset management and brokerage incl.	(69)	(64)
<i>Right of use assets</i>	(55)	(44)
Parent company incl.	(56)	(132)
<i>Right of use assets</i>	(44)	(117)
	<b>(27 187)</b>	<b>(26 929)</b>

## 18. Tax expenses

	31.03.2023	31.03.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Income tax expense	(8 290)	(4 513)
Deferred tax income	110	(50)
	<b>(8 180)</b>	<b>(4 563)</b>

### 18.1. Tax expenses by segment

	31.03.2023 BGN'000	31.03.2022 BGN'000
Energy business	(8 108)	(4 299)
Insurance business	(72)	(264)
	<b>(8 180)</b>	<b>(4 563)</b>

### 19. Cash and cash equivalents by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Cash on hand	1 131	1 127
Deposits up to 3 months	357 128	207 331
Restricted cash	3 314	5 487
Cash equivalents	560	535
<i>Impairment ECL – IFRS9</i>	(598)	(468)
	<b>361 535</b>	<b>214 012</b>

#### 19.1 Cash and cash equivalents by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Energy business	335 276	177 883
Insurance business	21 380	28 457
Asset management and brokerage	4 771	5 434
Parent company	108	2 238
	<b>361 535</b>	<b>214 012</b>

### 20. Time deposits at banks by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Insurance business	28 644	53 784
<i>Impairment</i>	(173)	(595)
	<b>28 471</b>	<b>53 189</b>

### 21. Reinsurers' share in insurance contract liabilities

	31.03.2023 BGN'000	31.12.2022 BGN'000
Unearned premium reserve	51 573	85 771
Claims reserve, incl.:	183 660	268 595
<i>Reserve on incurred but not reported claims (IBNR)</i>	83 604	145 443
<i>Reserve for claims reported but not settled (RBNS)</i>	100 056	123 152
Other technical reserves	-	(584)
	<b>235 233</b>	<b>353 782</b>

The Group is in the process of implementing the new IFRS 17 Insurance Contracts. In this regard, thinformation in the interim condensed consolidated report is presented on the basis of IFRS 4 Insurance Contracts currently in effect.

## 22. Receivables from insurance business

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Receivables from direct insurance	114 163	80 826
Receivables from reinsurers or cedants	7 266	6 463
Receivables from recourse and subrogation	7 025	7 679
	<b>128 454</b>	<b>94 968</b>

The Group is in the process of implementing the new IFRS 17 Insurance Contracts. In this regard, thinformation in the interim condensed consolidated report is presented on the basis of IFRS 4 Insurance Contracts currently in effect.

## 23. Trade and other receivables

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Long-term trade receivables ( <i>Note 23.1</i> )	5 915	5 517
Short-term trade receivables ( <i>Note 23.2</i> )	336 421	345 495
Other receivables ( <i>Note 23.3</i> )	119 647	170 911
	<b>461 983</b>	<b>521 923</b>

### 23.1. Long-term trade receivables

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Trade receivables	5 915	5 517
	<b>5 915</b>	<b>5 517</b>

#### 23.1.1. Long-term trade receivables by segment

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance business	5 884	5 501
Asset management and brokerage	31	16
	<b>5 915</b>	<b>5 517</b>

### 23.2. Short-term trade receivables

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Trade receivables	311 748	383 996
<i>Expected credit losses</i>	(68 292)	(67 683)
Advances paid	92 965	29 182
	<b>336 421</b>	<b>345 495</b>

### 23.2.1. Trade receivables by segment

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	311 611	383 631
<i>Impairment</i>	<i>(68 284)</i>	<i>(67 669)</i>
Insurance business	37	130
Parent company	100	235
<i>Impairment</i>	<i>(8)</i>	<i>(14)</i>
	<b>243 456</b>	<b>316 313</b>

### 23.2.2. Advances paid by segments

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	3 123	4 999
Insurance business	89 842	24 183
	<b>92 965</b>	<b>29 182</b>

The most significant advances granted to an insurance business are in connection with the purchase of securities.

### 23.3. Other receivables by segments

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	86 521	142 743
<i>Impairment</i>	<i>(12 545)</i>	<i>(12 366)</i>
Insurance business	22 071	14 950
<i>Impairment</i>	<i>(1 716)</i>	<i>(1 716)</i>
Asset management and brokerage	-	240
Parent company	17 693	18 005
<i>Impairment</i>	<i>(2 700)</i>	<i>(2 700)</i>
Prepaid expenses	5 158	4 783
Court receivables	42 450	42 474
<i>Impairment</i>	<i>(38 812)</i>	<i>(38 767)</i>
Tax receivables	1 527	3 265
	<b>119 647</b>	<b>170 911</b>



### 23.3.1. Prepaid expenses by segments

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	4 412	4 632
Insurance business	575	29
Parent company	171	122
	<b>5 158</b>	<b>4 783</b>

### 23.3.2. Court receivables by segments

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	42 405	42 404
<i>Impairment</i>	<i>(38 767)</i>	<i>(38 767)</i>
Insurance business	-	70
	<b>3 638</b>	<b>3 707</b>

### 23.3.3. Tax receivables by segments

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	1 203	3 009
Insurance business	106	39
Parent company	218	217
	<b>1 527</b>	<b>3 265</b>

In the first quarter of 2023 and 2022, the Group did not recognize an impairment loss on property, plant and equipment because, based on the review of impairment of property, plant and equipment, the Group's management has not identified any indications that the carrying amount of assets exceeds their recoverable amount.

#### 24.1. Land and buildings by segments

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	106 571	107 482
Insurance business	2 220	2 291
	<b>108 791</b>	<b>109 773</b>

#### 24.2. Land and buildings by segments – Rights of use

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	9 549	10 473
Insurance business	13 553	14 593
Asset management and brokerage	903	940
Parent company	1 083	1 127
	<b>25 088</b>	<b>27 133</b>

#### 24.3. Property, plant and equipment by segments

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	676 144	683 098
Insurance business	1 734	1 869
	<b>677 878</b>	<b>684 967</b>

#### 24.4. Property, plant and equipment by segments – Rights of use

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	900	1 082
	<b>900</b>	<b>1 082</b>

#### 24.5. Vehicles by segments

	31.03.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	5 314	5 252
Insurance business	483	583
Parent company	65	76
	<b>5 862</b>	<b>5 911</b>

#### 24.6. Vehicles by segments – Rights of use

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	-	21
Insurance business	221	213
Asset management and brokerage	186	204
	<b>407</b>	<b>438</b>

#### 24.7. Furniture and fittings and other assets by segment

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	1 966	2 085
Insurance business	356	367
Asset management and brokerage	31	38
Parent company	8	1
	<b>2 361</b>	<b>2 491</b>

#### 24.8. Assets under construction by segments

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Energy business	47 893	35 829
Insurance business	16	23
	<b>47 909</b>	<b>35 852</b>

#### 25. Investment property

	31.03.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
<b>Net book value as of 1 January</b>	-	<b>2 014</b>
Written-off	-	(2 557)
Revaluation	-	387
Other changes	-	156
<b>Net book value as of the end of the reporting period</b>	-	-

## 26. Non-tangible assets by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Energy business	96 045	98 184
Insurance business	2 388	2 267
Asset management and brokerage	55	62
Parent company	1	1
	<b>98 489</b>	<b>100 514</b>

## 27. Inventories by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Energy business	32 931	32 787
Insurance business	168	293
	<b>33 099</b>	<b>33 080</b>

At the end of the reporting period, the management reviews the available inventories - materials, goods to determine whether there are those whose net realizable value is lower than their carrying amount. In the last one as of December 31, 2022, the Group has not recognized an impairment of its inventories.

## 28. Financial assets by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
<b>Government bonds</b> measured at FVTPL, incl.:	784	780
<i>Asset management and brokerage</i>	784	780
<b>Government bonds</b> measured at amortised cost, incl.:	3 713	3 845
<i>Insurance business</i>	3 713	3 845
<b>Total government bonds</b>	<b>4 497</b>	<b>4 625</b>
<b>Corporate bonds</b> measured at FVTPL, incl.:	97 798	25 169
<i>Energy business</i>	1 994	1 995
<i>Insurance business</i>	94 749	21 166
<i>Asset management and brokerage</i>	1 048	2 001
<i>Parent company</i>	7	7
<b>Total corporate bonds</b>	<b>97 798</b>	<b>25 169</b>
<b>Capital investments</b> measured at FVTPL, incl.:	232 322	114 222
<i>Energy business</i>	17 349	17 450
<i>Insurance business</i>	207 101	89 451
<i>Asset management and brokerage</i>	7 872	7 321
<i>Parent company</i>	9	9
<i>Impairment</i>	(9)	(9)
<b>Total capital investments</b>	<b>232 322</b>	<b>114 222</b>

<b>Other financial assets</b> measured at amortised cost, incl.:	103 077	97 243
<i>Energy business</i>	43 716	37 189
<i>Insurance business</i>	50 248	51 773
<i>Asset management and brokerage</i>	9 745	8 914
<i>Impairment</i>	(632)	(633)
<b>Total other financial assets</b>	<b>103 077</b>	<b>97 243</b>
	<b>437 694</b>	<b>241 259</b>

## 29. Deferred tax assets by segments

	31.03.2023 BGN'000	31.12.2022 BGN'000
Energy business	7 611	7 584
Insurance business	508	1 924
	<b>8 119</b>	<b>9 508</b>

## 30. Goodwill

	31.03.2023 BGN'000	31.12.2022 BGN'000
Euroins Insurance Group AD	111 763	111 763
Euro Finance AD	2 620	2 620
Electrohold Trade EAD	2 500	2 500
	<b>116 883</b>	<b>116 883</b>

## 31. Subordinated debt

	31.03.2023 BGN'000	31.12.2022 BGN'000
Subordinated debt, not issued	48 464	48 459
<i>Insurance business</i>	39 879	39 879
<i>Parent company</i>	8 585	8 580
	<b>48 464</b>	<b>48 459</b>

### 31.1. Insurance business

The subordinated debt instruments issued are in the form of a bond loan that was issued on December 18, 2014 in the form of 100 available subordinated unsecured bonds at the date of issuance with a nominal value of EUR 100,000 each. The agreed amount is EUR 10,000 thousand (BGN 19,558 thousand) and maturity date is December 18, 2021. The initial interest rate is 13% plus 3-month Euribor, which was subsequently reduced to 9.75% plus Euribor and is due at the end of every six months. The bond loan was repaid in full on 05 January 2022 together with the last interest payment.

Subordinated debts of insurance business include subordinated debt to Starcom Holding AD in the amount of BGN 14,879 thousand and to Starcom Finance EAD in the amount of BGN 25,000 thousand. The debt to Starcom Holding AD has a limit of EUR 12.6 million, an interest rate of 6% and a repayment term of no earlier than 5 years from the date of crediting of the last tranche of the loan. In June 2022, an agreement was concluded to obtain a cash loan in the form of a subordinated term debt in the amount of BGN 25 million from Starcom Finance AD, a wholly owned subsidiary of Starcom Holding AD, with an annual interest rate of 6%, maturity date 06.28.2032. The funds were provided at the end of September 2022.

### 31.2. Parent company

The subordinated debt has no fixed maturity and the lender - Starcom Holding AD cannot demand its repayment, regardless of whether there is a case of default under the agreement. Eurohold Bulgaria AD has the right (but is not obliged) to pay amounts from the loan principal corresponding to each consecutively received tranche after the expiration of 5 (five) years from the date of receipt of the respective tranche. Early repayment of the principal of the subordinated debt is not allowed, except in cases of liquidation or bankruptcy, after payment of the amounts due to all privileged creditors, as well as to all other unsecured creditors. The interest due is in the amount of 5% (five percent) on an annual basis on the attracted sums of money for the period of their actual use.

### 32. Bank and non-bank loans by segments

	31.03.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
Energy business	1 009 800	992 336
Insurance business	550	301
Parent company	110 462	124 294
	<b>1 120 812</b>	<b>1 116 931</b>

#### 32.1. Bank and non-bank loans by segments – long term by segments

	31.03.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
Energy business, incl.	990 607	980 602
<i>Bank loans</i>	723 319	722 018
<i>Loans from non-bank financial institutions</i>	267 288	258 584
Parent company, incl.:	14 523	16 555
<i>Bank loans</i>	14 523	16 555
	<b>1 005 130</b>	<b>997 157</b>

#### 32.2. Bank and non-bank loans by segments – short term by segments

	31.03.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
Energy business, incl.	19 193	11 734
<i>Bank loans</i>	19 193	11 734
<i>Loans from non-bank financial institutions</i>		-
Insurance business, incl.	550	301
<i>Bank loans</i>	550	301
Parent company, incl.:	95 939	107 739
<i>Bank loans</i>	95 939	107 739
	<b>115 682</b>	<b>119 774</b>

### 33. Bond liabilities by segments

	31.03.2023 BGN '000	31.12.2022 BGN '000
Parent company, incl.:	214 804	<b>228 891</b>
Short-term	3 986	1 571
Long-term	210 818	227 320
	<b>214 804</b>	<b>228 891</b>

#### 33.1. Information on bond issues

	Coupon	Original currency	Maturity	31.03.2023 Book value* BGN'000	31.03.2023 Face value in'000 original curr.	31.12.2022 Book value* BGN'000	31.12.2022 Face value in'000 original curr.
<b>Parent company</b>							
EMTN Programme with ISIN XS1731768302	6.50%	EUR	06.2026	85 380	70 000	76 432	70 000
EMTN Programme with ISIN: XS1542984288	8.00%	EUR	12.2026	19 952	10 000	19 567	10 000
Corporate bonds with ISIN:BG2100013205	3.25%	EUR	11.2027	58 177	30 000	56 896	30 000
Corporate bonds with ISIN:BG2100002224	3.25%	EUR	03.2029	51 295	40 000	75 996	40 000
			<b>Total</b>	<b>214 804</b>	<b>150 000</b>	<b>228 891</b>	<b>150 000</b>

\* Presented net of own bonds held in the Group.

#### Parent company

Information about the terms of the EMTN programs is publicly available on the Irish Stock Exchange Bonds page.

As of 31.03.2023, the EMTN program with ISIN XS1731768302 is an extended EMTN program with a maturity date of 07.06.2026, a fixed interest rate of 6.5% (six and a half percent) per annum and an interest payment frequency of once a year in arrears. At the end of 2022, the Parent Group received consent to extend by 42 months the maturity date of European Medium Term Bonds issued under the European Medium Term Bond Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange.

The EMTN program with ISIN: XS1542984288 has a maturity date of 29.12.2026, a fixed interest rate of 8.0% (eight percent) per annum and an interest payment frequency of once a year in arrears.

The bond 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 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. The interest payments are every six months, starting from 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 by an insurance contract "Debenture loan" concluded between the issuer Eurohold Bulgaria AD, as an insurer and ZD Euroins AD as an insurer. The trustee of the bondholders in the issue is Ever Financial House AD.

The bond with ISIN:BG2100002224 in the value of EUR 40,000,000 was registered by the Central Depository AD on 8.3.2022. The issue is the third in a row of ordinary registered non-current interest-bearing secured non-convertible freely transferable bonds under the conditions 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 1,000 (one thousand) EUR. The maturity date of the issue is March 8, 2029, with the principal being repaid once upon maturity. Interest payments are made every six months from the date of issue registration (March 8, 2022) at a fixed nominal interest rate of 3.25% per annum. The bond loan is secured by an insurance contract "Bond Loan" concluded

between the issuer Eurohold Bulgaria AD as insurer and ZD Euroins AD as insurer. Trustee of the bondholders under the issue is "TBI Bank" EAD.

### 34. Trade and other liabilities

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Current trade liabilities ( <i>Note 34.1</i> )	145 391	190 168
Other current liabilities ( <i>Note 34.2</i> )	227 036	270 784
Lease liabilities ( <i>Note 34.3</i> )	27 769	30 423
Non-current other liabilities ( <i>Note 34.4</i> )	78 229	64 547
	<b>478 425</b>	<b>555 922</b>

#### 34.1 Current trade liabilities by segments

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Energy business	143 901	187 470
Insurance business	971	1 280
Asset management and brokerage	1	44
Parent company	518	1 374
	<b>145 391</b>	<b>190 168</b>

#### 34.2. Current other liabilities

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Provisions	38 237	38 731
Tax liabilities	36 020	16 125
Payables to employees	28 647	31 532
Deffered income	9 866	17 297
Social-security liabilities	5 916	6 024
Other current liabilities ( <i>Note 34.2.1</i> )	108 350	161 075
	<b>227 036</b>	<b>270 784</b>

##### 34.2.1. Current other liabilities by segments

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Energy business	32 285	41 891
Insurance business	63 464	61 913
Asset management and brokerage	210	919
Parent company	12 391	56 352
	<b>108 350</b>	<b>161 075</b>



### 34.3. Lease liabilities – Rights of use by segments

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Energy business incl.	11 373	12 465
<i>Current</i>	3 686	5 034
<i>Non-current</i>	7 687	7 431
Insurance business incl.	14 008	15 470
<i>Current</i>	2 773	3 300
<i>Non-current</i>	11 235	12 170
Asset management and brokerage incl.	1 139	1 180
<i>Current</i>	171	169
<i>Non-current</i>	968	1 011
Parent company incl.	1 249	1 308
<i>Current</i>	202	202
<i>Non-current</i>	1 047	1 106
	<b>27 769</b>	<b>30 423</b>

### 34.4 Non-current trade liabilities

	31.03.2023	31.12.2022
	BGN'000	BGN'000
Other non-current liabilities	61 039	51 835
Deferred income	17 190	12 712
	<b>78 229</b>	<b>64 547</b>

#### 34.4.1. Non-current other liabilities by segments

	31.03.2023	31.12.2022
	BGN '000	BGN '000
Energy business	17 343	19 599
Insurance business	19 564	18 404
Parent company	24 132	13 832
	<b>61 039</b>	<b>51 835</b>

#### 34.4.2. Deferred income by segments

	31.03.2023	31.12.2022
	BGN '000	BGN '000
Energy business	17 190	12 712
	<b>17 190</b>	<b>12 712</b>

### 34.3. Lease liabilities – Rights of use by segments

	31.03.2023 BGN '000	31.12.2022 BGN '000
Insurance business	44 212	24 896
	<b>44 212</b>	<b>24 896</b>

### 36. Deferred tax liabilities by segments

	31.03.2023 BGN '000	31.12.2022 BGN '000
Energy business	21 032	20 558
Insurance business	2	22
	<b>21 034</b>	<b>20 580</b>

### 37. Insurance contract liabilities

	31.03.2023 BGN '000	31.12.2022 BGN '000
Unearned premium reserve, gross amount	138 844	148 045
<i>Reinsurers' share in unearned premium reserve</i>	<i>(51 573)</i>	<i>(85 771)</i>
Reserves on unexpired risks, gross amount	-	367
<i>Reinsurers' share in unexpired risks reserve</i>	<i>-</i>	<i>-</i>
Reserve on incurred but not reported claims, gross amount	162 797	195 849
<i>Reinsurers' share in reserve on incurred but not reported claims</i>	<i>(83 604)</i>	<i>(145 443)</i>
Reserve for claims reported but not settled, gross amount	213 843	194 368
<i>Reinsurers' share in reserve for claims reported but not settled</i>	<i>(100 056)</i>	<i>(123 152)</i>
Other technical reserve, gross amount	137	584
<i>Reinsurers' share in other technical reserves</i>	<i>-</i>	<i>-</i>
Mathematical reserves	5 209	5 130
	<b>520 830</b>	<b>542 931</b>

The Group is in the process of implementing the new IFRS 17 Insurance Contracts. In this regard, this information in the interim condensed consolidated report is presented on the basis of IFRS 4 Insurance Contracts currently in effect.

### 38. Share capital and share premium

#### 38.1. Share capital

	31.03.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
Issued shares	260 500	260 500
Treasury shares	(77)	(77)
<b>Share capital</b>	<b>260 423</b>	<b>260 423</b>
<b>Number of shares with voting rights</b>	<b>260 500 000</b>	<b>260 500 000</b>

As of 31.03.2023, 77 227 numbers of voting shares of Eurohold Bulgaria AD are held by companies in the (as of 31.12.2022 – 77 227 voting shares).

The share capital as of 31.03.2023 is distributed as follows:

Shareholders	%	Voting rights	Par value BGN
Starcom Holding AD	50.08%	130 454 157	130 454 157
KJK Fund II SICAV-SIF - Balkan Discovery	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by it, namely: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	8.88%	23 136 758	23 136 758
SLS Holding AD	6.34%	16 508 349	16 508 349
Other legal entities	22.19%	57 814 428	57 814 428
Other individuals	1.72%	4 469 435	4 469 435
<b>Total</b>	<b>100.00%</b>	<b>260 500 000</b>	<b>260 500 000</b>

#### 38.2 Share premium

	31.03.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
Share premium - issuing securities	144 030	144 030
	<b>144 030</b>	<b>144 030</b>

### 39. Net loss/ (profit) for the year

	For the quarter ended 31.03.2023 <i>BGN '000.</i>	For the year ended 31.12.2022 <i>BGN '000.</i>
Current result attributable to the shareholders	242 882	(158 159)
Current result attributable to the non-controlling interest	21 116	(18 396)
	<b>263 998</b>	<b>(176 555)</b>

### 39.1. Net profit (loss) for the year by segments

	For the quarter ended 31.03.2023 BGN '000.	For the year ended 31.12.2022 BGN '000.
Energy business	57 013	61 405
Insurance business	213 839	(4 882)
Asset management and brokerage	592	1 306
Parent company	(7 593)	(102 147)
Discontinued Operations	-	(175 691)
Loss attributable to the non-controlling interest	(21 116)	(18 396)
Intra-group eliminations of dividends and other adjustments	147	80 246
	<b>242 882</b>	<b>(158 159)</b>

The financial results for the periods ending Q1, 2023 and 2022 are available in the Consolidated financial statement for profit and loss by segments.

### 40. Non-controlling interest

	31.03.2023 BGN '000	31.12.2022 BGN '000
Non-controlling interest - attributable to the profit	21 116	(18 396)
Non-controlling interest - attributable to the capital	19 723	32 282
	<b>40 839</b>	<b>19 886</b>

#### 40.1. Non-controlling interest - attributable to the profit by segments

	31.03.2023 BGN '000	31.12.2022 BGN '000
Insurance business	21 116	(18 396)
	<b>21 116</b>	<b>(18 396)</b>

#### 40.2. Non-controlling interest attributable to equity by segments

	31.03.2023 BGN '000	31.12.2022 BGN '000
Insurance business	40 839	19 886
	<b>40 839</b>	<b>19 886</b>

### 41. Acquisition and disposal of companies

#### 41.1. Acquisition in 2022

##### 41.1.1. Energy business

(1) In March 2022, the Parent Group increased its share in the capital accordingly:  
 - Up to 98.93% through the acquisition of an additional 207,107 shares or 10.74% of the capital of EDG West EAD (CEZ Razpradelenie Bulgaria AD) worth BGN 62.1 million/EUR 31.8 million and  
 - Up to 96.92% through the acquisition of additional 1,379 shares or 27.58% of the capital of Electrohold Sales EAD (CEZ Electro Bulgaria AD) worth BGN 38.6 million/EUR 19.7 million.

(2) In June 2022, the Parent Group increased its share in the capital accordingly:

- Up to 99.25% through the acquisition of an additional 6,165 shares or 0.32% of the capital of EDG West EAD (CEZ Distribution Bulgaria AD) worth BGN 1.9 million/EUR 0.9 million and
- Up to 97.66% through the acquisition of additional 37 shares or 0.74% of the capital of Electrohold Sales EAD (CEZ Electro Bulgaria AD) worth BGN 1.1 million/EUR 0.5 million.

In the second quarter of 2022, IC Euroins Bulgaria AD acquired a 0.48% share in Electrohold Sales EAD, reaching a share to 98.14%.

(3) On 25.08.2022, the FSC took a decision not to issue a ban on the publication of a proposal by Eastern European Electric Company B.V., the Netherlands, for the purchase of the remaining shares through the investment intermediary Euro-Finance AD, Sofia in Electrodistribution Grid West EAD (EDG West EAD) and Electrohold Sales EAD.

On September 8, 2022, the Energy Holding through Eastern European Electric Company B.V. (EEEC) increased its participation in the two subsidiaries of the energy group to 100% of the capital by buying out all the remaining shares of minority owners as follows:

- 14,416 shares (0.75%) of the capital of Electrodistribution Grid West EAD (EDG West EAD), Sofia, from the remaining shareholders of the Group for nearly BGN 4,376 million (2,237 million euros) or BGN 303.55 (155.2 euros) per share;
- 117 shares (2.34%) of the capital of Electrohold Sales EAD, Sofia, from the remaining shareholders of the Group for BGN 3,412 million (EUR 1,744 million) or BGN 29,161.02 (EUR 14,909.79) per share .

On 20.9.2022, the Financial Supervision Commission decided to deregister Electrodistribution Grid West EAD (EDG West EAD) and Electrohold Sales EAD as public companies from the register under Art. 30, para. 1, item 3 of the Financial Supervision Commission Act, managed by the FSC.

### **41.3. Disposals and discontinued operations**

#### **Insurance business**

On 30.12.2022, Euroins Insurance Group (EIG) signed share purchase agreements to sale 100% of the capital of its subsidiary in Belarus and the owned associated share (48.61%) in a company in Russia.

#### **Automotive business**

On 30.06.2022, Eurohold Bulgaria AD signed a contract for the sale of Auto Union AD, which combined the company's investments in the automotive business.

#### **Lease business**

On 30.06.2022, Eurohold Bulgaria AD signed a contract for the sale of Eurolease Group AD, which combined the company's investments in the leasing business.

## **42. Contingent liabilities and commitments, provisions for court cases**

### **42.1. Litigation**

As of 31.03.2023 no significant lawsuits have been filed against the Company.

## 42.2. Guarantees and guarantees provided

Eurohold Bulgaria AD is a **co-debtor/guarantor** for loans received from banking/financial institutions as follows:

Business	Third/ Related party	Amount	Amount	Amount	Amount	Maturity (EUR'000)					
		EUR'000 at 31.03.2023	BGN'000 at 31.03.2023	EUR'000 at 31.12.2022	BGN'000 at 31.12.2022	2023	2024	2025	2026	2027	after 2027
<b>Ultimate parent company</b>											
Bank loans for investment purposes	Related parties	5 000	9 779	5 000	9 779	-	5 000	-	-	-	-
<b>Lease business*</b>											
Financing of lease activities	Related parties up to 30.06.2022	20 549	40 190	21 891	42 815	5 628	6 177	4 445	3 184	1 015	100
<b>Automotive business*</b>											
Bank loans for working capital	Related parties up to 30.06.2022	5 487	10 732	4 788	9 365	2 757	523	523	523	418	743
<b>Total:</b>		<b>31 036</b>	<b>60 701</b>	<b>31 679</b>	<b>61 959</b>	<b>8 385</b>	<b>11 700</b>	<b>4 968</b>	<b>3 707</b>	<b>1 433</b>	<b>843</b>

\* Eurohold Bulgaria AD sold the companies from the automotive and leasing segment in 2022. It is expected that the new owners will act as a guarantor for the specified loans from bank/financial institutions.

The Group is a guarantor under issued bank guarantees \*\*, as follows:

Company from:	Amount EUR'000 at 31.03.2023	Amount BGN'000 at 31.03.2023	Amount EUR'000 at 31.12.2022	Amount BGN'000 at 31.12.2022	Maturity
Automotive sub-holding (related party up to 30.6.2022)	2 050	4 009	2 050	4 009	2.2024
Automotive sub-holding (related party up to 30.6.2022)	1 800	3 520	1 800	3 520	4.2023
<b>Total:</b>	<b>3 850</b>	<b>7 529</b>	<b>3 850</b>	<b>7 529</b>	

\*\* Eurohold Bulgaria AD sold the companies from the automotive and leasing segment in 2022. It is expected that the new owners will act as a guarantor for the specified loans from bank/financial institutions.

## 42.3. Guarantees and guarantees received

Company/ Guarantor	Guaranteed liability	Guaranteed amount as of 31.03.2023 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	Management guarantee	BGN 3 330	03/2024*

\*Automatic renewal until the Procurator is released from liability.

## 42.4. Pledge of shares

In connection with a loan to a company from Automotive Subholding, which as of 31.03.2023 is not a related party, Eurohold Bulgaria AD has an established pledge of shares in a subsidiary.

In connection with financing under a package deal, Eurohold Bulgaria AD has established a pledge of shares of a subsidiary.

In connection with the financing of the business combination Eurohold Bulgaria AD, a pledge of shares of subsidiaries in the energy segment has been established.

In connection with a contract concluded for financing by a credit institution, a pledge of shares of a subsidiary company and a pledge of bonds was established in 12.2022.

### 43. Related parties

Related parties within the Group are as follows:

- Starcom Holding AD, Bulgaria – main shareholder in Eurohold Bulgaria AD

Subsidiaries of Starcom Holding AD:

- Starcom Finance EAD, Bulgaria
- Quintar Capital Limited, Hong Kong China
- Hanson Asset Management Ltd, UK
- Swiss Global Asset Management AG, Switzerland

Associated companies of Starcom Holding AD:

- Solars Energy AD (since October, 2022);
- S SOLAR EOOD – subsidiary of Solars Energy AD;
- Solaris Holding EAD – subsidiary of Solars Energy AD;
- SOLAR MS EOOD– subsidiary of Solaris Holding EAD.

#### Related party balances

	31.03.2023	31.12.2022
	<i>BGN '000</i>	<i>BGN '000</i>
Receivables on loans from Starcom Holding AD	2 484	4 632
Receivables from repo transactions from Starcom Holding AD	12 096	2 412
Other receivables from Starcom Holding AD	2 997	-
Right-of-use asset - office from Hanson Asset Management Ltd, UK	930	1 006
Right-of-use liabilities - office from Hanson Asset Management Ltd, UK	1 015	1 056
Loan liabilities to Starcom Holding AD	68 386	52 987
Subordinated debt payables to Starcom Holding AD	23 464	23 459
Subordinated debt payables to Starcom Finance EAD	25 000	25 000
Other liabilities to Starcom Holding AD	178	3 772
Other liabilities to Starcom Finance EAD - interest on subordinated debt	-	383
Dividend liabilities to Starcom Holding AD	101	101
<b>Balances with Euroins Romania Insurance - Reinsurance S.A., Romania</b>		
Other receivables from Euroins Romania Insurance - Reinsurance S.A.,Romania	68	193
Liabilities under contract with Euroins Romania Insurance - Reinsurance S.A.,Romania for a loan of financial instruments with an annual interest rate of 7.0% and maturity on 05.12.2023, including:	3 501	3 445
-interest	274	218
Liabilities under exchange contract to Euroins Romania Insurance - Reinsurance S.A.,Romania	895	895
Trade payables to Euroins Romania Insurance - Reinsurance S.A.,Romania	4	15
Liabilities under loans granted - principal	-	8
Liabilities under loans granted - interest	-	139
Reinsurer's share of UPR	-	1 878
Reinsurer's share of RBNS	-	447
Reinsurer's share of IBNR	-	44 587
Claims from reinsurers	-	594

### Related party transactions

	2023 <i>BGN '000</i>	2022 <i>BGN '000</i>
Commission fee income from Starcom Holding AD	36	76
Commission fee income from First Investment Bank, Russia	-	1
Rental income from Hanson Asset Management Ltd UK	-	60
Interest income from Starcom Holding AD	228	1 041
Revenue from services rendered to Starcom Holding AD	462	76
Interest expenses on loans received from Starcom Holding AD	1 422	1 411
Interest expenses on loans received from Starcom Finance EAD	375	-
Interest expense on leases (rights of use) from Hanson Asset Management Ltd UK	2	-
Depreciation expense on right-of-use assets from Hanson Asset Management Ltd UK	76	-
Other revenue from Euroins Romania Insurance - Reinsurance S.A.,Romania	12	-

#### 44. Post-reporting date events

No adjusting or non-adjusting events occurred between the date of the consolidated financial statements and the date of their approval for issue.



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INTERIM CONDENSED  
CONSOLIDATED REPORT

UNTIL 31 MARCH 2023

## OPERATIONAL AND FINANCIAL REVIEW

### EUROHOLD GROUP UNTIL 31 MARCH 2023

- Eurohold is a leading independent business group in Southeastern Europe (SEE) with leading positions in the insurance and energy business
- The main activity of the parent company - financial activities related to the establishment, acquisition and management of participations and financing of related companies
- Owner of one of the largest energy groups in Bulgaria – Electrohold
- Owner of an Insurer from CEE and SEE with leading positions in Bulgaria - Euroins Insurance Group
- Experienced management team and management
- High level of corporate governance in line with best practices
- The parent company is a public joint stock company within the meaning of Bulgarian Public Offering of Securities Act. The company's shares are registered for trading on:
  - » Bulgarian Stock Exchange (BSE) - code EUBG
  - » Warsaw Stock Exchange (WSE) - code EHG

#### BUSINESS HIGHLIGHTS

- ✓ 3 business segments
- ✓ 4 subsidiaries
- ✓ 2 specially created companies for the development of the energy business
- ✓ 17 operating companies
- ✓ 13 countries in Europe
- ✓ 9 400 shareholders
- ✓ 28 years of history

#### STRATEGIC ASSETS:

##### **Euroins Insurance Group - a major asset in the Eurohold Group**

CEE and SEE insurer with leading positions in Bulgaria.

Active operations in 8 markets in Europe.

##### **Eastern Electric Company II B.V. - Energy**

One of the largest energy groups in Bulgaria

##### **Euro-Finance - investment intermediation and asset management**

Market turnover leader on the Bulgarian Stock Exchange, Member of Deutsche Börse Group

## KEY FINANCIAL INFORMATION

### Eurohold Bulgaria reports strong results of its energy business

The Eurohold Group realized for the first quarter of 2023 a 44% increase in its operating income from continuing activities and a net profit of BGN 264 million.

### Highlights of group results

	Q1' 2023	Q1' 2022
<b>Revenues</b>	<b>BGN 1 520 million</b> ▲ 44%	<b>BGN 1 054 million</b>
<b>Operating profit</b>	<b>BGN 381 million</b> ▲ 205%	<b>BGN 125 million</b>
<b>EBITDA</b> (earnings before interest, depreciation and taxes)	<b>BGN 327 million</b> ▲ 324%	<b>BGN 77 million</b>
<b>Net result from continuing operations</b>	<b>BGN 264 million</b> ▲ 969%	<b>BGN 25 million</b>
	<b>Q1' 2023</b>	<b>2022</b>
<b>Financial actives</b>	<b>BGN 438 million</b> ▲ 81%	<b>BGN 241 million</b>
<b>Cash and cash equivalents</b>	<b>BGN 362 million</b> ▲ 69%	<b>BGN 214 million</b>
<b>Assets Total</b>	<b>BGN 2.78 billion</b> ▲ 7%	<b>BGN 2.61 billion</b>
<b>Equity</b>	<b>BGN 331 million</b> ▲ 385%	<b>BGN 68 million</b>
<b>Liabilities</b>	<b>BGN 1.93 billion</b> ▼ 3%	<b>BGN 2.00 billion</b>
<b>Insurance reserves</b>	<b>BGN 521 million</b> ▼ 4%	<b>BGN 543 млн. лв.</b>

## SIGNIFICANT EVENTS

### SUMMARY OF MAJOR EVENTS FOR THE EUROHOLD GROUP DURING THE PERIOD FROM 01 JANUARY 2023 UNTIL THE DATE OF THIS REPORT

(Important events for the Eurohold Group, presented in chronological order)

#### IMPORTANT EVENTS OCCURRED DURING THE REPORTING PERIOD

##### January

- ✓ There were no significant events.

##### February

- ✓ On February 10, Eurohold Bulgaria informed the public about illegal actions of employees of the Romanian insurance supervision against the Romanian insurance company "Euroins Romania Asigurare-Reasigurare" S.A. part of the group. Eurohold has informed the FSC and a number of competent state and international bodies and institutions about these actions.

##### March

- ✓ On February 17, 2023 - The management of Eurohold Bulgaria AD informed the public that despite its disagreement with the actions of insurance supervision officials in Romania against the local division of Euroins in order to protect the company from further regulatory overpressure, Euroins Romania entered into a new reinsurance contract with the reinsurer of the group - "ZD EIG Re" EAD (EIG Re).

- ✓ On 17.03.2023 - the Romanian financial regulator ASF decided to withdraw the insurance activity license of Euroins Romania, part of Euroins Insurance Group AD (EIG), open bankruptcy proceedings and appoint the Insurance Guarantee Fund (FGA) as a temporary company administrator.

In this regard, Eurohold's management made a statement that, notwithstanding this, apart from Euroins Romania, all other subsidiaries and businesses of Eurohold in all the other 11 markets in which they operate, including insurance and energy, are operating and will continue to operate as usual and without any problems, serving their customers and duties and executing their business plans.

Since the beginning of February, when Eurohold publicly raised the alarm about the illegal actions against Euroins Romania, within a month and a half the management of the holding took all the necessary actions to protect the other companies of the group and guarantee their stable and normal functioning, so that in no way will the activity of the other companies in the Eurohold group be affected.

As a result of the decision of the Romanian financial regulator against Euroins Romania, the holding company announced that it has started a procedure to challenge this decision in all competent courts in Europe and around the world.

- ✓ March 21, 2023 Eurohold requested the return of Euroins Romania's license.

At a press conference in Bucharest, the holding warned that the ASF's decision to revoke the license and request for bankruptcy leads to the termination of all reinsurance contracts of the Romanian company, as a result of which all damages and claims will have to be paid by the Guarantee Fund (this condition is basic and standard for each reinsurance contract).

#### IMPORTANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

## April

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- ✓ There were no significant events.
- 

## May

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- ✓ On 24.05.2023, Fitch Ratings removed from monitoring the rating of Euroins Romania, due to the fact that at the present moment and in the future, under administration by the FGA over the Company, there is no way to obtain reliable information about the development and state of the company. The information is available on the Fitch Ratings website ([www.fitchratings.com](http://www.fitchratings.com)).
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## June

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- ✓ On 09.06.2023, the court in Bucharest decided to declare bankrupt of "Euroins Romania Asigurare Reasigurare" SA ("Euroins Romania").

EIG and its shareholders continue to uphold its claims against the Decision of ASF of 17th of March 2023 and will appeal the current decision for opening of the procedure of Insolvency. It should be noted that the Bucharest Court admitted the plea of unconstitutionality raised by Euroins Romania and EIG as well grounded and will send the motion of unconstitutionality to the Romanian Constitutional Court. Nevertheless the Bucharest Court applied the existing Romanian law while opening the procedure for insolvency, the court itself found it necessary to address the Romanian Constitutional Court with several questions on the possible unconstitutionality of key provisions of the Romanian insolvency laws in the light of several constitutional provisions, namely Art. 20 (International human rights treaties), Art. 21 (Free access to justice), Art. 16 (Equality of rights) of the Romanian Constitution, as well as Art. 6, points 1 and 2 of European Convention on Human Rights, Art. 20, 47 and 48 of the Charter of Fundamental Rights of the European Union, as well as Art. 1 of Protocol No. 1 to the European Convention on Human Rights. The essence of the issue of unconstitutionality concerns the fact that to declare bankrupt of against an insurance company following the existence of a decision to withdraw its operating licence issued by the Romanian regulator, without a final judgment on the legality of the Regulator's decisions, deprives insurance companies of the right to a fair trial and effective judicial review. The granting of the exception of unconstitutionality would represent a case of judicial review according to the Romanian civil procedure and should lead to the revocation of the decision to open the bankruptcy proceedings.

Separately, EIG has satisfied all its creditors (except those directly related to insurance claims and within the competences of the Romanian Guarantee Fund) who had requested the insolvency of Euroins Romania.

"Euroins Insurance Group" AD ("EIG") maintains its financial and capital stability and remains determined to continue to protect both its own interests and the rights of its more than 2 million insured persons in Romania.

EIG and its key subsidiaries remain fully capitalized, sound and viable and continue their normal business operations. All EU and non-EU subsidiaries remain fully compliant with all their local regulatory requirements.

For more information, visit the "News" section on the website of Eurohold Bulgaria AD [www.eurohold.bg](http://www.eurohold.bg).

The Management Board of Eurohold Bulgaria AD is not aware of any other important or significant events for the Eurohold group that occurred during the reporting period or after the date of its completion.

## BRIEF PRESENTATION OF THE EUROHOLD GROUP

### EUROHOLD BULGARIA AD - PARENT COMPANY

#### Company data

<i>Country of incorporation</i>	Republic of Bulgaria
<i>Country of incorporation</i>	UIC 175187337
<i>Identification number of the legal entity</i>	LEI code 74780000J0W85Y204X80
<i>Legislation</i>	Bulgarian
<i>Headquarters address and correspondence</i>	Sofia, 1592, Iskar district, 43 Christopher Columbus Blvd
<i>Phone number</i>	+359 2 9651 651; + 359 651 653
<i>Fax</i>	+359 2 9651 652;
<i>Email address</i>	<a href="mailto:investors@eurohold.bg">investors@eurohold.bg</a> ; <a href="mailto:office@eurohold.bg">office@eurohold.bg</a>
<i>Website</i>	<a href="http://www.eurohold.bg">www.eurohold.bg</a>

Eurohold Bulgaria AD is has a subject of activity: acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, evaluation and sale of patents, assignment of licenses for the use of patents to companies in which the company participates, financing the companies in which the company participates.

The main activity of the holding company is performing financial and investment activities related to the acquisition, sale and management of participations and financing of related companies.

Eurohold Bulgaria AD is a public joint stock company within the meaning of the Public Offering of Securities Act. The shares of the company are registered for trading on the main market of the Bulgarian Stock Exchange AD with stock exchange code EUBG and of Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

Eurohold does not carry out activities falling under a special permit regime, for which patents, licenses or other permits from regulatory authorities are required. Such activities dependent on licenses and other permits are carried out by subsidiaries of the Issuer, information about which is available in the overview of the activities of the relevant business groups.

Eurohold Bulgaria AD together with its subsidiary sub-holding companies and their operating companies forms an economic group - Eurohold Group.

Eurohold manages and supports the business of its economic group through its strategy, risk, financing of related enterprises, control, communication, legal advice, human resources, information systems and technology and other functions.

## BUSINESS OPERATIONS

### ECONOMIC GROUP

Eurohold's organizational structure is three levels: parent company, subsidiaries and operating companies. Each of the three levels has its specific functions, business activities and goals.

The subsidiary companies represent holding structures, uniting the investments of Eurohold Bulgaria in the sectors - Energy, Insurance, Investment mediation and asset management.

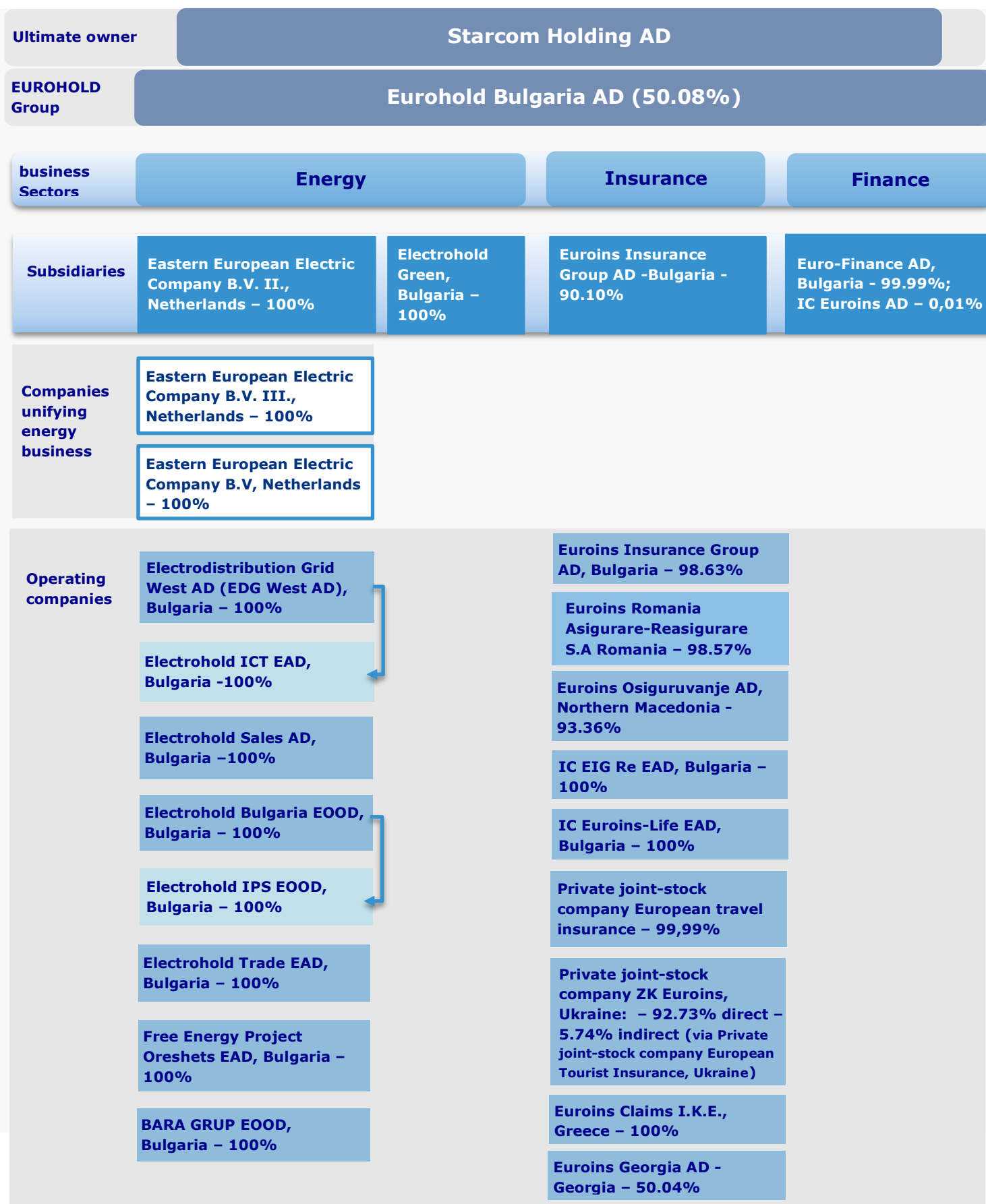
**As of 31.03.2023, Eurohold Bulgaria AD has participations in 23 companies**

<i>direct participation</i>	<i>indirect participation</i>
<ul style="list-style-type: none"> <li>✓ <b>4 subsidiaries, including</b></li> <li>✓ <b>two sub-holding structures:</b> <ul style="list-style-type: none"> <li>&gt; energy</li> <li>&gt; insurance</li> </ul> </li> <li>✓ <b>two operating companies:</b> <ul style="list-style-type: none"> <li>&gt; investment brokerage</li> <li>&gt; energy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>2 specially created companies for energy business development</b></li> <li>✓ <b>17 operating companies</b> <ul style="list-style-type: none"> <li>✓ 8 energy</li> <li>✓ 9 insurance companies (8 active and 1 in Romania with revoked license on 17.03.2023)</li> </ul> </li> </ul>

For the period January 1 - March 31, 2023, there was no change in the Eurohold economic group.

As of 30.06.2022, Eurohold also operated in the automotive sector (new car sales and servicing) and Leasing (financial and operational leasing), as well as in the insurance market in Belarus.

**ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 31.03.2023 AND AS OF THE DATE OF THIS REPORT**





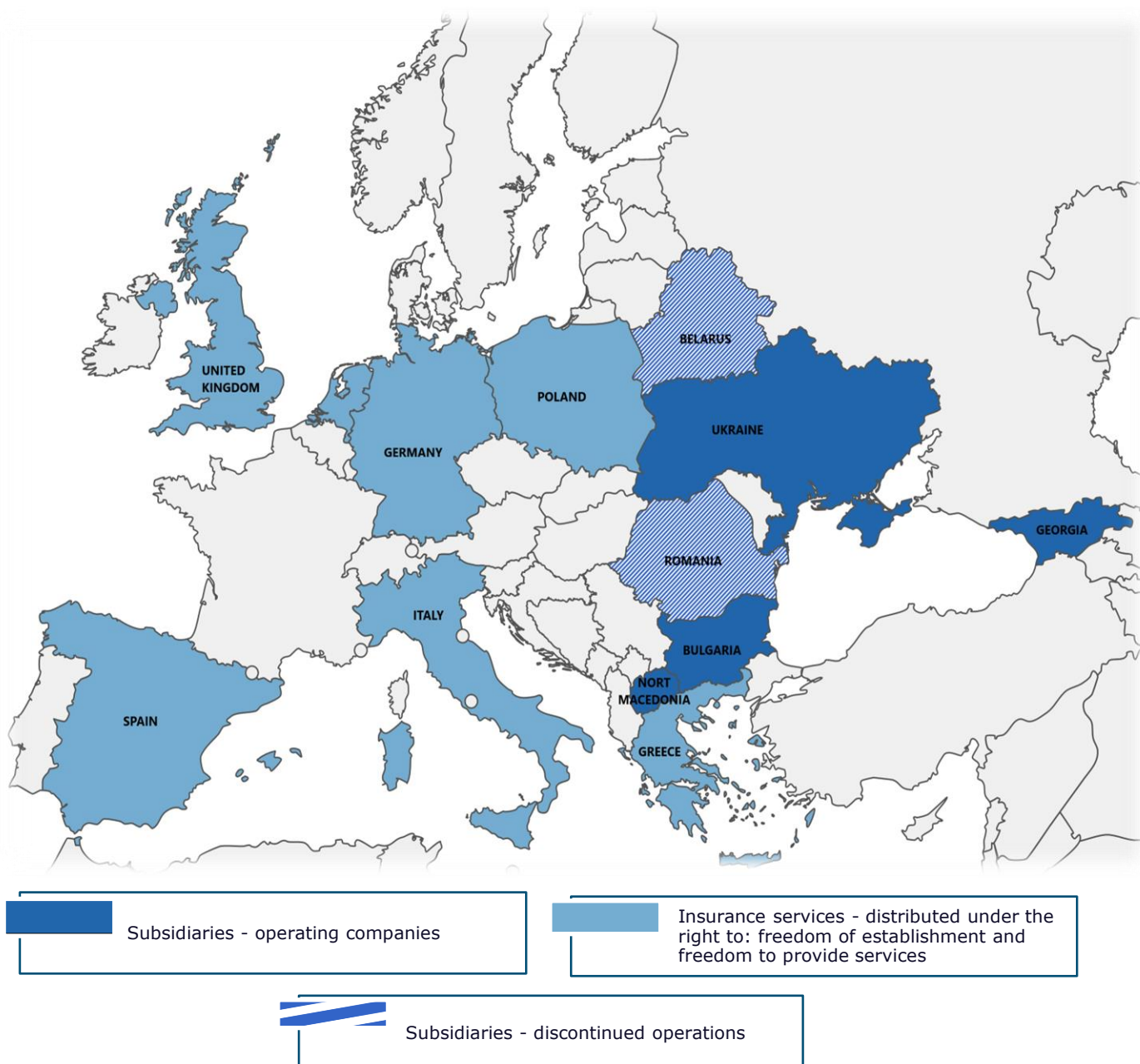
## TYPES OF SERVICES AND PRODUCTS OFFERED BY THE EUROHOLD GROUP, REGIONAL REPRESENTATION

Eurohold Bulgaria AD as a holding company does not develop an independent production and/or commercial activity or activity related to the provision of services. The Company's operating income is related to financial operations for the acquisition and management of subsidiary companies, which is why it is classified under the financial sector.

Through its subsidiaries, Eurohold offers a full range of services and products in the insurance, energy and financial and investment sectors.

### Types of services and activities by business sectors and main markets - regional presentation

Through its subsidiary companies, Eurohold is positioned in the markets of the Central and South-Eastern Europe region.



\*The Company in Romania has been derecognised as at 31 December 2022 and the results of its operations in 2022 and the effect of derecognition at 31 December 2022 are presented as discontinued operations in the Group's consolidated financial statements for 2022.

## Regional performance by service/product type

### ENERGY

#### Services and products provided

	Country
» Access to and transmission of electrical energy through the power distribution network and connection of new users to the power distribution network	Bulgaria
» Public supply of electrical energy	Bulgaria
» Trade in electrical energy	Bulgaria
» Complex information, communication and technological services	Bulgaria
» Commercial consulting, purchase and sale of equipment and materials	Bulgaria
» Production and trading of energy from renewable sources	Bulgaria

### INSURANCE

#### Services and products provided

	Country
» General insurance	Bulgaria; North Macedonia; Ukraine; Georgia;
» Life insurance	Bulgaria
» Travel insurance	Ukraine
» Claims settlement - motor claims	Greece
» Insurance services distributed under the right to freedom of establishment and freedom to provide services	Italy, Greece (branch), Spain, Poland, Germany, the Netherlands and Great Britain (ZD Euroins AD operates in these markets)







### INVESTMENT BROKERAGE AND ASSET MANAGEMENT

#### Services and products provided

	Държава
» Investment brokerage	Bulgaria, Germany (as a member of the Frankfurt Stock Exchange – Deutsche Börse Xetra)
» Investment banking	Bulgaria
» Asset management	Bulgaria

In terms of regional representation, Bulgaria has the largest share and covers all types of services/products offered by operating companies from all business segments in which the group operates.

## Credit ratings awarded

 <p><b>EuroHold</b>  <b>Issuer Default Rating "B"</b>  <b>Outlook: stable</b></p>	 <p><b>EuroHold</b>  <b>Long-term: BBB-</b>  <b>Outlook: stable</b>  <b>Short-term: A-3</b></p> <p><b>bonds issues</b>  <b>Long-term: BBB-</b>  <b>Outlook: stable</b>  <b>Short-term: A-3</b></p>
 <p><b>Euroins Bulgaria</b>  <b>Insurer Financial Strength</b>  <b>Rating "B+", Outlook: stable</b></p>  <p><b>EIG Re</b>  <b>Insurer Financial Strength</b>  <b>Rating "B+", Outlook: stable</b></p>	 <p><b>Euroins Bulgaria</b>  <b>Long-term: BBB-</b>  <b>Outlook: stable</b></p>  <p><b>EIG Re</b>  <b>Long-term: BB+</b>  <b>Outlook: stable</b></p>

More detailed information about the awarded credit ratings of Eurohold Bulgaria AD and its subsidiaries can be found on the websites of the respective rating agencies, namely: [www.fitchratings.com](http://www.fitchratings.com) and [www.bcra.eu](http://www.bcra.eu).

## REVIEW OF GROUP FINANCIAL RESULTS

**31.03.2023**

***This section presents the results of the Eurohold group's activity by main key indicators for the first the twelve months of 2022 compared to the corresponding comparative period***

***The data are based on the interim abridged consolidated financial statements of Eurohold Bulgaria AD as of 31.12.2022 prepared in accordance with the applicable International Financial Reporting Standards (IFRS) adopted by the EU.***

### SUMMARY

**The Eurohold Group continued its good performance in the first three months of 2022, consolidating the trend of stable growth in all indicators**

- € Group revenue – up 44%
- € Operating profit - growth of 205%
- € EBITDA - growth of 324%
- € Net profit - 324% growth

Eurohold Bulgaria AD, notes a sharp increase in its financial results in the first quarter of 2023, as this is due to a one-time effect in the insurance business and improved profitability of the energy business.

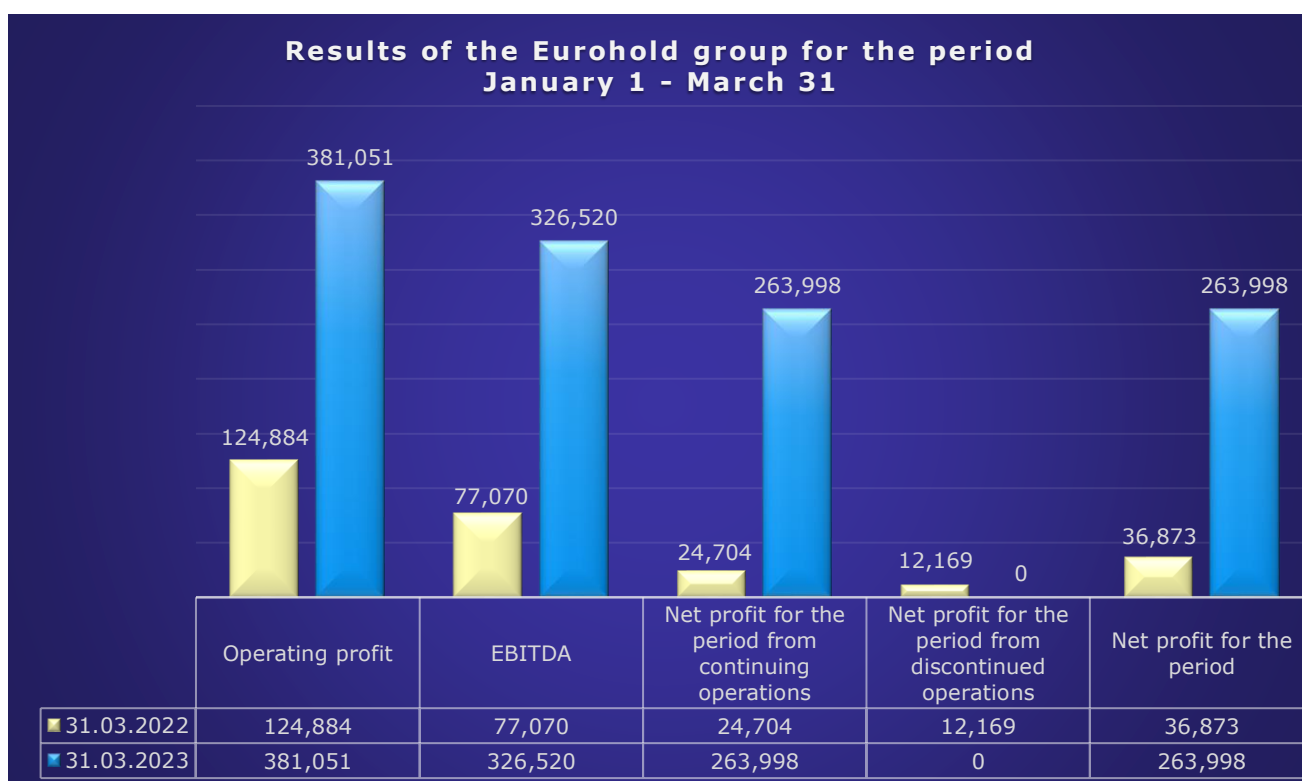
#### **!** *Highlights of influences on group outcomes*

- 1/** On 17.03.2023, the Romanian regulator ASF revoked the license of the insurance company in Eurohold group - Euroins Romania Asigurare-Reasigurare S.A. operating on the territory of Romania. Eurohold Bulgaria AD owns, through Euroins Insurance Group AD - 98.54% of the Romanian company. Despite the disagreement and contestation by the management of Eurohold with the decision of the Romanian regulator, Euroins Romania Asigurare-Reasigurare S.A. was written off from the group's balance sheet as of 31.12.2022 due to the impossibility of being consolidated due to the lack of financial information.
- 2/** *At the end of June 2022, Eurohold Bulgaria AD completed the sale of its investments in:*
  - > *Companies from the leasing group*
  - > *The companies of the automotive group*
  - > *Participation in insurance companies operating in Belarus (100% participation) and Russia (48.61% associated participation)*

***The results for the comparable period of 2022 of the discontinued operations described above for the purpose of comparability of information have been restated and reflected in the consolidated interim financial statements for 2023 as discontinued operations.***

The specific financial results of our operations are set forth in the following analysis.

## CONSOLIDATED FINANCIAL RESULT



## CONSOLIDATED OPERATING RESULT (GROSS PROFIT) BY BUSINESS ACTIVITY

in thousands of BGN	Energy	Insurance	Investment banking	Parent company	Group gross profit
31.03.2023	155 752	224 218	1 004	77	<b>381 051</b>
31.03.2022	109 361	15678	194	(349)	<b>124 884</b>
<b>Change in thousand BGN</b>	<b>46 391</b>	<b>208 540</b>	<b>810</b>	<b>426</b>	<b>256 167</b>
<b>Change %</b>	<b>+42.4%</b>	<b>+1330.1%</b>	<b>417.5%</b>	<b>122.1%</b>	<b>+205.1%</b>

## OPERATING INCOME AND EXPENDITURE

The revenues on a consolidated basis are formed by the activities of the subsidiaries (continuing activities as of 30.09.2022) and the individual activity of Eurohold Bulgaria, related to the acquisition and management of participations and financing of subsidiary companies.

The total group revenues for the first three months of 2023 are in the amount of BGN 1.5 billion, marking an increase of over 44% compared to the realized consolidated revenues for the comparable period of 2022, when they were in the amount of BGN 1.1 billion.

## Realised revenue by segment

Operating income by business activity: (in BGN thousand)	change	consolidated operating income	
	%	Q1 2023	Q1 2022
Income from energy activity	-17.7%	726 794	883 177
Insurance income, including:	+366.7%	787 054	168 629
- gross premiums written from insurance	+463.5%	643 256	114 148
Income from financial and investment activities	+3%	10 604	10 278
Income from parent company's activities	-6%	1 303	1 392
<b>Total consolidated revenue</b>	<b>+77%</b>	<b>6 31 747</b>	<b>1 392</b>

Revenues from the energy business fell 17.7% compared to the first quarter of 2022, due to much higher free market electricity prices during the comparable period. At the same time, profit before interest, taxes and depreciation in this segment grew by 54.4% to BGN 71.2 million, and the final financial result doubled to BGN 57 million.

The revenues of the insurance group increased significantly, which is due to a one-time effect as a result of the case with Euroins Romania (see "Significant events"). In March 2023, the Romanian insurer's license was wrongfully revoked by the local regulator, in violation of European law, which will be challenged by the Eurohold group in court.

## Structure of consolidated revenue

After the acquisition of the energy companies and the sale of the automobile and leasing businesses, a change in the structure of consolidated revenues occurred, with energy becoming the leading business in the Eurohold group.

Business Activities:	the structure of consolidated operating income	
	Share to 31.03.2023	Share to 31.03.2022
Income from energy activity	47.8%	83.8%
Income from insurance activity	51.8%	16.0%
Income from financial and investment activity	0.4%	0.2%
Income from parent company operations	0.0%	0.0%
<b>Total consolidated revenue</b>	<b>100%</b>	<b>100%</b>

## Operating costs

The Group's operating expenses directly reflect changes in the business volumes of the companies reported in Eurohold's consolidated financial statements.

Reported operating expenses in the amount of BGN 1.1 billion mark an increase of 22.5% compared to the expenses for the previous period.

Operating expenses by business activities: (in BGN thousand)	change	consolidated operating expenses	
	%	31.03.2023	31.03.2022
Expenses for energy activity	-26.2%	571 042	773 816
Expenses for insurance activity	+268%	562 836	152 951
Expenses for financial and investment activity	+140.7%	4 704	1 954
Expenses for the activities of the parent company	-100%	0	784
<b>Total consolidated expenditure</b>	<b>+22.5%</b>	<b>1 138 582</b>	<b>929 505</b>

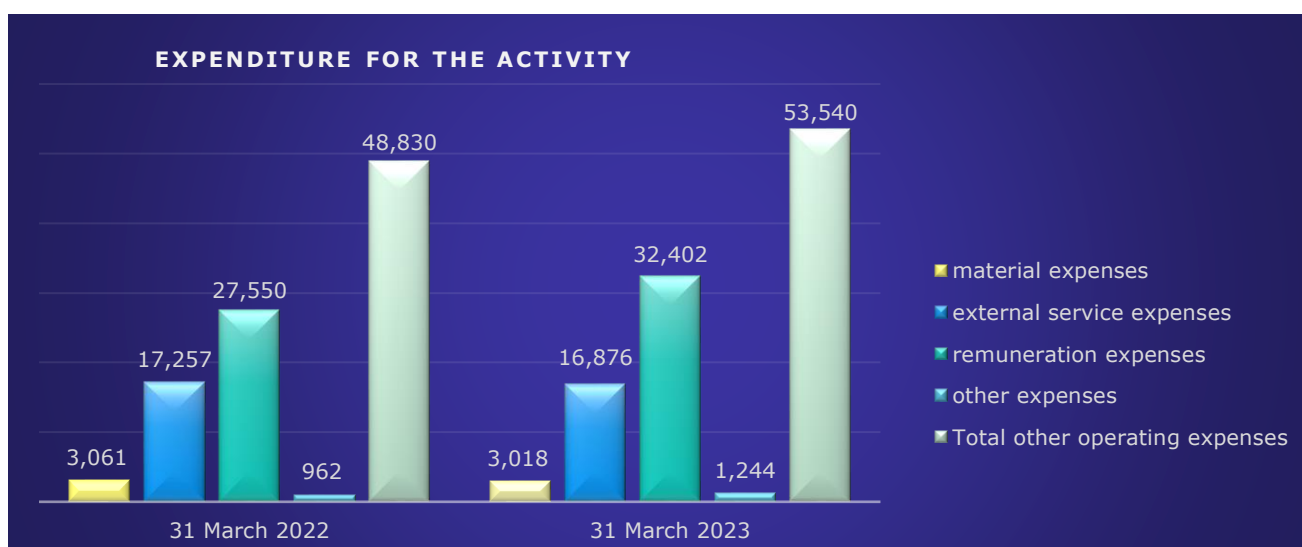
## OTHER CONSOLIDATED RESULTS

in thousands BGN	Other income/expenses net	Financial income/expenses net	Amortization and impairment charges for goodwill	Tax expenses	Total for the Group
31.03.2023	54 531	27 155	27 187	8 180	<b>117 053</b>
31.03.2022	47 814	20 874	26 929	4 563	<b>100 180</b>
<b>Change in thousand BGN</b>	<b>6 717</b>	<b>6 281</b>	<b>258</b>	<b>3 617</b>	<b>16 873</b>
<b>Change %</b>	<b>+14%</b>	<b>+30%</b>	<b>+1%</b>	<b>+79.3%</b>	<b>+16.8%</b>

⇒ The other income/expenses for the Group's activities (presented net) include the following items:

- » Other income/(expenses), net: BGN 867 thousand / BGN 869 thousand for the Q1 2022
- » Other expenses for the activity: BGN 53 540 thousand / BGN 48 830 thousand for Q1 2022
- » Expenses for impairment of financial assets, net: -1,858 thousand BGN / +147 thousand BGN for Q1 2022

The item "Other costs of the activity" summarizes: costs of materials, costs of external services, costs of remuneration, other costs, the values of each of which are shown in the graph below:



Distribution of other expenses by business activities:

Other expenses: <i>(in BGN thousand)</i>	Energy		Insurance		financial and investment activity		Parent company	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Material costs	2 770	2 874	232	176	11	9	5	2
Costs for external services	13 077	12 913	2 830	3 936	121	110	848	298
Compensation costs	27 295	23 061	4 591	4 027	286	257	230	205
Other expenses	431	589	673	289	69	40	71	44
<b>Total other expenses of business activities</b>	<b>43 573</b>	<b>39 437</b>	<b>8 326</b>	<b>8 428</b>	<b>487</b>	<b>416</b>	<b>1 154</b>	<b>549</b>

⇒ **Financial income/expenses include:**

For the first nine months of 2022, their total net amount is BGN (100) million, reporting an increase of 93% compared to the comparative period.

- > financial costs: BGN 28,103 thousand / BGN 21,210 thousand for Q1 2022
- > financial income: BGN 954 thousand / BGN 338 thousand for Q1 2022, and
- > net effect of exchange rate changes: BGN 6 thousand / BGN 2 thousand for Q1 2022.

» **Finance costs** include interest costs, interest costs on right-of-use assets and other finance costs.

**Interest costs** account for 97% of all financial costs. The amount for interest expenses includes the corresponding interest expenses of energy and insurance activities, as well as the activities of the parent company. For the period from January 1 to March 31, 2023, the amount of reported interest expenses amounted to BGN 27 million, which increased compared to the comparable period by BGN 5.9 million.

The largest interest expense is reported by the energy business with BGN 19.4 million. For the most part, they represent interest of the three holding companies uniting the energy activities in the group and are in connection with absorbed loans for the acquisition of the energy companies in the group Electrohold.

The parent company (Eurohold Bulgaria AD) reports nearly BGN 6 million in interest expenses with an increase of 26.5%.

The insurance activity does not require the borrowing of borrowed funds, which is why the interest expenses reported from this direction represent a loan resource of the sub-holding company Euroins Insurance Group. For the period under review, the interest expenses reported by the insurance subholding amount to BGN 1.8 million, a reduction of 113%.



## RESULTS BY TYPE OF ACTIVITY BASED ON UNCONSOLIDATED DATA (BEFORE ELIMINATIONS)

The following tables present information on realized revenues and results of business activities as of September 30, 2022 versus September 30, 2021, before eliminations.

Total revenue by sector			
Sectors	Change %	Q1 2023 thousand BGN	Q1 2022 thousand BGN
Energy	-17.7%	726 811	883 274
<i>Insurance, incl.</i>	+367.5%	789 530	168 898
- written gross insurance premiums	+463.5%	643 256	114 148
Financial and investment activity	+134.8%	5 855	2 494
<b>Total Subsidiaries</b>	<b>+44.3%</b>	<b>1 522 196</b>	<b>1 054 666</b>
The parent company	-38.7%	323	527
<b>Total without eliminations</b>	<b>+44.3%</b>	<b>1 522 519</b>	<b>1 055 193</b>
Intragroup eliminations	+255.9%	-2 886	-811
<b>Total revenue</b>	<b>+44.1%</b>	<b>1 519 633</b>	<b>1 054 382</b>

Earnings before interest, taxes, depreciation and amortisation (EBITDA)			
Sectors	Change %	Q1 2023 thousand BGN	Q1 2022 thousand BGN
Energetics	+54.4%	109 893	71 155
Insurance	+3453.5%	217 547	6 122
Financial-investment activity	+248.2%	672	193
<b>Total subsidiary companies</b>	<b>+323.5%</b>	<b>328 112</b>	<b>77470</b>
The parent company	-6.4%	-1 132	-1 208
<b>Total no eliminations</b>	<b>+328.8%</b>	<b>326 981</b>	<b>76 262</b>
<i>In-group eliminations</i>	-157.1%	-461	808
<b>Total EBITDA</b>	<b>+323.7%</b>	<b>326 520</b>	<b>77 070</b>

Financial result			
Sectors	Change %	Q1 2023 thousand BGN	Q1 2022 thousand BGN
Energetics	+120.5%	57 013	25 854
Insurance	+1135.8%	213 839	17 303
Financial-investment activity	+401.7%	592	118
<b>Total subsidiary companies</b>	<b>+527.3%</b>	<b>271 444</b>	<b>43 275</b>
The parent company	+18.1%	-7 593	-6 431
<b>Total no eliminations</b>	<b>+616.1%</b>	<b>263 851</b>	<b>36 844</b>
<i>In-group eliminations</i>	157.9%	147	57
<b>Total financial result from continuing operations</b>	<b>615.4%</b>	<b>263 998</b>	<b>36 901</b>
<b>Net result for the period from discontinued operations</b>	-100%	0	-28
<b>Total financial result</b>	<b>+616%</b>	<b>263 998</b>	<b>36 873</b>

The revenues from the activities of the subsidiaries of the Eurohold group are in the amount of BGN 1.52 billion, realizing a substantial growth of nearly 44%, (increase by BGN 468 million) before taking into account the intra-group calculations. The income of the parent company is BGN 0.3 million. As of 31.03.2023, the amount of eliminated intra-group accounts amounts to BGN -2.9 million.

The realized profit before interest, depreciation and taxes (EBITDA) of the subsidiaries is in the amount of BGN 329 million, increasing during the reporting period 4 times (by BGN 250.6 million). The parent company reports EBITDA -1.1 million BGN. Intra-group eliminations are BGN 0.5 million.

The total amount of realized financial results of the subsidiaries of the Group is in the amount of BGN 271.4 million profit, and the increase in this indicator is 6 times (with BGN 228.2 million). The result of the parent company is in the amount of -7.6 million BGN. Intra-group eliminations are +147 thousand BGN.

## FINANCIAL SITUATION

### Assets

At the end of the first quarter of 2022, the consolidated assets of the Eurohold group grew by 26.6% and amounted to BGN 32.89 78 billion compared to BGN 32.81 61 billion as of 31.12.2022.

### Analysis of the more significant assets

⇒ **Receivables** - The total amount of receivables, including current and non-current, increased by BGN 72.5 million for the reporting period compared to the end of 2021, amounting to BGN 1.86 billion.



## Trade receivables

Other receivables:	Energy		Insurance		financial and investment activity		Parent company		Suspend ed activities **
(BGN thousand)	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023
Receivables from customers and suppliers *	311 611	383 631	37	130	-	-	100	235	311 611
Advances granted	3 123	4 999	-	-	-	-	-	-	3 123
<b>Total</b>	<b>314 734</b>	<b>388 630</b>	<b>37</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>235</b>	<b>314 734</b>

\* Amounts before impairment (see appendix 23.2.1 to the interim condensed consolidated financial statement as of 31.03.2023)

## Other receivables

Other receivables:	Energy		Insurance		financial and investment activity		Parent company		Suspend ed activities **
(в хил. лв.)	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023	31.12.2022	31.03.2023
Other receivables*	86 521	142 743	22 071	14 950	-	240	17 693	18 005	86 521
Prepaid expenses*	4 412	4 632	575	29	-	-	171	122	4 412
Litigation and claims*	42 405	42 404	-	70	-	-	-	-	42 405
Litigation and claims*	1 203	3 009	106	39	-	-	218	217	1 203
<b>Total</b>	<b>134 541</b>	<b>192 788</b>	<b>22 752</b>	<b>15 088</b>	<b>0</b>	<b>240</b>	<b>18 082</b>	<b>18 344</b>	<b>134 541</b>

\* Amounts before impairment (see appendix 23.3, 23.3.2 and 23.3.3 to the interim condensed consolidated financial statement as of 31.03.2023)

⇒ **The financial assets** as of March 31, 2023, owned by the companies of the Eurohold group, report a growth of 81.4% compared to the end of 2022, and their reported value as of March 31, 2023 equals BGN 437.7 million.

Financial assets are the main property of insurance companies, amounting to BGN 355.8 million, of which:

- BGN 3.7 million are government securities;
- BGN 94.7 million corporate bonds;
- BGN 207.1 million capital investments accounted for at fair value through profit or loss; and
- BGN 20.2 million other financial assets

⇒ As of 31.03.2023, the Eurohold group has free cash and cash equivalents in the total amount of BGN 361.5 million, marking an increase compared to the end of 2022 by BGN 147.5 million compared to BGN 214 million at the end of 2022 year, including cash amounts to BGN 1.1 million (BGN 1.1 million at the end of 2022).

⇒ Time deposits in banks of insurance companies are BGN 28,644 thousand (BGN 53,784 thousand in 2022)

Eurohold Bulgaria AD, including its subsidiaries, do not have assets that are reported off-balance sheet.

## EQUITY AND LIABILITIES

### Equity

The total consolidated equity of Eurohold Bulgaria is in the amount of BGN 330.6 million, showing a significant growth of 385% compared to December 31, 2022. In this amount, the capital belonging to the owners of the parent company is in the amount of BGN 289.7 million, while the capital belonging to the non-controlling interest amounts to BGN 40.8 million.

For comparison, at the end of 2022, the capital belonging to the owners of the parent company amounted to BGN 48.3 million, and the capital belonging to the non-controlling interest amounted to BGN 19.9 million, or total equity capital BGN 68 12 million

The share capital of Eurohold as of 31.03.2023 did not change and amounted to BGN 260.5 million.

### Subordinated debts

To support the equity capital, the Group owns subordinated debt instruments in the amount of BGN 48.5 million (see appendix 31 to the interim condensed consolidated financial statement as of 31.03.2023)

### Insurance (technical) reserves

The amount of set aside insurance reserves as of 31.12.2022 is BGN 1.53 billion, and for the current reporting period they have increased by BGN 94.3 million compared to the end of 2021. The share of reinsurers in technical reserves amounts to BGN 1.14 billion compared to BGN 1.08 billion. at the end of 2021

Insurance reserves			
Business activities	change %	31.03.2023 ХИЛ. ЛВ.	31.12.2022 ХИЛ. ЛВ.
Transfer-premium reserve, gross amount	(70)%	138 844	148 045
Share of reinsurers in transfer premium reserve	(80)%	(51 573)	(85 771)
Reserve for unexpired risks, gross amount	(206)%	-	367
Reinsurers' share of the reserve for incurred but unclaimed claims	-	-	-
Reserve for incurred but unclaimed claims, gross amount	(65)%	162 797	195 849
Reinsurers' share of the reserve for claims made but not paid	(65)%	(83 604)	(145 443)
Reserve for claims made but not paid, gross amount	(46)%	213 843	194 368
Reinsurers' share of the reserve for claims made but not paid	(47)%	(100 056)	(123 152)
Other technical reserves, gross amount	(96)%	(137)	(828)
Share of reinsurers in other technical reserves	(100)%	-	584
Mathematical Reserves	3%	5 2090	5 130
<b>Total insurance reserves</b>	<b>(62)%</b>	<b>520 830</b>	<b>5 42 931</b>

## Passives

The consolidated liabilities (without subordinated debts and insurance reserves) of the Eurohold group amount to BGN 1.99 billion, reporting a increase of 1.9% compared to the comparable period, when their value was BGN 1.95 billion.

### Analysis of the more significant liabilities

» The majority of liabilities represent obligations for borrowed funds to banks and non-bank financial institutions and bond loans. The total amount of debt obligations amounted to BGN 1.34 billion compared to BGN 1.35 billion as of December 31, 2022.

Obligations for loans from banks and non-bank institutions, and bond issues:	31.03.2023 thousand BGN	Change %	31.03.2022 thousand BGN
<b>To banks and non-bank financial institutions, including:</b>	<b>1 120 812</b>	<b>0.3%</b>	<b>1 116 931</b>
- non-current liabilities	1 005 130	0.8%	997 157
- current liabilities	115 682	-3.4%	119 774
<b>On bond loans, including:</b>	<b>214 804</b>	<b>-6.2%</b>	<b>228 891</b>
- non-current liabilities	210 818	-7.3%	227 320
- current liabilities	3 986	153.7%	1 571
<b>Total debt obligations, including:</b>	<b>1 335 616</b>	<b>-0.8%</b>	<b>1 345 822</b>
- total non-current liabilities	1 215 948	-0.7%	1 224 477
- total current liabilities	119 668	-1.4%	121 345

Loan obligations from banks and non-banking institutions, and bond issues by business sector:	31.03.2023 thousand BGN	Change %	31.12.2022 thousand BGN
<b>To banks and non-bank financial institutions, including:</b>	<b>1 120 812</b>	<b>0.3%</b>	<b>1 116 931</b>
- Energy	1 009 800	1.8%	992 336
- Insurance	550	82.7%	301
- Parent company	110 462	-11.1%	124 294
<b>On bond loans, including:</b>	<b>214 804</b>	<b>-6.2%</b>	<b>228 891</b>
- Parent company	214 804	-6.2%	228 891

## CASH FLOWS

The Consolidated Statement of Cash Flows is made up of sections and line items in which cash flows are reflected according to the activity from which they arose, grouped into operating, investing and financing activities.

Consolidated cash flows		31.03.2023	31.12.2022
Net cash flows from operating activities	BGN thousand	273 177	197 213
Net cash flows from investing activities	BGN thousand	(114 713)	(108 181)
Net cash flows from financing activities	BGN thousand	(10 800)	131 706
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>BGN thousand</b>	<b>147 523</b>	<b>220 738</b>
Cash and cash equivalents at the beginning of the year	BGN thousand	214 012	156 340
<b>Cash and cash equivalents at the end of the period</b>	<b>BGN thousand</b>	<b>361 535</b>	<b>377 078</b>

During the periods under review, the Group companies generated sufficient and positive cash flow to carry on their normal operating activities.

## OVERVIEW OF KEY RESULTS BY BUSINESS LINE

### RESULTS OF BUSINESS ACTIVITIES

#### EUROINS INSURANCE GROUP - INSURANCE

In the first quarter of 2023, Euroins Insurance Group (EIG, the Group) realized consolidated income from insurance premiums in the amount of BGN 645 million compared to BGN 469 million in 2022. EIG reports a consolidated profit of BGN 214 million (before taxes) as of March 31, 2023, compared to BGN 18 million of profit before taxes as of March 31, 2021.

On March 17, 2023, the Romanian regulator (Autoritatea de Supraveghere Financiara, "ASF") revoked the license to carry out insurance activity of "Euroins Romania - Asigurare Reasigurare" S.A. ("Euroins Romania"). The level of capital stability of EIG remains unchanged mainly due to the practical reduction of risk in the Group's insurance activity and in view of the deconcentration of risks in Eastern Europe. As a result of the complete exclusion of Euroins Romania from EIG's consolidated balance sheet, capital stability remains within the limits of the last 12 months, namely:

- Solvency Capital Requirement coverage of 132%;
- minimum solvency requirement coverage of 216%.

EIG remains a stable company and ensures full protection of the interests of all stakeholders, insured persons and partners in all markets in which its subsidiaries operate. EIG and its shareholders will continue to protect the interests of all insured persons and their investors through appropriate legal actions both in Romania and in the European Union.

The management of EIG, with the support of its majority owner Eurohold AD, announced that all other subsidiaries and businesses of Eurohold in all the remaining 11 markets in which they operate, including insurance and energy, are operating and will continue to operate as usual and without any problems, serving their customers and duties and executing their business plans for the year.

In connection with the decision of the financial regulator in Romania against Euroins Romania, the holding has started a procedure to challenge this decision in all competent courts in Europe and around the world. Meanwhile, the management of EIG with the support of Eurohold AD is ready for adequate actions in the event that the license of the subsidiary is restored, which, according to the management's estimations, will prevent expected losses for Romanian taxpayers of 1 billion euros and allow the parent company - Euroins Insurance Group AD (EIG), to continue to support the development of the company.

The judgment of EIG's management to write down the investment in the Romanian company was based on the existing management and control constraints of the subsidiary, rather than on an unstable financial condition. The management of Eurohold confirmed the good financial condition of the Romanian insurer at the date of license revocation with specific data and examples. As of March 17, Euroins Romania has more than 110 million lei in current assets, including 40 million lei in cash and short-term receivables from insurance brokers and intermediaries for 70 million lei, which must reach the company within 5 days. At the same time, the daily operating costs of the company are in the order of 5-5.5 million lei, and current liabilities for another 1-1.5 million lei are added to them.

One of the leading rating agencies in the world - Fitch Ratings, lowered its rating for Euroins Romania from "B+" to "SS" and placed it under monitoring and subsequent development. At the same time, Fitch Ratings leaves unchanged the ratings of the other companies evaluated by it, which are part of Euroins Insurance Group AD - ZD Euroins AD and the reinsurer EIG Re AD, as well as the group itself.

The European Bank for Reconstruction and Development (EBRD), which is a minority shareholder in Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD, published on its website on April 5 a position on

the case with Euroins Romania and on the state of the Romanian insurance market. The EBRD is in active discussions with all responsible parties to reach a solution in relation to the market turmoil caused by the revocation of Euroins Romania's license. Euroins Romania has already disclosed triggered clauses that effectively remove the reinsurance coverage of assumed risks under insurance claims in Romania and create a significant volume of uncovered liabilities. The EBRD wants to help find a solution that does not generate additional costs for policyholders and taxpayers. Therefore, together with EIG, the bank made a proposal to ASF to find such a solution.

Euroins Insurance Group (EIG) continues to be one of the largest independent insurance groups in Central and Eastern Europe, with leading positions in Bulgaria, Romania, North Macedonia, as well as a wide presence in the markets of Poland, Greece, Ukraine and Georgia. The EBRD will continue to work together with the management of EIG and other interested parties to find a workable solution in Romania that will benefit everyone - the company, consumers in Romania and the Romanian insurance industry market.

In February 2023, Euroins Romania signed a quota reinsurance contract with EIG Re EAD, the reinsurer of Euroins Insurance Group AD (EIG). Eurohold and EIG Re have duly informed the competent state authorities and the financial regulator in Bulgaria about this new measure, and Euroins Romania - the relevant financial regulator in Romania. The agreement between Euroins Romania and EIG Re was concluded in accordance with all European requirements and covers the full amount of damage to Euroins Romania. The new reinsurance contract also ensures the transfer of a significant part of the risk (87%) assumed by Euroins Romania, outside the company.

In connection with the above-mentioned reinsurance contract with Euroins Romania, a significant increase in the amount of written premiums from EIG Re has been observed, which have the character of the minimum and deposit premium in the part for the retrospective reinsurance coverage and have a one-off effect related to the expected outgoing payments on the potential retrocession coverage, which was in the process of being concluded until March 17, 2023. After the events related to the decision issued by the ASF and the subsequent termination of the contract, according to the requirements of the contract itself, the premium in question, having the character of a minimum and deposit premium, leads to a significant financial result realized by EIG Re.

## Results by insurance companies

### Euroins Bulgaria

In the first quarter of 2023, Euroins Bulgaria reported gross written premiums of BGN 103 million compared to BGN 86 million in the first quarter of 2022. The main reason for this growth of 19% is direct insurance premiums due to the increase in written non-motor business.

The Company's businesses in the Republic of Greece and the Republic of Poland respectively have a share in gross premiums written of 17% (Q1 2022 -22%) and 22% (Q1 2022 - 22%). IG Euroins AD also reports an increase in recorded business in Great Britain, which at the end of March 2023 was in the amount of BGN 14 million (Q1 2022 - BGN 9 million). From July 2022, the business in Great Britain is not entirely fronting, with Euroins Bulgaria retaining 10% risk.

Growth is marked by basic non-motor lines such as Accident and Travel Assistance (37%), and a significant role for this increase is played by the reported income under Travel Assistance insurance in Great Britain in the amount of BGN 14 million (Q1 2022: BGN 7 million), Liabilities (13%), Cargo (469%) – due to the significant increase in cargo transit of grain from Ukraine and Property (49%).

Motorist liability insurance reduced its share of total premiums, compared to the comparative period - from 49% for the first quarter of 2022 to 44% for the first quarter of 2023. Casco car insurance reduced its share by 1% point or from 10% for the first quarter of 2022 to 9% for the first quarter of 2023.

Motorist Liability insurance sales reported an increase in Poland, where in the first quarter of 2023, Euroins Bulgaria reported gross premiums of BGN 20 million (Q1 2022: BGN 17 million), or an increase of 16%.

The branch of Euroins Bulgaria in Greece reported sales of Civil liability of motorists similar to those for the comparable period or BGN 12 million. Assistance supplements to the concluded insurances in the amount of BGN 2 million for the first quarter of 2023 (Q1 2022 - BGN 2 million) are successfully placed.

In Bulgaria, a decrease of 9% is reported in the sales of Civil liability of motorists - 11.5 million BGN for the first quarter of 2023 against 12.5 million BGN for Q1 2022. This is due to the reduced average price of the insurance, while at the same time the number of policies sold has increased.

Net earned premiums amount to BGN 42 million (Q1 2022: BGN 48 million), and claims incurred, net of reinsurance, reach BGN 21 million (Q1 2022: BGN 27 million).

The main coefficients that characterize the efficiency of ZD Euroins AD activity in the first quarter of 2023 have the following percentage expression:

Loss ratio: 41.8% (Q1 2022: 63.4%);

Combined quota: 99.1% (Q1 2022: 95.3%)

Net acquisition costs increased significantly in the first quarter of 2023 compared to the previous period. The increase is mainly related to the change in the calculation method of the estimated acquisition costs for the business in the UK and the increased acquisition in respect of the business in Spain.

Administrative expenses increased by 12% compared to the comparable period, but related to net premiums earned decreased by about 1% points.

The result of investment activity is positive - BGN 608 thousand (Q1 2022: BGN 221 thousand profit).

In the first quarter of 2023, Euroins Bulgaria reports a profit for group purposes in the amount of BGN 400 thousand before taxes (Q1 2022: BGN 2.4 million before taxes).

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### **Euroins North Macedonia**

Euroins North Macedonia follows its sustainable development strategy and reports recorded gross premiums in the amount of BGN 8 million and a positive financial result - respectively profit before taxes of BGN 2 million (first quarter of 2022 - BGN 176 thousand).

The Company's main business lines are motorists' civil liability insurance and agricultural insurance.

In the case of agricultural insurance, which has a major share of the Company's portfolio, the recorded business is in the amount of BGN 3.3 million (Q1 2022 - BGN 3.1 million) or 38% of the total gross premiums recorded for the period (Q1 2022 - 42%).

Motorist liability insurance sales increased compared to the comparable period, where gross revenue was realized in the amount of BGN 3.4 million (Q1 2022 - BGN 2.7 million) or 40% of the total gross premiums recorded for the period (Q1 2022-38 %).

Claims incurred, net of reinsurance, decreased by 21% compared to the comparable period, while net premiums earned increased by 8%.

Administrative expenses decreased by 12% compared to the previous year.

Net acquisition increased by 10%, which is due to the increase in written business, and related to net premiums earned decreased by 0.7% points.

The result of investment activity is positive - BGN 679 thousand (Q1 2022 year - BGN 55 thousand loss).

The realized profit for group purposes is in the amount of BGN 2 million before taxes (Q1 2022 - BGN 176 thousand profit).



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## Euroins Life

The gross premium income of Euroins Life for the first quarter of 2023 is BGN 3.2 million (Q1 2022 - BGN 2 million) or an increase of 58%.

The loss ratio decreased from 27% for the first quarter of 2022 to 23% in the current period.

The result of investment activity is positive - BGN 8 thousand (Q1 2022 - BGN 783 thousand profit).

The ratio of acquisition costs decreased from 71.9% for the first quarter of 2022 to 61.3%. The high amount of acquisition costs is a result of the change in the sales strategy from direct sales to the use of distribution channels - non-bank financial institutions and brokers in 2021.

In the first quarter of 2023, Euroins Life reports a profit for group purposes in the amount of BGN 101 thousand before taxes (Q1 2022 - BGN 528 thousand profit before taxes).

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## EIG Re

In the first quarter of 2023, EIG Re reported gross premiums of BGN 538 million, a significant increase compared to Q1 2022 - BGN 5 million. This increase has a one-off nature and is due to the events related to the decision issued by ASF on March 17, 2023 to revoke the license of Euroins Romania and the subsequent termination of the quota reinsurance contract concluded in February 2023 between EIG Re and Euroins Romania, in accordance with the requirements of which, the premium having the character of a minimum and deposit premium leads to a significant financial result realized by EIG Re.

In connection with the prospective reinsurance coverage (for events occurring in 2023), EIG Re realized premium income of about BGN 160 million, and in connection with the requirements of the contract, it also recognized a flat commission of 25% for this newly registered business, resulting in growth in the Company's total acquisition costs in Q1 2023.

Following the occurrence of the delicensing events in March 2023, EIG Re is evaluating both its assets and potential future liabilities in relation to its existing relationship with Euroins Romania and reports:

- impairment of reinsurance receivables for about BGN 27.5 million, which is also the reason for the increased financial costs of the Company;
- a provision for potential legal disputes in the amount of BGN 27.1 million, which in turn leads to an increase in the Company's operating costs.

Active reinsurance accounted for the majority of the written business in the first quarter of 2023 - 99% or BGN 273 million (including the one-time effect of the termination of the quota reinsurance contract with Euroins Romania), and fronting - 1% or BGN 2 million.

The main share of the active reinsurance portfolio of the Company falls on "Cargo" (67%) and "Property" (14%) insurances, and from the fronting portfolio of "Property" (81%) and "Liability" (12%).

The result of investment activity is negative - BGN 29 million (Q1 2022 - BGN 137 thousand profit). The loss is related to the impairment of reinsurance receivables in the form of financial assets for about BGN 27.5 million.

A provision for potential legal disputes in the amount of BGN 27.1 million is presented as an increase in the Company's operating expenses.

A profit for group purposes in the amount of BGN 213 million before taxes was reported (Q1 2022 - BGN 315 thousand).

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### **Euroins Ukraine**

In the first quarter of 2023, the Company recorded written gross premiums in the amount of BGN 6 million against BGN 7 million for the comparable period or a decrease of 9% compared to the previous period. A greater part of the realized premium income during the considered quarters of 2022 and 2023 is formed on the basis of sales in the Western part of Ukraine, which is relatively much less affected by the hostilities.

The main business lines in which the company specializes are motor insurance, and non-motor - health insurance.

Recorded business under Motorist Liability increased from BGN 2.6 million for the first quarter of 2022 to BGN 4 million, and under Health Insurance decreased from BGN 1.4 million for the first quarter of 2022 to BGN 1.3 million

However, the loss ratio increased from 43.8% in the first quarter of 2022 to 62.5% in the current quarter.

Administrative expenses decreased in the first quarter of 2023 by 23% compared to the comparable period, while acquisition expenses decreased by 12%.

The result of investment activity is positive - BGN 528 thousand (Q1 2022 - BGN 216 thousand profit).

The company reports a loss before taxes for group purposes in the amount of BGN 684 thousand (Q1 2022 - profit of BGN 77 thousand before taxes).

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### **European Travel Insurance, Ukraine**

In the first quarter of 2023, the Company recorded premiums totaling BGN 1.4 million, which represents a 69% decrease compared to 2022 (Q1 2022 - BGN 4.5 million). A greater part of the realized premium income in 2022 was formed in the period before the start of the military conflict in Ukraine in the first quarter of the year.

Travel Assistance and Accident insurances hold 100% share in the Company's portfolio.

Despite the significant reduction in premium income, the Company reported a profit of BGN 322 thousand before taxes (Q1 2022 - BGN 1 million). The reported positive financial result is due to the Company's low administrative costs and fully online sales of insurance, which helps its flexibility and ability to react to various shock situations, such as the more than two-year-long Covid-19 pandemic and the ongoing military conflict in the country. However, travel reductions continue to have a strong negative impact on its operations in the first quarter of 2023 as well.

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### **Euroins Georgia**

Insurance company Euroins Georgia specializes in Accident and Illness insurance.

In the first quarter of 2023, these insurances form 43% of the Company's portfolio, followed by Casco with a 31% share.

The total amount of written premiums in the first quarter of 2023 is BGN 4.5 million, or an increase of 14% compared to the previous year.

The result of investment activity is negative – BGN 303 thousand (Q1 2022 year – BGN 174 thousand profit).

The technical result is also negative - BGN 70 thousand (Q1 2022 - BGN 40 thousand loss). The loss ratio increased from 61.4% for the first quarter of 2022 to 69.4% for the current period.

Administrative expenses increased by 44%, but relative to net premiums earned increased minimally from 29.1% to 29.4%. Net acquisition decreased by 45% compared to the comparable period.

## **EASTERN EUROPEAN ELECTRIC COMPANY II B.V. (EEEC II) - ENERGY**

Eastern European Electric Company II B.V. (Eastern European Electric Company II B.V., EEEC), a holding company registered in the Netherlands with a subject of activity - participation, management, control and financing of companies, unites the companies acquired on 27.07.2021 operating on the territory of Bulgaria in the energy segment.

At the end of July 2021, Eastern European Electric Company B.V. acquired the Assets of CEZ Group in Bulgaria, turning the energy group of Eurohold (now the Electrohold Group) into the largest independent private energy group in the country.

As of 31.03.2023, the Electrohold group consists of eight operating companies operating in the field of distribution, supply, electricity trading and inter-company management, information technology services, and three specially created companies for the purpose of unifying Eurohold's energy investments.

### **Financial performance of energy companies**

Energy companies for the period from 01.01.2023 to 31.03.2023 generated operating profit from their activities in the amount of BGN 155.8 million and net profit in the amount of BGN 57 million.

For the first quarter of 2023, the Elektrohold energy companies realized a total of BGN 727 million in operating income.

### **Analysis of material income and expenses**

<b>Income from energy activity</b>	<b>BGN thousand</b>
Customers on the open market	389 637
Household consumers	255 310
Business users	66 228
Revenues from customer connection fees	4 077
Late payment penalties	990
Revenues from services for the survey, repair and maintenance of the electricity distribution network, and commercial metering facilities	2 626
Revenues from information, communication, technology (ICT) and other services	194
Revenue from the Electricity System Security Fund	84
Other revenue	7 665
<b>Total revenue from energy activities</b>	<b>726 811</b>
<b>Energy activity costs</b>	<b>BGN thousand</b>
Cost of purchased electricity	490 594
Technology costs for electricity transmission	64 970
Balancing energy	14 978
Transmission and access service costs	478
Other costs	22

<b>Total energy activity costs</b>	<b>571 042</b>
<b>Other operating expenses</b>	
	<i>BGN thousand</i>
Cost of materials and supplies	2 770
Expenses for external services	13 077
Employee benefit costs	27 295
Other operating expenses	431
<b>Total other energy activity costs</b>	<b>43 573</b>

» *The financial income/expenses*

<b>Financial income/expenses</b>	<i>BGN thousand</i>
<b>Financial income</b>	<b>954</b>
Interest income	665
Other financial income	289
<b>Financial costs</b>	<b>20 125</b>
Interest expenses on bank loans	19 383
Interest expense on right-of-use assets	115
Other financial costs	627
<b>Financial income/expenses (net)</b>	<b>(66 307)</b>

**Analysis of material Assets, Equity and Liabilities**

<b>Assets</b>	<i>BGN thousand</i>
Property, plant and equipment	848 337
Intangible assets	96 045
Inventories	32 931
Current accounts receivable	371 991
Financial assets for sale	19 268
Cash and cash equivalents	335 276

<b>Liabilities</b>	<i>BGN thousand</i>
Non-current liabilities for loans received from banking and non-banking institutions	998 294
Current liabilities for loans received from banking and non-banking institutions	19 193
Current trade and other obligations	271 332

## EURO-FINANCE AD - INVESTMENT MEDIATION AND ASSET MANAGEMENT

### (Financial and investment activities)

EURO-FINANCE AD holds license No. RG-03-0004/11.07.2008 from the Commission for Financial Supervision to carry out activities as an investment intermediary on the territory of the European Union and the European Economic Area and in third countries.

Euro-Finance is an investment intermediary, a member of the Frankfurt Stock Exchange, giving direct access to Xetra® through the EFOCS trading platform. The company also offers trading of currencies, indices, stocks and precious metals through contracts for difference on the EF MetaTrader 5 platform.

The company also has the highest equity capital of all investment intermediaries, according to the FCS data.

During the reporting period, Euro-Finance AD continues to follow the activities set out in the development program in the direction of developing online service for individual clients, increasing funds under management and participation in projects related to corporate consulting and restructuring.

In the first quarter of 2023, "EURO-FINANCE" AD continues to offer its services through two tied agents, entered in the Register of the Financial Supervision Commission as such, as follows:

» Affiliated agent "Winners Group" EOOD, entered in the Trade Register and the Register of the National Center for Registration at the Registration Agency with EIC: 204522460, with headquarters and management address in the city of Sofia, Vazrazhdane district, "Alexander Stamboliyski" Blvd. No. 84, building "Urban Model", floor 6, entered in the Register of persons who can perform activities as bound agents of the FSC based on Decision No. 19 - OA dated 14.01.2021 of the FSC.

» Affiliated agent "Studio Personal Finances" Ltd., entered in the Commercial Register and the Register of the National Center for Registration at the Registration Agency with EIC: 206297756, with headquarters and management address in the city of Sofia, 3 Dr. Hristo Stambolski Street, fl. 3, entered in the Register of persons who can perform activities as bound agents of the FSC on the basis of Decision No. 496 - OA dated 15.07.2021 of the FSC.

Bound agents are persons under Art. 33, para. 1 of ZPFI, which are commercial companies and which, for the purpose of promoting the sales of the services of "EURO-FINANCE" AD, provide and carry out for remuneration on its behalf and under its full and unconditional responsibility one or more of the following investment services and activities:

1. sending invitations to clients to conclude transactions;
2. acceptance and transmission of orders from customers;
3. offering financial instruments.

Affiliated agents provide the above-mentioned services to the clients or potential clients of "EURO-FINANCE" JSC only in relation to the shares of collective investment schemes of AMUNDI.

### Analysis of the Company's results as of 31.03.2023.

Euro-Finance is an investment intermediary, a member of the Frankfurt Stock Exchange, giving direct access to Xetra® through the EFOCS trading platform. The company also offers trading of currencies, indices, stocks and precious metals through contracts for difference on the EF MetaTrader 5 platform.

The company also has the highest equity capital of all investment intermediaries, according to the FCS data.

During the reporting period, Euro-Finance AD continues to follow the activities set out in the development program in the direction of developing online service for individual clients, increasing funds under management and participation in projects related to corporate consulting and restructuring.

The company realizes net income from core activity for the first three months of 2023 in the amount of BGN 1,150 thousand, generated by:

- » Interest income – BGN 92 thousand;
- » Other income from main activity – BGN 1,058 thousand;

The expenses for the period, related to the current service of the company (administrative expenses), amount to BGN (558) thousand (BGN 2,325 thousand for Q1 2021)

As of 31.03.2023, the company's equity is 24 million. BGN, of which 14.1 mill. BGN basic (share) capital.

### ***EUROHOLD BULGARIA AD - INDIVIDUAL BASIS***

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The results of the activity of Eurohold Bulgaria AD for the first three months of 2023 are available on the company's website [www.eurohold.bg](http://www.eurohold.bg), in the "Financial Information" section.

## STRATEGIC FOCUS AND TRENDS

### STRATEGIC DIRECTION OF EUROHOLD FOR THE FUTURE DEVELOPMENT OF THE GROUP

#### **STRATEGIC DIRECTION OF EUROHOLD FOR THE FUTURE DEVELOPMENT OF THE GROUP**

The development trends of Eurohold Bulgaria AD are related to the strategic goals in the development of the insurance and energy business. Therefore, the future development of the Holding is considered at the group level and is entirely related to the achievements of the subsidiary companies, their opportunities for generating revenue and profit growth, maintaining a stable capital structure, creating innovative products to strengthen their competitiveness, strengthening and growth of their market positions in the regions in which they operate.

The prospects of the Eurohold Group for 2023, after the exemption from investments in the automotive and leasing activities carried out in 2022, in accordance with the current strategy of Eurohold Bulgaria AD, will be aimed at organic growth and improving the profitability of the operational activities of the companies in the energy sector and insurance. Eurohold's focus will be on strengthening the positions of the subsidiaries in the markets in which they operate and further improving their efficiency, capitalization and profitability, while the process of diversifying the product portfolio will continue.

The acquired energy companies and the development of the energy business by Eurohold will have a significant positive effect on the future development of the Group and will contribute to the improvement of the group results, as well as the realization of higher volumes of newly generated business, respectively income from the activity.

The adopted strategy of Eurohold to enter the energy business and sell the automotive and leasing activities (on 30.06.2022), which are on the one hand significantly more sensitive to external influences and impacts in the event of shocks to the external environment, and on the other hand require significant financing of its activity (primarily external financing) provides a good market opportunity for the implementation of the medium and long-term plan of Eurohold Bulgaria AD, namely diversification of the portfolio, lowering of market risk and increasing the share of regulated markets. This will lead to higher precision in cash flow forecasting and more stable profitability. These effects will be felt as early as 2023.

#### **INFLUENCE OF THE EXTERNAL ENVIRONMENT ON DEVELOPMENT TRENDS**

The results for the first quarter of 2023 confirm the correct choice of strategy.

The activity of Electrohold is of the greatest importance for the performance of the Eurohold group. The construction of a vertical business model has begun, which includes the production of energy from renewable sources, distribution, supply and trading of clean electricity. This creates solid opportunities for growth and fits perfectly into the EU's green transition strategy.

Regarding the insurance business, despite the negative situation in Romania with the revoked license of Euroins Romania, we will continue to provide quality, reliable insurance services and continue the process of diversification of the insurance portfolio.

At the moment, the necessary measures have been taken so that all companies in the group are well positioned, capital stable, solvent, fulfilling the set investment plans, with continuous improvement of their operational performance and good prospects for the future expansion of their business.

### **OBJECTIVES TO ACHIEVE OUR STRATEGY**

As before and in 2023, we are dedicated to helping our companies in all sectors and countries in which we operate, both financially and by finding solutions and providing reliable advice aimed at improving productivity and efficiency. increasing competitiveness and growth prospects.

In order to achieve our goals, we examine how external factors affect our operations and take into account all trends in the business environment and consumer attitudes. While factors such as the impact of Covid-19 and digitization have been at the forefront until recently, the most significant driver of change for all business sectors is currently the energy transition. In our position of operating in the energy business with the largest share in Bulgaria, we are aware of our role in this difficult transition. Our efforts and focus in 2023 will be directed primarily to solutions and investments related to the energy transition. Our goal, for which we are in an advanced phase of implementation, is production from renewable sources, distribution, supply and trading of electricity. By the end of this year, 2023, we expect to have in our portfolio photovoltaic plants with a total installed capacity of 500-600 MW. This will make Electrohold one of the leaders in the supply of green energy to businesses through long-term contracts.

In addition, we continuously monitor our regulators and the introduction of new regulatory disclosure requirements for both public companies and the sectors in which we operate. All companies of the Eurohold group are highly regulated and directly affected by the adopted new regulations, and their future development is largely dependent on the applicable legislation, changes in the regulatory framework and the decisions of the regulatory authorities.

In this regard, and given the increasing requirements for disclosure of information related to sustainability, as well as the presentation of integrated financial and non-financial information in one report, our priority goal for 2023 is the preparation of a group ESG strategy on sustainable management, including climate risk management, and making clear commitments at all functional levels to reduce our impact on climate change. We are currently actively working and are in the final stages of identifying the ESG factors affecting each of our activities in the group. As a large holding company operating in different segments and with different regulations, this process turned out to be longer than originally planned. In addition, the changes in the organizational structure that occurred in 2022 (companies and business sectors left the Eurohold group) further delayed this process, as we had to go through all the analyzes again and rethink the identified ESG factors, indicators and metrics. Our ambition is that by the end of 2023 the process of integrating our overall ESG strategy will be fully completed with commitments, including the necessary company-by-company training, so that in the annual consolidated report of Eurohold Bulgaria AD for 2023. to report a comprehensive sustainability report.

There are no other known trends, fluctuations, requirements, commitments or events that are reasonably likely to have a significant effect on the activity and financial condition of the Eurohold group for at least the next financial year in the segments in which it operates.



## OTHER EVENTS AFTER THE END OF THE REPORTING END PERIOD

### Macroeconomic events

✎ The group continues to monitor and take all necessary measures in order to preserve the health of workers and minimize the impact of the crisis caused by COVID-19.

✎ The management of Eurohold is following with concern the development of the military conflict between Russia and Ukraine, and is assessing its impact on the Group's business by analyzing the impact on both sides of the conflict.

The created military situation is extremely dynamic and the management at this stage cannot make a qualitative and quantitative assessment of its impact on the Company, as it will be evaluated over time depending on its development and duration.

At the end of 2022, the management of Eurohold Bulgaria and the subsidiary Euroins Insurance Group decided to release the insurance group from its participation in the companies in Belarus and Russia (associated participation). On December 30, 2022, Euroins Insurance Group (EIG) signed an agreement for the sale of the two companies, as from the date of the agreement, EIG and Eurohold will not consolidate the results of these companies in their report. Until the date of the transaction, EIG owned 100% of the company's capital in Belarus and 48.61% of that in Russia. These participations added insignificant values to the consolidated results against the background of the assets of the insurance subholding and the assets of Eurohold Bulgaria AD. EIG's business in the two countries accounted for less than 1% of the insurance group's 2022 revenue.

Management will continue to monitor the potential impact and take all possible measures to mitigate the potential effects.

### Events that occurred for the Eurohold group after the reporting period date

✎ All important events in the Eurohold group that occurred after the date of the reporting period are presented in the "Important Events" section of this Activity Report.

The Management Board of Eurohold Bulgaria AD is not aware of any other important or significant events that occurred after the end of the reporting period and which have not been disclosed in this Report.

## DESCRIPTION OF PRINCIPAL RISKS

This section describes the risk factors affecting the core business of the Eurohold Group.

In the event that any of the risks described in this section occur even partially or in combination with other risk factors or circumstances, this may have a significant adverse effect on the company's operations, the results of its operations or its financial condition. If this leads to a reduction in the market price of the shares, investors may lose part or all of their investment. Additional risks and other uncertain events that are not currently known or are considered insignificant as of the date of this report may also have a material adverse effect on the operations of Eurohold Bulgaria AD, the results of operations or its financial condition.

We warn potential investors that the future results of the company's activities may differ significantly from past results as a result of the occurrence of the described risks, or many other risk factors.

The users of this report should keep in mind that Eurohold Bulgaria AD develops its activities through its subsidiaries, in this regard its financial condition, operating results and development prospects are directly dependent on the condition, results and prospects of its subsidiaries. The most significant risks affecting the companies of the Eurohold group are listed below.

### 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.

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#### ⇒ Risks related to the activity and structure of Eurohold

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. As of 31.03.2023, the companies of the Eurohold Bulgaria AD group operate in the following sectors: "energy", "insurance" and "investment mediation 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.

The development trends of the Eurohold Group are directly related to the risk factors influencing the activity and business sector of the companies of the economic group, their prospects, growth potential, the ability to generate revenues and profits and maintain a stable financial position.

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.

Due to the factors described above, the risks associated with Eurohold's activities must be considered together with the specific risks for each business sector represented in its economic structure.

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### ➤ 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**

Credit risk reflects possible losses as a result of unexpected default or deterioration of the credit position of counterparties or debtors of subsidiaries over the next 12 (twelve) months. The Group maintains its established relationships with leading reinsurance companies in the industry with a high credit rating, which minimizes the risk of default of the type 1 counterparty.

### **Operational risk**

Operational risk means the risk of loss as a result of inappropriate or malfunctioning internal processes, people or systems, or external events. The executive directors of the companies within the scope of the Group in connection with the operational risk management:

- have distributed the powers and responsibilities for operational risk management and has an approved list of employees responsible for identifying and reporting operational events;
- carry out operational control over the periodicity and completeness of the reports and assessments of the operational risk, prepared by the risk management function.

The main sources of operational risk at the group level are personnel, processes, systems, internal events. Losses from operating events that arise as a result of different combinations of factors are classified into several main categories:

- internal fraud;
- external fraud;
- customers, product and business practices;
- damage to tangible assets;
- interruption of the activity and / or failure of the information system;
- management of execution, delivery and processing.

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

### **Insurance risk management**

The objective probability of damage to property or non-property goods, the realization of which is uncertain, unknown and regardless of the will of the insured person represents an insurance risk.

An insurance contract is a contract under which the Group assumes significant insurance risk on the other hand (insured person) by agreeing to compensate the insured person or other beneficiary in the event of a specific unexpected future event (the insured event) that adversely affects the insured person or beneficiary.

The property is subject to a number of risks, including theft, fire, business disruption and weather conditions. Compensation for phenomena such as storms, floods, landslides, fires, explosions, and rising crime rates occur on a regional scale, which means that each company manages the distribution of its geographical risk very carefully. In the event of an earthquake, each company expects the real estate portfolio to include high claims for structural real estate claims and large claims due to business disruptions, while transportation links are down and the property is closed due to renovations. Each company accepts the total risk exposure, which is ready to take in certain areas for a number of events such as natural disasters.

The current aggregate position is monitored during the signing of a risk and monthly reports are prepared, which show the key concentrations to which each of the Group companies is exposed. Each of the insurance companies uses different modelling tools to control concentration and simulate catastrophe losses to measure the effectiveness of reinsurance programs and their net risk exposure. During the year, "stress" and "scenario" tests are conducted using these models.

The greatest probability of significant losses for any insurance company arises from catastrophic events such as floods, damage, claims from storms or earthquakes. Each company manages its risk by concluding

reinsurance contracts.

The opinion of the management regarding the concentration of risk is that efforts have been made for equal territorial distribution of the insured property. The risk is systematically assessed by the Reinsurance Director of the respective company and the accumulation of insurance amounts by regions is monitored.

The Management does not consider that at the end of the reporting period there are significant concentrations of insurance risk in the portfolio of each insurance company, part of the Group. The opinion of the Management regarding the concentration of the insurance risk is that efforts have been made for a relatively even distribution of the insured property and cars. A systematic risk assessment is performed and the accumulation of insurance amounts is monitored both by groups of clients and by regions.

## Reinsurance risk management

Insurance companies, part of the Group, assign their insurance risk to limit their exposure to losses when concluding various insurance contracts that cover individual risk, group risks or certain lines of co-insurance business, which are renewable on an annual basis. These reinsurance contracts distribute the risk and minimize the effect of losses. The amount of each risk retained depends on the assessment of the specific risk of each company, which in certain circumstances reaches limits based on the characteristics of the coverage. Under the terms of the reinsurance contracts, the reinsurer agrees to reimburse the assigned amount in the event that the indemnity is paid. However, each company remains liable to its insured persons in respect of the assigned insurance if the reinsurer fails to meet the obligations it assumes. In non-life insurance, the predominant use of reinsurance aims to manage exposures to time-related events, natural events, multi-victim events, catastrophic fires and responsibilities (General Civil Liability and Motor Third Party Liability). When choosing a reinsurer, each company takes into account relative security. The security of the reinsurer is assessed on the basis of a public rating and conducted internal surveys.

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### ➤ Energy business

## Regulatory risk

The regulatory risk is related to the impact of the existing regulatory framework or its change on the Company's activities, as well as to potential fines and sanctions due to violations of this framework.

The energy business is a highly regulated economic sector, as the financial results of the companies operating in the field of energy are directly dependent on a number of normative acts and decisions of the state regulatory body (EWRC). Companies are at risk of not taking into account all the costs associated with their normal activities when setting electricity prices by the regulator.

- Risks related to unpredictability of the changes in the regulations and possible negative impact of these changes on the activities of the Company;
- Risk of revocation of licenses;
- Risk of imposition of a fine by the CPC and EWRC;
- Risk of inability of the Company to cover all its operating costs under the final supplier license, as well as risk of lack of regulatory changes allowing their reduction;
- Risks related to the behaviour of key market participants and their impact on the electricity market;
- Risks related to increased financial requirements for companies such as mandatory guarantees and deposits from key market participants;
- Risks related to the way of organization, model, structure and vision for the development of the free electricity market;
- Risks related to the introduction of additional legal direct and indirect obligations to producers, traders, customers and network companies on the free electricity market, incl. increase and / or introduction of new fees, taxes, contributions, energy efficiency obligations.

The dynamics of regulatory changes related to the European Union's strategy for liberalization and development of energy markets is directly dependent on the political situation. Frequent changes in the political environment are a prerequisite for a more unstable and difficult to predict regulatory environment.

## Market risk

Risk related to the consumption of electricity and the price for the purchase of energy for technological costs on an organized stock market due to economic, political, technological reasons and climate change, as well as the risk of liberalization of the electricity market. These are risks that arise from reasons external to the Company and the Company's ability to effectively influence the factors determining this risk is severely limited. Market risks can be characterized as:

- Risks related to competition and switching suppliers on the free market;
- Risks related to the changes in the prices of electricity on the wholesale market and their impact on the energy position and the expected trade margin of the Company;
- Risks due to the expressed volatility and unpredictability of the wholesale market and the fundamentals influencing (prices of natural gas, fuels, CO2 emissions, RES, EU policy, market mergers, climate change, etc.);
- Risks related to liquidity and adequate supply of long-term energy products on the wholesale market, corresponding to the consumption profile of end customers;
- Risks due to seasonality, climate change, repair programs of producers, transmission capacities, emergency shutdowns of producers, and other unforeseen events that may affect the wholesale electricity market;
- Risks related to incorrect forecasting and / or abrupt change of the wholesale market and inability of the Company to adapt the portfolio of end customers to the changes;
- Risks related to market infrastructure, data exchange systems, security and information protection;
- Risks related to the behaviour of trade participants, experience and code of ethics;
- Risks arising from leaving open positions of other participants in the balancing group of the Company;
- Risk of non-renewal of contracts with end customers due to internal and external factors;
- Risk of changes in the regulatory framework, respectively impossibility to fully or partially transfer the purchase costs on the selling prices to end customers.

## Operational risks

The companies are exposed to a number of risks related to its business activities and processes, incl. risks of default by third parties, on which the Company relies for the performance of its activity; risks of direct and indirect losses; risks related to the staff and the organization of the internal processes and others.

Specific operational risk for companies arises after the entry into force of Regulation 2016/679 of 25.05.2018, related to the protection of personal data. As controllers of personal data, they are obliged to maintain information systems that cover all standards of information security, and to apply reliable technical and organizational procedures, rules and measures to ensure the security of processing, including the prevention of unauthorized access to personal data. data of customers and contractors.

Part of the operational risks is the security risk - the risk of losses due to intentional illegal actions by outsiders or employees of the company.

Other operational risks are related to unregulated use of electricity. In order to detect and prevent them, inspections of various facilities on the network are carried out in order to identify points where illegal actions related to electricity consumption are performed. A number of methods are used to identify checkpoints where risk illegal actions are possible.

### Other risk specific to the activity and industry of energy companies are:

- Risk that the activity will be adversely affected by a reduction in electricity consumption due to economic, political or technological reasons;
- Businesses are at risk from climate change;
- The activity is exposed to the risk of increase in the price of electricity as a result of rising prices of primary energy resources and stricter standards for CO2 emissions;
- Liberalization of the electricity market in the Republic of Bulgaria and strengthening of competition;
- Risks related to interruptions in the supply of electricity;
- Litigation or other out-of-court procedures or actions may have an adverse effect on business, financial condition or results of operations;
- Risk of choosing an inappropriate market strategy;
- Risk of impossibility to detain and hire quality staff;
- Strikes or other industrial actions, as well as negotiations with trade unions may disrupt the activity or increase its operating costs;
- Risks related to the obligation of the Company under the Energy Efficiency Act;
- Risk of impossibility or limitations in the provision of attracted resources, including a significant increase in the cost of financing and changes in interest rates.

### ➤ 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

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**⇒ 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.

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**⇒ Risks associated with future acquisitions and their integration in the structure**

Currently, the economic group of "Eurohold Bulgaria" AD is developing its operations mainly in Bulgaria and other European countries such as Romania, North Macedonia, Ukraine, Georgia, Greece, through acquisitions of companies and assets. The issuer expects these acquisitions to continue in the future. The group intends to implement a strategy of organic growth and the diversification of the product portfolio of its existing businesses in the near future.

The Company's risk related to potential future acquisitions is the uncertainty regarding whether it will be able to identify suitable acquisition sites and investment opportunities. On the other hand, there is uncertainty regarding the assessment 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 results of the economic group as a whole, unforeseen events, as well as difficulties in integrating and optimizing operations and complementary businesses.

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**⇒ Risks related to the management of Eurohold. Operating risk**

Operating risk is the risk of direct and indirect losses to the Group arising from various internal factors related to the Group's operations, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk and arising from legal requirements and generally accepted rules for corporate ethics.

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.

The Group defines the operating risk as: the risk of loss or non-realization of profits, which is caused by non-functioning or not implemented internal control systems or by factors external to the Group, such as economic condition, changes in the insurance environment, technical progress and others. Legal risk is part of operational risk and arises as a result of non-compliance or misapplication of legal and contractual commitments that would have an adverse effect on operations. The definition does not include strategic risk and goodwill risk.

The Group's objective is to manage operational risk so as to prevent financial loss and in the most efficient manner, while maintaining its good reputation and at the same time not hindering initiative and creativity in its actions.



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**⇒ 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.

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**⇒ 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.

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**⇒ 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.

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**⇒ 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.

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**⇒ 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 that may affect economic growth, population income, supply and demand, profit making by economic agents, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changes in legislation and regulatory requirements, national government priorities, etc. Trends in the macroeconomic environment affect market performance and the bottom line of all sectors in the economy. Bulgaria has an open economy and its development depends directly on international market conditions.

Trends in the macroeconomic environment affect market performance and the bottom line of all sectors in the economy.

The outcome of the realisation of certain risks related to the international environment will also depend to a large extent on the plans and preventive measures of individual countries and international institutions, as evidenced by 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 a driver for the development and implementation of innovation and digitalisation that can dramatically change and increase business efficiency on a global scale.

The macroeconomic situation and economic growth globally are fundamental to the development of Eurohold Bulgaria plc and its subsidiaries, including the government policies of the respective countries in which it operates and, in particular, the regulations and decisions made by the respective Central Banks that affect monetary and interest rate policies, exchange rates, taxes, GDP, inflation, budget deficits and external debt, unemployment rates and income structure.

Macroeconomic trends, such as: the impact of the COVID-19 pandemic declared worldwide in early 2020 and the measures taken by the governments of the affected countries; the global economic crisis; the slowdown in economic growth; the risk of systematic global financial fluctuations; recurrent fiscal imbalances; changes in exchange rates to certain currencies; volatility in energy prices; economic and political uncertainty in some regions of the world; the decline in

The development of Bulgaria's economy faces the risk of external influences and depends directly on international market conditions. The presence of adverse macroeconomic conditions in Bulgaria, including increases in unemployment and inflation, and fiscal instability could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Eurohold Group has operations in Bulgaria, Romania, North Macedonia, Ukraine, Greece, Spain, Italy, Poland, Georgia, Belarus and Russia and other European countries and, accordingly, its overall financial position and the results of its operations are affected by the economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE/SEE region could adversely affect certain products and services offered by the Group and result in lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in any such jurisdiction may result in increased operating costs and capital requirements for the Group. Any future periods of economic slowdown or slow economic growth in any 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.

### **Manifested macroeconomic risks at the date of preparation of this Report**

We are currently witnessing a macroeconomic risk posed by the scale and spread of the coronavirus pandemic (COVID-19), which has affected the entire world and dramatically impacted global macroeconomics and economic growth. Due to the COVID-19 pandemic, at the end of the first quarter and throughout the second quarter of 2020, much of the global economy slowed down and activity in some sectors was almost completely suspended. As a result of the measures imposed by governments, a significant part of international trade was hampered. At the global level, the consequent effects on business of the economic disruption caused by the pandemic were: a worsened economic outlook, a significant increase in expected credit losses and other impairments, and a reduction in revenues driven by lower volumes and reduced customer activity.

In 2021, the Covid-19 pandemic will continue to impact the health system, the social environment and the economy. Deviations in energy resource prices as well as the dislocation of trade relationships, leading to a global wave of intense inflationary pressures, had a strong impact. Following the start of mass vaccination, a gradual recovery of the global and domestic economy and the expected rebound in global activity also began. The labour market also experienced favourable developments, and unemployment continued to decline, following its trend, reaching 4.8% at the end of the year. The banking system remained sound, well capitalised, with high levels of liquidity meeting the requirements of the regulatory authorities.

The latest wave of the coronavirus developed actively at the beginning of 2022 again led to a delay in economic recovery in Europe, accompanied by high inflation, absenteeism from work and work in an online environment, increasing shortages of materials, equipment and labor. Record energy prices have further increased the cost of living and reduced the purchasing power of Europeans, especially in low-income households. In general, the impact of the pandemic on economic activity has generally weakened over time, including that the slowdown in the recovery did not last long, given the fading of the last wave and the lifting of restrictive measures.

In the future, possible new waves of infection, correspondingly imposed anti-epidemic measures and prolonged staff shortages could prevent recovery / or lead to a further deterioration of economic activity. They could also delay the functioning of critical supply chains for a longer period of time. On the other hand, weaker demand growth in the near term may help overcome supply constraints a little sooner than expected.

The hostilities between Russia and Ukraine have received widespread international condemnation, and numerous countries have imposed sanctions on assets and operations owned by the Russian state and certain individuals. The IMF notes that the sanctions imposed by a number of countries against Russia are having an impact on the global economy and financial markets, and will have significant side effects in other countries as well. In many countries, the crisis is causing adverse shocks to both inflation and activity amid already heightened price pressures. Central banks closely monitor the impact of rising international prices on domestic inflation, with a view to monitoring and, where necessary, taking appropriate, carefully considered responses. Fiscal policy will need to support the most vulnerable households to offset rising living costs.

The economic consequences of the military conflict in Ukraine cannot be assessed at this stage of development, but are already indicating extremely serious cost effects on the overall global economy. They could lead to an intensification of the already strong uncertainty caused by Covid-19, further complicating the supply chain due to constraints and logistical problems and exacerbating inflationary pressures. If the conflict continues, the economic damage will be significant and is expected to affect all sectors of the Bulgarian and EU economy, including the sectors and regions in which the Eurohold Group operates.

"Eurohold Bulgaria plc seeks to monitor the likelihood of the macroeconomic risk occurring and is developing group-wide measures to mitigate, to the extent possible, the effects that the existence of this risk may have. However, the Holding Company cannot completely exclude and limit its impact on the business, financial position, earnings and cash flows at a group level. There is also the possibility that the occurrence of this risk could exacerbate other risks or a combination of risks.

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## ⇒ Risk of force majeure events

Force Majeure Circumstances are all natural disasters and other cataclysms such as sudden climatic changes, floods, earthquakes, civil disobedience, clashes, strikes, acts of terrorism and war and the like which are of an unforeseeable nature. Acts of God may also be failures of the physical plant of a mechanical nature due to human or systematic error. The occurrence of such events may disrupt the normal operations of the Company until the damage caused is repaired. They may also result in an unpredictable change in investor attitude and interest in relation to the market for the equity and debt securities issued by the Company.

Force majeure circumstances may also arise which could have a severe impact on the overall macroeconomic and international environment. An example of such a risk is the "Pandemic" declared by the World Health Organization from an outbreak of acute respiratory syndrome associated with a new coronavirus (COVID-19) developing in early 2020, as well as the military conflict between Russia and Ukraine.

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### ⇒ Political risk

Political risk reflects the impact of the political processes in the country on the business and investment process and, in particular, on the return on investment. The degree of political risk is determined by the likelihood of adverse changes in the direction of the government's 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 affecting the business and investment climate in the country.

The Republic of Bulgaria is a country with political and institutional stability based on modern constitutional principles, such as a multi-party parliamentary system, free elections, ethnic tolerance and a clear system of separation of powers.

Political risks include the successful continuation of Bulgaria's integration into the European Union (EU). After our country's accession to the EU in early 2007, economic reforms were imposed in the name of our country's integration into the European Union. In the future, economic growth will depend on the political will to continue the economic reforms in order to implement the EU's best market practices in economic, political, social, legal and financial terms.

Despite the stable policy pursued so far, there is no certainty that factors will not appear in the country that would cause social and political tension, lead to a significant and abrupt change in the political and economic conditions, which could have a significant adverse effect on business. Currently, the political situation in Bulgaria is not particularly stable. This instability manifested itself in April 2021 since the country faced the inability to form a regular and stable government. Domestic political uncertainty continues with a caretaker government currently in place. This also contributed to a lag in Bulgaria's preparations for joining the Eurozone, which is why the same is being postponed at this stage.

Given the current political situation, it is possible that political and public disagreements may arise in the country regarding possible legislative changes, and in particular those concerning the economic and investment climate in the country. Also, at this moment, there is no political consensus in the country regarding the complicated geopolitical situation in the region due to the development of the Russian-Ukrainian crisis.

A potential political instability in the country and in Europe could have a significant adverse effect on the Company and its group's business, operating results and financial condition. The company through its subsidiaries operates in the regions affected by the military conflict and in this sense is also vulnerable to foreign policy risks and their effects on the economy of the country, the regions affected by the conflict and Europe as a whole.

Given the uncertainty of the outcome of the emerging dynamic political and economic environment, users of this Report should consider the presence of political risk according to their own understanding and expectations.

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### ⇒ Risk of high levels of unemployment

The risk associated with unemployment is characterized by a drop in the demand for labor force, influenced by the real aggregate demand in the economy, as a result of which the real purchasing activity of a part of the economic entities decreases.

High levels of unemployment can seriously threaten economic growth in the country, which in turn can lead to a contraction of consumption and a decrease in the revenues realized by economic entities in the country, including the revenues realized by the Company and its subsidiaries.

The unemployment rate was 4.4%, or 0.4 percentage points lower than in the first quarter of 2023.

The coefficient of economic activity for the population aged 15 - 64 years is 74.4%, and compared to the fourth quarter of 2021, it increases by 2.6 percentage points.

The coefficient of economic activity for the population aged 15 - 64 years is 73.7%, and compared to the first quarter of 2022, it increases by 1.4 percentage points.

The employment rate for the population aged 15 - 64 years increased by 1.6 percentage points compared to the same quarter of 2022 and reached 70.4%.

Discouraged persons aged 15 - 64 are 43.6 thousand, or 4.1% of the economically inactive persons in the same age group.

**Source:** [www.nsi.bg](http://www.nsi.bg)

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## ⇒ Country credit risk

Credit risk is the likelihood of a country's international credit ratings deteriorating. Low credit ratings of the country can lead to higher interest rates, more difficult financing conditions for economic entities, including Eurohold.

On 13.05.2023, the international rating agency Fitch Ratings confirmed the long-term credit rating of Bulgaria in foreign and local currency 'BBB' with a positive outlook.

Bulgaria's rating is supported by the country's strong external and fiscal position compared to countries with the same rating, the reliable political framework of EU membership and the long-term functioning of the currency board regime. On the other hand, the low share of investment relative to GDP and unfavorable demographic factors weigh on potential economic growth and public finances in the long term.

The positive outlook reflects the country's plans for eurozone membership, which could lead to further improvements in the country's external position indicators. Despite a series of snap parliamentary elections over the past two years, the rating agency believes key political parties remain committed to adopting the euro. According to Fitch Ratings, the necessary legislative amendments should be adopted after the political environment stabilizes, and the risks surrounding the date of entry into the eurozone are mainly related to the fulfillment of the price stability criterion.

Inflation to ease slowly: Fitch Ratings forecasts annual average inflation (HICP) of 9.6% in 2023 (current median of 6.4% for BBB-rated countries), at 13% in 2022. While -low international commodity prices and strong base effects should moderate headline inflation this year, robust domestic demand will keep price pressure high, leading to average annual inflation of 4% in 2024. Wage dynamics, overall, are Inflation-adjusted nominal average wage growth of 12.8% in 2022, driven primarily by increases in the private sector.

**Source:** [www.minfin.bg](http://www.minfin.bg)

On 04.02.2023, the international rating agency Moody's confirmed the long-term rating of Bulgaria in foreign and local currency Baa1 with a stable outlook.

The confirmation of Bulgaria's Baa1 rating balances the following key factors: 1) Moody's expectations that an energy crisis in Europe will not significantly weaken the country's economic and fiscal position. 2) The support for Bulgaria's credit profile arising from the prospect of adopting the euro, despite the risk of delaying the adoption after 2024. 3) The risks to the effectiveness and progress of the government on key priorities arising from the prolonged domestic political stalemate in the country.

The stable outlook reflects Moody's expectations for relatively little fluctuation in the country's main economic and fiscal indicators over the next 12 to 18 months. It also reflects the balance of risks between the potential negative effects on the credit profile arising from the political situation in the country and the potential positive effects of the eventual adoption of the euro.

**Source:** [www.minfin.bg](http://www.minfin.bg)

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## ⇒ Inflation risk

Inflation risk is associated with the likelihood that inflation will affect real investment returns. The main risks related to the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International commodity prices may rise more significantly as a result of political crises or increased demand. The limited supply of some agricultural goods and especially cereals internationally in connection with unfavorable climatic phenomena may additionally cause higher inflation in the country.

According to NSI data, in January 2023, monthly inflation was 1.1%, and annual inflation was 16.4%. The average annual inflation for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 is 15.9%.

In January 2023, monthly inflation as measured by the Harmonized Index of Consumer Prices (HICP) was 1.0% over the previous month, and annual inflation for January 2023 over January 2022 was 14.1%. Average annual inflation for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 is 13.5%.

According to the price index for the small basket, in January 2023 an increase of 1.4% was recorded on a monthly basis.

**Source:** [www.nsi.bg](http://www.nsi.bg)

Inflation can affect the amount of the Company's expenses, as part of the company's liabilities are interest-bearing. Their service is linked to the current interest rates, which also reflect the inflation rates in the country. Therefore, the maintenance of low inflation levels in the country is considered a significant factor for the activity of the Eurohold group.

At the present moment and in general, the currency board mechanism provides guarantees that the inflation in the country will remain under control and will not have an adverse impact on the economy of the country, and in particular on the activities of the Company and its group, and from there on its possibility to service its debt positions.

Given this, every investor should carefully consider and account for both the current levels of inflation risk and the future possibilities for its manifestation.

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## ⇒ Currency risk

This risk is related to the possibility of local currency depreciation. For Bulgaria specifically, this is the risk of premature abandonment of the currency board under a fixed exchange rate. On 10 July 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva, It was assumed that Bulgaria joins the ERM with its existing currency board arrangement, as a unilateral commitment and without additional requirements to the ECB.

Any significant depreciation of the Leva could have a material adverse effect on businesses in the country, including the Company. A risk also exists when a business entity's revenues and expenses are generated in different currencies. The exposure of businesses operating in Bulgaria is particularly pronounced against the US dollar, which is the main currency in a significant part of the world markets for raw materials and products.

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

Changes in various exchange rates did not materially affect the Company's operations until controlling interests were acquired in the countries of Romania, North Macedonia, Ukraine, Georgia, Belarus. The financial results of these companies are presented in the local currencies, respectively, Romanian Leu (RON), Macedonian Denar (MKD), Ukrainian Hryvnia (UAH) and Georgian Lari (GEL), Belarusian Ruble (BYR), whose exchange rate is almost freely determined in the local currency market. Eurohold Bulgaria AD's consolidated earnings will be exposed to currency risk depending on the movement of these currencies against the euro.

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## ⇒ Interest rate risk

Interest rate risk is related to the possibility of a change in the prevailing interest rates in the country. Its impact is expressed by the possibility that the net income of companies may decrease due to an increase in the interest rates at which the Issuer finances its operations. Interest rate risk is included in the category of macroeconomic risks due to the fact that the main prerequisite for a change in interest rates is the occurrence of instability in the financial system as a whole. This risk can be managed through the balanced use of different sources of financial resources.

An increase in interest rates would, all other things being equal, affect the cost of the financial resources used by the Company in implementing various business projects. It may also affect the Company's cost base as a significant portion of the Company's liabilities are interest bearing and their servicing is linked to current interest rates.

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**⇒ Risks associated with regulatory changes. Regulatory risk**

The Company's results may be impacted by regulatory changes. The Eurohold Group operates in a highly regulated environment in various European countries. The possibility of more radical changes in the regulatory framework, in the interpretation or practice of implementing legislation, and in the divergence of legislation and regulations in Bulgaria and in the countries in which the Company operates, could have an adverse effect on its business as a whole, its operating results, and its financial condition.

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**⇒ Risk of increased competition**

All sectors in which the Eurohold Group subsidiaries operate are characterised by 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 a given market segment.

**C. RISK MANAGEMENT AND MINIMISATION MECHANISMS**

The elements outlining the framework for the management of individual risks are directly related to specific procedures for the timely prevention and resolution of potential difficulties in the operations of Eurohold Bulgaria AD. They include ongoing analysis in the following areas:

- market share, pricing policy, market research and market development and market share studies;
- active investment management in different sectors and industries;
- a comprehensive asset and liability management policy for the Company and the Group to optimise the structure, quality and return on assets;
- optimising the structure of funds raised with a view to ensuring liquidity and reducing financial costs across the Group;
- effective cash flow management at group level;
- optimising administration, management and external service costs;
- human resources management

Overall risk management is focused on minimising potential negative effects that could impact the Group's financial performance. Financial risks are identified, measured and monitored on an ongoing basis using various controls to determine appropriate pricing for the services and products offered by Eurohold Group companies and for the borrowed capital raised by them. Adequate assessment is made of market circumstances, the investments made in the Group and the forms in which available liquidity is maintained, without undue concentration of risk.

The occurrence of unforeseen events, incorrect assessment of current trends, as well as a host of other micro- and macroeconomic factors, may affect the judgement of the Company's management team.

**INFORMATION ON LARGE RELATED PARTY DEALS IN THE FIRST QUARTER OF 2023**

All significant transactions concluded by Eurohold Bulgaria AD and its subsidiaries are disclosed in the "Significant Events" section of this consolidated Activity Report, as well as in the Appendices to the Interim Condensed Consolidated Financial Statements as of 31.03.2023.

Sofia,  
9 June 2023

**Assen Minchev,**  
*Executive Director*

**Milena Guencheva,**  
*Prosecutor*

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Internal information  
31 March 2023



## INTERNAL INFORMATION

### **under Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse**

Eurohold Bulgaria AD publicly discloses inside information pursuant to Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council to the Financial Supervision Authority, the Bulgarian Stock Exchange and the public through the financial media Extra News at the following internet address: [www.x3news.com](http://www.x3news.com), where the inside information is available at the following link: <http://www.x3news.com/?page=News&unigid=63ff460157e2d>.

The publicly disclosed inside information can also be found on the website of Eurohold Bulgaria AD. [www.eurohold.bg](http://www.eurohold.bg), where it is available in the "Internal Information" section at the following link: <https://www.eurohold.bg/internal-information-645.html>.

The disclosed financial information is available on the Company's website at the following link <https://www.eurohold.bg/2022-786.html>

The management of Eurohold Bulgaria AD believes that there is no other information that has not been publicly disclosed by it and that would be important to shareholders and investors in making an investment decision.

**Assen Minchev,**  
*Executive Director of Eurohold Bulgaria AD*

**Milena Guencheva,**  
*Prosecutor of Eurohold Bulgaria AD*

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## Additional information as at 31 March 2023

## ADDITIONAL INFORMATION

**to the interim condensed individual activity report  
for the period 1 January - 31 March 2023**

***pursuant to REGULATION No. 2 of 9 November 2021 on initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market***

**1. Information about changes in accounting policies during the reporting period, the reasons for them and how they affect the issuer's financial result and equity**

There were no changes in the accounting policies of Eurohold Bulgaria AD during the reporting period.

**2. Information about changes in the issuer's group of companies within the meaning of the Accounting Act, if it participates in such a group**

**For the period of the first quarter of 2023, there were no changes in the group of enterprises of Eurohold Bulgaria AD**

**3. Information on the results of organizational changes within the issuer, such as reorganization, sale of a group of companies within the meaning of the Accounting Act, in-kind contributions by the company, lease of property, long-term investments, discontinuation of operations**

There are no organizational changes within the Eurohold Group.

**4. An opinion of the governing body on the feasibility of the published forecasts for the current financial year, taking into account the results of the current quarter, as well as information on the factors and circumstances that will affect the achievement of the forecast results at least until the end of the current year**

There are no published projections for 2023.

**5. Data on the persons directly and indirectly holding at least 5 per cent of the votes in the general meeting at the end of the relevant quarter and the changes in the votes held by the persons for the period from the beginning of the current financial year to the end of the reporting period**

	<b>Name</b>	<b>Shares</b>	<b>% of equity</b>
1.	Starcom Holding AD	130 454 157	50.08%
2.	KJK Fund II Sicav-Sif Balkan Discovery	28 116 873	10.79%
3.	Boston Management and Research, through the following funds managed by it: - Global Opportunities Portfolio, - Global Macro Portfolio, - Global Macro Absolute Return Advantage Portfolio, - Global Macro Capital Opportunities Portfolio.	22 926 240	8.80%
	SLS Holding AD	18 568 928	7.13%

**6. Data on the shares held by the issuer's management and control bodies as of the end of the relevant quarter, as well as the changes that occurred for the period from the beginning of the current financial year to the end of the reporting period for each person separately**

	<b>Name</b>	<b>Shares</b>	<b>% of equity</b>
1.	Dimitar Stoyanov Dimitrov	200	-
2.	Assen Emanuilov Asenov	33 930	0,01%
3.	Veleslav Hristov	200	-

**7. Information on pending judicial, administrative or arbitration proceedings concerning debts or claims amounting to at least 10 per cent of the issuer's equity capital; if the total value of the issuer's debts or claims in all proceedings exceeds 10 per cent of its equity capital, information shall be provided for each proceeding separately**

There is no pending litigation or arbitration relating to the Company or any of its subsidiaries, with a value of the claim of at least 10 per cent of the equity of the Company.

**8. Information on loans, guarantees or commitments granted by the issuer or its subsidiary to a person or its subsidiary, including related persons, indicating the nature of the relationship between the issuer and the person, the amount of principal outstanding, the interest rate, the final repayment date, the amount of the commitment, the terms and period of**

Transactions with related parties for the reporting period are disclosed in the Appendices to the interim condensed individual financial report for the first quarter of 2023, as well as in the interim condensed individual report on the activity as of March 31, 2023.

The conditions under which the transactions were carried out do not deviate from the market conditions for such type of transactions.

June 9, 2023

**Assen Minchev,**  
*Executive Director of Eurohold Bulgaria AD*

**Milena Guencheva,**  
*Prokurist of Eurohold Bulgaria AD*

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Appendix 4  
31 March 2023

## APPENDIX 4

**to Art. 12, para. 1, point 1, Article 14 and Article 21, point 3, letter "a" and point 4, letter "a" of the REGULATION No. 2 of 9.11.2021 on initial and subsequent disclosure of information in the case of public offer of securities and admission of securities to trading on a regulated market**

**for the period 1 January - 31 March 2023.**

- 1. No change in the persons exercising control over the company**
- 2. Opening of insolvency proceedings for the company or its subsidiary and all material stages related to the proceedings**

No insolvency proceedings have been opened for the Issuer.

On June 9, 2023, the court in Bucharest decided to declare procedure for insolvency of "Euroins Romania Asigurare Reasigurare" SA ("Euroins Romania"), an indirect subsidiary of "Eurohold Bulgaria" AD. The insolvency proceedings were opened on the basis of a claim by the Financial Supervisory Authority of Romania (Autoritatea de Supraveghere Financiară), filed on the basis of a decision of the Financial Supervisory Authority of Romania dated March 17, 2023, by which the regulator revoked the license of Euroins Romania.

The Bucharest court allowed an appeal by Euroins Romania and its majority shareholder "Euroins Insurance Group" AD for unconstitutionality, related to the opening of insolvency proceedings against an insurance company based on a decision of the Romanian regulator to revoke its operating license without being definitively available an effective court decision on the legality of the decision in question, which deprives the insurance companies of their right to a fair trial and effective judicial review.

- 3. Conclusion or execution of material transactions**

Всички сключени сделки, включително и съществени са оповестени в Приложенията към междинния съкратен индивидуален и междинния съкратен консолидиран финансов отчет за първите три месеца на 2023 г., както и в Междинния съкратен индивидуален и в Междинния съкратен консолидиран отчет за дейността към 31 март 2023 г.

- 4. No decision to enter into, terminate or cancel a joint venture agreement**
- 5. No change in the company's auditors and reasons for the change**
- 6. There has been no commencement or termination of any legal or arbitration proceedings relating to the debts or claims of the company or its subsidiary, with a cost of the claim of at least 10 per cent of the equity of the company**
- 7. Purchase, sale or pledge of shares in commercial companies by the issuer or its subsidiary**

 There are none for the reporting period

- 8. Other circumstances that the company believes may be relevant to investors in deciding whether to acquire, sell or continue to hold the publicly offered securities**

All concluded transactions, including material ones, are disclosed in the Appendices to the interim abbreviated individual and interim abbreviated consolidated financial statements for the first three

months of 2023, as well as in the Interim abbreviated individual and Interim abbreviated consolidated activity reports as of March 31, 2023.

09.06.2023 г.

**Assen Minchev,**  
*Executive Director of Eurohold Bulgaria AD*

**Milena Guencheva,**  
*Prosecutor of Eurohold Bulgaria AD*

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## Declaration of responsible persons



## DECLARATION

### Article 100n, paragraph 4, item 4 of POSA

The undersigned,

1. Assen Minchev - Executive Director of Eurohold Bulgaria AD
2. Milena Guencheva - Attorney of Eurohold Bulgaria AD
3. Ivan Hristov - Group financial controller of Eurohold Bulgaria AD (complier of the financial statements)

#### **WE DECLARE that to the best of our knowledge:**

1. The set of consolidated financial statements for the first twelve months of 2022, prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of Eurohold Bulgaria AD.;
2. The Consolidated Condensed Management Report as at 31.03.2023 contains a reliable overview of the development and performance of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

Declarators:

1. Assen Minchev
2. Milena Guencheva
3. Ivan Hristov